Assessment of Workforce Housing Provision and Management

Jackson / Teton County Wyoming

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Introduction

Ensuring an adequate supply of workforce housing has been a challenge in Teton County for decades. The Town of Jackson, the Teton County Commissioners, the Teton County Housing Authority (TCHA, the Housing Authority), Jackson Hole Community Housing Trust (JHCHT, the Housing Trust), Habitat for Humanity of the Greater Teton Area (Habitat) and employers and developers have worked effectively in the past to address this challenge and maintain a vibrant, diverse local workforce.

As part of ongoing and evolving efforts to effectively and efficiently address the community's housing needs now and in the future, a Workforce Housing Stakeholder Group for Teton County was formed in early 2013. The main objective of this group is to develop a Workforce Housing Action Plan.

Request for Proposal

On May 1, 2014 the Teton County Planning and Development Department released a Request for Proposals (RFP) for an assessment and recommendations as part of a larger effort to create the Workforce Housing Action Plan.

- The assessment will be folded into the Workforce Housing Action Plan as one of the chapters (Chapter 5).
- The recommendations will be used to inform the plan's conclusions (Chapters 6- 9)

Specifically, the Request for Proposals asks for the development of two products:

1. The first product is an assessment of the efficiency and effectiveness of various housing providers in preserving and producing housing in the Town of Jackson and Teton County, Wyoming. Housing providers include local housing organizations funded publicly and by private donations as well as other, less tangible, housing providers such as "employers"" or "the market". The assessment will also include a study of the structure of housing programs in peer communities as well as the primary tools they use to produce, preserve, and manage workforce housing.

2. The second product is a technical recommendation on the workforce housing production, preservation, management, education, and monitoring that will allow the community to meet its housing objectives.

Glossary of Terms

Affordable Home Ownership – Housing units with a ground lease or deed restriction limiting their use to the local workforce

ARU – Accessory Residential Unit – Secondary units on a property that can be rented to a member of the workforce or used as a guesthouse

Deed Restriction - Limitations (covenants) written into a deed to restrict the control, occupancy, or use of a property, such as to protect it as workforce housing

Fee-in-Lieu - Dollar amount paid to meet a mitigation requirement rather than actually providing the mitigation itself, it should allow the recipient of the fee to then provide the mitigation, it is often use to pool fractional mitigation requirements into a full unit

Ground Lease - A long-term land lease utilized by workforce housing providers to protect the intended use and affordability of housing units built on the land

LDR's - Land Development Regulations intended to encourage delivery of community benefits such as workforce housing as part of the development approval process

LIHTC Housing – Low Income Housing Tax Credit Housing

Live/Work Units – Ownership housing units that combine a residential portion with a commercial workspace that is utilized by the owner for their business

Long Term Rental – Rental housing units intended for permanent employees staying a minimum of one year in the community

Regulatory Housing Units – Housing units intended for the workforce that are created by the private sector through government regulation or requirement

Seasonal Rental – Rental housing units intended for seasonal workers staying between one and six months in the community

TCHA Regulatory – Regulatory units that are managed by TCHA

Workforce Housing - Local market and deed-restricted housing occupied by people working locally who would otherwise commute from outside the community

Methodology

Data gathering for this study took place in July, August and September of 2014. Sources included the Jackson Hole Community Housing Trust, the Teton County Housing Authority, Habitat for Humanity of the Greater Teton Area and Teton County Planning and Development. Data for the comparisons with other communities came from the Whistler Housing Authority, the Aspen Pitkin County Housing Authority, the Blaine County Housing Authority, Banff Community Housing Corporation, Canmore Community Housing Corporation and the San Miguel Regional Housing Authority.

The numbers presented in the tables and charts in this report cannot be confirmed as 100% accurate. In some cases data sources did not reconcile. This is not an audit. However, these numbers are accurate enough to inform the Observations, Recommendations and Conclusions sections of the report.

Meetings were held with the following key informants whose perspectives helped shape the analysis and recommendations:

Alex Norton
Anne Cresswell
Arne Jorgensen
County Commissioner Barbara Allen
County Commissioner Ben Ellis
Bill Collins
Town Councillor Bob Lenz
Bob McLaurin
Brendan Schulte
Brett McPeak
Christine Walker
Town Councillor Don Frank
Ed Cheramy
Ed Riddell
Gina Valencia
Greg Prugh
County Commission Chair Hank Phibbs
Jan Marie Hobart
Jason Wells
Jean Day
Town Councillor Jim Stanford
Jonathan Schechter
Mayor Mark Barron
Mark Newcomb
County Commissioner Melissa Turley
County Commissioner Paul Vogelheim
Sandra Murphy
Stacy Stoker
Tyler Sinclair
Veronica Mulhall

