



**BOARD OF COUNTY
COMMISSIONERS**



TOWN COUNCIL

JOINT INFORMATION MEETING AGENDA DOCUMENTATION

PREPARATION DATE: January 17, 2019
MEETING DATE: January 29, 2019

SUBMITTING DEPARTMENT: Affordable Housing
DEPARTMENT DIRECTOR: April Norton
PRESENTER: April Norton

SUBJECT: Request for Proposals to Develop Housing at 440 W. Kelly Avenue

STATEMENT/PURPOSE

Provide staff direction on the draft RFP to develop workforce housing at 440 W. Kelly Avenue.

BACKGROUND/ALTERNATIVES

On January 10, 2019 Teton County purchased 440 W. Kelly Avenue for \$1,703,416.03. On January 23, 2019, the Town of Jackson reimbursed Teton County 45% of the purchase price, or \$766,537.21. On February 19, 2019, the Commissioners will provide a Quitclaim deed to the Jackson Teton County Housing Authority (JTCHA). The property was purchased for the purpose of developing affordable housing.

This staff report is broken out into two parts: 1) contextualizing how this project fits in with other housing developments – both private and public – and achieves the goals set forth in the Housing Action Plan, Comprehensive Plan, and Supply Plan; and 2) key questions related to the RFP for this specific project.

How does this project fit in with other developments?

Based on information gathered through the Intake Form and American Community Survey, the demand for housing is highest for smaller households at the lower end of the income spectrum. However, there remains demand across all income ranges and for a range of household sizes.

Over the next 24 months, we anticipate that 205 deed restricted rental units, including 23 dorm beds, will come online along with another 95 market multifamily units. The bulk of those units are in two projects: Hidden Hollow Phase 1 and Phase 2 (110 units) and Sagebrush Apartments (90 units). Over that same timeframe, we anticipate 24 deed restricted ownership units will come online from two projects: Grove Phase 3 (8 units) and Westview Townhomes (16 units).

ACS & Intake Form Data Comparison		
HH Size	ACS % Total	Intake Form % Total
1	23.82%	40.36%
2	37.29%	27.00%
3	20.55%	13.50%
4+	18.34%	19.14%
Income Range	ACS % Total	Intake Form % Total
0-50	20.00%	16.91%
50-80	15.00%	35.16%
80-120	35.00%	32.64%
Workforce	30.00%	15.28%

Restriction	# units	%	Dorm Beds	Studio	1 Bed	2 Bed	3 Bed	Size Unknown
Affordable Rentals	102	31.48%	23	21	45	9	2	6
Workforce Rentals	103	31.79%	0	4	23	39	4	33
Market Rentals	95	29.32%	0	0	48	20	7	16
Affordable Ownership	8	2.47%	0	0	0	0	8	0
Workforce Ownership	16	4.94%	0	0	0	16	0	0
Total	324	1	23	25	116	84	21	55

Comparing the demand with the nearer and longer-term pipeline helps us determine the highest priority for the public projects we partner to construct. The pipeline indicates that about 90% of new units we expect to be built over the next two years are rental units and that most of those units are 1 and 2-bedrooms.

Below, staff has summarized the housing projects for consideration over the next 24 months. Except for 440 W. Kelly, these projects are all summarized in the Housing Supply Plan.

Upcoming Community Housing Partnership Projects					
Project	# Units	Release RFP	Choose Partner	Cert. Occupancy	Notes
440 W. Kelly Ave.	12 to 18	5-Feb	6-May	Fall 2020	Jointly-owned (JTCHA)
105 Mercill Avenue	25 to 30	6-Mar	4-Jun	Fall 2021	County-owned
Tract 4 Karns Meadow	3 to 12	TBD	TBD	TBD	Waiting on E.A. ToJ SAM? Historic preservation? Sell lots?
Jackson/Kelly	31-46	TBD	TBD	TBD	County lots only
Jackson/Kelly partnership	90 to 140	TBD	TBD	TBD	County + Red House lots

Looking at the unit counts for each project and the demand for housing, staff recommends focusing the smaller projects on ownership units for the higher income ranges and the larger projects on rental units for all income ranges, with an emphasis on the lower income ranges. Projects that are over 30 units, but fewer than 50 units will likely provide housing for a spectrum of income ranges.

