

# Teton County & Town of Jackson *Wyoming*



## Policy Directions: Affordable Workforce Housing



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## I. INTRODUCTION

There is a serious affordable workforce housing problem in Teton County and the Town of Jackson. It began in the mid-1990s, and has incrementally worsened since that time. It is due in large part to significant increases in land and housing prices, in conjunction with static or minor increases in workforce wages. The result is that today, most members of the community's workforce are priced out of the housing market, and the problem is worsening.

The *Jackson/Teton County Comprehensive Plan* recognizes this problem, and sets out a goal to provide housing opportunities so that 65% of the workforce can live locally. How this goal is to be achieved has been discussed at length by members of the community. Based on these discussions, there is a general consensus that while the goal is achievable, it will require active and multi-dimensional efforts on the part of the County, the Town, and the community generally, that include:

- A dedicated source of funding, like the special purpose excise tax or a sales tax;
- Incentives in the County and Town Land Development Regulations (LDRs) for those that build affordable workforce housing;
- Efforts by non-profits like Habitat for Humanity and the Jackson Hole Community Housing Trust;
- Public/private partnerships; and
- Continued use of mandatory requirements in the County and Town Land Development Regulations (LDRs) that require certain types of developments to mitigate the need for affordable workforce housing.

While each of these initiatives is important in addressing the housing affordability problem, this particular effort focuses on only one of these strategies –**updating the mandatory mitigation requirements in the County/Town LDRs to better align them with the policy direction in the *Jackson/Teton County Comprehensive Plan*, other community goals, and current conditions.**

In beginning this effort, public workshops were conducted in late May and early June, 2017, and an online survey was placed on [www.jacksonetonplan.com](http://www.jacksonetonplan.com) for citizen response between May 23 and June 5. Public input was received from individual citizens at the workshops and through the online survey about problems with the current requirements and what changes they thought the community should achieve in updating the mandatory affordable workforce housing requirements. This input is synthesized in the *Jackson/Teton County Community Engagement Summary: Housing LDRs*, which is available at [www.jacksonetonplan.com](http://www.jacksonetonplan.com), and is used to inform this second step – development of this policy memorandum to identify the policy issues on which the Teton County Board of County Commissioners and Jackson Town Council need to provide direction in order to frame the changes that need to be made to the housing requirements in the LDRs.

Before outlining the issues on which policy direction should be provided, and to provide context to the issue, this memorandum summarizes:

- The past, current, and expected trends in the community with respect to housing for the workforce;
- The key elements in the current mandatory mitigation requirements; and
- The input received from the public on the mandatory affordable housing requirements at the workshops in late May and early June, and in responses to the online survey.

This policy memo concludes with identification of the underlying policy questions on which the Board of County Commissioners and Town Council need to provide direction, so that the update effort can proceed. These same policy questions will be reviewed by the Board of County Commissioners and Town Council at a joint meeting on July 10.

## II. PAST, CURRENT, AND EXPECTED HOUSING TRENDS

Like many premier destination resort communities, the price of housing in Jackson Hole over the past 20 years has increased, while incomes and wages remained relatively static. This has led to a housing affordability problem in the community, especially for the workforce. Typically, housing affordability is evaluated by comparing the price of housing for a local real estate market to prevailing wage and salary incomes. A national benchmark for evaluating affordability is whether median household incomes are at the level where the household could afford a median priced home. Typically, housing affordability of owner-occupied housing is defined as the owner spending no more than 30 percent of annual household income on annual housing costs. The maximum price of an affordable unit under this definition is calculated as 3.33 times (333%) the annual median household income.

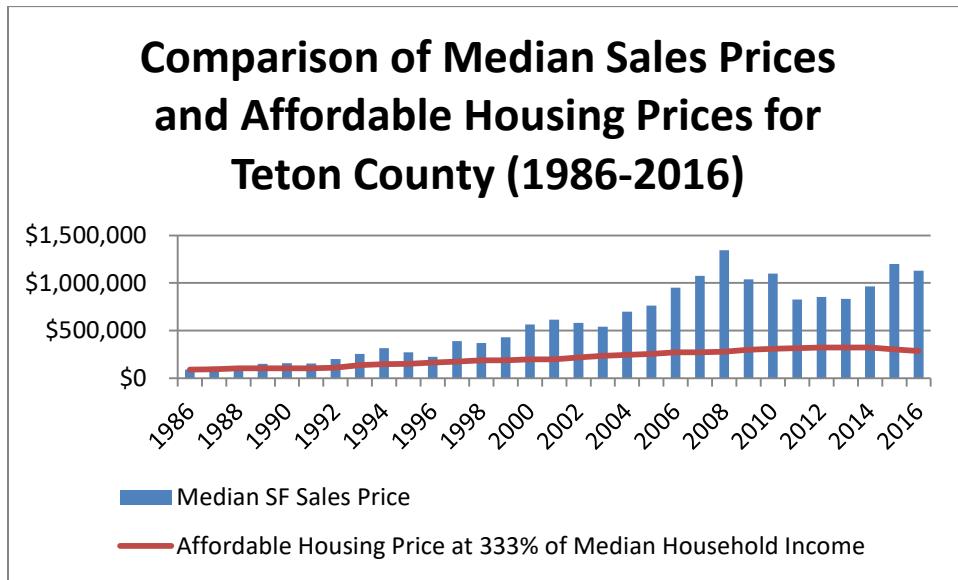
Table 1: Comparison of Median Household Incomes, Median Single-Family Sales Prices, and Housing Affordability, Teton County, 1986-2016, demonstrates, the gap between median household incomes and median housing costs. In 1986, median sales prices of homes (\$90,000) were on target with the affordable housing price for a median household income (\$90,667). From that point in time forward, the price points have increased so that they no longer align with what is affordable to median household incomes. By 2000, the median sales price (\$565,000) was nearly three times the price affordable to a median household income (\$196,333). In 2007, the median sales price (\$1,075,000) was approximately four times the price affordable to a median household income (\$270,000). While the Great Recession had an impact on housing prices, housing, even during the downturn, was never affordable to most of the workforce. By 2012, the median sales price of housing (\$853,150) was more than 2.6 times the price that is reasonably affordable to a household with a median household income (\$320,667). By 2016, the gap had increased even more dramatically to 3.95 times the price that is reasonably affordable to a household with a median household income (with a median sales price of \$1,130,000 and a median household income of \$85,800). (also see Figure 1: Comparison of Median Sales Prices and Affordable Housing Prices for Teton County, (1986-2016), which graphically illustrates this relationship.