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Part 1

Assessment

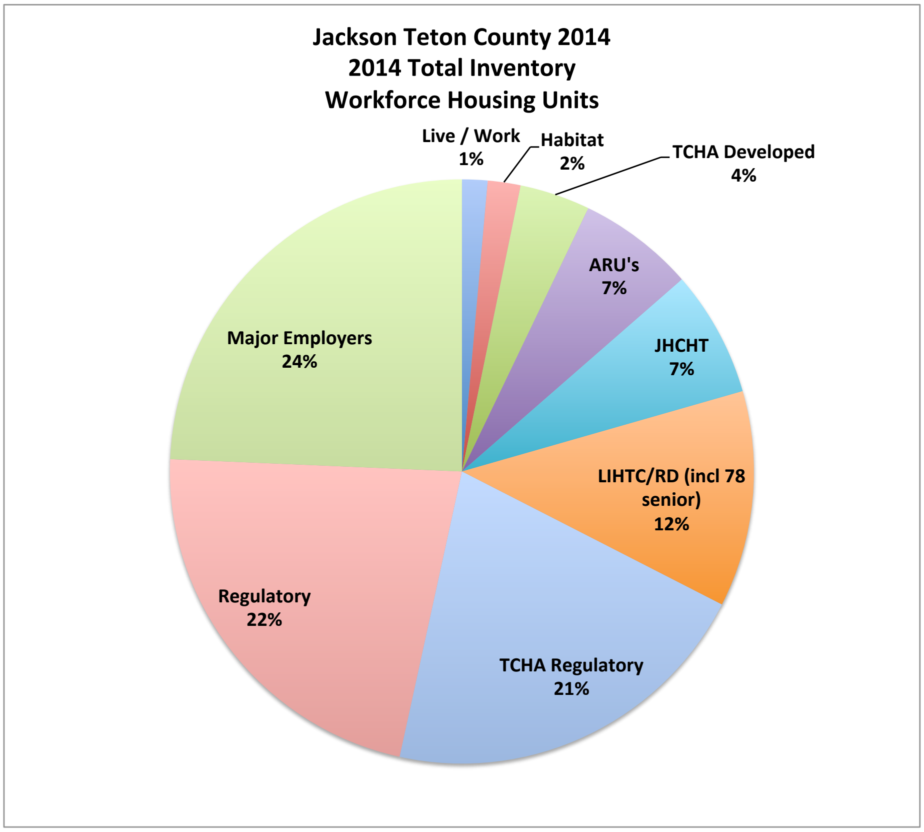
Overview

Affordable housing is a primary issue in Jackson/Teton County. Ensuring a full range of housing opportunities is available to the local workforce has been a challenge. There are shortages across the continuum from seasonal rental housing to long term rental and ownership. Three local housing organizations, the Teton County Housing Authority (TCHA, the Housing Authority), the Jackson Hole Community Housing Trust (JHCHT, the Housing Trust) and Habitat for Humanity of the Greater Teton Area (Habitat) have been working to address this issue over the past two decades. Major employers including the local governments, the ski area, the hospital, grocery stores and the school board have also worked to produce workforce housing, mostly rental, and private sector developers have produced market and deed-restricted units.

Current Inventory of Workforce Housing

A breakdown of the current inventory of workforce housing in Jackson/Teton County is shown in the table and chart below below.

Jackson / Teton County 2014 Total Inventory Workforce Housing Units		
	2014	**% of 2014 Total**
Live / Work	21	1%
Habitat	27	2%
TCHA Developed	58	4%
ARU's	96	7%
JHCHT	104	7%
LIHTC/RD (incl 78 senior)	178	12%
TCHA Regulatory	311	21%
Regulatory	331	22%
Major Employers	362	24%
2014 Total	**1488**	100%



These inventory numbers have been confirmed with TCHA, JHCHT, Habitat and the 2014 Housing Needs Assessment for the Western Greater Yellowstone Region by Rees Consulting et al. The total of 1488 housing units represents all housing units (restricted and unrestricted) that are dedicated to the local workforce including 178 Low Income Housing Tax Credit and Seniors units (presumably housing predominantly employees and retirees).

Recent Progress in Workforce Housing Production

The 2007 Teton County Housing Needs Assessment by Economic & Planning Systems noted an annual production rate of 125 affordable housing units (ownership and rental) prior to 2007. In order to “catch up” to the increasing demand over the next 20 years (until 2027), it recommended increasing production by 38 units per year to **163 units per year.**

The following table shows the production of workforce housing units since the 2007 Housing Needs Assessment.

Jackson / Teton County Workforce Housing Unit Production 2007 - 2014 (7 Years of Production)			
	2007-2014	**% of '07-'14 Total**	**per year**
TCHA Developed	14	2%	2
Habitat	18	2%	3
JHCHT	20	3%	3
Live / Work	21	3%	3
ARU's	42 *	6%	6
TCHA Regulatory	63	8%	9
Regulatory	114	15%	16
LIHTC/RD (incl 78 senior)	178	23%	25
Major Employers	286	38%	41
2007 - 2014 Total	**756**	100%	**108**

*The inventory of ARU's in the 2007 Needs Assessment was 141, but the 2014 TCHA inventory is only 96, and 42 have been registered since the beginning of 2007, so 87 ARU's are "missing" from the TCHA inventory.

