



To: Town Council, Board of County Commissioners
From: Stacy Stoker
Date: October 23, 2017
Subject: Housing Rules and Regulations Update –
Housing Authority Board Recommendation

PURPOSE

This memo has 2 purposes related to the analysis of the alternative policy directions for the Rules and Regulations Update, which were released September 13.

1. Prepare Town Council and the Board of County Commissioners for their consideration of the alternatives.

On October 30, 2017, at 5:00pm, in Town Hall, Town Council (Council) and the Board of County Commissioners (Board) will meet jointly to review the alternatives and provide preliminary direction to staff on which alternative to implement through updated housing Rules and Regulations. Should additional meetings be necessary, they have been scheduled for November 1, 2:00pm and November 2, 2:00pm, both in Town Hall. The preliminary direction will be released November 3. Council and the Board will consider final approval of the policy direction November 13, at 5:00pm, in Town Hall.

2. Release the joint, Housing Authority Board's recommendation on the alternatives.

The purpose of this memo is to supplement the previously provided September 13 memo releasing the alternatives for public review and the October 13 memo releasing the staff recommendation and public analysis. This memo adds the recommendation of the Jackson/Teton County Housing Authority Board to the previously provided material. The initial sections of this memo are for reference only. New information begins with the Housing Authority Board's Analysis & Recommendation section on the second page.

A similar memo with attachments is provided for the other item on the agenda – the Housing Mitigation LDR Update. Please note that staff recommends a different approach to the agenda than is typical for an agenda with two items. Staff's recommended approach is detailed in the Council & Board Preliminary Direction section that begins on the second page.

BACKGROUND

The background for the project was presented in the memo dated September 13, 2017. All materials related to the project can be found at engage2017.jacksonetonplan.com/housingrulesandregulations.

ALTERNATIVES

The alternative policy directions to be analyzed were attached to the memo dated September 13, 2017. All materials related to the project can be found at engage2017.jacksonetonplan.com/housingrulesandregulations.

PUBLIC ANALYSIS

Attached to this memo is public comment submitted by email since October 13, 2017.

Attached to the memo dated October 13, 2017 was documentation of the public's alternatives analysis from:

- The Spanish Community Discussion “Public Comment Event” October 2 (40 attendees)
- The English Community Discussion “Public Comment Event” October 9 (80 attendees)
- The online alternatives analysis survey open September 13 – October 11 (96 responses)
- Comments submitted by email September 13 – October 11 (3 comments)

Previously provided public comment can be provided again as needed and is available at

engage2017.jacksontetonplan.com/housingrulesandregulations.

Staff recommends that Councilors and Commissioners focus their review of the public analysis on what motivated peoples' responses. The alternatives released September 13 are not ballot options. They are a starting point for discussion, and can be refined. Consideration of respondents' motives will provide the most insight into how a preferred alternative might be enhanced to better address the community's goals.

STAFF ANALYSIS & RECOMMENDATION

Staff's recommended alternative and rationale was attached to the memo dated October 13, 2017. All materials related to the project can be found at engage2017.jacksontetonplan.com/housingrulesandregulations.

LEGAL REVIEW

Ongoing. The Town Attorney and County Attorney's Office continue to review the alternatives and staff recommendation.

HOUSING AUTHORITY ANALYSIS & RECOMMENDATION

The Housing Authority Board met to make a recommendation on the alternatives. The Board met on October 18 to hear a staff presentation, take public comment, and begin discussion. They continued the item to a second meeting on October 19 where they made a unanimous 3-0 recommendation with all board members present.

The Housing Authority Board recommended alternative and rationale is attached. The Housing Authority Board recommendation is presented in comparison to staff's recommendation and a summary of the public analysis. Much of the information in the attachment has already been provided, but is included again to provide context for the Housing Authority Board recommendation and for ease of Council and Board preparation. For each policy question the attachment includes:

- A description of the alternatives (no change from what was provided September 13)
- A table comparing the staff, Housing Authority Board, and public recommendations (new)
- Staff's recommendation (no change from what was provided October 13)
- The Housing Authority Board recommendation (new)
- A summary of public comment (provided October 13 as a separate document)

COUNCIL & BOARD PRELIMINARY DIRECTION

Staff recommends the following agenda for the joint Council/Board meeting to analyze and provide preliminary direction on the alternatives.

The proposed agenda below addresses both items on the agenda for October 30. The technical consultants for both the Housing Mitigation LDRs Update and the Housing Rules and Regulations Update will be at the October 30 meeting. In order get the most out of their time, staff recommends that public comment be taken and questions be answered on both items prior to the start of discussion on either item.

AGENDA

- A. Housing Mitigation LDRs Update: Introduction, Public Comment, and Questions (90 minute maximum)
 - I. Staff and consultant Clarion Associates (Craig Richardson) will introduce the meeting format, summarize the process to date, introduce the 8 policy questions to be answered, and then summarize the staff, Planning Commission, and public recommendations on the Housing Mitigation LDRs Update. Questions from Council and the Board will be answered as they arise throughout the presentation.
 - II. The Mayor will open the floor for public comment on the Housing Mitigation LDRs Update. Public comment will only be taken once, for all 8 policy questions, even if the item is continued to contingent meetings.