**Table 1: Comparison of Median Household Incomes, Median SF Sales Prices, and Housing Affordability (Teton County, 1986-2016)**

Year	Median Household Income	Median SF Sales Price	Affordable Housing Price at 333% of Median Household Income	Ratio of Median SF Sales Price and AH Price at 333% of Median Household Income	Median Income as % of Median SF Sales Price
1986	\$27,200	\$90,000	\$90,667	0.99	331%
1987	\$28,200	\$120,000	\$94,000	1.28	426%
1988	\$31,000	\$106,000	\$103,333	1.03	342%
1989	\$31,000	\$150,000	\$103,333	1.45	484%
1990	\$31,000	\$157,500	\$103,333	1.52	508%
1991	\$31,200	\$155,000	\$104,000	1.49	497%
1992	\$32,800	\$200,000	\$109,333	1.83	610%
1993	\$41,300	\$256,000	\$137,667	1.86	620%
1994	\$44,000	\$315,000	\$146,667	2.15	716%
1995	\$45,200	\$272,500	\$150,667	1.81	603%
1996	\$49,400	\$225,625	\$164,667	1.37	457%
1997	\$51,800	\$390,000	\$172,667	2.26	753%
1998	\$56,000	\$370,000	\$186,667	1.98	661%
1999	\$56,500	\$430,000	\$188,333	2.28	761%
2000	\$58,900	\$565,000	\$196,333	2.88	959%
2001	\$59,500	\$614,891	\$198,333	3.10	1033%
2002	\$65,400	\$579,981	\$218,000	2.66	887%
2003	\$69,900	\$540,000	\$233,000	2.32	773%
2004	\$73,500	\$700,000	\$245,000	2.86	952%
2005	\$76,700	\$763,000	\$255,667	2.98	995%
2006	\$81,800	\$950,000	\$272,667	3.48	1161%
2007	\$81,000	\$1,075,000	\$270,000	3.98	1327%
2008	\$83,300	\$1,345,906	\$277,667	4.85	1616%
2009	\$89,500	\$1,037,500	\$298,333	3.48	1159%
2010	\$92,500	\$1,100,000	\$308,333	3.57	1189%
2011	\$94,900	\$825,000	\$316,333	2.61	869%
2012	\$96,200	\$853,150	\$320,667	2.66	887%
2013	\$96,300	\$835,000	\$321,000	2.60	867%
2014	\$96,800	\$965,000	\$322,667	2.99	997%
2015	\$90,700	\$1,200,000	\$302,333	3.97	1323%
2016	\$85,800	\$1,130,000	\$286,000	3.95	1317%

Source: Teton County single family sales prices are from three different sources: (1) 1986 to 2000 are from the March 2002 Teton County, Wyoming Affordable Housing Support Study, p.3; (2) 2000-2002 are from the Wyoming Housing Database Partnership, August 28, 2008, and are adjusted to median from averages, and (3) 2003-2012 are from data provided by the Teton County Assessor. Income data was collected from:

<http://www.huduser.org/portal/datasets/il/il13/index.html>

**Figure 1**

Rental units have also become increasingly more difficult to find at prices that are reasonably affordable (even though rental development has far exceeded ownership development in Teton County in recent years). The *2014 Housing Survey* indicates that as of 2014, the rental market had an extremely low vacancy rate, lower than 1%. Furthermore, the survey reported that of the current residents that had lived in their homes for less than one year, 70% reported that it was difficult to find housing that was affordable.

In addition to the housing cost issue, other economic and demographic conditions are at play in the community. One is the general nature of the economy, which is tourist-oriented. About 35% of the jobs in Teton County are in the Accommodations and Food Services sector, which are some of the lowest wage earners. Another 10% are in the Retail Trade sector, meaning a significant segment of the workforce generally earns low wages. In fact over the last few years, these sectors of the economy have grown rapidly, resulting in a decline in median incomes since 2014. A second condition is the distinct seasonal peaks in employment levels, namely summer and winter. The highest employment levels are during the summer months, which have been recorded at over 10,000 seasonal workers. By comparison, the number of seasonal workers in the winter has historically been around 5,000. Given the change in effective population, the community must find ways to provide short-term rental housing that is affordable to this population of majority low wage workers. These dynamics have resulted over the last 15 years into a growing number of daily commuters. Because housing prices have increased (and continue to do so), and supply has declined at prices that are affordable to the workforce, people have had to look outside of the county for affordable housing options. Commuting imposes high costs on the workers; for example, the *2014 Housing Survey* estimates that that the cost of commuting is on average \$417 per month. This can be a significant burden, especially for low income households.<sup>1</sup>