This table demonstrates that the annual production of workforce housing units has actually dropped since 2007, from 125 units to 108 units. This confirms that Jackson is losing ground relative to the recommended "catch up" rate of 163 new units per year. We must recognize that 163 per year was recommended pre-2008, and the economic slowdown certainly impacted housing production in the years to follow. However, in 2014, the economic indicators and the demand are back up. Accordingly workforce housing production and annual metrics also need to be stepped up.

The confusion over the inventory of ARU's (see the footnote below the chart) is a result of not having anyone responsible for keeping track of the entire workforce housing inventory on an ongoing basis. Similarly, the total inventory of employer created units is not being reconciled and monitored regularly. In comparable jurisdictions (Aspen, Whistler, Summit County, CO) this oversight responsibility is assigned to a single entity.

Jackson / Teton County Workforce Housing Production by Tenure 2007 - 2014 and 2014 Total				
	2007 - 2014		**2014 Total**	
	Units	**%**	**Units**	**%**
Rental	578	**76%**	950	**64%**
Ownership	178	**24%**	538	**36%**
2007 - 2014 Total	**756**	100%	**1488**	100%

The Workforce Housing Production by Tenure table shows that rental housing production is outpacing ownership by an increasing margin. The 2014 inventory of rental units (950) represents 64% of this inventory compared to 36% in ownership (538), an indication that the production of deed restricted ownership units has fallen off somewhat since 2007. The 2007 Housing Needs Assessment indicated 44% of the inventory was ownership. The imbalance between ownership and rental, and the lower than projected production are further confirmed in the recent WGY Housing Needs Assessment that estimates the current gap (the difference between inventory and need) at 905 ownership units (80 – 120% AMI) and 300 rental units. Even if this gap is overstated, significant increase in workforce housing production, especially ownership is required in order to meet the current challenge. As discussed later in this report, it will likely require structural change of the delivery system to achieve this.

Analysis of Workforce Housing Production Tools

Prior to 2007, according to the Teton County Housing Needs Assessment by EC&A, 52% of workforce housing production came from commercial and residential mitigation requirements, 33% through incentives (ARU's, units built by employers, density bonus, planned unit developments) in Land Development Regulations (LDR's) and 16 percent through unrequired or voluntary efforts by housing providers. Mitigation requirements and incentives work very well during periods of strong development and Jackson/Teton County should be commended for harnessing that development strength to produce workforce units.

As development slowed after 2007, the situation began to change. The following table and chart show the breakdown by Workforce Housing Production Tools for the period from 2007 to 2014.

Jackson / Teton County Workforce Housing Production Tools 2007 - 2014			
	2007-2014	**%**	**pre - 2007**
Residential Mitigation	81	11%	52%
Commercial Mitigation	79	10%	
Incentive	80	11%	32%
LITHC/RD (incl 78 senior	178	24%	-
Habitat/JHCHT/TCHA	52	7%	
Other Voluntary	286	38%	16%
2007 - 2014 Total	**756**	100%	100%

Sources: TCHA, JHCHT, 2007 Teton County Hosing Needs Assessment, Melanie Rees

In the last seven years, production through mitigation requirements and incentives has dropped from 84% (prior to 2007) to 32%. Voluntary production has dramatically increased largely due to rental units being created by large employers. Only 7% of the units created in recent years have come from the efforts of the three housing providers (Habitat/JHCHT/TCHA) and the other 38% (286 units) is presumed to have been voluntary from employers, but there is no central registry or inventory of those units and, it appears, no formal restriction on their occupancy and use other than those imposed by the employer.

This is not a good situation. In order for any restrictions to be in place in perpetuity or long term (99 years) they need to be properly registered and properly administered, especially during the changeover of a property. While this is happening at Habitat, JHCHT and TCHA, each organization has its own system. There are a multitude of different covenants, ground leases and processes creating significant confusion for our treasured local employees who are renting, buying and selling. This administration process needs to be harmonized into something more comprehensive, consistent and understandable. It should also be under one roof and should include some administration to ensure the employer units without restriction remain workforce housing.

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Form of Restriction 2007 – 2014

A look at the breakdown by restriction of the units produced in the same period shown in the following table is puzzling. Fully 69% of the recent inventory produced appears to have no formal restriction on it. Perhaps further investigation will clarify this, but with no single agency charged with responsibility of oversight of this essential inventory, it will require some effort to pull it together.

Jackson / Teton County

Workforce Housing Production by Restriction

2007 - 2014

	2007-2014	% of '07-'14 Total
Covenant	184	24%
Ground Lease	52	7%
No Restriction	28	4%
Don't Know?	492	65%
2007 - 2014 Total	**756**	100%

Comparing Housing Providers

The information thus far in this report indicates how many units the various providers of workforce housing in Jackson/Teton County have produced but it does not tell the whole story. These providers have overlapping and disparate roles. There is very little coordination of their collective activities and the role of the Town and County governments appears to be somewhat disconnected from the efforts to create solutions to this significant local issue.