III. Council and the Board will ask any questions they have of staff or Mr. Richardson.

B. Housing Rules and Regulations Update: Introduction, Public Comment, and Questions (90 minute maximum)

- I. Staff and consultant Clarion Associates (Leigh Anne King) will introduce the meeting format, summarize the process to date, introduce the 12 policy questions to be answered, and then summarize the staff, Housing Authority Board, and public recommendations on the Housing Rules and Regulations Update. Questions from Council and the Board will be answered as they arise throughout the presentation.
- II. The Mayor will open the floor for public comment on the Housing Rules and Regulations Update. Public comment will only be taken once, for all 12 policy questions, even if the item is continued to contingent meetings.
- III. Council and the Board will ask any questions they have of staff or Ms. King.

C. Housing Mitigation LDRs Update: Discussion (facilitated by Tyler Sinclair)

For each of the 8 policy questions:

- I. Tyler will facilitate a discussion of the alternatives for the question so the Mayor and Chair may fully participate.
 - Is there any clarification needed on the question, any of the alternatives, or any of the recommendations?
 - Does anyone want to recommend an alternative other than staff's or the PCs'? Why? What are the tradeoffs?
 - Does anyone agree with staff's or the PCs' recommendation for a different reason? What is your rationale? What are the tradeoffs?
- II. Tyler will ask each Councilor and Commissioner to state her/his preferred alternative and why. Alex will tally the straw poll.
 - If there is consensus (everyone agrees) or strong convergence (only one or two disagree) we will move to the next question.
 - If there is not, Tyler will facilitate additional discussion until common ground is found. The joint group's goal is coordinated direction. Coordinated direction does not mean the same direction has to apply in the Town and the County. It may make sense for a different alternative apply to Town than the County (for example: on-site housing is required in Town but not the County). However, Council and the Board should try to avoid the Town providing independent direction for Town and the County providing independent direction for the County.
- III. If all 8 policy questions are not answered (or discussion has not yet begun) by the end of the meeting, the item will be continued to the contingent meeting(s).

Staff recommends Council and the Board focus the majority of their time on the questions where there is divergence between the staff, Planning Commissions, and public recommendations. While the alternatives are not meant to represent ballot options, the attached recommendations do include a quick comparison of the recommended alternative for each question. Comparing the recommended alternatives as a first review indicates where the community generally agrees and where additional discussion is needed to reach consensus. Understanding the recommendations requires review of the rationale behind each recommendation.

D. Housing Mitigation LDRs Update: Motion on Preliminary Direction

At the end of discussion, Council and the Board will have provided preliminary direction for each of the 8 policy questions. A motion will be made on the 8 recommended alternatives as a whole. Each individual is likely to disagree with the alternative for at least one question, but the hope is that all 8 recommended alternatives represent the work of the joint Council and Board as a whole and can be supported by all as

a commitment to the process. Suggested motion language is below, Alex will fill in the question marks based on the discussion and straw polling. The preliminary direction will be released November 3 attached to a memo similar to this. The November 3 memo will include a staff analysis of any unintended conflicts or inconsistencies within the preliminary direction and between the preliminary direction for the Housing Mitigation LDRs Update and the Housing Rules and Regulations Update. Council and the Board will consider final approval of the preliminary direction November 13, at 5:00pm, in Town Hall.

E. Housing Rules and Regulations Update: Discussion (facilitated by April Norton)

For each of the 12 policy questions on the Housing Rules and Regulations Update, Council and the Board will follow the same discussion format as for the Housing Mitigation LDRs Update with Stacy Stoker and April Norton as staff. If all 12 policy questions are not answered (or discussion has not yet begun) by the end of the meeting, the item will be continued to the contingent meeting(s).

F. Housing Rules and Regulations Update: Motion

Similar to the Housing Mitigation LDRs, Council and the Board will make one motion on preliminary direction for all 12 Housing Rules and Regulations policy questions. The preliminary direction will be released November 3 attached to a memo similar to this. The November 3 memo will include a staff analysis of any unintended conflicts or inconsistencies within the preliminary direction and between the preliminary direction for the Housing Rules and Regulations Update and the Housing Mitigation LDRs Update. Council and the Board will consider final approval of the preliminary direction November 13, at 5:00pm, in Town Hall.

ATTACHMENTS

- Staff, Housing Authority Board, & Public Recommendation: Housing Rules and Regulations Update
- Public Comment received since October 13, 2017

SUGGESTED MOTION

I move to direct staff to draft preliminary policy direction representing the following alternatives, for consideration of final approval on November 13.

1. ?
2. ?
3. ?
6. ?
7. ?
8. ?
9. ?
10. ?
11. ?
12. ?



Staff and Board Recommendation

Engage
2017

Housing Rules and Regulations Update

10/23/17

The current Housing Department Rules and Regulations have been in place since 2008. Prior to 2016 they were known as the Housing Authority Guidelines even though they have always been regulations. The first version of the Rules and Regulations was effective from 1995 to 2008.

Question 1: What should the employment criteria be to rent or purchase a restricted home?