The reasoning for this is two-fold: 1) the economics of the smaller projects are such that a higher price point for the units allows the projects to pencil without additional subsidy, and 2) the density of the larger projects lends itself to rental products that can serve a larger range of incomes, including lower earning households.

For the 440 W. Kelly Ave RFP, staff seeks direction on the housing and parking components, specifically:

- **Minimum number of units, unit sizes**
- **Unit restrictions (affordability)**
- **Parking requirements**

Staff also seeks direction on minimum requirements for the streetscape of the project, specifically:

- **Maximum set back allowed**
- **Porches and entryways**
- **Ground floor residential**

Key Issue One: What should the housing and parking components require?

Unit Restrictions

The RFP currently states that a developer must restrict all units utilizing either the Affordable Ownership or Workforce Ownership restrictions. There is no stated preference between the two. The Affordable restriction does have a maximum sales price while the Workforce restriction allows the developer to set the sales price for each unit. Appreciation is set for both restriction types (CPI capped at 3%).

Affordable units are income and asset restricted; Workforce units require that 75% of the household income is earned locally. Both programs require owners to work locally full time and prohibit owners from owning land within 150 miles of Teton County.

Based on the site size and estimates for cost of construction, the economics of the project lend themselves to a Workforce product, for which there is demand locally. The most recent Workforce Ownership unit sold by the Housing Department was a one-bedroom, 734 square-foot multi-family unit, one parking space, built in 2008, located in town, with a sales price of \$224,459. Thirty-three households applied for this unit.

Last 12 Months - Workforce Sales			
Unit Size	# Beds	Price	# HH Who Entered
734 SF	1 bed	\$224,459	33
1,435 SF	2 bed plus	\$505,826	17
1,064 SF	2 bed	\$257,272	87
1,123 SF	3 bed	\$356,383	35

Ultimately, there is a balance between providing affordability and requiring additional subsidy. Staff has drafted the RFP to provide flexibility for the developer in terms of which restrictions to use but has provided direction on whether the units should be rental or ownership (in this case, ownership units are required).

Minimum Number of Units, Unit Size

The RFP currently requires a minimum of 15 units, does not set a maximum number of units, and does not state a preference for unit size. By requiring a minimum and maximum number of units, the RFP could provide parameters for unit sizing (number of bedrooms per unit).

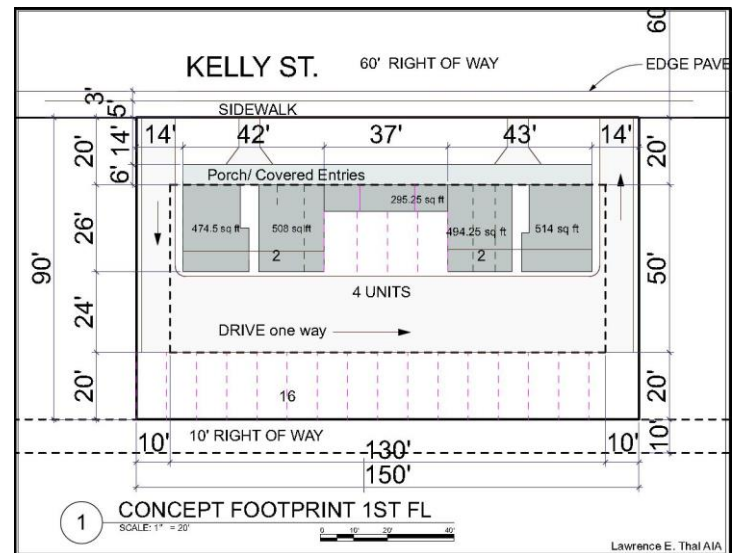
The chart to the left provides an example of how setting minimum and maximum units could affect the size of units built. Providing a maximum number of units could also limit a developer’s ability to maximize the site, thus limiting the number of households served and potentially increasing the sales price.