This is not a criticism of any of the stakeholders engaged in the effort to address the shortage of workforce housing. The employers and developers are working with the regulations and incentives out in place by the Town and County governments. The three housing providers are working hard to produce units, in some cases in collaboration with other stakeholders. In spite of all these diligent efforts, the delivery system lacks cohesive multi-stakeholder oversight.

In an attempt to assess the effectiveness of the three housing providers, the following table compares TCHA, JHCHT and Habitat on a number of parameters:

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Housing Provider Comparison Table Jackson / Teton County 2014			
	Teton County Housing Authority	Jackson Hole Community Housing Trust	Habitat for Humanity Greater Teton Region
Year Established	1990	1992	1995
Years in Operation	24	22	19
Workforce Housing Units Built to Date	58	104	27
Workforce Housing Units Built per Year	2.4	4.7	1.4
Workforce Housing Units Built in Last 7 Years			
Milward 2007			1
Melody Ranch 2007			2
Melody Ranch 2008			3
Glory View 2008		10	
Melody Ranch/Wilson Park 2009			3
Wilson Park 2010	7		
Daisy Bush 2012		8	
5-2-5 Hall 2012	7		5
Shooting Star			4
Total	14	18 *	18
Funding Sources			land donations for most of Habitat's homes have been provided through public funding in excess of $2.3 M in total for these 18 units ($127,800 per unit)
SPET Funds	$2,674,000	$135,418	
Fee-in-Lieu	$914,000		
TOJ Employer Housing Investment (Options)		$1,800,000	
Proceeds from Sale of Units	$2,455,000	$5,572,840	
Average Project Cost per sq. ft. (land not included)	$347	$328	
Average Sales Proceeds per sq. ft.	$158	$236	
Number of Staff (2014)	4	2.5	
Annual Operating Budget (2014)	$421,000	$230,000	
Workforce Units Currently Under Development			
The Grove	68		
Schwabacher Meadows		11	
Redmond Hall		19	
Daisy Bush			4
Total	68	30	4

Data Source: TCHA, JHCHT, Habitat Teton

* JHCHT actually added 20 units in the 7 years, not 18, but 2 units are in a duplex they purchased at Hall and Redmond. These are rental units not deed-restricted homeownership, and were purarchased not built, so they have been left out of this comparison table

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The first thing to point out in this comparison is that the **Housing Authority (TCHA)** does much more than develop, rent, sell and resell its own units. It has a role in the delivery of units that are required through commercial and residential mitigation and an oversight role in the delivery of ARU's. It also utilizes SPET funding and other County funding in its efforts to provide more housing solutions, for example providing land to Habitat for Humanity at little or no cost. It has a substantial operating budget to undertake these wide-ranging responsibilities and would likely benefit from a focus on fewer areas of responsibility, especially those that are duplicated by other providers, including the private sector. Its project development costs are in line with those of the Housing Trust, but THCA does not appear to have strong financial oversight given the magnitude of its financial commitments.

The **Housing Trust (JHCHT)** spends a good deal of its effort raising funds from private donors to carry out its mission. It has also utilized a modest amount ($135,418) of SPET funding as well as proceeds from selling rights of first rental and purchase to the Town of Jackson. JHCHT has been the most prolific of the three providers and has used less public funding than the Housing Authority in producing workforce units. It also shows a lower project development cost per square foot (land excluded) over the last seven years and a higher recovery of cost per square foot from sale proceeds (in part because it does not try to subsidize lower AMI Categories as the Housing Authority does). The Housing Trust is in the process of developing a 21-unit workforce housing rental project at Redmond and Hall that is intended to provide the organization with stable operating funding in the future.

Habitat has the most clearly defined role and niche, delivering deed-restricted ownership units to lower income households. This is achieved through substantial use of volunteers to fundraise and construct, donations and discounts from suppliers of material and services, revenues from the Re-Store and donated funds. The County, through the Housing Authority, has subsidized land costs. The comparison table does not show annual budget, staffing or construction cost numbers for Habitat as their model involves so much volunteer work and their housing production function is difficult to separate out from their other activities.

Private Sector Developers are not shown in the table as we do not have reliable full project costing numbers. However, there does seem to be a consensus that the public and non-profit sectors risk spending more when they manage their own infrastructure and project construction. This is best tendered in fixed price contracts to the private sector, the common practice with workforce housing.

Comparison With Other Resort Communities

In comparing Jackson/Teton County with other resort communities where workforce housing has been a challenge, it is illuminating to look at examples where a strong and broad-based program is in place, and some others that have not been as successful but have still produced significant results.