In the Town and County's joint comprehensive plan, it was established that residents want to maintain a "community first, resort second" character. The *2014 Housing Survey*, however,

<sup>1</sup> Commuting also places extra stress on the region's transportation systems.

revealed that about 40% of the county's residents at that time feared they would have to move out of the county due to rising housing costs. Respondents also indicated they would prefer to live close to work, and that Teton County, Wyoming has the largest share of jobs in the Western Greater Yellowstone Area. A very small proportion of Teton County's households (11%) currently commute to different counties, while 42% of Teton County's workforce commutes into the county every day.<sup>2</sup>

The housing network in Teton County is comprised of several key players: the Teton County Housing Authority (TCHA), the Jackson Hole Community Housing Trust (JCHCT), Habitat for Humanity of the Greater Teton Area, and some of the major employers in the area. During the period from 2007 to 2014, the TCHA, JCHCT, and Habitat for Humanity developed 7% of the total affordable workforce housing units. Major employers developed 38% of the total workforce housing units during the same period. Twenty-one percent (21%) of the workforce housing units were developed by the private sector under the residential and seasonal employee housing (commercial) mandatory mitigation requirements in the Town and County LDRs.<sup>3</sup>

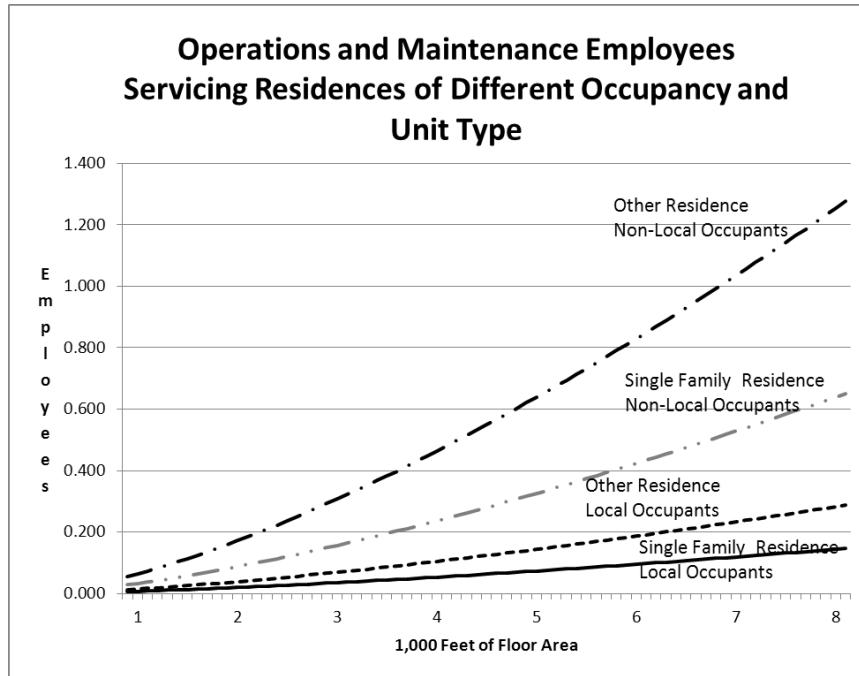
The *2013 Employee Generation by Land Use Study*, completed to evaluate the need that both residential and nonresidential development creates for affordable workforce housing, also confirmed much of the results outlined above. As well, and importantly, given wage levels and housing prices, it shows that jobs are created by both residential and nonresidential development that in turn creates a need for affordable workforce housing. There are several important phenomena the study identifies with respect to the need for affordable housing created by jobs created through residential development. One is that there is an exponential relationship between the size of the home (square footage) and the need created for affordable workforce housing – in other words, the larger the home in size, the greater the need the housing unit creates for affordable workforce housing.<sup>4</sup> Another is that residences occupied by non-locals (second homeowners) versus locals (full-time residents) create a greater need for affordable housing. A third is that single-family homes create less need for affordable housing than other types of housing (condominiums and apartments). See Figure 2: Operations and Maintenance Employees Servicing Residences of Different Occupancy and Unit Type; Table 2: Need for Workforce Housing Created by Non-Local Residential Development; and Table 3: Need for Workforce Housing Created by Local Residential Development.

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<sup>2</sup> Many of these commuters live in Teton County, Idaho because of its relative affordability. These commuters indicated in the *2014 Housing Survey* that they would rather live in Teton County, Wyoming if affordable housing options were available.

<sup>3</sup> According to the *2007 Teton County Housing Needs Assessment*, 52% of all workforce housing production during the earlier period evaluated (1990-2006) was tied to the residential and seasonal employee housing (commercial) mandatory mitigation requirements in the Town and County LDRs.

<sup>4</sup> The primary reason for this is that the owners of these largest (and most expensive) homes, which are primarily used as second homes, have significant disposable income to hire and use more operation and maintenance workers to care for the unit and meet other household needs – and typically these workers are low wage earners.