Status Quo:

- At least one member of the household is locally employed for a minimum of 30 hours/week (1,560hours/year) OR
- At least one member of the household is a retiree who is at least 59 ½ years old and has been locally employed the 2 years immediately prior to retirement OR
- At least one member of the household is disabled
- AND at least one member of the household is a U.S. citizen or lawful permanent resident (Green Card)

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
Staff recommends keeping the status quo and raising the age of retirement to the age at which the federal government allows an individual to collect social security (currently 62).	Same as staff recommendation	Year-round workers should be the priority. One member of the household should work an average of 40-hours/week
Alternative 1.B.	Alternative 1.B.	Split between Alternative 1.B. & 1.C.
Many businesses in this community operate on a seasonal basis, and their employees work little or no hours in the off season(s). Requiring more than 30 hours per week will preclude these employees from qualifying. Teachers are included in this group. Housing retirees who are not working or volunteering in restricted housing decreases the supply of workforce housing.	The board discussed the minimum number of hours required per week at length – vacillating from 30-40 hours/week. Ultimately, they decided on the 30-hour minimum and to provide 2 points in the lottery process for households with 100% of the adult occupants working 30+ hours/week. The board discussed raising the retirement age to 67-years and to require that retirees work for a local business a minimum of 10	Retirees should be required to have worked more than 2-years for a local business prior to retirement. Retirees should have to volunteer at least 30-hours/week to qualify. Focus on the active workforce. Dual seasonal staff is very important to our economy. 30 hours isn't enough.

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
<p>Raising the retirement age will keep people in the workforce longer. Presently, age 62 is the earliest a person can begin collecting Social Security. Retirees may not be excluded from consideration due to Fair Housing Rules.</p> <p>Staff considered allowing households with a documented minor to qualify for housing, but ultimately decided that this would not address concerns about the potential for a household to leave the country and the home going into foreclosure.</p>	<p>years to qualify.</p>	<p>It's better to require year-round employment rather than set an hourly requirement since, depending on the season, some workers may not have the ability to meet the same hours.</p> <p>Sponsorship for undocumented community members to qualify. The age of the U.S. citizen should not matter and could include minor children.</p> <p>Offer housing to people who are important to the welfare of the community. Critical employees, service employees, teachers, drivers, EMT's, fire, must work 40 hours/week.</p> <p>We are trying to have a full community which includes workers, immigrants, disabled, and retirees.</p> <p>Applicants should have at least 2-3 community references.</p> <p>Telecommuters have a choice to live anywhere and should not be eligible for any housing programs subsidized by the public sector.</p> <p>Remove immigration documentation for rental units. We should be concerned with whether the renters are employed in the valley and within the income limits that we require for everyone – that's it.</p>

Question 2: What kind of assets should be allowed and/or counted, and how much is the limit?

Status Quo:

- For Affordable units, allowed assets include: gift money; equity in vehicles, RVs, boats, etc.; personal items valued greater than \$500; bank accounts; investment accounts; trust funds; vested life insurance; commercial properties; and residential property. Retirement accounts are not included unless money is withdrawn for down payment or other expense. Business assets are included as part of household assets. Once the applicant is chosen, improved residential property must be listed for sale and a sale must occur within one year. Liabilities (debt) are subtracted from total assets.
- Total household assets shall not exceed twice the income limit for a 4-person household for the income category. For example, if the income limit is \$94,000, then the asset limit is $\$94,000 \times 2 = \$188,000$.
- For employment-based units (rental and ownership) there is no asset limit. Applicants can never own residential real estate within 150 miles of Teton County, WY.

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
Staff recommends keeping the Status Quo, and considering mobile homes that are connected to utilities to be residential property.	Same as staff recommendation	Remove nonliquid assets from the asset calculation. Mobile homes should be included as part of the residential properties.
Alternative 2.C	Alternative 2.C	Split between Alternative 2.B. and 2.C.
The asset limit has a nexus to the income limit and adjusts each year. It allows households to hold assets such as vehicles and recreational equipment but limits them from affording a down payment on a market home. Mobile homes that are connected to utilities (water, sewer, electricity and/or gas) serve as housing and should be considered the same as residential real estate. A higher net asset cap for retirees will allow more retirees to qualify, and potentially decrease the number of	Small business owners should not be forced to sell their business assets. Mobile homes should be included, but this does bring up a good conversation about owning residential real estate as an investment.	Your business is how you support yourself and therefore should not be penalized. Need to look at people finagling – pay themselves less from a business to qualify for A.H. No one should be allowed to own both a market home and an affordable home. Purchasing a land investment shouldn't be penalized because it's not residential housing. Simplification of calculation of assets to those you can liquidate for a down payment

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
workforce living locally.		<p>vs. primary assets not able to be used for down payment</p> <p>Everyone has different comfort levels on how much is appropriate to take out a loan for. Raising asset caps is important because it's not up to the Housing Authority to decide if a household can afford a market house. It's up to the household. And no one who can/feels comfortable buying a free market would buy an affordable since it doesn't appreciate at the market rate. It's self-managing.</p> <p>Our limits on assets should be tightened not loosened.</p> <p>I certainly paid more than 30% of my income towards mortgage and rent when I went into the free market.</p> <p>This is a tough one. You want people to make good financial decisions, but hard to formulate something that fits everyone.</p> <p>Implement a set asset cap that applies to all "Affordable" categories.</p>

Question 3: How many months out of a calendar year should a household be required to occupy a restricted unit?