The next table shows a comparison of Jackson/Teton County and Tier 1 Resort Communities - Based on Provision of Workforce Housing. These communities are very different – Summit County is actually a collection of ski areas and towns with a lot of housing and a short commute, Pitkin County has longer commutes, Whistler's numbers are for the resort municipality only (not the region) and Teton County is huge but has a tiny percentage of private land and one main center, Jackson.

Data for this table was collected from the sources shown below and is meant for relative comparison purposes, not absolute measurement. It is all within the last three years.

Sources for Table of Tier 1 Resort Communities – Based on Provision of Workforce Housing

- Jackson Hole Compass 2014 Edition - Charture Institute / Jackson Hole News & Guide
- Western Greater Yellowstone Region Housing Needs Assessment 2014 - Rees Consulting et al
- Build and let live: 40 years of affordable housing in Aspen - Catherine Lutz, May 27,2014
- 2014 Whistler Housing Authority Employer Housing Needs Report - Marla Zucht
- 2013 Summit County Workforce Housing Needs Assessment - Rees Consulting and Wendy Sullivan
- Teton County Housing Authority
- Jackson Hole Community Housing Trust
- 2007 Teton County Housing Needs Assessment - Economic & Planning Systems
- Resort Municipality of Whistler Planning Department
- Town of Jackson
- Teton County
- Jackson / Teton County Planning and Development
- Aspen / Pitkin County Housing Authority
- Summit County Housing Authority
- Town of Breckenridge
- Whistler Housing Authority

Examples of Tier 1 Resort Communities
Based on Provision of Workforce Housing

	Jackson Teton County	Aspen Pitkin County	Summit County Colorado	Whistler BC
Size of Jurisdiction (sq. miles)	4,222	973	608	93
Population				
Permanent Population Town and County	22,300	17,400	28,600	10,000
Peak Season Workforce	14,200	11,000	19,000	12,400
% of Workforce Housed	est. 65%	47%	94%	81%
Housing Units				
Total	13,150	est. 13,000	30,250	8,714
% Permanently Occupied	70%	59%	40%	45%
Workforce Restricted Units				
Rental	950	1,500	1,340	864
Ownership	538	1,300	721	1,041
Total	**1,488**	**2,800**	**2,061**	**1,905**
% of Housing Units that are Restricted	11%	22%	7%	22%
Housing Organization	TCHA/JHCHT	APCHA	SCHA	WHA
Annual Ops Budget	$651,000	$197,000	$347,000	$190,000
Ann. Capital Budget	$3.7 M	$7 M	varies	varies
Annual Funding Sources (typical)				
% of Sales Tax	-	$1 M	$1 M	
Property Tax	-			
Real Estate Transfer Tax	-	$6 M		
Impact Fee / Housing Fund	$3.4 M	$0.7 M	$0.6 M	$6 M *
% of Rental Income				$200,000
Private Donations	$1.1 M			
Annual Funding Total	**$5.5 M**	**$7.7 M**	**$1.6 M** **	**$200,000**
Tools Utilized				
Residential Mitigation	•	•	•	•
Commercial Mitigation	•	•		•
LDR Incentives	•	•	•	•

* Whistler's $6 M Housing Fund was created during a period of rapid development 1989-1996 and utilized to start the WHA and develop 144 units of rental housing - it is not an annual amount

** This is an annual funding stream now. Larger project-specific amounts were raised 2000-2012

Aspen and Whistler jump out as the communities having the largest percentage of housing units that are restricted to the workforce, but it is interesting to note the variation in the percentage of workforce housed, Aspen at 47%, Whistler at 81%, Summit County at 97% and Jackson/Teton County in the middle at an estimated 65%. An important takeaway at the outset here is that, unlike the other three, Jackson does not have a straightforward means of annually determining the percentage of workforce housed, the metric that would measure progress towards or away from the 65% target.

Jackson shows the highest percentage of permanently occupied housing units and Aspen is next. This may stem from the more historic nature of these communities where more of the older, smaller market housing stock is still housing the workforce. In any case, as older stock is replaced with new market housing, it is less likely the workforce will be occupying it. This is a good reason for protecting some of that older stock before it turns over (see Recommendation 3 below).

The tenure (rental/ownership) split is an interesting comparison. Has Jackson built more rental than ownership on purpose or did it just happen that way? Part of the reason we do not have a clear answer to that question is that we do not have a central single entity responsible for keeping an eye on demand, production and inventory of all workforce housing. The Town, the County, TCHA, JHCHT, the employers, the developers and Habitat all play a role but who is pulling it all together on an ongoing basis? It would appear that there is strong demand for more deed-restricted ownership units but in what form, at what price? At the same time we are hearing a lot about the critical rental shortage. Is that just seasonal or do we have under-supplied ownership demand being forced into rental and putting extra pressure on it? These are questions that a single organization is mandated to answer annually in other resorts. Not so in Jackson.

Aspen and Whistler also show the lowest operational funding required for the organization charged with administering the overall housing program and working collaboratively with local developers, but not necessarily charged with building units. That responsibility rests with employers and local developers. While Jackson/Teton County has made considerable progress, it clearly has not been as efficient and effective with its housing organization operational funding.