**Figure 2****Table 2: Need for Workforce Housing Created by Non-Local Residential Development**

Unit Size (FT2)	Non-Local Tenancy Single-Family Detached							
	Construction		Operations and Maintenance		Critical Service Providers		Total	
	Affordable Housing Units Needed	Housing Assistance Needed	Affordable Housing Units Needed	Housing Assistance Needed	Affordable Housing Units Needed	Housing Assistance Needed	Affordable Housing Units Needed	Housing Assistance Needed
500	0.012	\$ 1,256	0.002	\$ 339	0.000	\$ 37	0.014	\$ 1,632
1,000	0.023	\$ 2,512	0.006	\$ 1,016	0.001	\$ 74	0.030	\$ 3,602
2,000	0.046	\$ 5,025	0.018	\$ 3,048	0.002	\$ 148	0.066	\$ 8,220
3,000	0.070	\$ 7,537	0.034	\$ 5,757	0.002	\$ 222	0.106	\$ 13,516
4,000	0.093	\$ 10,050	0.054	\$ 9,144	0.003	\$ 295	0.150	\$ 19,489
5,000	0.116	\$ 12,562	0.076	\$ 12,869	0.004	\$ 369	0.196	\$ 25,800
6,000	0.139	\$ 15,074	0.076	\$ 12,869	0.005	\$ 443	0.220	\$ 28,386
7,000	0.162	\$ 17,587	0.076	\$ 12,869	0.005	\$ 517	0.244	\$ 30,973
Unit Size (FT2)	Non-Local Tenancy All Other Units							
	Construction		Operations and Maintenance		Critical Service Providers		Total	
	Affordable Housing Units Needed	Housing Assistance Needed	Affordable Housing Units Needed	Housing Assistance Needed	Affordable Housing Units Needed	Housing Assistance Needed	Affordable Housing Units Needed	Housing Assistance Needed
500	0.012	\$ 1,256	0.007	\$ 1,185	0.000	\$ 37	0.019	\$ 2,478
1,000	0.023	\$ 2,512	0.022	\$ 3,725	0.001	\$ 74	0.046	\$ 6,311
2,000	0.046	\$ 5,025	0.067	\$ 11,345	0.002	\$ 148	0.115	\$ 16,517
3,000	0.070	\$ 7,537	0.067	\$ 11,345	0.002	\$ 222	0.139	\$ 19,104
4,000	0.093	\$ 10,050	0.067	\$ 11,345	0.003	\$ 295	0.163	\$ 21,690
5,000	0.116	\$ 12,562	0.067	\$ 11,345	0.004	\$ 369	0.187	\$ 24,276
6,000	0.139	\$ 15,074	0.067	\$ 11,345	0.005	\$ 443	0.211	\$ 26,863
7,000	0.162	\$ 17,587	0.067	\$ 11,345	0.005	\$ 517	0.235	\$ 29,449

**Table 3: Need for Workforce Housing Created by Local Residential Development**

Unit Size (FT <sup>2</sup> )	Local Tenancy Single-Family Detached							
	Construction		Operations and Maintenance		Critical Service Providers		Total	
	Affordable Housing Units Needed	Housing Assistance Needed						
500	0.012	\$ 1,256	0.001	\$ 169	0.000	\$ 37	0.013	\$ 1,462
1,000	0.023	\$ 2,512	0.003	\$ 508	0.001	\$ 74	0.027	\$ 3,094
2,000	0.046	\$ 5,025	0.009	\$ 1,524	0.002	\$ 148	0.057	\$ 6,696
3,000	0.070	\$ 7,537	0.018	\$ 3,048	0.002	\$ 222	0.090	\$ 10,807
4,000	0.093	\$ 10,050	0.028	\$ 4,741	0.003	\$ 295	0.124	\$ 15,086
5,000	0.116	\$ 12,562	0.040	\$ 6,773	0.004	\$ 369	0.160	\$ 19,704
6,000	0.139	\$ 15,074	0.040	\$ 6,773	0.005	\$ 443	0.184	\$ 22,291
7,000	0.162	\$ 17,587	0.040	\$ 6,773	0.005	\$ 517	0.208	\$ 24,877
Unit Size (FT <sup>2</sup> )	Local Tenancy All Other Units							
	Construction		Operations and Maintenance		Critical Service Providers		Total	
	Affordable Housing Units Needed	Housing Assistance Needed						
500	0.012	\$ 1,256	0.004	\$ 677	0.000	\$ 37	0.016	\$ 1,970
1,000	0.023	\$ 2,512	0.012	\$ 2,032	0.001	\$ 74	0.036	\$ 4,618
2,000	0.046	\$ 5,025	0.035	\$ 5,926	0.002	\$ 148	0.083	\$ 11,099
3,000	0.070	\$ 7,537	0.067	\$ 11,345	0.002	\$ 222	0.139	\$ 19,104
4,000	0.093	\$ 10,050	0.105	\$ 17,779	0.003	\$ 295	0.201	\$ 28,124
5,000	0.116	\$ 12,562	0.105	\$ 17,779	0.004	\$ 369	0.225	\$ 30,711
6,000	0.139	\$ 15,074	0.105	\$ 17,779	0.005	\$ 443	0.249	\$ 33,297
7,000	0.162	\$ 17,587	0.105	\$ 17,779	0.005	\$ 517	0.273	\$ 35,883

The other phenomena the analysis identifies is that those nonresidential land uses with close links to the community's tourism economy (retail, eating and drinking, office, and hotel/lodging) create the greatest need for affordable workforce housing, primarily because they employ the lowest wage earners. See Table 4: Summary of Workforce Housing and Assistance Need for Non-Residential Development.