Example Unit Breakdown Based on Minimum Requirements				
# units	Livable SF	SF/Unit	Unit Size	LDR Parking
12	12,500	1042	2-3 Bed	18
15	12,500	833	2 Bed	23
18	12,500	695	9 2-bed, 9 1-bed	23

Parking Requirements

The RFP currently states that respondents must meet the parking requirements in the LDRs. The LDRs require one parking space per dwelling unit that is 500 square feet max and 0-1 bedrooms. For all other units, the LDRs require 1.5 parking spaces per dwelling unit.

Based on access from Kelly Avenue only, approximately 20-25 parking spaces can be built on site. If ground-floor residential is required, then only 20 parking space can be built on site. If parking is reduced to one parking space per unit, the ground-floor livable square footage could increase, resulting in a more livable design, with more options for access and storage. Based on preliminary site analysis, staff believes 20 units with one parking space per unit and balconies/front porches could be provided. These would be studio, one and two-bedroom units in approximately 12,500 square feet.



Key Issue Two: Should the RFP include minimum requirements for streetscape and façade?

Prohibit Front Yard Parking

Front yard parking diminishes street-level activation. Currently the RFP prohibits front yard parking in an effort to avoid this situation. Prohibiting front yard parking could also limit a developer’s ability to maximize the housing built on the property.

Porches and Entryways

Requiring a front porch and limiting the number of units that can be accessed via a front entryway will help with placemaking but could limit a developer's design options and potentially reduce the housing built on the property. Currently, the RFP states that 8 units maximum may be accessed per front entry and requires that front porches/balconies must be provided for each unit.

Ground Floor Residential

Requiring ground floor residential with front porches increases the street-level activation of the project. Currently, the RFP states projects must provide a minimum of 100' of ground floor street frontage and a minimum of 1,500 square feet of habitable space on the ground floor with street facing entries and front porches. Requiring this in the RFP will limit a developer's design options but may result in a more livable design.

[EXISTING POLICY DIRECTION – COMPREHENSIVE PLAN, HOUSING ACTION PLAN](#)

Comprehensive Plan Policy:

- Emphasize a variety of housing types. 3.2.d
- Emphasize a variety of housing types, including deed-restricted housing. 4.1.b
- Create and develop Transitional Subareas. 4.3.b
- House at least 65% of the workforce locally. 5.1.a
- Focus housing subsidies on full-time, year-round workers. 5.1.b
- Provide a variety of housing options. 5.2.a
- Housing will be consistent with Character Districts. 5.2.b
- Create workforce housing to address remaining shortages. 5.3.c

Housing Action Plan Strategy:

- Provide land as a public subsidy and build development partnerships. 2B

[ATTACHMENTS](#)

- Draft RFP for 440 W. Kelly Avenue

[FISCAL IMPACT](#)

The fiscal impact will vary based on the housing program defined by the elected officials. If housing that is more affordable is required, then additional public subsidy may be required.

[STAFF IMPACT](#)

This project will require significant time from the joint housing director. The Town planning director and Town and/or County legal departments will also be involved with the project.

[STAKEHOLDER ANALYSIS](#)

Stakeholders include Town and County tax payers, local working families, business owners, and neighbors.

[LEGAL REVIEW](#)

Reviewed by Audrey Cohen Davis and Keith Gingery.

[RECOMMENDATION](#)

One of the lessons learned from the 174 N. King Street RFP was that the RFP needed to be more specific and that by being specific we will receive better responses and avoid wasting respondents' time.

By requiring a minimum number of units, reducing parking to one space per unit, requiring ground floor residential and porches/balconies, and prohibiting front yard parking we will provide developers with both flexibility in design and guidelines for that design that result in better, more livable responses.

[SUGGESTED MOTION](#)

I move to direct staff to finalize the Request for Proposals for 440 W. Kelly Avenue and to bring it to the Joint Information Meeting on February 4, 2019 for final approval based on the direction provided in this meeting.

Synopsis for PowerPoint (120 words max):

Purpose:

Background:

Fiscal Impact: