



**Economic &
Planning Systems**

Real Estate Economics

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FINAL REPORT

TETON COUNTY HOUSING NEEDS ASSESSMENT

Prepared for:

Teton County Housing Authority

Prepared by:

Economic & Planning Systems, Inc.

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EPS #15819

DENVER

730 17th Street, Suite 630
Denver, CO 80202-3511
www.epsys.com

phone: 303-623-3557
fax: 303-623-9049



BERKELEY

phone: 510-841-9190
fax: 510-841-9208

SACRAMENTO

phone: 916-649-8010
fax: 916-649-2070

TABLE OF CONTENTS

	<u>PAGE</u>
I. NEEDS ASSESSMENT SUMMARY	1
II. ECONOMIC CONDITIONS	18
Employment and Wages	18
Local Economic Drivers.....	26
Wages and Housing Costs	31
III. DEMOGRAPHIC CONDITIONS	32
Population and Household Trends.....	32
Demographic Characteristics.....	33
Household Income	34
IV. HOUSING INVENTORY.....	37
Affordable Housing Development	37
Residential Construction Trends.....	39
Housing Forecasts	42
V. HOUSING MARKET CONDITIONS	44
Ownership Market	44
Rental Market.....	51
VI. COMMUNITY THEMES	53
Community Composition.....	53
Commuting	63
Opinions about Housing and Community Issues	68
VII. HOUSING NEEDS	73
Demand for Affordable Housing	73
Targets for Affordable Housing	80
VIII. MITIGATION POLICY	93
Current Teton County Standards.....	93
Peer Community Housing Standards.....	95
Proposed Changes to Teton County Standards	103
Future Action	108

LIST OF TABLES

	<u>PAGE</u>
Table AP-1 Action Plan.....	17
Table 1 Total Employment by Industry, Teton County, 2004.....	20
Table 2 Wage and Salary Employment by Industry Sector, 1990-2005	22
Table 3 Average Annual Wage by Industry, Teton County, 2004.....	25
Table 4 Annual Visits to National Parks and Ski Visits, 1990-2005.....	27
Table 5 Annual Enplanements Jackson Hole Airport, 1995-2005.....	28
Table 6 Wage and Salary Jobs by Three Digit NAICS Category, 1990-2005 ...	30
Table 7 Ratio of Housing Prices to Wages, Teton County, 1999-2005.....	31
Table 8 Population and Household Trends, 1990-2000.....	32
Table 9 Household Income Comparisons.....	34
Table 10 Median and Average Household Income, Teton County.....	35
Table 11 Household Income Distribution (Household Survey), 2005.....	36
Table 12 Housing Units by Place, Teton County, 2000.....	37
Table 13 Affordable Housing Inventory	38
Table 14 Regional Residential Construction Activity	40
Table 15 Population and Household Forecast	42
Table 16 Housing Demand and Construction Forecast, 2005-2020.....	43
Table 17 Condominium and Townhome Sales, Teton County, 1999-2005	44
Table 18 Single Family Sales Trends, 1999-2005	45
Table 19 Residential Listings by Price Range, Teton County, 2006	46
Table 20 Average Price by Lot Size, 2000-2005	48
Table 21 Household Types.....	53
Table 22 Years Living in Teton County.....	54
Table 23 Cost Burden by AMI	55
Table 24 Teton Residents and Commuters by Tenure	56
Table 25 Residency.....	57
Table 26 Volunteering by Teton Residents and Commuters	58
Table 27 Teton Residents and Commuters by Volunteerism.....	59
Table 28 Primary Source of Income	61
Table 29 Business Operation Plans in the Next 5 Years.....	67
Table 30 Ranking of Affordable Housing Issue by Location of Residence	68
Table 31 Average Ranking of Housing Solutions by Business Owners	72
Table 32 Interest by AMI and Location of Residence.....	74

LIST OF TABLES (continued)

	<u>PAGE</u>
Table 33 Interest by Type by AMI	75
Table 34 Interest by Household Composition.....	76
Table 35 Interest by Number of People in Household.....	77
Table 36 Interest by Location of Development	78
Table 37 Reason for Lack of Interest.....	79
Table 38 Factors in Looking for a Home	80
Table 39 Unfilled Jobs by Season and Type.....	81
Table 40 Employee Turnover by Season.....	82
Table 41 Business Plans for Expansion by Longevity of Business	83
Table 42 Increase Number of Jobs by Season and Type	84
Table 43 Employees Planning to Retire.....	85
Table 44 Selected Representative Positions of Employees Retiring.....	85
Table 45 Households by Tenure and AMI Level.....	86
Table 46 Home Purchasing Capacity by AMI Level	87
Table 47 Available Homes and Purchasing Capacity by AMI Level.....	88
Table 48 Ownership Housing Gap Analysis	89
Table 49 Available Rental Units	90
Table 50 Rental Housing Gap Analysis	91
Table 51 Households by Area Median Income Level	92
Table 52 Income Definitions and Set-Aside Requirements	93
Table 53 Population, Households, and Housing Units, 1990-2005	95
Table 54 Median and Average Household Income, 2005	96
Table 55 Ratio of Jobs to Population, 1990-2004	98
Table 56 Peer Community Housing Prices.....	99
Table 57 Affordable Housing Development by Agency	101
Table 58 Mitigation Policies of Comparable Communities.....	102
Table 59 Commercial Development In-Lieu Fee Calculation	104
Table 60 Employee Generation by Land Use	105
Table 61 2005 HUD Income Limits by Household Size	105
Table 62 Maximum Sales Prices for Affordable Dwelling Units.....	106
Table 63 Residential Fee-In-Lieu Update.....	107

LIST OF FIGURES

	<u>PAGE</u>
Figure 1	Total Employment, Teton County, 1990-2004 19
Figure 2	Employment by Month and Establishment Type, 2005 23
Figure 3	Total Employment by Month as a Percentage of Employment 24
Figure 4	Population Age Distribution, Teton County, 1990-2004 33
Figure 5	Household Income Distribution (Household Survey), 2005 36
Figure 6	Regional Residential Construction Activity 41
Figure 7	Single Family and Condo/Townhome Listings, 2006..... 47
Figure 8	Market Volume by Lot Size, 2000-2005 49
Figure 9	Vacant Lot Sales by Lot Size and Average Price, 2004 and 2005 50
Figure 10	Distribution of Rental Inventory by Rent..... 51
Figure 11	Reason for Not Volunteering by Teton Residents and Commuters. 60
Figure 12	Personal Income by Source, Teton County, 1969-2003..... 62
Figure 13	Teton County, Commuting Patterns, 1990-2005 63
Figure 14	Teton Residents and Commuters by Tenure 64
Figure 15	Shift Job to Community if Employment Available 66
Figure 16	Affordable Housing as the Most Critical Problem by Longevity 69
Figure 17	Ranking of Affordable Housing Issue by Tenure 70
Figure 18	Ranking of Community Issues by Source of Income..... 71
Figure 19	Major Sources of Personal Income, 2004 97

I. NEEDS ASSESSMENT SUMMARY

BACKGROUND

The Teton County Housing Authority (TCHA) retained Economic & Planning Systems (EPS) to conduct an affordable housing needs analysis. The three primary goals for the study are to:

- Enable the community to recognize the extent of need and endorse a collective effort to address it.
- Clarify priorities and provide an Action Plan for the Housing Authority, and
- Increase resources for affordable housing.

The ability for local households to find affordable housing is increasingly difficult in Teton County, Wyoming. The region has tremendous appeal, given the scenic, recreational, and environmental context, and the resulting imbalance between housing supply and demand impacts local wage earners disproportionately.

EPS evaluated the housing conditions of Teton County and the surrounding region in 2005 and 2006. The research included a series of interviews with 25 representatives of the community, a survey of Teton County businesses with 233 responses; a regional resident survey distributed to 3,200 households generating 641 responses; and a set of community presentations of preliminary findings. The study includes a compilation of relevant data, including information on historical and projected demographic and economic trends, housing production, rental and ownership housing costs, and community perspectives.

SUMMARY OF FINDINGS

1. *The community should be recognized for its successful efforts to address housing needs in the recent past.*

The community has made affordable housing a priority and has taken action to create a sizeable inventory consisting of 361 ownership units and 458 rental/seasonal units for a total of 819 constructed units. Approximately 75 percent of the inventory has been generated since 2000, for an annual production of 125 units. These units represent approximately 5.6 percent of the total housing inventory in Teton County and include affordable for-sale homes, rentals for employees, and guesthouses that are used for employee housing.

Requirements from land development regulations, incentives from land development regulations, and employers and community housing groups that have built homes have all contributed to the amount of affordable housing in the valley. Overall, it has been the requirements from land development regulations that created the most homes.

Currently, both the Town of Jackson and Teton County require that for all new residential development, 15 percent of it become deed-restricted affordable housing. This concept is known as “inclusionary zoning” or “residential mitigation.” A similar requirement, known as a “linkage requirement,” exists for development of new commercial space. Housing requirements through inclusionary zoning and linkage requirements have created 423 units, or 51 percent of the inventory.

Incentives through the land development regulations are responsible for another 282 units, or 22 percent of the total. These incentives include accessory residential units, units built by employers and “increased FAR,” or increased floor area ratio, that allows a developer to build more square feet than what’s allowed by right to accommodate more affordable housing units. Employers have contributed 85 units that are trackable, accounting for 10 percent of the total. The balance of the units comes from direct construction by the Housing Authority, Housing Trust, and Pioneer Homestead. These groups have built 129 units, or 15 percent.

It must be noted that in many cases, developers were permitted to dedicate land to TCHA to fulfill affordable housing requirements rather than building actual affordable homes. Although the units built on these parcels are shown being generated through land use requirements, the Housing Authority, Housing Trust, Habitat for Humanity and other individuals actually build the homes. The applicants were required to build affordable homes only 13 percent of the time. The resources required to develop these projects, as well as costs related to off-site infrastructure improvements, were not paid for by the developer even though town and county rules required it, and should be recognized as a form of subsidy by the community. In the future, requiring developers to build the units will enable the community to shift its time and funds and make the housing program more effective.

- 2. Although the community has made great headway in providing affordable housing, much more is needed, as most local workers are simply priced out of free-market homes.*

The mismatch between housing prices and incomes that the Teton County Comprehensive Plan noted in 1995 still exists today. Few market homes are available to local wage-earning households. Over the past seven years, the average priced condominium has increased by \$24,000 per year while average single-family home prices have jumped \$90,000 per year. In 2005, the average priced condominium was \$450,000 and the average priced single family home was \$1.2 million.

Current listings show that 16 percent of single family homes are priced below \$1.0 million, 30 percent between \$1.0 and \$2.0 million, and 18 percent are higher than \$5.0 million. Condominium listings are concentrated in the \$400,000 to \$500,000 range with 22 percent of the total inventory at the \$1.0 million and higher range. Approximately 26 percent are priced below \$400,000, which translates to 13 units. Of all homes listed

today, approximately seven percent are considered affordable to local, wage-earning households (those earning less than 175 percent of the Area Median Income). The degree to which housing is affordable depends on local incomes and wages. Over the past seven years, average home prices have increased by 79 percent, while average wages have increased by only 22 percent, meaning that in Teton County, local wage earners are priced out of the market. The growing gap between wages and home prices is a result of increasing market pressure from buyers whose income is not dependent on the local economy. Typical local wage-earners (those earning 175 percent of the Area Median Income or less) account for 84 percent of local households

3. *The percent of Teton County employees living outside the County has grown dramatically.*

Given the lack of affordable options within Teton County, WY, many locals have moved to outlying areas. Between 1990 and 2000, commuters increased from 14 percent to 20 percent. By 2005, the percentage of local employees that commute into Teton County increased to 32 percent, more than double the amount in 1990.