**Table 4: Summary of Workforce Housing and Assistance Need for Non-Residential Development**

Land Use	Construction		Post-Construction		Critical Service Providers		Totals		Totals	
	Workforce Housing Units	Housing Assistance Needed	Workforce Housing Units	Housing Assistance Needed	Workforce Housing Units	Housing Assistance Needed	Workforce Housing Units per 1,000 FT <sup>2</sup> /Room	Housing Assistance Needed per 1,000 FT <sup>2</sup> /Room	Workforce Housing Units per 1 FT <sup>2</sup>	Housing Assistance Needed per 1 FT <sup>2</sup>
<b>Per 1,000 Square Feet</b>										
Retail	0.023	\$ 2,511.79	0.705	\$ 127,958	0.002	\$ 212.46	0.730	\$ 130,682.25	0.00073	\$ 130.68
Eating & Drinking	0.023	\$ 2,511.79	1.956	\$ 286,160	0.002	\$ 212.46	1.981	\$ 288,884.25	0.00198	\$ 288.88
Office	0.023	\$ 2,511.79	0.952	\$ 102,783	0.002	\$ 212.46	0.977	\$ 105,507.25	0.00098	\$ 105.51
Industrial	0.010	\$ 1,045.84	0.430	\$ 125,983	0.002	\$ 212.46	0.442	\$ 127,241.30	0.00044	\$ 127.24
Institutional	0.017	\$ 1,887.36	0.952	\$ 125,983.00	0.002	\$ 212.46	0.971	\$ 128,082.82	0.00097	\$ 128.08
Other										
<b>Per Room</b>										
Hotel/Lodging (by room)	0.021	\$ 2,253.53	0.244	\$ 35,696	0.002	\$ 190.61	0.267	\$ 38,140.14		

### III. OVERVIEW OF CURRENT REQUIREMENTS AND IDENTIFICATION OF STRENGTHS AND SHORTFALLS

In response to the housing affordability problem, both the Town and County adopted similar mandatory affordable housing standards in the mid-1990s. One provision requires a certain amount (percent) of all residential dwelling units developed to be “affordable” (Division 7.4: Affordable Housing Standards, County and Town LDRs). Initially the amount was set at 15 percent; it, however, was increased to 25 percent in 2008 in the County and increased to 20 percent about a year later in the Town). The percent of affordable housing required is based on a support study prepared in 1994, and included as Appendix D: 1994 Affordable Housing Needs Assessment in the *Jackson/Teton County Comprehensive Plan*. The Needs Assessment demonstrates that if a reasonable supply of housing in the community was to remain affordable, 25 percent of new housing must be available at prices which are affordable to the workforce. The second provision requires nonresidential development to provide housing for its seasonal employees (Division 6.3: Employee Housing Requirements, County and Town LDRs). Each provision is discussed in more detail below.

#### A. DIVISION 7.4 AFFORDABLE HOUSING STANDARDS

Division 7.4 Affordable Housing Standards, currently requires 25 percent (County) or 20 percent (Town) of all new dwelling units, unless exempted, be “affordable.”<sup>5</sup> Applicants are required to propose how they will meet the mitigation requirement in a housing mitigation plan (HMP) that is submitted, reviewed, and decided concurrent with a development plan for the project.

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<sup>5</sup> Generally, the type of development that is exempted involves residential development that either does not create a new dwelling unit, or new residential dwellings that provide housing that is affordable to the workforce. The exemptions include:

- Redevelopment of uses existing prior to February 21, 1995, as long as no dwelling units are added over the number that existed on that date;
- Mobile home park development if it is determined the park provides affordable housing;
- Development of a single-family home on a lot of record (Town only); Development of a single-family home on a lot of record if (1) household income is restricted to less than 120% of median household income, the household’s net assets comply with the Town/County Housing Rules and Regulations, and a deed restriction is placed on the unit that requires it to be affordable on resale(County only);
- Development on a lot of record that has met the mitigation requirement of the division;
- An accessory residential unit (ARU);
- A group residential unit;
- Temporary uses;
- One lot split of a residential lot into 2 lots (Town only);
- Live/work units (Town only);
- Housing that is part of a workforce housing incentive (Town only);
- Apartment buildings of 20 or more units (Town only);
- Required Employee Housing; and
- Residential developments that are designed and administered to meet the objectives of the division.

The regulations specifically spell out how mitigation is to occur – in other words, how affordable housing is to be provided. The regulations identify four potential ways that affordable housing can be mitigated, in order of preference and priority:

- Construct affordable housing units, on-site;
- Construct affordable housing units, off-site;
- Restrict existing housing as affordable, off-site (Town only);
- Dedicate land for affordable housing; or
- Pay an in-lieu fee for affordable housing.

The prefatory language in Division 7.4.F in the County and Town LDRs, also emphasizes ..... “Conveyance of land and payment of fees are not preferred methods of performing the obligations created by the Division, and will not be approved unless on-site construction of affordable housing units is impractical.” However, the language following this provision, creates exceptions to this general rule, and does not necessarily establish a bright-line of a rule as the prefatory language.

The metrics used for determining whether the percentage of residential units built in a development are “affordable” are based on bedroom occupancy standards, which are set out in the regulations, along with minimum standards for what needs to be included in the unit, the size of the unit, and restrictions on what price the unit(s) must be sold or rented for to ensure they are “affordable.”

Division 7.4 E.2, establishes the following occupancy standards:

Occupancy Standards for Affordable Housing		
Number of Bedrooms in Unit	Number of Occupants (County)	Number of Occupants (Town)
<b>Studio</b>	<b>1</b>	<b>1.25</b>
<b>One</b>	<b>1</b>	<b>1.75</b>
<b>Two</b>	<b>2</b>	<b>2.25</b>
<b>Three</b>	<b>3</b>	<b>3.00</b>
<b>Four</b>	<b>4</b>	<b>3.75</b>
<b>Five</b>	<b>n/a</b>	<b>4.50</b>
<b>Each Additional Bedroom</b>	<b>n/a</b>	<b>0.50</b>
<b>Dormitory</b>	<b>n/a</b>	<b>1.00 per 150 s.f. of new habitable area</b>

Finally, Division 7.4.H, provides if an applicant believes that due to unusual conditions, the need for affordable housing for a specific project is less than what is required under the affordable housing standards, the applicant may submit an independent calculation to demonstrate the mitigation amount should be reduced. The provision requires that the same formula used in the regulations to measure need be used in the independent calculation, and places limitations on what factors in that calculation can be modified. They are: number of occupants to be housed, mix of affordable housing, and the amount of the in-lieu fee. The independent calculation is required to be supported by local data and analysis, surveys, and other support materials. It is to be submitted with the HMP. If it demonstrates by competent substantial evidence that there is a reasonable basis to modify the need for affordable housing, it is to be approved.