Status Quo:

- Affordable ownership unit: 10 months/year
- Employment-based unit: 10 months/year
- Affordable rental units: 11 months/year
- Attainable units (legacy program): 9 months/year

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
Staff recommends standardizing all units and all restriction types to 11 months per calendar year.	Same as staff recommendation	Online: 11 months/year In person meeting: 10 months/year
Alternative 3.D	Alternative 3.D	Split between answer 3.D. and answer 3.C.
This ensures that units are occupied while still giving time for travel/vacation, and may encourage occupants to find local jobs in the shoulder season.	Requiring owners occupy their units 11 months/year ensures they are living there and may encourage them to get jobs in the off-season and/or summer (teachers). Concerns about staff's ability to ensure compliance.	They should be able to take as much vacation as they please. If you can afford to travel for 2 months/year, you should not be capitalizing from a deed restricted unit. Because so many businesses shut down in November and April, it only seems fair to allow households to vacation for up to 2 months/year. 11 months seems very reasonable. Year-round, full-time employees should be the beneficiaries of this program. Those who work more hours should be given priority over those who work less Enforcement of these restrictions is the issue. Standardizing seems fair and

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
		<p>makes sense.</p> <p>11 months/year for the deeply subsidized “Affordable” homes and 9 months/year for Employment-Based and Workforce homes, as those programs are more flexible by design, and not targeted to low-income workers.</p>

Question 4: What livability standards, if any, should apply to restricted units?

Status Quo:

- Livability standards include: min/max livable area; must include a kitchen, bathroom, and areas designed for living, sleeping, and storage; natural light; landscaping; exterior materials must be compatible with other materials used in the development; parking must be like other units in the development; outdoor living space; sound reduction; meets minimum building code standards.
- Minimum square footage required:

	Ownership	Rental
Studio	400	350
1 bed	600	550
2 bed	850	750
3 bed	1,200	950

- Provide a 20% reduction in required livable square footage if the unit is above grade and each bedroom and living space has an exterior window.
- 10% reduction in price for units without a garage. 20% reduction in price for units that are below grade.

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
<p>Status Quo except:</p> <ul style="list-style-type: none"> • Decrease the ownership size requirements to match the rental unit size requirements. If mitigation 	Same as staff recommendation	No clear recommendation from the online survey or the in-person meeting.

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
<p>is based on square footage, then maximum size units should also be implemented to ensure more units, not larger units, are built.</p> <ul style="list-style-type: none"> • Require all appliances to be Energy Star. • Adopt livability requirements that provide minimums for each feature: unit size; kitchen; including lineal feet of cabinets; closets and storage areas; floor coverings; room sizes and shapes; windows/noise mitigation; laundry; heating and hot water; and finish and fixture specifications. 		
Alternative 4.B, C, D, and F	<p>Alternative 4.B, C, D, and F</p> <p>Smaller units may mean more units and more families being housed.</p> <p>Smaller units must provide ample storage. This is a key livability issue. Without storage smaller spaces will not work.</p> <p>Energy Star makes sense and is in line with community goals and will lower tenants/owners energy bills.</p>	<p>Require a certain amount of storage space for outdoor items.</p> <p>Size/standard should be the same for ownership and rental.</p> <p>NYC is allowing 200 SF studios. Technology enables density.</p> <p>Max allowable sq. ft. to keep places reasonably affordable to construct.</p> <p>These numbers seem way too small. We should bring rental up to ownership sq. ft. and then increase them all.</p> <p>Minimums and maximums to ensure modest and livable.</p> <p>Energy Star should NOT be required.</p> <p>Being Energy Star certified is good for everyone in the long</p>

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
		<p>term, and may help to recoup/decrease costs after a few years.</p> <p>Change the parking requirement. Especially for employment-based rentals. With land value and construction costs so high, an employer would be much better served providing a group shuttle and bike share than dedicating precious land to parking spots.</p> <p>This question is too technical and the Housing Authority Board should provide a policy recommendation based on technical analysis of the current asset limit and calculation methodology.</p>

Question 5: What percentage of a household's income should be spent on housing?

Status Quo:

- A household should not spend more than 30% of its gross income toward housing costs (HUD standard).
- Household may not carry more than 45% of total debt to income, including the mortgage note.

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
Status Quo	Same as staff recommendation	Same as staff recommendation.
Alternative 5.A	Alternative 5.A	Answer 5.A.
30% of a household's income is the standard set forth by HUD for housing affordability. 45% debt to income is normally the highest a lending institution allows to qualify for a mortgage. The debt to income limit of 45% protects homes from going into foreclosure and being lost from the program.	<p>We don't want households to be cost-burdened and risk foreclosure and loss of the unit from the program.</p> <p>30% is the national standard and makes sense, especially with how high the cost of living is here.</p>	<p>Many non-subsidized homeowners are spending more than 30% for ownership housing costs.</p> <p>More than 30% on housing is not affordable for families and high debt ratios risk foreclosure.</p> <p>We should consider exempting student loans only. They are a</p>

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
A minimum debt to income would add too much complication to the program, and this issue is already handled through the asset limits.		<p>different kind of liability from consumer debt, and are carried by educated individuals we want in our community.</p> <p>35% of gross income should go to housing. We should expect homebuyers to make a significant commitment.</p> <p>Housing Authority Board should provide a policy recommendation based on technical analysis of the current methodology.</p>

Question 6: When should a household have to qualify for a rental or ownership home?

Status Quo:

- Affordable ownership unit: qualify only at time of purchase. Requalification is not required.
- ARU, Employee, and Employment-based (rental and ownership): annual qualification. These compliance policies are not set out in the Rules and Regulations. They are only in the deed restrictions.

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
Staff recommends keeping the Status Quo and standardizing requalification requirements for ARU, Employee, and Employment-based (rental and ownership) in the Rules and Regulations and referring to the Rules and Regulations in the deed restriction.	Same as staff recommendation except require a full requalification every five years for <i>all</i> ownership units and every year for rental units.	<p>Online survey: Standardize requalification requirements for ARU, Employee, Employment-based, and Workforce Housing (rental and ownership) in the Rules and Regulations and refer to the Rules and Regulations in the deed restriction.</p> <p>In-person meeting: Split between no change, standardizing, and requalifying all ownership and rental units.</p>
New Affordable ownership households should requalify every 5 years using an income and asset threshold that is at Category 6 level (200% of median income).		
Alternative 6.D	Alternative 6.D, with an amendment that sets the number of years between requalification	Split between 6.A., 6.B., and 6.C.

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
	for <i>all</i> ownership units at five years.	
Qualifying owners of Affordable units every 5 years and allowing their income and asset level to grow to a Category 6 level allows them to stay in the home until they reach 200% of median income, which is where market homes begin to be affordable.	<p>Requalifying Employment-based homeowners on an annual basis is not necessary</p> <p>Requalification for all ownership units should be standard every 5 years. This will reduce staff time spent on requalification.</p>	<p>Cost of living is increasing, so there might need to be more flexibility around income limits.</p> <p>Requalification should be mandatory. Folks are gaming the system.</p> <p>The goal of affordable housing is to provide a safe and stable environment for community members to contribute and grow. Not force them to give up their homes, and leave the community, for bettering their professional lives.</p> <p>Requalifying would create fear and confusion. Also, just because a family makes more than they did when they qualified, that does not mean they have any hope of buying a free market home. I think instead we should encourage people to better themselves, put down roots, and invest in the community.</p> <p>Requalify every 10 years.</p> <p>Rentals should requalify every 2 years.</p> <p>Make ceiling 200% of AMI for everyone. Want people to get into free market housing.</p>

Question 7: How should the sale/rent price be set?

Status Quo:

- Sales price calculation, assume:
 - 1) 30% of a household's income toward housing costs (25% - mortgage, 5% - HOA dues, taxes, insurance);
 - 2) 30-year mortgage at 7.5% interest rate, 5% down payment;
 - 3) income used is 10% less than the maximum for the Category and household size based on 1 person/bedroom.
- Max rent price calculation for JTCHA-owned rentals:
 - 1) Use 70% AMI
 - 2) 30% of a household's income toward utilities
 - 3) Qualified households earning 100-120% AMI pay an additional \$50/month rent.
 - 4) Household size based on 1 person/bedroom
- Employee Housing Units: Max rent cannot exceed "Fair Market Rent" calculated annually by HUD

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
Staff recommends calculating the maximum rent for Employee (rental) housing units and JTCHA-owned rental units based on 30% of the household income at the low end of each category; basing the mortgage interest rate on the 20-year average and recalculating each year; and for ownership units, assume 22% of a household's income will go toward principle and interest mortgage payments and 8% will go toward HOA dues, taxes, and insurance.	Same as staff recommendation, but Housing Authority rental prices based on actual income.	Split between status quo and status quo plus calculating max rents based on 30% of the household income at the low end of each category.
Alternative 7.B, D, E, and F	Alternative 7.B, D, E, and F, but F is amended from using the midrange of each category to using the actual income of the household to calculate Housing Authority rental amounts.	Split between Alternative 7.A. and 7.B.
Pricing rents based on income in the lowest end of the categories allows everyone in the category to afford the rent. Using Fair Market Rents is not a current data set and may also be unreliable for Teton County. It is	Basing rental rates for Housing Authority-owned rental units on actual income earned will ensure that tenants are not cost-burdened while also ensuring the Housing Authority is receiving the maximum	It seems fairer to base things on income category. If people at all incomes within a category cannot afford a home in that category, then we either need to make categories have smaller

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
<p>based off data from the U.S. Census American Communities Survey, and 5-year data is used. This means that the 2018 Fair Market Rents will be based on data from 2011 to 2015. If unreliable data is collected, HUD uses the corresponding metropolitan area, which will not accurately represent Teton County.</p> <p>The mortgage interest rate should be based on the 20-year average and recalculated each year. The 20-year average of mortgage interest rates is used to keep the homes affordable over time. If a low rate is used because rates are currently low, then the home prices will be set higher, but 10 years from now, if mortgage rates go up, the home will no longer be affordable. Recalculating the 20-year average will be a more updated approach.</p> <p>For ownership units, assume that 30% of income is going toward housing costs. Of the 30%, 22% will go toward principal and interest mortgage payment and 8% will go toward HOA dues, taxes, and insurance. The Housing Department has seen HOA dues, taxes, and insurance costs rising significantly. 8% is a more accurate representation of those costs.</p>	<p>amount of rent that a household can afford.</p> <p>Fair Market Rents are not an accurate reflection of our market.</p> <p>The mortgage interest rate should be updated annually to reflect the 20-year average. This will help ensure homes stay affordable over time.</p>	<p>ranges and hence probably more categories, or we need to calculate them so the lowest earners in their category can afford the home, making the top earners very comfortable in their payment.</p> <p>We need to keep in mind that the current rental rates are out of reach for most people. Forcing people to work multiple job and/or prohibit the ability to save money for ownership or other reasons. Control of market rates has to be thought of as well.</p> <p>Use interest rates that reflect the current lending environment, consider actual HOA dues for each development in sales prices, and align rental and ownership pricing methods.</p> <p>Interest rates significantly affect the affordable purchase price of homes. For every 1%-point rise, the purchasing power of a household decreases by about 10%.</p>

Question 8: How should restricted ownership homes be valued at resale?