The amount of new home building permits issued in Teton County, WY compared to the region also shows how workers have migrated to outlying areas. From 1995 to 1999, Teton County, WY, accounted for 55 percent of the regional total of 483 new homes permitted. From 2000 to 2004, total construction permits in the region increased to 583, but Teton County, WY's share dropped by nearly half to 29 percent.

4. *The loss of locally residing employees has long-term implications on community character; specifically on local businesses and volunteerism.*

While there will always be some amount of commuting due to growth, land constraints, and individual choices, there should be more opportunities for employees to live locally. Local residents volunteer for the community, work at local businesses and support local business as consumers.

Based on examples from other high-cost mountain communities, a robust population of locally employed residents is central to the success of locally-oriented businesses. To the extent locals live outside Teton County, their shopping dollars will be spent elsewhere. Additionally, survey responses show that 25 to 45 percent of employees who recently moved from Teton County, Wyoming to outlying communities report a desire to shift their job to their new home community. As 20 percent of Teton County businesses reported plans to open new locations, half of which would be in outlying areas to the county, many employees will get the opportunity to do so. These trends also suggest that local business activity is likely to erode if housing is not addressed.

In addition to economic factors, affordable housing helps residents to participate more in their community. The survey results show that two-thirds of local resident employees volunteer compared to only one-third of employees who commute. For those who do

not volunteer, locals report “employment conflicts” while commuters report “distance from residence” as the primary reasons limiting their involvement. If Teton County wants to maintain the existing sense of community, it must increase opportunities for employees to live locally.

- 5. Current efforts should focus on for-sale housing for households at or below 120 percent of median income, recognizing that long-term needs of the community will be diverse. Future housing policies should address a wider spectrum of housing needs at higher incomes.*

Affordable housing opportunities should be available for community members with a broad range of incomes. This study shows a substantial need for homeownership across all income levels. While the Housing Authority’s mission is to provide homeownership opportunities for those who make 120 percent of median income and below, this study suggests that households above 120 percent of median income would also benefit from deed-restricted affordable housing. The needs of these households warrant particular attention, given that they over-qualify for affordable deed-restricted housing opportunities, yet cannot afford market rate homes. In 1995 when affordable housing policies came into play, affordable housing was intended to be a stepping-stone into market housing. Since then, the gap between median income and average free-market housing costs has grown considerably. In the future, the community’s housing program should increase the number of categories to address needs of higher income households that will become priced out of the market. These units, as well as the lower income units, should be subject to a deed restriction that ensures long-term affordability using resale appreciation caps.

Although the study recognizes the need for affordable housing to expand to households of higher incomes, it indicates that the majority of those in need of deed-restricted affordable housing at this time are those households at median income and below. The study also finds that the affordable rental housing market is currently meeting the demand. As the Town redevelops, portions of the existing rental housing will be razed. Thus, there is a critical need to monitor future rental conditions, documenting changes in supply and demand of rental housing. At this time, Town and County efforts to build housing should focus on for-sale housing for households at or below 120 percent of median income.

- 6. There is high demand for affordable housing. The survey responses show what housing types are most in demand.*

The household survey in this study identified an estimated 700 households interested in deed restricted ownership housing. There is solid demand for affordable housing from households making from 30 to 150 percent of median income, peaking at 80 to 100 percent. Respondents understood that deed-restricted units had modest square footage and that there were certain resale limits.

Of those interested in deed-restricted housing, two-person households made up the majority. Any future housing production should concentrate on this niche as it represents the greatest demand. The survey also points to demand for housing for singles in town. Thirty-three percent of interested condominium buyers were single and want to live in the Town of Jackson. Another figure that jumped out was the 26 percent of potential duplex buyers who are families with children. This group was open to any location in Teton County, WY.

For those reporting no interest in deed-restricted housing, 37 percent stated that they would prefer a single family home rather than the attached housing types listed in the survey. Approximately 19 percent were not interested due to the deed restriction. These figures are significant because twice as many respondents were concerned about the type of house, rather than whether it is deed-restricted. The survey suggests that if the type of house fits their needs, then a deed restriction is not a major impediment.

7. *The community should set a goal for the percentage of the workforce that it wants to house locally.*

The vitality of the valley depends on a strong local workforce. Other resort communities and downtown districts in large cities have suffered as a result of out migration. Teton County is experiencing a loss in the local workforce at an alarming rate. The 1995 Comprehensive Plan identified a clear need for affordable housing; however, the plan did not articulate a goal for the amount of the workforce to be housed locally.

Other mountain resort communities have watched their workforce leave. Local businesses suffer, the level of service to guests diminishes, and the communities become less desirable places to visit and live. Peer mountain resort communities struggle with this number, but most believe that 60 percent of the workforce commuting is the tipping point where a sense of community diminishes significantly. As Teton County has not yet reached this number, it is recommended that the goal be set to house 60 percent of the workforce locally.

8. *The community should set two housing targets; one that will allow the community to "Keep Up" with housing needs, another that will allow it to "Catch Up" to housing shortages.*

Commercial and high-end residential growth in Teton County has resulted in a shortage of affordable housing. There is a need in the community to "catch up" with this past growth. Additionally, to address current and ongoing growth, affordable housing policies must allow the community to "keep up" with housing needs.

Keep Up

First, to address housing needs associated with new growth, a certain amount of affordable housing must be built in conjunction with new commercial and residential

development. This method is known as “keep up.” As noted in Section 1, this community has set a good precedence in requiring developers to build affordable units in conjunction with free-market development. However, the rate at which a developer must provide affordable housing, currently set at 15 percent of the homes in a development project, has not been updated since the community adopted it, based on the original 1993 study on the housing needs of the community. Due to the diminishing supply of developable land, increasing demand from part-time residents, and the sharp increases in housing costs, an adjustment to the rate is appropriate. Fifteen percent is low compared to peer communities. For communities facing comparable pressure on the housing inventory, the rates range from 40 to 60 percent. For example, Aspen and Telluride face similar land constraints, have a large sector of part-time residents whose incomes are independent of the local economy, and have comparable home prices. Given the magnitude of the housing challenge, Jackson and Teton County should increase the rates to a minimum of 40 percent.

Catch Up

Second, to address the housing shortage that has resulted from past growth, the community should set a goal of creating a certain amount of units over a designated span of time. This method is known as “catch up.” There are two areas in which the community should catch up:

1. There are many current job vacancies due to the fact that there is not enough housing. A survey of employers included in this study indicates that there are 1,000 to 1,500 full-time vacant positions attributed to housing shortages. These positions translate into a need for 430 to 640 units (with a midpoint of 535).
2. The study indicates that there will need to be more affordable housing for workers that will replace those who plan on retiring in the near future. Because the current employees found housing at a time when it was more affordable, they will be difficult to replace. Employers estimate 400 to 600 vacancies from retirees over the next five years, which translates to 170 to 260 housing units needed for workers (with a midpoint of 215).

Given the size of these two needs, it is recommended that the community adopt a long-term plan to build more houses in addition to those required by developers. As an example, if the community were to “catch-up” to housing needs over a 20-year period, annual production would consist of 27 units (535/20 years) to address job shortages. In addition, production should include 11 units annually (215/20 years) to address retirees, for a total of 38 units per year.

9. The fees-in-lieu of developing housing also need to be updated.

The current regulations allow developers to pay a fee in lieu of developing actual affordable housing units. Fees-in-lieu are based on 1993 market conditions. The housing regulations include two fees, one for residential mitigation and one for commercial

linkage. As part of this study, both fees have been updated and should be adopted by the Town and County in the immediate future. As shown in the description of each fee below, the increase is substantial. Given that the increase accounts for more than 10 years of change, it is reasonable. An annual escalator should be included in the adoption to ensure future fees are adjusted on a regular basis. Chapter 8 of this report provides detailed calculations and a nexus analysis that justifies the commercial linkage fee-in-lieu program, as well as the residential mitigation program and associated fee-in-lieu.

- **Commercial Linkage Fee-In-Lieu Update** - The current fee-in-lieu of providing for the housing needs generated by new commercial development is \$16,860 based on 1993 economic and market conditions. Updating this figure to reflect current conditions results in a proposed fee of \$45,000. It is believed that the magnitude of the affordable and workforce housing needs in the community justify this large increase.
- **Residential Mitigation Fee-In-Lieu Update** - The proposed update to the residential fees-in-lieu suggests a fee of \$42,448 at a 15 percent housing mitigation rate, \$70,746 at a 25 percent mitigation rate, and \$113,193 at 40 percent. The current fee is approximately \$2,240 based on 1993 market and economic conditions.

10. In response to current market conditions and trends, the Town and County should adopt updated affordable housing policies and apply them consistently.

Large developments generate the greatest number of affordable housing units due to the volume of units. In the recent past, a number of large-scale projects have been approved, such as Melody Ranch, Wilson Meadows, 3 Creek Ranch, and Snake River Associates (SRA). There will be fewer projects of this magnitude in the future, given the reduction in the number of large-scale sites to be developed. As these types of development opportunities diminish, the number of redevelopment projects will grow. In anticipation of this trend, the Town and County should make all areas of their jurisdictions subject to uniform standards and apply them consistently among all land use decisions.

The Action Plan at the end of this section identifies several steps that Town and County agencies can take.

11. The Teton County Housing Authority should play a leadership role by providing production targets and strengthening relationships with other housing providers.

The most successful housing programs are those that draw from a range of community resources to achieve the goals. The Teton County Housing Authority (TCHA) is a strong asset of the community. In addition to developing projects and administering the collective housing inventory, it has played a stewardship role by enabling other community groups, such as the Jackson Hole Community Housing Trust, Habitat for Humanity, and Pioneer Homestead, to move forward with projects. Proceeds from the

Specific Purpose Excise Tax (SPET) have been channeled through TCHA for land acquisition for these groups. In some cases TCHA assumes responsibility for administering deed restrictions and sales for projects built by others.

Another effective housing production group consists of private developers. One of the key findings of this study is the effectiveness of private sector entities in producing affordable housing units. Development projects are challenging for a variety of reasons, some of which include the inevitable NIMBYism (Not in My Backyard), funding, and the public approval process. Adjusting fees-in-lieu up to cover staff time should be completed, with the goal of creating a cost differential that provides an incentive for developers to construct units.

Each community group has a niche that has emerged over time, with Habitat focusing on the lowest end, the Housing Authority mostly working with households earning between 80 to 120 percent of median income, and the Trust targeting the 120 percent group. The Housing Authority should expand its database to monitor annual production by all groups, and match the collective production to the need identified by this study. Because the greatest funding is needed for housing for households in the lower income brackets, there may be additional financial burden placed on the Housing Authority. To the extent possible, the groups should balance the production of housing with the needs identified in this study.