## B. DIVISION 6.3: EMPLOYEE HOUSING REQUIREMENTS

Division 6.3 Employee Housing Requirements, requires that nonresidential development, unless exempted,<sup>6</sup> provides housing for their seasonal employees. Applicants are required to propose how they will meet the mitigation requirement in a housing mitigation plan (HMP) that is submitted, reviewed, and decided concurrent with a development plan for the project.

Division 6.3.2 C.1, establishes the employee housing requirements for different types of nonresidential development, in the following table.

EMPLOYEE HOUSING REQUIREMENT*		
USE	EMPLOYEES REQUIRED TO BE HOUSED (County)	FLOOR AREA TO BE DESIGNATED FOR EMPLOYEE HOUSING (Town)
Dude Ranch	0.82 per guest	
Conventional Lodging	0.19 per bedroom	47 sf per 1,000 sf
Short-term rental	0.19 per bedroom	
Campground	0.58 per 1,000 sf of commercial floor area + 1.75 per acre	
Office	0.05 per 1,000 sf	14 sf per 1,000 sf
Retail	0.56 per 1,000 sf	156 sf per 1,000 sf
Service	0.20 per 1,000 sf	56 sf per 1,000 sf
Restaurant/Bar	1.35 per 1,000 sf	378 sf per 1,000 sf
Heavy retail/service	0.06 per 1,000 sf	16 sf per 1,000 sf
Nursery	0.37 per 1,000 sf +1.51 per acre	
All industrial uses	0.03 per 1,000 sf	8 sf per 1,000 sf
Other uses not listed	Determined by independent calculation	Determined by independent calculation

\*Table based on Appendix D: Seasonal Housing Needs Assessment, *Jackson/Teton County Comprehensive Plan*

Division 6.3 D. spells out how mitigation is to occur. Four potential types of mitigation are identified:

- On-site employee housing, which is the preferred method;

<sup>6</sup> The exemptions include:

- Redevelopment/remodeling/renovation of use existing prior to the adoption of the regulation, as long as floor area is not added;
- A change of use that does not increase the employee housing requirement;
- Use of a lot of record on which the employee housing requirements under the division have already been addressed (unless there is an expansion or change of use that increases the need for employee housing);
- Institutional uses;
- Accessory uses;
- Temporary uses;
- Agricultural uses;
- Utility uses;
- Home occupations and home businesses; and
- Any uses in the P/SP zone.

- Off-site employee housing at an alternative location (which is not part of the existing housing stock, and not developed at densities greater than the maximum allowed in the zone);
  - For nonresidential development in a PUD zone for planned resort, employee units outside the zone, provided the density proposed at the alternate location is not greater than the maximum allowed in the zone (County only); or
- An in-lieu fee if the other options are unavailable (the current fee is \$51,743.22/employee (County) \$147.84/required sf (Town)).<sup>7</sup>

Division 6.3.2 D.4, identifies the types of housing that can be used for employee housing. They are:

- Accessory residential units (ARUs);
- Hotel/motel rooms (County only);
- Cabins;
- Apartments;
- Townhomes;
- Detached dwelling units;
- Dormitories;
- Boarding houses (County only); and
- Campground space (County only).

Division 6.3.2 D.5 in the County, spells out the occupancy standards that are to be applied to the employee housing provided. These standards are set down in the table below.

Occupancy Standards for Employee Housing	
Number of Bedrooms in Unit	Number of Occupants
Studio	1.25
One	1.75
Two	2.25
Three	3.0
Four	3.75
Five	4.50

Finally, Division 6.3.F, provides that if an applicant believes that due to unusual conditions, the need for employee housing for a specific project is less than what is required under the employee housing requirements, the applicant may submit an independent calculation to demonstrate the mitigation amount should be reduced. In addition, the provision is required to be used to determine the need for employee housing if the use is not listed in Division 6.3 C.1. The provision includes the same formula used in the regulations to measure seasonal housing need. The independent

<sup>7</sup> Division 6.3.2 D.6.a.i in the County, requires that the in-lieu fee be updated, and includes the formula to be used in updating the fee. In the Town the fee is to be updated from time-to-time, which has generally occurred every 2 years. The provisions also require the fees be paid on a proportionate basis, prior to the issuance of a nonresidential use permit; that the fees be placed in an interest bearing account, and be used solely for the purpose of planning for, subsidizing, or developing employee housing units. A refund provision is also included that requires a refund of the fee if it is not used within seven years, unless the fees are earmarked within that time for a specific project, and spent within the next three years.

calculation is required to be supported by local data and analysis, surveys, and other support materials. It is to be submitted with the HMP. In the PUD zone, it allows employee units to be shared, where they can be used during different peak seasons (summer and winter).