Status Quo:

- Original purchase price + 2.5% annual appreciation + cost of required capital improvements + cost of capital improvements not to exceed 10% of the original purchase price with prior approval from the Housing Department, minus maintenance adjustments required by the Housing Department at time of sale.
- For example: Home purchase price is \$300,000. After 10 years, homeowner decides to sell.

$$\begin{aligned}
 & \$300,000 \text{ (original purchase price)} \\
 & + \$93,626 \text{ (2.5%/year compounded appreciation)} \\
 & + \$16,000 \text{ (capital improvements)} \\
 & - \$9,000 \text{ (maintenance costs)} \\
 & = \$409,626 \text{ maximum resale value}
 \end{aligned}$$

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
Staff recommends keeping the Status Quo, setting out a list of specific capital improvements that may be included in resale valuation and those that are not, and basing annual appreciation on the actual percent that incomes increase or decrease each year, capped at 3%.	Same as staff recommendation, but a comparison of CPI and income-based appreciation should be run to determine appropriate rates.	Online survey: split between status quo, status quo and include a depreciation factor within the calculation of resale value; status quo and sets out a list of specific capital improvements that are allowed to be included in resale valuation calculation, and those that are not; and status quo except for base the annual appreciation on the actual wage increase for Teton County using Median Family Income as calculated by HUD, capped at 3%. In-person meeting: status quo except base the annual appreciation on the actual wage increase for Teton County each year using Median Family Income as calculated by HUD, capped at 3%.
Alternative 8.C and E	Alternative 8.C and D or E, dependent on the comparison results.	Split between alternatives 8.A., 8.B., 8.C, and 8.E.
Providing a specific list of Capital Improvement credit allowances will clarify to owners what is allowed and what is not. The annual appreciation should be based on the actual percent	A comparison should be run between the rates at which CPI and actual income, both capped at 3%, have changed over the past 25 years. This information could help determine an appropriate rate.	Resale should be set in a way that allows residents of restricted homes to earn money on their investment. Setting an appreciation rate that is too low serves to trap people in affordable homes, which is not the intent of the program.

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
<p>that incomes increase or decrease each year, capped at 3%. Basing the appreciation on median income increase or decrease each year for Teton County provides a nexus to affordability. Allowing restricted homes to appreciate helps households gain equity, which helps them get into a market home.</p>		<p>Basing the appreciation on wage increase or decrease in Teton County may insure a more accurate measure of affordability.</p> <p>Housing Department should buy units back, reprice, and resell.</p> <p>Capital improvements should be approved on a case by case basis.</p> <p>If the improvement benefits the unit, like a deck, we should reward that investment, but it needs to be depreciated. Maintenance costs should not be reimbursed.</p> <p>Any improvement you make to your home should be added to the resale value. But at least make a reasonable effort to list all the qualifying improvements a homeowner can make.</p> <p>There should be no financial gain for county subsidized homeownership. If there is, the price of this housing type will eventually be priced above what is affordable.</p> <p>There should be no caps for employment-based units as the purpose is to preserve workforce units and the free market will do that.</p>

Question 9: How should renting or subletting be handled?

Status Quo:

- All ownership units: renting is only allowed for special and temporary circumstances, such as leaving to care for a family member, and must be pre-approved by the Housing Department
- All rental units: subletting is not allowed

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
Staff recommends keeping the Status Quo.	Status Quo, plus allow owners to rent rooms to individuals who are employed in Teton County. The Housing Department must qualify renters and should receive some portion of the rental income.	Online survey: status quo. In-person meeting: status quo except allow owners to rent rooms to individuals who are employed in Teton County as long as the total household income does not exceed the income limit for the category of home, the number of individuals living in the home does not exceed Town or County occupancy requirements, and the owner of the home still occupies the unit.
Alternative 9.A	Alternative 9.C, if possible, with the caveat that some of the rental income would go to the Housing Department/Authority.	Split between alternative 9.A. and 9.C.
Owners can rent in unique or urgent situations with approval from the Housing Manager and owners should not be using their restricted unit to make money. Owners have the opportunity to appeal the Housing Manager's decision to the Housing Authority Board. Staff struggled with allowing owners to rent rooms because this could provide more housing to the workforce. It is not being recommended because of the potential for abuse, and restricted units are not intended for investment purposes. It would also take a significant amount of staff	Allowing owners to rent extra bedrooms maximizes the amount of workforce housing available. The board had reservations about how realistic it is to try and ensure compliance and the amount of staff time required, but if there is a way to efficiently allow rentals, then that should be pursued. There were concerns about allowing subsidized homeowners to "make money" off their unit by renting a room or rooms. By requiring that a portion of the rent go to the Housing Department/Authority, the board felt the opportunity to take advantage of the subsidy was diminished and the added	We can put a mechanism in to address rentals but the benefitted income should come to the TCHA as they are the ones subsidizing. In spite of the potentials for abuse, it allows for some flexibility. No one in affordable housing should be able to rent any portion of the home out. There already isn't enough enforcement of this rule and many people abusing it, you should not open more doors of opportunity. We should be able to help our friends and neighbors get started. This could help house local workforce, which is the goal.