12. The Housing Authority should continue to raise awareness regarding housing needs.

Community members support affordable housing; however, when pressed to compare it to other issues, protecting the environment is the top priority. Jackson Hole is an environmentally unique valley. The need for affordable housing is significant and is not going away, but housing must always strike a balance with the environment.

Affordable housing means a lot to Jackson Hole, not just for economic reasons; it also helps the valley maintain its sense of community, and can reduce environmental impacts generated by commuting. Raising awareness about the housing needs in the community will help build support to implement the recommended Action Plan. The more people who support affordable housing, the more successful the program will be. Raising awareness can help with NIMBYism and can alleviate environmental concerns. For example, well-designed affordable housing that's located in appropriate places near existing development and outside of environmentally sensitive areas can serve both community goals of affordable housing and environmental protection. Specifically, the community can adhere to smart growth principles such as mixing land uses, taking advantage of compact building design, creating a range of housing opportunities and preserving open spaces when creating affordable housing.

ACTION PLAN

The Action Plan provides a road map for community leaders to address housing needs. The Plan is divided into five major topic areas:

- Policy Guidance,
- Residential and Commercial Affordable Housing Standards,
- Land Use Strategies,
- Housing Production, and
- Administrative Guidelines.

Action items are provided with a tiered priority ranking, as shown in **Table AP-1**. Tier 1 items are high priority items that should be addressed in the very near term, within 2007. Tier 2 items are also important, but some will require additional study and analysis, or modifying complex regulations and administrative procedures. Tier 3 items are currently lower priority, but should be kept in mind to be addressed in the next three to five years. A summary table is provided at the end of this section that clarifies the priorities of the recommended actions.

I. POLICY GUIDANCE

1.1 Adopt the methodology and findings of this study.

Teton County residents and business owners collectively view housing as a priority. This study defines the housing needs of Teton County including the Town of Jackson, and provides data and analyses to support affordable housing policy decisions and implementation strategies. Adoption of the study with formal recognition of the need by elected and appointed officials.

1.2 Establish a goal for the community to house a certain percentage of the local workforce.

To provide overall guidance to affordable housing mitigation policies, the community should adopt a goal of housing a certain percentage of its employees. Peer communities provide direction for setting mitigation standards while taking into account local conditions and policy considerations.

1.3 Work with the Town and County to adopt a uniform set of affordable housing regulations.

The current regulatory framework is confusing and inconsistent. Establishing uniform affordable housing standards will make a clear statement as to the community's goals regarding affordable housing, and simplify the development process in both jurisdictions.

1.4 Recognize market trends and adapt policies and regulations to tap into the market.

Currently, the residential development that most effectively generates affordable housing are those developments of 120 or more acres. Land use regulations

allow density to increase with total development size; accordingly, the County has generated the most affordable housing from its large tract developments. Because there are only a few more of these large tracts of undeveloped land in the County, the most important mitigation tools are likely to shift from those of the County to those of the Town. As County development opportunities become more limited, redevelopment pressure will increase and the Town is likely to face an increasing level of redevelopment activity.

1.5 *Recognize TCHA for its stewardship of funds and programs on behalf of the community.*

The TCHA has matured into an organization that effectively administers affordable housing units. They ensure that the affordable housing goals of the community are being met through the review of development applications. They protect community assets through compliance of deed-restricted units. Most importantly, they have successfully leveraged taxpayer money to partner with the private sector to build homes and bank land for future affordable homes. For example, the TCHA used \$9.3 million 2001 Special Purpose Excise Tax (SPET) funds to acquire parcels for future TCHA and Housing Trust projects. These funds were also used to leverage private sector financing and federal subsidies to construct approximately 100 new units. The land-banked parcels are now valued at approximately \$10.0 million. Exceeding the original proceeds after a substantial allocation to build housing.

II. RESIDENTIAL AND COMMERCIAL AFFORDABLE HOUSING STANDARDS

2.1 *Update residential affordable housing fees to reflect current market conditions.*

The current residential fees are based on 1993 market conditions and prices. Fees lower than market conditions shift the burden to the taxpayers to build the required homes. To place this mitigation on the developers, the County and Town should adopt the updated fees recommended in this study.

2.2 *Apply updated residential mitigation fees to building permits issued on lots platted prior to 1997, lots formed through the family subdivision exemption, and homes permitted on 35-acre tracts.*

The number of existing platted lots in both the County and the Town exceed the number of lots likely to be created in the future through the subdivision process. Thus, it is imperative that lots created outside the subdivision process be included in a comprehensive residential mitigation program. The family subdivision exemption process allows property owners to subdivide land and establish new lots for extended family members. The exemption resulted in 80 new lots over a nine month period in 2006.

2.3 *Update commercial affordable housing fees to reflect current market conditions.*

The current commercial development fees are based on 1993 market conditions and prices have escalated by more than 100 percent since then. The County and Town should adopt the updated fees recommended in this study and incorporate an annual inflation adjustment.

2.4 *Apply commercial mitigation throughout the County.*

Currently, the County requires developers to address commercial mitigation in the Planned Resort zone districts, including Teton Village, Astoria, Jackson Hole Golf and Tennis, and Grand Targhee. Because mitigation programs have been one of the most effective methods of producing housing, the standards should be required from all commercial development throughout the County. This also provides consistency at the community level.

2.5 *Increase the residential mitigation standards above the current 15 percent level.*

The disparity between wages and local employee household incomes and housing prices justifies increasing the mitigation requirements above the current level of 15 percent. Based on comparisons in other high priced mountain communities, it is recommended that the Town and County consider increasing the mitigation standards to 40 percent.

2.6 *Increase the commercial mitigation standards above the current 15 percent level.*

The disparity between wages and local employee household incomes and housing prices justifies increasing the mitigation requirements above the current level of 15 percent. Based on comparisons in other high priced mountain communities, it is recommended that the Town and County consider increasing the mitigation standards to 40 percent.

2.7 *Modify the residential mitigation fees to base requirements on floor area rather than bedrooms.*

Given trends for larger homes, the community should ensure residential mitigation requirements are commensurate with the size of home. Mitigation requirements should be assessed at time of plat for new development and should be based on the maximum FAR allowed per the subdivision plat. Mitigation for construction activity that falls outside the standard subdivision approval process (lots created prior to 1997, 35+ acre tract, and family subdivision exemption process) should be triggered at time of building permit and should be based on the floor area of the proposed dwelling unit. The clear and concise residential mitigation requirements will make development review easier and reduce time for both staff and applicants.

2.8 *Update commercial mitigation to reflect current year-round employment levels.*

The current factors used to calculate commercial mitigation requirements were established in 1993 specifically for seasonal employee needs. The generation

rates are factored up or down based on the seasonality and wage level of a given employment sector. The standards should be updated to reflect current employment ratios and should be aggregated to simplify the administration, such as accounting for changes in use over time.

III. LAND USE STRATEGIES

3.1 *Create an overlay district for affordable housing.*

The community will be well served to establish an affordable housing overlay similar to the Natural Resources Overlay. This will direct affordable housing to the appropriate nodes of development where utilities, access to transit, and local services exist.

3.2 *Establish minimum density standards within the Affordable Housing Overlay.*

Lot sizes often have a large impact on home prices due to infrastructure costs that increase as density decreases. Smaller lots also mandate smaller homes, which can further reduce costs. Apply minimum density standards to nodes within the Affordable Housing Overlay. This strategy may allow the private market to provide housing affordable to the higher wage segments of local employee households. A cap on home sizes in conjunction with this strategy could also be effective.

3.3 *Revise the Affordable Housing PUD standards.*

The Affordable Housing PUD is not functioning as expected due to the high cost of building affordable housing, the expense and uncertainty of the entitlement process, and the vagueness of the density allowed. To help offset the high cost of developing, this tool would be appropriate to enable the development community to build the higher category home (100-200% of AMI).

3.4 *Adopt a growth management policy that ties new housing growth to new affordable housing*

Market forces dictate that most new housing in Teton County will not be affordable to the local workforce. The high cost of housing is creating a socially and economically stratified population, and is dislocating local residents. The County and Town of Jackson should adopt a growth management policy that links the creation of affordable housing with the growth of free market units.

3.5 *Continue supporting the development of Accessory Residential Units (ARUs).*

ARUs are another way of providing affordable rental housing for the local workforce. They can also be useful for local families who may need space for aging relatives. Keeping the size at or below 1000 square feet is important to maintaining the affordability and use as a long-term rental.

IV. HOUSING PRODUCTION

4.1 *Formalize the selection of mitigation methods, requiring developers to construct the required housing on-site.*

Mitigation is the most effective affordable housing tool in Teton County. Improving the mitigation programs is the single most productive action to address the housing needs of the future. The current program allows many developers to fulfill their mitigation requirements with fees-in-lieu or by transferring vacant land to develop at a later date. For a number of reasons, these alternatives result in few units and greater subsidies by the community. Updating the fees will help rectify the situation. However, the community time investment (including staff, elected, and appointed officials) is far greater when fees or land is provided. The community will use its time and money more effectively by restricting mitigation payments and requiring more on-site development.

4.2 *Develop an inventory of potential affordable housing sites and prioritize acquisitions.*

TCHA should identify priority sites for affordable housing development and acquire them as funds and opportunities are available. This secures a future land supply for affordable housing development, and gives TCHA more control over affordable housing development.

4.3 *Pursue additional funding opportunities for affordable housing.*

Pursuing additional dedicated revenue sources will diversify revenue sources, and help to stabilize revenue fluctuations due to market upturns and downturns. Many communities have been successful in imposing Real Estate Transfer Assessments (RETA) on new developments, which are a voluntary assessment that functions similarly to a Real Estate Transfer Tax (RETT). RETTs are currently prohibited in Wyoming; however, local officials should lobby state representatives to change the legislation to allow them. RETTs are highly effective funding sources in resort communities with significant housing stock in second homes and rental/investment properties.

4.4 *Monitor the rental market and rental housing needs. Look for opportunities to purchase existing rental and lodging properties for affordable housing.*

The market is currently addressing the rental needs in the market. However, as redevelopment pressures increase there is a risk that affordable rental properties will be lost to more expensive housing. Look for opportunities to purchase existing rental properties before they are redeveloped. Outdated or obsolete lodge properties are a unique local resource for expanding rental housing. Many of these properties are underperforming due to a shift in guest profiles to the high-end market and changes in customers' standards for lodging properties. As opportunities arise, these properties are good opportunities to be renovated and leased as affordable workforce housing.

4.5 *Develop an inventory of existing multifamily developments including free market and affordable units and identify opportunities for potential acquisition.*

Build on the inventory assembled in this study to identify all affordable and market rate rental properties in Teton County. Monitor these projects over time and consider acquisitions as opportunities arise. Acquiring existing rental properties for affordable housing will guarantee long-term affordability, and generate lease revenue to TCHA.

4.6 *Establish a "No Net Loss" policy.*

One of the unique attributes of Jackson and Teton County is the number of existing dwelling units that provide affordable housing to current residents. The percentage of employees residing locally exceeds that of most other high-cost resort communities. As market pressure for redevelopment grows, it is imperative to adopt a no net loss policy to ensure that existing dwelling units are replaced (e.g. if razed for redevelopment) in addition to the mitigation requirements imposed on new development.