## IV. PUBLIC INPUT ON THE MANDATORY AFFORDABLE HOUSING REQUIREMENTS

In an effort to provide numerous opportunities for community input on the mandatory housing requirements, County and Town staff, in conjunction with Peak Facilitation, conducted a set of public workshops and an open house in late May and early June. At those workshops, attendees were given the opportunity to respond to a number of questions about the current regulations, as well as provide any other input they believed appropriate. The dates of those public workshops and the open house were:

- **May 30 Community Discussion in Spanish**
- **June 1 Open House**
- **June 1 Community Discussion in English**

Attendance at the public workshops was good. Approximately 20 persons attended and provided input at the Community Discussion in Spanish which was held at St. Johns Episcapole Church at 5 pm. Approximately 75 persons attended and provided input at the Open House, which was held at the Center of the Arts, from noon until 8 pm. Approximately 75 persons attended and provided input at the Community Discussion in English, which was held at the Center for the Arts from 5:30 to 8 pm.

In addition, and to provide additional opportunities for citizen input, an online survey about the housing requirements was made available at [www.jackontetonplan.com](http://www.jackontetonplan.com) between May 23 – June 5. Two hundred and twenty-nine online survey responses were received.

All this input is compiled in the *Jackson/Teton County Community Engagement Summary: Housing LDRs*, which has been made available to the public at [www.jackontetonplan.com](http://www.jackontetonplan.com).

As is outlined in the summary, the following key issues were identified by the public at the workshops or in the responses to the online survey that are relevant to this discussion on the policy issues for which direction is needed.

**There is a Serious Affordable Workforce Housing Problem in Jackson Hole. The Community's Best Chance to Address the Problem is Through a Shared or Multi-Dimensional Approach—It Should Include Mandatory Affordable Housing Requirements.** Even though some citizens expressed the affordable workforce housing problem should and could be addressed by the private market (with zoning changes), the there is continued support for a shared or multi-dimensional approach to addressing the community's affordable workforce problem. It includes finding a dedicated source of funding for affordable workforce housing, developing public/private partnerships to build affordable housing, providing incentives and other zoning initiatives to support private sector provision of affordable housing, and imposition of mandatory affordable workforce housing requirements.

**Employers Should Provide Affordable Housing for Their Fulltime and Seasonal Employees:** For those citizens that supported mandatory affordable housing requirements, many supported requiring employers to provide housing for both their fulltime and seasonal employees. Some respondents noted exemptions might be in

order for the smallest businesses. The following are examples of comments received about this issue:

- Businesses need to contribute to workforce housing by paying a living wage or helping to provide housing. It would be a good idea to have employers pay into an employee housing program rather than have their employees live in certain areas, which can raise issues if they change jobs.
- Commercial developments are not properly offsetting their impacts.
- New businesses have a responsibility to house their employees.
- The hospitality and hotel industry needs to provide housing for their employees.
- There are inadequate requirements for developers, businesses, and hotels to provide housing, rather than just fees-in-lieu.
- Businesses are not required to provide all seasonal employees' housing.
- If employers are not providing housing to their employees, they must be paying fees.
- Housing should be provided based on an assessment of a business' impacts and suitable for their different types of employees.
- Require that all new or repurposed developments, including remodeled hotels/motels, provide housing for all employees, including seasonals.

**Second Home Owners and Tourists Contribute to the Problem and Should be Required to Provide Affordable Workforce Housing.** There were comments from a number of citizens that second home owners (especially second home owners with large homes), and tourists, contributed to the affordable housing problem, and should be required to address the need for affordable housing they create.

**The Housing Requirements and Housing Rules and Regulations Should Provide Both Ownership and Rental Opportunities.** Citizens expressed support that the housing requirements should provide for both ownership and rental units, even though the general feeling was there should be more rental units available than ownership units.

**Some Support was Expressed to Prioritize Affordable Workforce Housing for Workers That are Important to the Functioning of the Community.** There was some support for prioritizing the provision of affordable housing to first responders (police, fire, EMS), health care providers, utility maintainers (water, sewer/septic, power, etc), and teachers. There was a minimal response to including County/Town employees in this group.

## V. POLICY ISSUES ON WHICH DIRECTION IS NEEDED

The Comprehensive Plan aspires to provide housing opportunities so that at least 65% of the workforce lives locally. A local workforce is more likely to invest socially, civically, and economically in the community. A local workforce also provides community stability and cultural memory. Some members of the workforce can afford housing locally, but not enough to meet the community's housing goal. Housing requirements, such as the current 25% Affordable Housing and Employee Housing mitigation requirements, are one tool to provide housing opportunities for those employees that cannot afford local housing.

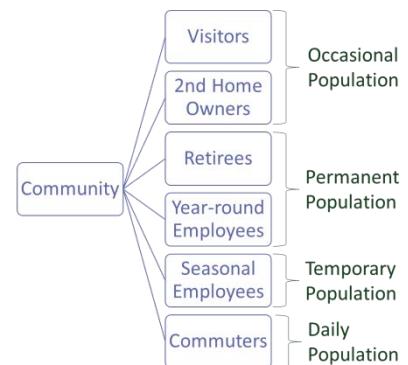
The workforce in need of housing can be broken into 3 categories: new employees in new jobs, new employees in existing jobs (vacated by retirement or otherwise), and existing employees in existing jobs. Similarly housing can be supplied by 5 sources: existing housing, allowed housing, incentivized housing, subsidized housing, and required housing.



While other tools can be used to supply housing to any category of the workforce, it is important to remember that housing requirements can only respond to housing demand from new jobs.