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
time to process requests and to track compliance.	cost of staff time to monitor the rentals could be off-set by rent payments.	As it is possible for one individual to qualify for and purchase a 2-bedroom place, allowing them to rent the extra room makes sense for housing more of our workforce. Otherwise, no one should be able to purchase a unit that has more bedrooms than their needs.

Question 10: How should the buy/sell process work?

Status Quo:

Status Quo: All Affordable and Employment-based Units

- Unless otherwise stated in the deed restriction, a lottery process is used to determine who may purchase the unit.
- The Housing Department receives a 2% facilitation fee for each transaction that covers the cost of advertising and staff time associated with selling the unit.
- First priority is given to qualified households who live within the same neighborhood/development as the house for sale.
- All lotteries are sent to outside council to be drawn. Each household is placed in the order drawn, so that the home can be offered to the next household in line if needed.
- Status Quo: Affordable Units
- Preferences are given for households who meet the following criteria:
- A member of the household has 4 years of full-time employment by a local business immediately prior to entering the lottery
- A member of the household is a Critical Services Provider.
- Once a household has entered a lottery three times and been in the top preference category, the household will begin receiving an extra entry in each subsequent Affordable lottery.

Status Quo: Employment-based Units

- A lottery process is used to determine who may purchase the unit.
- The lottery is based on a point system that gives:
 - 1 point for each year of full-time employment immediately prior to the lottery up to 5 years
 - 1 point each for up to two Critical Services Providers per household.

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
Staff recommends using a point system for preference in lotteries as follows: <ul style="list-style-type: none"> 1 point for each year up to 8 years the household has been full-time employed in Teton County. 	Board recommends using a point system for all lotteries as follows: <ul style="list-style-type: none"> 1 point for each year up to 6 years the household has been employed full time in Teton County and 1 point for households who have entered 8 or more lotteries 	Online survey split between: status quo, status quo and give top preference for households that have repeatedly submitted for the lottery unsuccessfully for a minimum period of time, status quo but remove neighborhood preference, and status quo except use a point

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
<ul style="list-style-type: none"> • 1 point for Critical Services Providers up to 2 per household. • 1 point for households who have entered 8 lotteries unsuccessfully. • 9 points maximum <p>The minimum occupancy for preference in the lottery will trump points as follows:</p> <ul style="list-style-type: none"> • 1 adult in household – preference for a 1-bedroom. • 2 adults in household – preference for a 1-bedroom. • 1 or 2 adults in household with 1 or more children – preference for a 2-bedroom. • 1 or 2 adults in household with 2 or more children – preference for a 3-bedroom. • 1 or 2 adults in household with 3 or more children – preference for a 4-bedroom. <p>Staff also recommends requiring households to pay fees for lottery entries, annual requalification, and review of capital improvements.</p>	<p>unsuccessfully. Max: 6 points.</p> <ul style="list-style-type: none"> • 1 point for Critical Services Providers up to 2 per household. Max: 2 points. • 2 points for having 100% of the adults in the household employed full time in Teton County. Max: 2 points. <p>Board agrees with staff's recommended minimum occupancy requirements.</p> <p>Board agrees with a fee for lottery entry and review for capital improvements, but not for requalification for current owners/renters.</p>	<p>system lottery for all ownership units.</p> <p>In-person meeting split between status quo and give top preference for households that have repeatedly submitted for the lottery unsuccessfully for a minimum period of time and status quo except remove neighborhood preference.</p>
Alternative 10.D, E, G, and J.	Alternative 10.D, E, G, and J with an amendment on J to remove the fee for any requalification.	Split between alternative 10.A, 10.D, 10.E, and 10.G.
With staff's recommended point system, preference is given for: occupancy (size of unit: size of	Having 100% of the adults in the household work full time in Teton County maximizes the return on	We're a small enough community that moving to a different neighborhood

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
<p>household); length of time working in Teton County; Critical Services Providers; and households who have continued to apply for housing.</p> <p>The lottery is an equitable system to give everyone who works in Teton County a chance to purchase a home that is affordable to them.</p> <p>The point system will make the lottery less complicated and easier for applicants to understand where they fit.</p> <p>Ensuring that household size matches unit size will help limit noncompliance (illegal rentals) and maximize bedroom occupancy.</p> <p>Removing the preference for households who live within the neighborhood makes it equitable to other households who do not already have a home that is affordable to them.</p>	<p>investment and rewards the hardest working households. By requiring 100% of the adults, one-person households and single parents may also receive extra points.</p> <p>Ensuring that individuals who provide health, safety, and welfare services and are on call 24-hours/day live locally makes sense. Giving these individuals (Critical Services Providers) an extra point may increase their odds of being chosen in the lottery.</p> <p>The Housing Department is requiring that homeowners and tenants requalify to occupy their units and therefore should not require a fee for said requalification.</p>	<p>shouldn't be too disruptive.</p> <p>Government and CSP employees should be living as closely as possible. When disasters happen, we need these people in town.</p> <p>It's a conflict of interest to put Town and County employees up on the list.</p> <p>There should be priority given first to families with children who are low-income, followed by teachers and emergency personnel.</p> <p>Having a fee for application would keep people from applying just to get preference after a number of failures.</p> <p>Public dollars going into housing means that we need to look at who is critical to the community running as it should: CSP and Town/County employees. Housing Trust would sync in with this somewhat, but also provides for less of the critical workforce and more of the 'committed community member' so the 2 parties seem to work well in this regard; throw in Habitat and most facets are getting attention, but if public dollars are involved, it seems appropriate for the candidates to be those that are most needed.</p> <p>If you were a CSP at the time of purchase and you leave that job, you should not get to keep a</p>