4.7 *Streamline the entitlement process for affordable housing development.*

The time and staff effort to entitle an affordable housing project contributes to the cost of development. Entitlement requirements should be minimized and development fees reduced or waived to the extent possible to reduce development costs and create incentives for developing affordable house. The Affordable Housing Overlay is an example of where streamlining the entitlement process would be appropriate.

4.8 *Develop rental, ownership, and seasonal housing developments that business owners and small-scale developers can buy into to fulfill their mitigation requirements.*

The community needs opportunities for small-scale mitigation efforts that enable developers or business owners to directly control and benefit from the mitigation units they are required to fund. If the TCHA can develop properties that are funded by a consortium of private entities, it will increase the quality of the overall housing program, as there will be more direct relationships (and accountability) between residents and businesses.

4.9 *Expand the focus of TCHA to that of a master developer that acquires and entitles land and conveys sites for affordable housing to builders.*

As a master developer of affordable housing, TCHA will have more control over when and where affordable units are developed. Furthermore, as a master developer, TCHA could pass down to a developer the day to day administrative and logistical tasks related to the development and construction process, freeing up staff time for more large scale planning and strategy efforts.

4.10 *Work with private developers and community organizations to use consistent standards for tenant and buyer qualification and long-term affordability controls.*

Having consistent standards for tenant/buyer qualification will improve the client experience and encourage more potential tenants/buyers to consider purchasing or renting deed restricted or affordable units. It will simplify the process for clients who may not make distinctions between housing providers.

V. OTHER ADMINISTRATIVE GUIDELINES

5.1 *Lower the AMI cap for rental mitigation units from 120 percent to 80 percent of AMI.*

Based on a survey of more than 500 rental units, only 20 percent of market rents exceed rents affordable to the 80 percent AMI level. (This research did not include subsidized rental properties.) Ideally, rents should be below market rates to achieve the overall purpose of an affordable housing program.

Current rental market conditions in Teton County are such that the majority of the rental inventory is priced below 80 percent of AMI. Thus, the standards should not allow any rents over this level. As redevelopment pressure increases, it is likely that the supply of rental housing will drop, prices will increase, and the 80 percent AMI cap will set rents that fall below market rates.

5.2 *Update commercial mitigation regulations to allow ownership units to meet mitigation requirements.*

Because the previous analysis correlated commercial linkage with seasonal housing, the housing requirements had to be fulfilled with rental housing to be occupied, in theory, on a seasonal basis. Over time, the actual occupancy of these units has been year round, with tenants renewing the five-month leases. Commercial developers should be allowed to choose to build ownership or rental housing, depending on the needs of their commercial operations and their resources for property management.

5.3 *Simplify commercial mitigation requirements to eliminate review of changes in use.*

The current commercial mitigation requirements identify different uses in the Town and in the County, each with their own employee generation rates. Based on the experience of other communities, the greater specificity creates challenges over time. When tenants change, the new uses should provide the incremental increase in housing mitigation based on the new use, or TCHA should track the housing surplus based on the reduced demand. Neither is practical from an administration standpoint. A consolidation of categories will simplify the program while maintaining its effectiveness.

5.4 *Revise the commercial mitigation requirements to ensure the Town and County use the same methodology.*

At this time, the County applies its mitigation requirements in terms of employees housed, while the Town has a square footage based requirement. The two should be consistent, ultimately providing a square footage based requirement that can be easily quantified and enforced that is an accurate reflection of the employees to be housed.

5.5 *Update the Needs Assessment every five years with a survey of residents and businesses in the region.*

The need for housing will not remain constant over time. It is important to continue to monitor housing needs and market conditions so that affordable housing requirements can be adjusted (increased or decreased) as conditions warrant. Furthermore, updating the Needs Assessment will continue to bring needed attention to the issue of affordable housing in Teton County, and reinforce community support for housing.

**Table AP-1
Action Plan
Teton County Housing Needs Assessment**

Description	Tier 1	Tier 2	Tier 3	On-going
I. Policy Guidance				
1.1 Adopt the methodology and findings of this study.	X			
1.2 Establish a goal for the community to house a certain percentage of the local workforce.	X			
1.3 Work with the Town and County to adopt a uniform set of affordable housing regulations.		X		X
1.4 Recognize market trends and adapt policies and regulations to tap into the market.		X		X
1.5 Recognize TCHA for its stewardship of funds and programs on behalf of the community.				X
II. Residential and Commercial Affordable Housing Standards				
2.1 Update residential affordable housing fees to reflect current market conditions.	X			
2.2 Apply updated residential mitigation fees to building permits issued on lots platted prior to 1997, lots formed through the family subdivision exemption, and homes permitted on 35-acre tracts.	X			
2.3 Update commercial affordable housing fees to reflect current market conditions.	X			
2.4 Apply commercial mitigation throughout the County.	X			
2.5 Increase the residential mitigation standards above the current 15 percent level.		X		
2.6 Increase the commercial mitigation standards above the current 15 percent level.		X		
2.7 Modify the residential mitigation fees to base requirements on floor area rather than bedrooms.		X		
2.8 Update commercial mitigation to reflect current year-round employment levels.		X		
III. Land Use Strategies				
3.1 Create an overlay district for affordable housing.		X		
3.2 Establish minimum density standards within the Affordable Housing Overlay.		X		
3.3 Revise the Affordable Housing PUD standards.		X		
3.4 Adopt a growth management policy that ties new housing growth to new affordable housing.			X	
3.5 Continue supporting the development of Accessory Residential Units (ARUs).				X
IV. Housing Production				
4.1 Formalize the selection of mitigation methods, requiring developers to construct the required housing on-site.	X			
4.2 Develop an inventory of potential affordable housing sites and prioritize acquisitions.	X			
4.3 Pursue additional funding opportunities for affordable housing.	X			
4.4 Monitor the rental market and rental housing needs. Look for opportunities to purchase existing rental and lodging properties for affordable housing.		X		
4.5 Develop an inventory of existing multifamily developments including free market and affordable units and identify opportunities for potential acquisition.		X		
4.6 Establish a "No Net Loss" policy.			X	
4.7 Streamline the entitlement process for affordable housing development.			X	
4.8 Develop rental, ownership, and seasonal housing developments that business owners and small-scale developers can buy into to fulfill their mitigation requirements.			X	
4.9 Expand the focus of TCHA to that of a master developer that acquires and entitles land and conveys sites for affordable housing to builders.			X	
4.10 Work with private developers and community organizations to use consistent standards for tenant and buyer qualification and long-term affordability controls.			X	
V. Other Administrative Guidelines				
5.1 Lower the AMI cap for rental mitigation from 120 percent to 80 percent of AMI.	X			
5.2 Update commercial mitigation regulations to allow ownership units to fulfill mitigation requirements.	X			
5.3 Simplify commercial mitigation requirements to eliminate review of changes in use.		X		
5.4 Revise the commercial mitigation requirements to ensure the Town and County use the same methodology.		X		
5.5 Update the Needs Assessment every five years with a survey of residents and businesses in the region.				X

Source: Economic & Planning Systems

II. ECONOMIC CONDITIONS

The ability of people to afford housing is largely determined by the economic conditions in the region, including the type of jobs people hold and the prevailing wage levels. Housing prices in most communities are a reflection of the wage and associated household income levels determined by the overall economy. However, in communities with special aesthetic or cultural characteristics, such as Teton County, housing prices are affected by a number of other factors, such as constrained land supply and competition from buyers with imported income and equity. Employment and prevailing wage levels are indicative of what local resident wage earners can afford for housing and have been used in the Teton County region to determine the need for affordable housing for the local workforce. This section presents general information on the nature of the Teton County economy, including employment and wage trends.

EMPLOYMENT AND WAGES

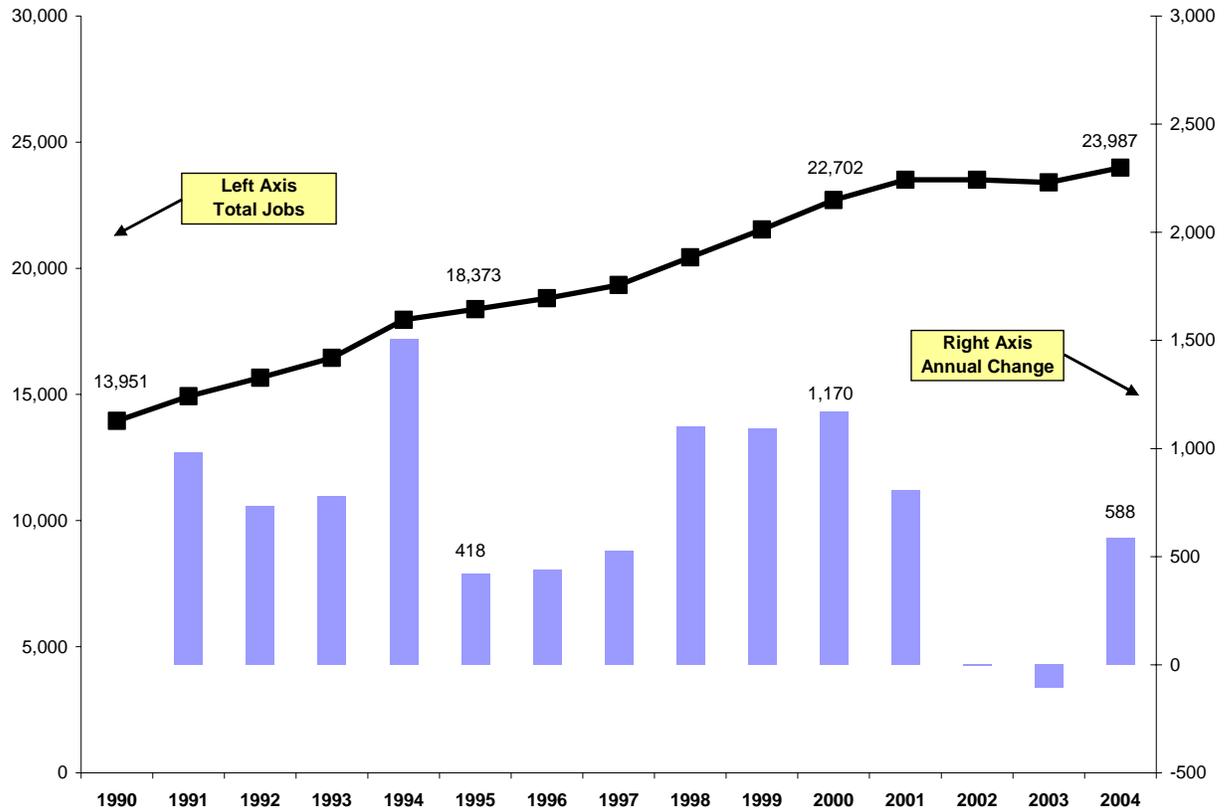
Employment data presented throughout this report comes primarily from two sources: the U.S. Bureau of Economic Analysis (BEA) and the U.S. Bureau of Labor Statistics (BLS). Total Employment reported by BEA includes wage and salary employment plus sole proprietors and partnerships. BEA data overstates total jobs because of the way partnerships and proprietors employment are counted. The second type of data, BLS covered employment (wage and salary employment covered by FICA), is more current and does not include sole proprietors. It is therefore typically 20 to 25 percent less than BEA estimates. The advantage of BLS data is that it is more current, lagging approximately three to four quarters while BEA data typically lags two years behind the current year. Both data sources have been used in this analysis as the two combined provide a good understanding of local economic conditions. It should be noted that the data is for jobs not employers or job holders. Due to the large number of part-time jobs in a resort economy, the number of jobs exceeds the number of employees. EPS used survey data to estimate the breakdown of job by type and the percent of full-time jobs, year-round part-time positions, and number of seasonal jobs.