### 1. What segments of the workforce should required housing be for?

The current Housing Requirement LDRs (25% Affordable, Employee mitigation) broadly look at housing affordability for the permanent and temporary population, whether they are in the workforce or not. The community's housing goal focuses on the workforce. The workforce has historically been divided into year-round and seasonal employees. However, there has been recent discussion of also distinguishing the local workforce that telecommutes to jobs outside of the community from the local workforce that works in local jobs. Who the required housing is intended to house will affect the amount and type of housing that is required.



## 2. What (if any) housing demand from new jobs will be provided by tools other than housing requirements?

According to the Housing Action Plan, new job creation accounts for about 70% of the workforce housing needed to meet the community's housing goal. As a result, supplying all of the housing demanded by the creation of new jobs through the housing requirements will result in significant requirements. Demand for housing from new jobs that is not supplied through housing requirements will have to be provided through one of the other tools described above, or not be provided locally. Determining what demand should be supplied through other tools and what demand should be supplied by the housing requirements should be based on a defined threshold. At the May 2015 Housing Summit there was discussion of relying on allowances and incentives to provide housing for workforce households making over 120% of median income, and only relying on housing requirements to house lower income households. In addition to income levels, the Town and County could base the threshold on defined, critical sectors of the workforce (e.g. first responders, utility maintenance, teachers). Setting an income, sector, or other threshold for calculating the requirement will affect the amount of housing that is required with new development and the amount of housing that needs to be supplied by other tools.

## 3. When should the requirement to house the construction workforce be collected?

Any time a new building is built, a construction workforce is generated. A requirement to house the construction workforce can be collected at the time the landowner or developer pulls the building permit; at the time a developer entitles future construction; or at the time the contractor sets up shop in the community. The requirements can include all phases of design and construction or just the actual construction industry. The answer may vary by type of building (i.e. single family residence, multi-unit residential development, hotel, office building). When the construction workforce requirement is due will determine who is directly responsible for the requirement and how the requirement will vary (e.g. by square foot, number of lots, number of employees).

## 4. When should the requirement to house the operations and maintenance workforce be collected?

The operations workforce are the employees working in and maintaining buildings and property once they are constructed. This includes everybody except the construction and public sector workforce: landscapers of residential property, housekeepers of a lodging facility, staff of a restaurant, an accountant in an office building, etc. As in the previous question, the requirement to house the operations workforce can be applied at any point in the development process from building permit, to entitlement, to the permitting of the operations business by the employer.

The answer to this question may vary by industry, and the answer will determine who is directly responsible for the requirement and how the requirement will vary.

## 5. When should the requirement to house the public sector workforce be collected?

In the 2013 Nexus Study, generation of the public sector workforce is attributed to private development rather than treated as independent development. Required housing for the public workforce can be provided through private development or at the time the public jobs are created. If required through private development, the requirement can be at the time of private building permit or private development entitlement. The answer to this question will determine who is directly responsible for the requirement and how the requirement will vary.

## 6. What type of housing should be provided through housing requirements?

When housing is required the type of housing that is required needs to be specified. Current requirements discuss rental vs. ownership product and provision of housing types consistent with the free market housing being developed. The answer to this question may vary based on who the housing is for and how it is being provided.

## 7. What methods for providing housing will be allowed and preferred?

The current regulations include a prioritized preference for construction of new housing on-site or off-site before other options such as restriction of existing units off-site, land dedication, or fee-in-lieu are considered. The Town and County will have to determine what methods will continue to be allowed and how they will be prioritized. There are also many specifics with regard to the calculation of a fee-in-lieu requirement and how and when fees are paid if they are allowed.

## 8. What types of development should be exempt and why?

Exemptions from the requirements remove barriers to certain types of development because they are part of the workforce housing solution already or are types of development the community wants to encourage. For example, the current regulations include exemptions for small developments, apartments, and institutional uses. It will be important for the Town and County to not only identify the types of development that should be exempt, but also why, so the community can track whether the exemption remains applicable in the future.

## 9. What type of relief from the housing requirements should be allowed?

The most equitable requirements tend to be the most complicated and require the most allowance for independent calculation and monitoring. The simplest requirements tend to rely on averages that are fair on the whole, but leave less room for response to individual circumstances or the whole program is undermined. Relief from these requirements could be

prohibited, handled through defined calculations, handled through the variance findings, or potentially other options. However, there are legal limits to the discretion that can be used in relief from housing requirements.

## 10. How should the updated requirements be applied to existing development and approvals?

There is a legal limit to the requirements that can be placed on developments that have already provided required housing, already exist, or have already been approved. Within those limits there are equity and equality considerations of how new requirements should apply to Resort Master Plans, redevelopment that results in a net loss of workforce housing, and other existing developments.

### Issues not addressed by the Policy Questions:

The above list of underlying policy questions does not include all of the topics raised by public comment because some of the issues are not applicable to the Housing Requirements LDR Update, will be addressed by another LDR update effort, or are premature to be addressed at this point in the process. Policy questions raised through public comment but not recommended for inclusion in this process include:

- Growth management
  - Maximum floor area of a single family building
  - Reducing job creation
  - Limiting rate of construction of new floor area
  - Reducing accessibility to the community
  - Reduce development potential
- Economic development
  - Shift economy to higher paying industries
- More supply
  - Density in Town (District 3-6 Zoning)
  - County zoning for housing
- Transportation of commuters
- Short-term rental enforcement
- Definition of “single-family”
- Permitting process (District 3-6 Zoning)
- Housing demand not generated by new development
- Methods of housing supply other than requirements on new development
- Renter’s rights (Tenant Protections Taskforce)
- Management of units (Housing Rules and Regulations Update)
- Design and livability requirements (Housing Rules and Regulations Update)
- Housing education
- Real Estate Transfer Tax