It is difficult to compare funding sources for the creation of workforce housing in Canada and the U.S as their funding structures are so different, but we can compare Aspen to Jackson and see that Aspen has been clear about establishing a steady and significant (at times up to $12 M per year) funding source to enable housing solutions. Jackson/Teton County has directed significant funds at points in time but has not established a consistent reliable annual funding stream. Summit County appears to have accomplished a great deal with its annual dedicated revenues, but the amount does not represent total funding as the ski areas and communities, especially Breckenridge provide additional resources.

When we look at the tools utilized, Jackson is using all the tools that Whistler and Aspen have, but is still losing ground in addressing a growing problem. Further, the tools utilized have been tied to strong development activity, which, according to real estate and development professionals, is being stalled by steadily increasing land prices and the inability to increase density in most areas. This suggests that steady funding and changing regulations will be a larger part of the answer moving forward.

Tier 2 Resort Communities - Based on Provision of Workforce Housing

Banff	Steamboat Springs
Canmore	Telluride
Ketchum/Sun Valley	Vail

Examples of Tier 2 Resort Communities- Based on Provision of Workforce Housing are shown in the table above. There was not enough data available to create a meaningful comparison table, perhaps in part because their efforts have not been as consistent and coordinated as the Tier 1 communities. However, a scan of Banff, Canmore, Ketchum/Sun Valley, Sreamboat Springs, Telluride and Vail clearly indicated they have utilized fewer tools, secured less funding, produced less restricted housing and generally have made less effort to address the shortage of workforce housing. In some cases, they have done enough to mitigate their particular situation and in others, they have sacrificed community diversity and resilience. All of them are still trying to move solutions ahead.

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Part 2

Observations

The primary focus of this assessment of workforce housing providers was to determine which organizations and which tools were most effective in producing solutions. This may not be the key question. The housing providers are producing housing as well as can be expected within current framework. It is the framework itself, the tools and processes utilized to produce housing that needs revision and improvement in order secure the supply of a full range of housing units for the Jackson/Teton County workforce.

1. The provision of workforce housing is not keeping up with the increase in demand

- Most working families and individuals are unable to afford to purchase market housing
- Rental housing supply is constrained by increasing land costs, vacation rentals and limitations on site coverage and building height
- The production of deed-restricted housing is an effective solution but is not keeping pace with demand
- The proportion of the workforce living in market ownership housing will continue to decrease as workers retire and age in place

2. The price of land is the root cause of workforce housing shortages

- Continuing to create subdivisions in the County outside the Town of Jackson will compound the problem
- Low density development (single family and ground-oriented multi-family housing) in the Town of Jackson is severely constrained by land cost and availability
- Younger generations are not so focused on the single family housing form
- Land constraints dictate that population growth can only be accommodated by increases in residential density
- The current density level in the Town of Jackson is low and creates plenty of opportunity for creative mixed-use and residential solutions

3. The organizational framework for producing housing can be improved

Deed restricted housing is an essential component in the suite of workforce housing solutions that have been implemented in Teton County. The stakeholders in the provision of workforce housing do not have a coordinated collaborative process to deliver units. These stakeholders include:

- Teton County Housing Authority
- Jackson Hole Community Housing Trust
- Habitat for Humanity of the Greater Teton Area
- Large Employers
- Small Employers
- Developers and Builders
- Jackson Town Council and Staff
- Teton County Commissioners and Staff

There are three distinct components of workforce housing in any resort community. They are:

- **Affordable Homeownership (Deed Restricted)**
- **Long Term Rental**
- **Seasonal Rental**

Each of these components needs to have a focused strategy and process for the delivery of units. Currently the Town and County do not have a clear shared process for the delivery of any of these components.

- **The Teton County Housing Authority** (TCHA) plays a lead role in the delivery of deed-restricted and some long term rental housing, but the Town of Jackson, where most of the future housing will need to be delivered, does not have any formal role in the governance of TCHA. This is not consistent with lead workforce housing organizations in resort communities, where the local jurisdiction (in this case the Town of Jackson) typically does play a significant roe in the governance .

  THCA reviews plans for the Town and the County, purchases land for its own projects and collaborates, at times, with the Trust and Habitat on land purchases. In some cases it may actually compete with other stakeholders on land purchase. TCHA oversees the restrictions on workforce housing rental units produced by small employers, while large employers tend to create their workforce units voluntarily and operate them independently.

  TCHA also develops its own projects and administers rentals, sales, resales and restrictions on that inventory. For example, it is currently undertaking the development of The Grove, a three story mixed-use project with a total of 68 affordable residential units (20 rental and 48 ownership) in two phases with a total budget of $23 million. In addition to holding a long-term lease on the building the houses its offices, the Housing Authority also owns $4 million of land in two locations (Cheney Lane and The Rains) totaling 10 acres. These were purchased in 2007 but do not currently have development plans.