EMPLOYMENT GROWTH

Total BEA employment for Teton County in 2004 was 23,987, as shown in **Figure 1**. The County has seen strong job growth over the 1990 to 2004 time period, with total employment growing by 10,000 jobs at an average annual rate of 3.9 percent from 1990 to 2004. Even during the national recession that began in 2001, total employment losses in Teton County were approximately 110 from 2001 to 2003, or less than one percent of the total.

The data in the chart contrast the total number of jobs in a given year to the number of jobs created that year. The job growth has been fairly uniform, with approximately 700 jobs created annually since 1990. There were approximately 800 jobs created annually from 1990 to 1993; 450 jobs created from 1995 to 1997; and 1,100 jobs created per year in the latter part of the decade. Most recently, following the contraction that began in 2001, job growth has returned with 588 jobs, representing a 2.5 percent increase.

Figure 1
Total Employment, Teton County, 1990-2004
Teton County Housing Needs Assessment



Source: US Bureau of Economic Analysis, Economic & Planning Systems

ECONOMIC BASE

The Teton County economy is a resort-based economy with large concentration of jobs in Construction, Retail Trade, and Accommodations. As shown in **Table 1**, Teton County has a large presence of these sectors accounting for 46 percent of total employment. These sectors include Construction with approximately 2,665 jobs (11.2 percent of the total); Retail Trade with 2,282 jobs (9.6 percent); and Accommodation and Food Services with 5,898 jobs (24.7 percent).

There is some data suggesting the economy is diversifying, as evidenced by job growth in Professional and Technical Services (including architects, engineers, lawyers, computer services, and other professional-type services) with 1,680 jobs (7.0 percent). The Administrative Services sector includes jobs that are typically contracted out by other businesses such as clerical services, personnel services, security, cleaning, and waste disposal. This sector has approximately 1,100 jobs (4.7 percent). Finance and Insurance account for almost 1,000 jobs (4.1 percent). However, much of this diversification is still related to resort and real estate sectors. For example, employment in architectural and engineering is oriented toward second home development.

Government (local and federal) accounts for almost 10 percent of total employment with 2,200 jobs. These employment levels are in balance with statewide averages including Teton County government, U.S. Forest Service, U.S. Fish and Wildlife, and the Wyoming State Department of Fish and Wildlife.

Table 1
Total Employment by Industry, Teton County, 2004
Teton County Housing Needs Assessment

NAICS Sector	2004	2004 % Total
Forestry, fishing, related activities	(D)	(D)
Mining	(D)	(D)
Utilities	(D)	(D)
Construction	2,665	11.2%
Manufacturing	243	1.0%
Wholesale trade	(D)	(D)
Retail trade	2,282	9.6%
Transportation and warehousing	451	1.9%
Information	376	1.6%
Finance and insurance	970	4.1%
Real estate and rental and leasing	1,950	8.2%
Professional and technical services	1,680	7.0%
Management of companies and enterprises	87	0.4%
Administrative and waste services	1,117	4.7%
Educational services	252	1.1%
Health care and social assistance	901	3.8%
Arts, entertainment, and recreation	1024	4.3%
Accommodation and food services	5,898	24.7%
Other services, except public administration	1,190	5.0%
Government and government enterprises	2,209	9.3%
Total Non-Farm Employment	23,837	100.0%

Note: (D) indicates data suppressed for confidentiality.

Source: US Bureau of Economic Analysis, Economic & Planning Systems

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From 1990 to 2000, industries were classified under the Standard Industrial Classification system (SIC). Beginning in 2001, industries were reclassified under the North American Industrial Classification System (NAICS). This reclassification made time series analyses difficult. However, the BLS has recently released a new dataset of wage and salary employment under the NAICS classification that covers 1990 to 2005. The advantage of using the BLS data is that the trends over the past 15 years can be analyzed. It is recognized that BLS data report fewer jobs than BEA data (about 75 percent of the total), as it captures only wage and salary positions. This study relies on BEA data when evaluating total employment and BLS data when evaluating trends.

While seasonal employment remains a significant part of Teton County's economic base, there has been growth in year-round service and professional service jobs. **Table 2** shows wage and salary jobs (Bureau of Labor Statistics) by sector in 1990 and 2005 by the percent of total jobs, the change in percent of total, the total change, and the share of total job growth for each sector. The "share of change" column describes how the economy has change since 1990 and shows the percent of the total change in jobs that each industry sector contributed.

As shown, Finance and Insurance accounted for 4.4 percent of total job growth from 1990 to 2005. Professional and Technical Services (e.g. architects, engineers, lawyers, and accountants) was 7.1 percent of job growth. Growth in Administrative and Waste Services (largely business to business services) contributed 7.4 percent of total job growth. Health Care and Social Assistance had significant growth, with an increase of 379 jobs, or 5.5 percent of the increase. Government accounted for 8.6 percent of wage and salary job growth. Together, the industries highlighted in **Table 2** accounted for 37 percent of new jobs. Accommodations and Food Services accounts for 48.5 percent of new jobs, which suggests that Teton County continues to have a strong presence of resort-based seasonal jobs. There was also significant growth in non-resort oriented sectors that shows that Teton County is also becoming more diverse with a stronger year-round employment base.

Table 2
Wage and Salary Employment by Industry Sector, Teton County, 1990-2005
Teton County Housing Needs Assessment

Industry Sector	Jobs		Percent of Total			Change 1990-2005	
	1990	2005	1990	2005	Change in % of Total	Total #	Share of Change
Agriculture	---	57	---	---	---	---	---
Mining	---	4	---	0.0%	---	---	---
Utilities	---	---	---	---	---	---	---
Construction & Construction Trades	1,139	2,116	11.0%	12.3%	1.2%	977	14.1%
Manufacturing	---	210	---	1.2%	---	---	---
Wholesale Trade	---	---	---	---	---	---	---
Retail Trade	1,252	1,901	12.1%	11.0%	-1.1%	649	9.4%
Transportation and Warehousing	216	347	2.1%	2.0%	-0.1%	131	1.9%
Information	179	252	1.7%	1.5%	-0.3%	73	1.1%
Finance and Insurance	165	470	1.6%	2.7%	1.1%	305	4.4%
Real Estate, Rental, and Leasing	200	392	1.9%	2.3%	0.3%	192	2.8%
Professional and Technical Services	317	812	3.1%	4.7%	1.6%	495	7.1%
Management of Companies and Enterprises	0	88	0.0%	0.5%	0.5%	88	0
Administrative and Waste Services	172	683	1.7%	4.0%	2.3%	511	7.4%
Educational Services	45	241	0.4%	1.4%	1.0%	196	2.8%
Health Care and Social Assistance	239	618	2.3%	3.6%	1.3%	379	5.5%
Arts, Entertainment, and Recreation	751	714	7.3%	4.1%	-3.1%	-37	-0.5%
Accommodation and Food Services	2,326	5,689	22.5%	33.0%	10.4%	3,363	48.5%
Other Services, Except Public Administration	265	561	2.6%	3.3%	0.7%	296	4.3%
Government	134	730	1.3%	4.2%	2.9%	596	8.6%
Total	10,322	17,254	100.0%	100.0%	N/A	6,932	N/A

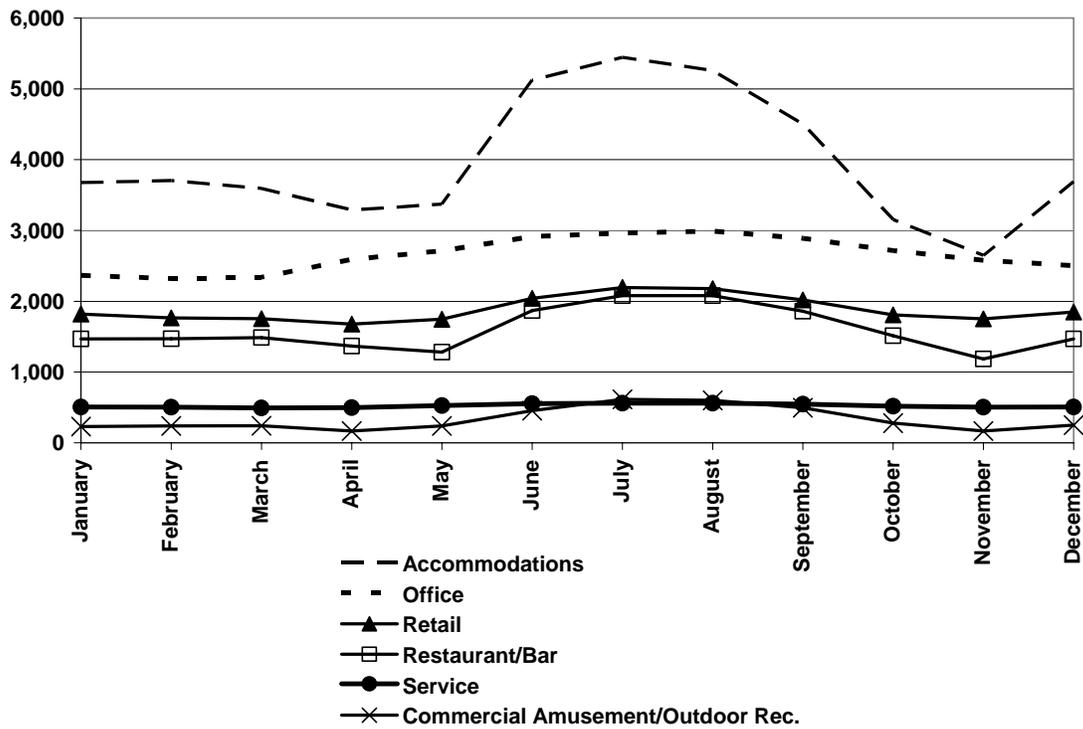
Source: Bureau of Labor Statistics; Economic & Planning Systems

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Employment by Season

In **Figure 2**, employment by industry sector is aggregated into sectors representing types of establishments. Accommodations employment exhibits the most seasonality. As shown, there are approximately 5,500 jobs in Accommodations during the summer peak. In November, Accommodations drops to 2,600, which is half of the July peak. Restaurant and bar (eating and drinking) employment also fluctuates considerably from approximately 1,100 jobs in November to just over 2,000 jobs during the summer months. Retail and office type employment show much less seasonality, and service employment is nearly constant at approximately 500 to 600 jobs throughout the year. While there is still seasonality in tourist and resort-related sectors, Teton County has a significant number of year-round jobs that serve the community.