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
		<p>home you obtained through points due to your CSP position. People are gaming the system now and it undermines the entire program.</p> <p>Families who have been here longer should get preference.</p> <p>Point system provides transparency and fairness.</p> <p>Streamline and simplify the lottery system by removing all preferences, including for CSP and length of time living here.</p>

Question 11: What types of relief should be allowed from the Rules & Regulations?

Status Quo:

- Exceptions for unique situations related to the purchase/rental of the home, appeals from decisions of the Housing Manager; and grievances for harm done by the established Rules and Regulations.

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
Staff recommends formalizing the appeal process, including the appeal hearing, and modeling it after the Wyoming Contested Case Rules.	Same as staff recommendation	<p>Online survey: status quo.</p> <p>In-person: status quo and set out standards for making determinations on exceptions, appeals, and grievances. Strong support for formalizing the appeal process, including the appeal hearing, and model after the Wyoming Contested Case Rules.</p>
Standards for making determinations on exceptions, appeals, and grievances should be developed.		
Alternative 11.D	Alternative 11.D	Split between alternative 11.A., 11.C., and 11.D.
Standardizing the appeal process will provide a more transparent, predictable process.	Standards will help the Housing Manager and Housing Authority Board and will provide for a more consistent, transparent process.	Having a standardized process would make decisions potentially easier for the housing manager, but also helps the defendant/appellant understand what their options are.
Developing standards for		

making determinations on exceptions, appeals, and grievances will help the Housing Manager and provide for a more transparent, predictable process.		Make the process as objective and predictable as possible. This will ease some of the issues about transparency.
---	--	--

Question 12: How should new Rules & Regulations be applied to existing units?

Status Quo:

- Special restrictions supersede the Rules & Regulations. If provisions are not specifically outlined in the special restrictions for a unit, the restrictions default to the currently adopted Rules and Regulations.

Staff Recommendation	Housing Authority Board Recommendations	Public Comments
Staff recommends placing new restrictions on units at resale, unless the standard restriction is already in place. The standard restriction and/or lease agreement will refer to the Rules and Regulations where appropriate.	Same as staff recommendation	Online survey: status quo and specify that the Rules and Regulations adopted at the time of resale will govern the sale of a restricted unit unless otherwise stated in the special restriction. In-person meeting split between: status quo and specify that the Rules and Regulations adopted at the time of resale will govern the sale of a restricted unit unless otherwise stated in the special restriction and status quo and to standardize special restrictions, new restrictions will be recorded as resale, unless the standard restriction is already in place. The standard restriction will refer to the Rules and Regulations where appropriate.
Alternative 12.D and 12.E.	Alternative 12.D. and 12.E.	Split between alternative 12.C. and 12.D.
Updating restrictions to the standard restriction and referring to the Rules and Regulations will allow future changes to the Rules and Regulations to apply across all restrictions and leases.	Update and standardize the restrictions. Any changes to the Rules & Regs will be required to go through a public process. Staff will need to communicate these changes with all owners/tenants.	Rules should not change during tenancy or ownership, but should be updated at the time of sale or the end of tenancy. This will streamline creating more consistency and hopefully simpler in the end.

From: Martha Vorel [<mailto:marthavorel@gmail.com>]

Sent: Wednesday, October 18, 2017 11:06 AM

To: April Norton <ahnorton@tetoncountywy.gov>

Subject: Re: Hi

Ok...sadly, I'm not going to be able to come today. My biggest comment is #1, and because I have been in affordables twice #2 seems relevant.

1: RE: rules and regs to apply for properties. If you have moved away and moved back within a certain amount of time (maybe 5 yrs), it seems to me like you should get some sort of credit/points toward cumulative years lived/worked in Teton County. Or perhaps, you wait one year upon your return and your status on the list is reinstated. I know that this is true for the housing trust. Starting from scratch when you return is like you just moved here and have no ties or commitment to the community.

2: RE: ongoing qualification. I have been in both a housing authority home and a housing trust home, and have seen a significant amount of people take advantage of the system. I have seen people pay off their mortgages immediately, then purchase investment homes in Teton County. I have seen people get a affordable home and quit their jobs. I have seen people go out of the country for months after getting a home and secretly rent their homes for market value. I have seen people's salaries go up significantly, yet continue to live in affordable units. You know all this. It's not news to you.

On a totally different note, I don't understand why some affordable homes are built with higher-end features/materials. Because of that, it becomes a permanent home for buyers rather than a stepping stone. People feel no need to move on or move up.

Thanks for taking these to the board for me. I appreciate it.

Martha