The work of the Housing Authority is driven largely at the staff level. The Board of Directors that governs the Housing Authority does not seem to have a clear mandate or accountability and does not appear to have the collective skill set, diversity or experience that would enable them to provide direction to an agency undertaking such significant land acquisition, development and administrative responsibilities in the delivery of workforce housing.

While the Housing Authority has been successful in creating workforce housing, there are clearly significant areas of workforce housing delivery that do not come under its purview are not coordinated through any central governance body with representation from all public and private stakeholders.

- **The Jackson Hole Community Housing Trust** (JHCHT) generates considerable funding for housing through private donations and combines this with some public funding to produce workforce housing units, but does not have a clearly defined role that would allow it to collaborate with TCHA. Instead, these two organizations essentially compete with one another to deliver similar products. While competition is beneficial in the delivery of market housing, it is not helpful in the non-profit sector which shares the same resources.

- **Habitat for Humanity** has a distinct and proven program that has delivered 27 homes to date and plans to build 4 homes per year moving forward. It does seem to have a clear and separate role in housing delivery and works well within the larger system, but would benefit from being part of a more collaborative and integrated delivery system across all forms of workforce housing.

- **Long-term rental housing** is also provided by the private sector in the form of homes for rent, ARU's, condo rentals and purpose built rental apartments. There is no central entity with a mandate to advise on the strategy for delivery of all forms of long-term rental or to monitor its supply and demand on an ongoing basis.

- **Seasonal or short-term rental housing** is currently being supplied by a handful of large employers (Jackson Hole Mountain Resort, St. John's Medical Centre, Hotels). Many smaller employers (restaurants, retail stores) report difficulty in finding employees and due to a lack of affordable rental housing but currently have no mechanism for pooling resources to produce it.

Restructuring of the Housing Provider Delivery System is arguably the most important change that is needed to more efficiently and effectively deliver all forms of workforce housing. A centralized Town and County Workforce Housing Coordinator reporting to a skills-based Board with representation from all sectors could reduce duplication, confusion and competition. Existing housing providers would "work with" rather than "report to" the Coordinator. Current operational funding (TCHA, JHCHT, Habitat) could be reduced by more than the cost of the Coordinator function.

4. The % of AMI category system may be an impediment

The concept of **% of AMI** categories makes sense in the delivery of low income subsidized housing, typically rental housing, as it is important to keep monthly rent in the order of 30% of household income and a monthly subsidy may be required to achieve that. Another term for this is "rent geared to income". Deed-restricted ownership housing is intended to take the place market homes that are no longer affordable to the workforce. These households can afford to pay to own their housing, just not at the prices the market is charging.

Creating these homes at an affordable price does require some extra funding given the high cost of land. Increasing density from single family and duplex to townhome and condominium can reduce the amount of that per unit funding, but that extra funding should not be further increased by lowering the sale price to a household in a lower AMI category. Affordable ownership housing works best when households purchase what they can afford based on an affordable price per sq.ft. that remains roughly constant across unit sizes. When the market provided a greater range of options, households that could not afford to buy would have to rent and if they could not afford to rent, they qualified for assistance.

Developers and housing providers have indicated that adhering to the AMI category system is an impediment to the efficient delivery of units. It makes sense for rental housing where a subsidy is required and where federal funding is involved, but it is worth taking a look at whether it is helping or hindering the delivery of ownership units.

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5. There are too many portals to access and administer workforce housing

In addition to employers, there are three different organizations that administer workforce rental and ownership housing units, TCHA, JHCHT and Habitat. They each have their own qualification requirements and process. If you purchase housing through them, there is a multitude of different ground leases, covenants and processes you need to wade through and understand. This is not only confusing; it is inefficient and probably unnecessary. It is just the way things have evolved.

Harmonizing and centralizing these functions will take a little time and effort but will certainly reduce confusion and increase efficiency with precious resources.

6. A range of funding options is available

Teton County and Jackson are blessed with enormous financial resources - the question is how best to harness them in a fair and equitable way to address housing solutions. Teton County has a Specific Purpose Excise Tax approved by voters through which various community projects and programs are funded. Revenues from this tax have twice been allocated to THCA for workforce housing, in 2001 for $9.3 million and in 2006 for $5 million. In order to better meet workforce housing demand these funds need to be more consistent annually, come from more than one source (SPET) and flow to all housing providers rather than being funneled to one (TCHA).

Options to fund the organizations that deliver housing include:

- A 1% sales tax (only 6 of 7% available is being used currently)
- A 1% Local Option Tax (SPET)
- A portion of the Lodging Tax (housing has a direct impact on Tourism)
- A 0.5% Real Estate Transfer Tax
- A 1 mill levy on property tax in the Town

It may be a difficult discussion to determine which of these to utilize, but without steady funding, it is unlikely the delivery of housing solutions will be improved. The 2012 Comp Plan and previous housing needs assessments make similar recommendations.