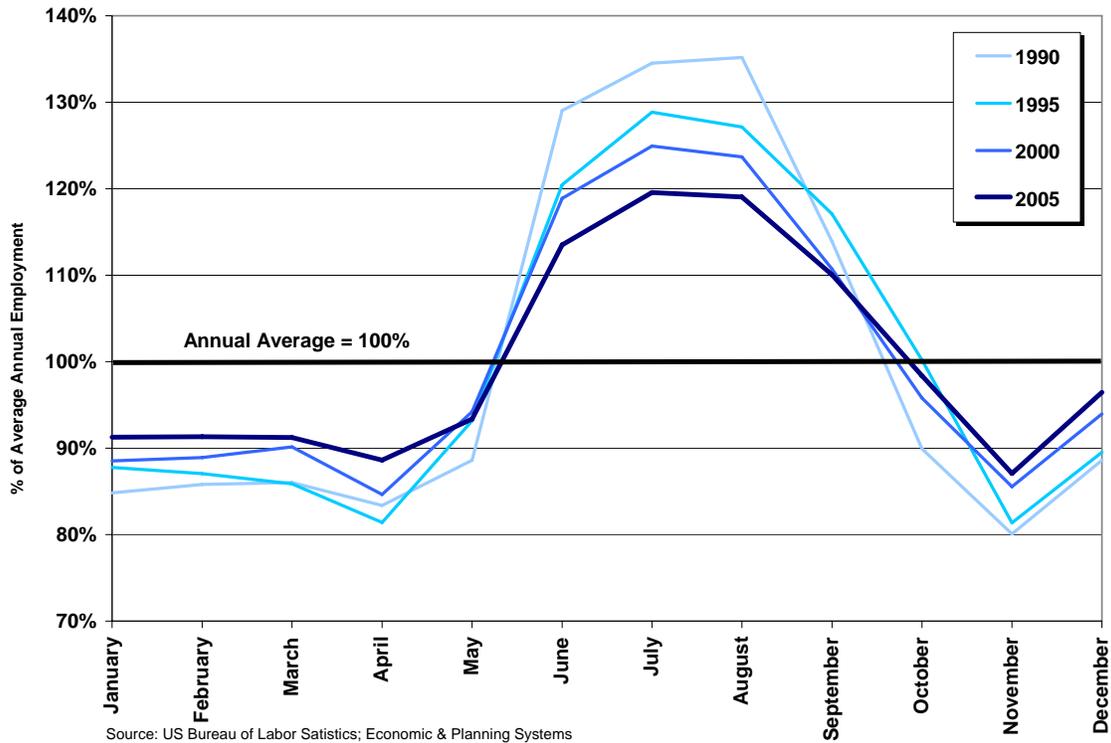
Figure 2
Employment by Month and Establishment Type, 2005
Teton County Housing Needs Assessment



Source: Bureau of Labor Statistics; Economic & Planning Systems

The magnitude of the summer peak has diminished over the 1990 to 2005 time period, as shown in **Figure 3**. Using the average annual number of jobs as the benchmark (100%), in 1990 the number of jobs by month fluctuated from about 80 percent of the average in the fall months to about 135 percent of the average in the summer months. In 2005, the summer peak declined to 120 percent of the annual average, while the shoulder months increased to about 90 percent of the average. This stabilization reflects the increase in year-round service and professional service jobs, indicating some diversification in the County's economic base.

Figure 3
Total Employment by Month as a Percentage of Average Annual Employment (100%)
Teton County Housing Needs Assessment



Wages

The average wage in the County is \$31,500, which is equivalent to \$15.75 per hour, as shown in **Table 3**. The data in the table are divided and those falling below the average are shaded. As shown in the right hand column, 60 percent of jobs (for which wage data was available) have wages less than the County average of \$15.75. Accommodations and Food Services, the largest sector with 33 percent of wage and salary employment, is \$20,200 annually. Retail is 11.3 percent of wage and salary employment, with average wages of \$26,300. Average construction wages are \$36,100 per year. Professional and Technical Services, Finance and Insurance, and Management of Companies and Enterprises have wages over \$50,000 but only account for 8 percent of all jobs.

Management of Companies and Enterprises includes businesses such as holding companies that invest in other companies, or hold securities in other companies for the purpose of owning a controlling interest or influencing management decisions. This sector is very small in Teton County, but has very high average wages of more than \$200,000 per year. However, the data could reflect a small number of very highly paid executives that would skew wages upward. It can be inferred that these organizations in Teton County are handling businesses with the majority of their operations outside Teton County or Wyoming. This suggests that individuals operating these businesses can function independently from the local Teton County economy.

The local economy is strong, with an average growth of 700 jobs per year since 1990. This economic growth is likely to continue and will drive the housing need.

Table 3
Average Annual Wage by Industry, Teton County, 2004
Teton County Housing Needs Assessment

Industry Sector	Avg. Ann. Wage	Hourly Equivalent ¹	% of Jobs	Cumulative Percent by Wage
Agriculture	---	---	---	---
Mining	---	---	---	---
Utilities	---	---	---	---
Wholesale Trade	---	---	---	---
Accommodation and Food Services	\$20,200	\$10.00	33.3%	33.3%
Educational Services	\$25,600	\$12.75	1.2%	34.5%
Retail Trade	\$26,300	\$13.25	11.3%	45.8%
Other Services, Except Public Administration	\$26,600	\$13.25	3.1%	48.9%
Transportation and Warehousing	\$27,700	\$13.75	2.2%	51.1%
Administrative and Waste Services	\$27,900	\$14.00	4.2%	55.2%
Manufacturing	\$28,700	\$14.25	1.3%	56.5%
Arts, Entertainment, and Recreation	\$29,700	\$14.75	4.0%	60.5%
Information	\$31,900	\$16.00	1.6%	62.1%
Construction & Construction Trades	\$36,100	\$18.00	11.8%	74.0%
Government	\$37,300	\$18.75	4.2%	78.2%
Real Estate, Rental, and Leasing	\$37,800	\$19.00	2.2%	80.3%
Health Care and Social Assistance	\$48,000	\$24.00	3.4%	83.8%
Professional and Technical Services	\$51,300	\$25.75	4.7%	88.5%
Finance and Insurance	\$56,500	\$28.25	2.8%	91.3%
Management of Companies and Enterprises	<u>\$206,900</u>	<u>\$103.50</u>	<u>0.4%</u>	<u>91.7%</u>
Average	\$31,500	\$15.75	100.0%	

¹ Based on 2000 hours per year; 2080 hours minus 80 hours (2 weeks) for time off.

Source: Bureau of Labor Statistics; Economic & Planning Systems

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LOCAL ECONOMIC DRIVERS

The economic base analysis presented in the previous sections provided a high level overview of the Teton County economy. This section provides more detail on economic drivers unique to Teton County, including national park visitation trends, skier visits at Jackson Hole, and air traffic at the Jackson Hole Airport.

NATIONAL PARK VISITATION AND SKI AREA VISITATION

Grand Teton and Yellowstone National Parks are major destinations in the Teton County region. In 2005, Grand Teton attracted 2.5 million visitors and Yellowstone attracted 2.8 million, for a total of 5.3 million visitors, as shown in **Table 4**. Combined visitation peaked in 1998 at 5.9 million after growing by 5.8 percent per year from 1990 to 1995. Since 1998, visitation has been declining gradually at -0.5 to -1.5 percent per year. Despite declining visitation, the parks remain very significant as regional economic drivers.

With one of the largest vertical drops in North America, 400 to 500 inches of natural snow per year, and legendary expert terrain, the Jackson Hole Ski Area is an important part of the Teton County region's identity. While many major western ski resorts are seeing slow to flat growth in skier visits, Jackson Hole skier visits have been increasing steadily since 1990, as shown in **Table 4**. From 1990 to 1995, skier visits grew at a rate of 3.1 percent per year, and 2.9 percent per year from 1995 to 2000. Over the last five years, growth in skier visits increased to 4.5 percent per year, which is a strong growth rate for the industry. While the ski area growth has been significant, the ski area visits are less than 20 percent of Grand Teton National Park total visitations.

Table 4
Annual Visits to National Parks and Ski Visits, 1990-2005
Teton County Housing Needs Assessment

Year	National Park Visits			Ski Visits
	Grand Teton	Yellowstone	Total	
1990	1,588,253	2,823,572	4,411,825	272,970
1991	1,625,752	2,920,537	4,546,289	230,843
1992	1,744,636	3,144,405	4,889,041	275,100
1993	2,568,689	2,912,193	5,480,882	272,954
1994	2,540,699	3,046,145	5,586,844	272,708
1995	2,731,015	3,125,285	5,856,300	317,507
1996	2,733,439	3,012,171	5,745,610	340,501
1997	2,658,762	2,889,513	5,548,275	355,936
1998	2,757,060	3,120,830	5,877,890	356,812
1999	2,680,025	3,131,381	5,811,406	390,558
2000	2,590,624	2,838,233	5,428,857	365,726
2001	2,535,108	2,758,526	5,293,634	352,119
2002	2,612,629	2,973,677	5,586,306	373,501
2003	2,355,693	3,019,375	5,375,068	379,587
2004	2,360,373	2,868,317	5,228,690	398,329
2005	2,463,442	2,835,651	5,299,093	455,401
Change 1990-1995				
Number	1,142,762	301,713	1,444,475	44,537
Ann. #	228,552	60,343	288,895	8,907
Ann. %	11.5%	2.1%	5.8%	3.1%
Change 1995-2000				
Number	-140,391	-287,052	-427,443	48,219
Ann. #	-28,078	-57,410	-85,489	9,644
Ann. %	-1.0%	-1.9%	-1.5%	2.9%
Change 2000-2005				
Number	-127,182	-2,582	-129,764	89,675
Ann. #	-28,078	-57,410	-85,489	17,935
Ann. %	-1.0%	0.0%	-0.5%	4.5%

Source: US National Park Service; US Forest Service; Economic & Planning Systems

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JACKSON HOLE AIRPORT

The Jackson Hole Airport provides national access to and from the Teton County region. In 2005, there were 250,000 commercial jet passengers. There was a surge in the growth in commercial passengers from 2000 to 2005. As shown in **Table 5**, passenger growth was flat from 1995 to 2000. But from 2000 to 2005, the number of passengers grew from 182,000 to 250,000, an increase of 37 percent or 6.6 percent per year.

Private jet service has shown even stronger growth. It grew from 6,300 in 2000 to almost 10,000 in 2005. For 2005, the data translate to almost 30 private planes per day. (The number of individuals on each plane is not tracked.) From 2000 to 2005, jet service increased by 59 percent or 9.7 percent per year. Based on data from the airport, travel via the airport is increasing substantially but is not generating traditional national park tourists. The substantially higher growth in private air service is an indication of increasing wealth of guests, locals, and part-time residents.

Table 5
Annual Enplanements Jackson Hole Airport, 1995-2005
Teton County Housing Needs Assessment

Year	Commercial Jet Passengers	Private Jets
1995	181,078	---
1996	180,120	---
1997	191,057	---
1998	199,693	---
1999	173,351	---
2000	182,013	6,279
2001	176,763	7,525
2002	190,416	7,925
2003	217,729	7,905
2004	215,602	9,121
2005	250,165	9,982
Change 1995-2000		
Number	935	---
Ann. #	187	---
Ann. %	0.1%	---
Change 2000-2005		
Number	68,152	3,703
Ann. #	13,630	741
Ann. %	6.6%	9.7%
Total % Change	37.4%	59.0%

Source: Jackson Hole Airport Administration; Economic & Planning Systems

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The reduction in annual park visitation and the increase in airport activity should be contrasted against previously discussed data that show growth of 3,363 jobs in the Accommodations and Food Services from 1990 to 2005. This sector accounted for nearly half of all job growth (see **Table 2**). The report also identifies an overall trend of greater year-round employment with smaller seasonal spikes (see **Figure 4**). Although a detailed review of the NAICS data did not identify causes for these multi-directional trends, interviews with local employers provide insight. In general, local accommodations growth has been with upper-end lodges that require more staff per room and more year-round staff per facility. Some lower-end lodges have closed, which may reflect the decline in traditional park visitation. While not quantified, the expansion of accommodations employment, notwithstanding lower visitation, suggests a shift in visitor profile that mirrors the trends shown in airport activity. The newer visitor, whether a part-time resident who owns a home or a short-term guest who stays in a hotel, generally generates more jobs to address the higher level of expected service.

CORE COMMUNITY SERVING JOBS

This section takes a closer look at jobs in Teton County to illustrate that there is a core of year-round jobs that are necessary to serve the community. These are largely full-time year-round jobs held by locals.

In **Table 6** a number of industry sectors are identified which are considered to be traditional, relatively stable, core community serving jobs. These jobs consist of banking, real estate, architects, engineers, lawyers, accountants, business to business services, and personal services. These are the types of jobs and industries that facilitate the day to day functioning of a community and serve the needs of residents and visitors.

Some of these sectors have shown significant growth over the past 15 years. From 1990 to 2000, Professional, Scientific, and Technical Services more than doubled from 334 jobs to 752 jobs, growing to 812 by 2005. This sector includes professionals such as engineers, architects, accountants, and other professionals. From 2000 to 2005, this sector was 7.4 percent of total job growth. From 2000 to 2005, the largest growth was in Banks and Credit Union type jobs (NAICS 522), which accounted for 14 percent of wage and salary job growth, increasing by 117 jobs. In total, the 'core service' sectors identified in **Table 6** accounted for 46 percent of new jobs from 2000 to 2005; therefore almost half of the new jobs being created in Teton County are not based on tourism or accommodations.

Table 6
Wage and Salary Jobs by Three Digit NAICS Category, Teton County, 1990-2005
Teton County Housing Needs Assessment

Description	1990	2000	2005	1990-2005		2000-2005	
				Total Change	% of Total Change	Total Change	% of Total Change
Total Wage and Salary Jobs	10,322	16,438	17,254	6,932	100.0%	816	100.0%
Core Service Jobs							
Banks and Credit Unions (Credit Intermediation)	126	204	321	195	2.8%	117	14.3%
Real Estate (Lessors, Self Storage, Property Managers)	161	219	248	87	1.3%	29	3.6%
Rental and Leasing Services (Automotive, Electronics, Machinery)	59	97	145	86	1.2%	48	5.9%
Professional and Technical services (Legal, Tax, Engineering, Design)	334	752	812	478	6.9%	60	7.4%
Management of Companies and Enterprises (Offices of Holding Companies)	50	70	88	38	0.5%	18	2.2%
Administrative and Business Support Services (Call Centers, Security, etc.)	173	567	630	457	6.6%	63	7.7%
Personal Services (Beauty Salons, Spas, Pet Care, etc.)	93	171	208	115	1.7%	37	4.5%
Private Households (Groundskeepers, Cooks, Nannies, Chefs, etc.)	<u>42</u>	<u>88</u>	<u>93</u>	<u>51</u>	<u>0.7%</u>	<u>5</u>	<u>0.6%</u>
Total	1,038	2,168	2,545	1,507	21.7%	377	46.2%
Retail, Accommodations, and Eating and Drinking							
Retail Trade	1,252	1,838	1,901	649	9.4%	63	7.7%
Food Services and Drinking Places	1,206	1,528	1,658	452	6.5%	130	15.9%
Accommodations	<u>2,275</u>	<u>2,959</u>	<u>4,031</u>	<u>1,756</u>	<u>25.3%</u>	<u>1,072</u>	<u>131.4%</u>
Total ²	4,733	6,325	7,590	2,857	41.2%	1,265	N/A

¹ North American Industrial Classification System

² A change greater than 100% indicates that gains in this industry were offset by losses in other industries.

Source: US Bureau of Labor Statistics; Economic & Planning Systems

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WAGES AND HOUSING COSTS

In most housing markets, there is a correlation between wages and housing prices, since wages determine household income and what a household or family can afford to pay for housing. In markets with a large percentage of outside buyers, home prices become decoupled from local wages and household income.

In **Table 7**, the average (mean) price of a single family home in Teton County is compared to the average local wage. In 2005, the average price of a single family home was \$1.2 million; the average wage was only \$33,000. Assuming a two worker household, the average price is 19 times income, or more than six times the normal ratio of housing price to household income.

Single family home prices have increased 79 percent since 1999. The average wage has only increased by 22 percent. The disparity between the growth in wages and housing prices indicates that the household affordability gap continues to grow.

(Note that the average wage of \$33,000 is not the same as the average household income for Teton County, which is approximately \$95,000 because there is often more than one earner per household, and a few very high income households can skew the average household income upward.) Single family home prices have increased 79 percent since 1999. The average wage has only increased by 22 percent. The disparity between the growth in wages and housing prices indicates that the household affordability gap continues to grow.

Table 7
Ratio of Housing Prices to Wages, Teton County, 1999–2005
Teton County Housing Needs Assessment

Year	Average Single Family Home Sale Price	Average Annual Wage	Housing Price to Wage Ratio
1999	\$688,000	\$26,916	25.6
2000	\$1,148,000	\$26,553	43.2
2001	\$1,162,000	\$28,282	41.1
2002	\$1,015,000	\$28,905	35.1
2003	\$1,043,000	\$30,554	34.1
2004	\$1,075,000	\$31,431	34.2
2005	\$1,233,000	\$32,964	37.4
Percent Change, 1999-2005	79%	22%	

Source: Rocky Mtn. Appraisals, Bureau of Labor Statistics, Economic & Planning Systems

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III. DEMOGRAPHIC CONDITIONS

This chapter presents the economic and demographic trends from 1990 to 2005 that frame the discussion of housing issues in Teton County. The chapter is divided into three major sections: Population and Household Trends, Demographic Characteristics, and Household Income. It should be noted that the term “Teton County” refers to the local community in Teton County, Wyoming. When Teton County, Idaho is referred to in the analysis, it will be differentiated with the state abbreviation “ID” immediately after the county name.

POPULATION AND HOUSEHOLD TRENDS

From 1990 to 2000, the County as a whole grew by 7,078 people and 3,120 households, as shown in **Table 8**, or 312 households per year. The Town added 3,939 people and 1,747 households, while the unincorporated balance of the County added 3,139 people and 1,373 households at a rate of 137 households per year. The State estimates the full-time population of Teton County to be 18,964 in 7,988 households for 2004, with about half of the population (47 percent) living in the Town of Jackson; however, better local measurements are needed to understand the occupancy characteristics of the newly constructed housing inventory.

Table 8
Population and Household Trends, 1990-2000
Teton County Housing Needs Assessment

Geography	1990	2000	Change 1990-2000		
			Total #	Ann. #	Ann. %
Population					
Jackson	4,708	8,647	3,939	394	6.3%
Remainder of County	<u>6,465</u>	<u>9,604</u>	<u>3,139</u>	<u>314</u>	<u>4.0%</u>
Teton County	11,173	18,251	7,078	708	5.0%
Households					
Jackson	1,884	3,631	1,747	175	6.8%
Remainder of County	<u>2,684</u>	<u>4,057</u>	<u>1,373</u>	<u>137</u>	<u>4.2%</u>
Teton County	4,568	7,688	3,120	312	5.3%
Housing Units					
Jackson	2,236	3,861	1,625	163	5.6%
Remainder of County	<u>4,824</u>	<u>6,406</u>	<u>1,582</u>	<u>158</u>	<u>2.9%</u>
Teton County	7,060	10,267	3,207	321	3.8%

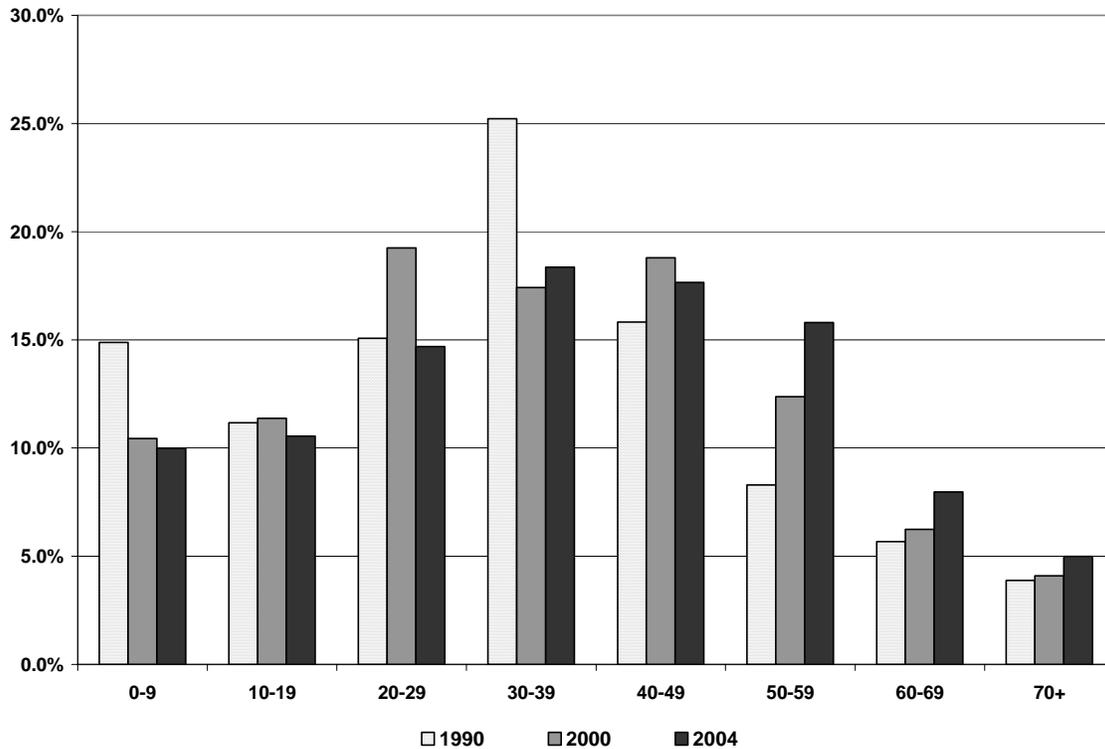
Source: US Census; Economic & Planning Systems

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DEMOGRAPHIC CHARACTERISTICS

The Teton County population is aging, as shown in **Figure 4**. Younger age cohorts (under 30) are dropping as a percent of the total, while the older cohorts are all growing. The largest age group in Teton County is 30 to 39 years, with 18 percent of the population in 2004. Fifty-three percent of the population is younger than 39 years. The next largest age group is 40 to 49 years with slightly less than 18 percent of the population. There is a sharp drop in the population older than 59, with 60- to 69-year-olds make up 8 percent of the population, while people 70 years or older account for 5 percent of the population.