Considerable funding, both public and private, has been raised in Jackson/Teton County through a variety of means for bicycle paths, wildlife protection, the transit barn, the Center for the Arts, the National Museum of Wildlife Art and the Recreation Center. Workforce housing is arguably just as essential to Jackson's future.

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Part 3

Recommendations

1. Restructure the Teton County Housing Authority

- Reduce the TCHA mandate to focus on either project development or administering all restrictions protecting workforce housing inventory.
- Broaden the Board to include broader stakeholder participation and expertise on the reduced mandate
- Consider moving plan review back to the Town and County Joint Planning Department
- Transfer some operational funding to the Workforce Housing Coordinator (next item) and seek Town of Jackson proportional funding for that role

2. Identify and Appoint a Workforce Housing Coordinator

- Create this position on a cost neutral basis by reducing TCHA operational funding and expanding funding sources
- The Coordinator could report to a **Workforce Housing Partnership Board** comprised of:

The Mayor of Jackson	The Chair or ED of JHCHT
The County Commission Chair	The Chair or ED of Habitat
The Town Administrator	A WF Housing Developer
The County Administrator	A Major Employer
The Chair or ED of TCHA	A Small Employer

- This would be a skilled-based and representative Board that would bring all the workforce housing stakeholders to one table

- The Board and the Coordinator would not have authority over any of the housing providers but would be mandated to work collaboratively to ensure that resources were being maximized to deliver efficient and effective solutions to address all shortages in workforce housing

- A key objective would also be to begin the harmonization of the delivery and administration of the inventory of workforce housing units to reduce duplication and confusion

3. Implement a Dedicated Funding Stream for WF Housing

- Town and County to identify appropriate funding sources and amounts
- The **Workforce Housing Partnership** could screen operational and capital funding requests and direct funding to maximize results based on the collective wisdom of the Coordinator and the Board, this function needs to be centralized
- Part of this funding could be utilized to purchase market workforce housing that is currently being lost to the workforce on resale. Purchasing outright or through an option would allow the new Workforce Housing Partnership to convert these units to ground lease/deed restriction and ensure their affordability moving forward

4. Implement an Annual Monitoring Survey to Measure Progress

- Could be administered by the **Workforce Housing Partnership**
- Whistler uses an **Annual Employer Survey** that costs $10,000 and is conducted by a third party
- Aspen and Blaine County (Sun Valley) have utilized similar approaches to avoid costly housing needs assessments
- Allows ongoing (annual) monitoring of progress towards 65% target

5. Develop a Program to Create Units for Small Employers

- The **Workforce Housing Partnership** could work with the Chamber of Commerce, Hotel, Restaurant and Retail Associations to develop units that could be purchased by small employers at prices whereby affordable rents will cover mortgage costs
- Large employers could be incentivized to create more units in their projects to make available for sale to smaller employers. This is currently being done in the Powderhorn Employee Housing project being developed by Jackson Hole Mountain Resort near the Kmart in Jackson.

6. Systematically Increase Allowable Densities

- Increasing site coverage and building height would enable the development of workforce housing units by reducing per unit land cost
- Limited density increases especially in Districts 2, 4 and part of 3
- Greater heights can be achieved in sloped areas
- Promote mixed-use development, with professional and residential above commercial
- LDR revisions have been recommended by Melanie Rees and others

7. Be Creative with Seasonal Rental Housing Solutions

- These solutions are really only needed in the summer months
- Consider creating a Workforce Housing Campground within walking distance of downtown
- Develop dormitory style accommodation that can be accessed by small businesses on a cost recovery basis
- Promote a “House a Summer Student” program where seasonal employees can rent bedrooms in private homes for the summer

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Part 4

Conclusions

The most important takeaway from this report is that structural change in the provision of workforce housing is needed. Small adjustments within the delivery system as currently constructed are unlikely to increase the production and protection of workforce housing that is clearly needed.

Two of the recommendations specifically address this structural change:

1. Identify and Appoint a Workforce Housing Coordinator

2. Implement a Dedicated Funding Stream for Workforce Housing

Implementing these two recommendations will enable action and progress on the other five recommendations. Without these two, it is hard to see how Jackson will move forward on the other five.

There is still considerable work to be done on exactly how to implement the two primary recommendations. The Workforce Housing Partnership will need to be established. The Workforce Housing Coordinator will have to be someone who is experienced with planning and development in Jackson, skilled in collaboration and consensus building, someone who has the support of all the housing stakeholders and the community, and someone who has the ability to harness the collective wisdom of a skills-based board with broad representation. It is a tall order but a preliminary scan of the community suggests there are several individuals, male and female, who could competently fill this role.

The Dedicated Funding Stream also requires considerable work. Perhaps the Workforce Housing Partnership could take the lead on this once it is established.

There are plenty of questions to answer before moving forward on these recommendations. This report aims to provide a basis for the discussions and deliberations required to answer those questions.

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