Figure 4
Population Age Distribution, Teton County, 1990-2004
Teton County Housing Needs Assessment



Source: U.S. Census; Claritas, Inc.; Economic & Planning Systems

As shown, the 50 to 59 year age group has increased from 8.3 percent of the population in 1990 to 15.8 percent in 2004. This could be the combined effect of people who were 30 to 39 or in their early 40's in 1990 aging in Teton County, and early retirees moving into Teton County. Also notable, there have been increases in the 60 to 69 and 70 plus populations. The number of young children, 0 to 9 years, has declined, as well as the number of people aged 30 to 39.

HOUSEHOLD INCOME

The estimated average household income in Teton County is approximately \$95,000, which is 47 percent higher than the national average of \$65,000 and 71 percent higher than the State of Wyoming average of \$56,000, as shown in **Table 9**. Household income in Teton County is on par with other highly affluent resort communities in the Rocky Mountains. Blaine County, Idaho, which contains Ketchum and Sun Valley, has the lowest average household income of the communities shown, at \$87,000 with a median of \$58,000. Pitkin County, Colorado, which contains the City of Aspen, has an average household income of \$105,000.

Table 9
Household Income Comparisons
Teton County Housing Needs Assessment

Place	Household Income	
	Median	Average
Pitkin County, CO	\$69,167	\$104,981
Teton County, WY	\$63,824	\$95,159
Blaine County, ID	\$57,913	\$87,252
State of WY	\$43,979	\$55,721
USA	\$47,723	\$64,816

Source: Claritas; Economic & Planning Systems

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From 1990 to 2000, a period of strong population growth, median and average household incomes (unadjusted for inflation) increased at 5.6 to 8.0 percent per year, which is higher than inflation rates, as shown in **Table 10**. The data suggests real increases in household incomes and an influx of higher income households. From 2000 to 2005, there appears to have been modest growth in household incomes compared to inflation, which was 2.4 percent per year in western U.S. cities under 50,000 people during this time period. Wages, a major part of household income, have also grown at about 4.4 percent per year from 2000 to 2005, showing that there has in fact been some real income growth (compared to inflation) in Teton County.

Table 10
Median and Average Household Income, Teton County, 1990-2005
Teton County Housing Needs Assessment

Household Income	1990	2000	2005	Change 1990 - 2000		Change 1990 - 2005	
				Total \$	Ann. %	Total \$	Ann. %
Median	\$31,607	\$54,735	\$63,824	\$23,128	5.6%	\$9,089	3.1%
Average	\$41,545	\$89,558	\$95,159	\$48,013	8.0%	\$5,601	1.2%

Source: Claritas; Economic & Planning Systems

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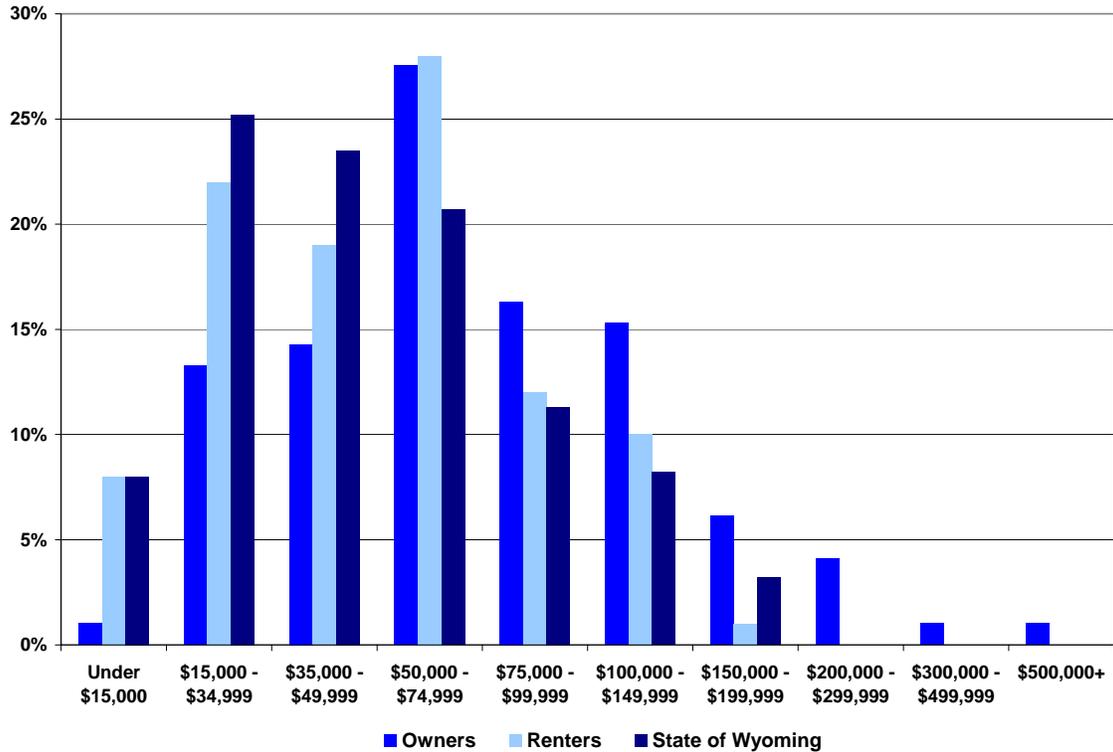
Using local survey data, the number of local households by income range is compared to statewide averages, as shown in **Table 11** and **Figure 5**. The \$50,000 to \$74,999 range has 27 percent of all households making it the largest income group. The next largest group is the \$15,000 to \$34,999 income range with 17 percent of households. Teton County has a large proportion of high-income households with approximately 22 percent of all households with incomes above \$100,000 compared to 12 percent for the State of Wyoming. Renters are concentrated in the lower income ranges. For example, 22 percent of renter households earn between \$15,000 and \$34,999, compared to only 13 percent of ownership households. Note that the survey targeted year-round residents and that household incomes of part-time residents would be higher than those shown in Table 12 on the next page.

Table 11
Household Income Distribution (Household Survey), Teton County, 2005
Teton County Housing Needs Assessment

Income Range	Households			Percent			State of Wyoming
	Owners	Renters	Overall	Owners	Renters	Overall	
Under \$15,000	60	166	226	1%	8%	3%	8.0%
\$15,000 - \$34,999	784	457	1,241	13%	22%	17%	25.2%
\$35,000 - \$49,999	844	395	1,239	14%	19%	16%	23.5%
\$50,000 - \$74,999	1,629	582	2,210	28%	28%	27%	20.7%
\$75,000 - \$99,999	965	249	1,214	16%	12%	15%	11.3%
\$100,000 - \$149,999	905	208	1,112	15%	10%	13%	8.2%
\$150,000 - \$199,999	362	21	383	6%	1%	4%	3.2%
\$200,000 - \$299,999	241	0	241	4%	0%	3%	0.0%
\$300,000 - \$499,999	60	0	60	1%	0%	1%	0.0%
\$500,000+	60	0	60	1%	0%	1%	0.0%
Total	5,911	2,077	7,988	100%	100%	100%	100.1%

Source: RRC Associates; Economic & Planning Systems
 H:\15819-Teton County Housing Authority\Models\15819-Gap_10-23.xls\1-HH_Inc

Figure 5
Household Income Distribution (Household Survey), Teton County, 2005
Teton County Housing Needs Assessment



Source: RRC Associates; Economic & Planning Systems

IV. HOUSING INVENTORY

As of the 2000 Census (the most recent housing unit count), there were 10,267 housing units in Teton County with 3,861 units or 38 percent of the inventory in the Town of Jackson. The remaining 6,406 were distributed among the Census Designated Places (CDPs) and other areas of unincorporated Teton County, as shown in **Table 12**. The 816 units constructed since the 2000 Census brings the 2006 total dwelling unit inventory estimate to 11,083.

Table 12
Housing Units by Place, Teton County, 2000
Teton County Housing Needs Assessment

Place	Units	Percent
Alta CDP, Wyoming	181	1.8%
Hoback CDP, Wyoming	678	6.6%
Town of Jackson, Wyoming	3,861	37.6%
Moose Wilson Road CDP, Wyoming	1,183	11.5%
Rafter J Ranch CDP, Wyoming	466	4.5%
South Park CDP, Wyoming	392	3.8%
Teton Village CDP, Wyoming	396	3.9%
Wilson CDP, Wyoming	706	6.9%
Remainder of County	<u>2,404</u>	<u>23.4%</u>
Total	10,267	100.0%

Note: A CDP is a Census designated place.

Source: US Census; Economic & Planning Systems

H:\15819-Teton County Housing Authority\Models\Demog\15819-demog 5-26-06.xls\Units_Place

AFFORDABLE HOUSING DEVELOPMENT

The community has made affordable housing a priority and has taken action to create a sizeable inventory consisting of 360 ownership units and 459 rental/seasonal units for a total of 819 constructed units, as shown below in **Table 13**. Approximately 75 percent of the inventory has been generated since 2000, for an annual production of 125 units. These units include affordable for-sale homes, rentals for employees, and guest houses that are used for employee housing.

Table 13
Affordable Housing Inventory
Teton County Housing Needs Assessment

Tenure	Developed by TCHA/Housing		Mitigation		Incentives		Total	
	Trust #	%	#	%	#	%	#	%
Owner								
1990-2000	51	39.8%	141	33.3%	---	---	192	23.4%
2000-2005	52	40.6%	116	27.4%	---	---	168	20.5%
2005-2007	0	0.0%	---	---	---	---	0	0.0%
Subtotal	103	80.5%	257	60.6%	0	0.0%	360	44.0%
Rental								
1990-2000	0	0.0%	---	---	---	---	0	0.0%
2000-2005	25	19.5%	167	39.4%	33	12.4%	225	27.5%
2005-2007	---	---	---	---	17	6.4%	17	2.1%
Subtotal	25	19.5%	167	39.4%	50	18.7%	242	29.5%
Accessory Residential Units	---	---	---	---	141	17.2%	141	17.2%
Employer-Generated Units	---	---	---	---	76	9.3%	76	9.3%
Total	128	100.0%	424	100.0%	267	100.0%	819	100.0%

Source: Teton County Housing Authority; Economic & Planning Systems

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Requirements from land development regulations, incentives from land development regulations, and employers and community housing groups that have built homes have all contributed to the amount of affordable housing in the valley. Overall, it has been the requirements from land development regulations that created the most homes. Currently, both the Town of Jackson and Teton County require that for all new residential development, 15 percent of it become deed-restricted affordable housing. This concept is known as "inclusionary zoning" or "residential mitigation." A similar requirement, known as a "commercial linkage requirement," exists for development of new commercial space. Housing requirements through inclusionary zoning and commercial linkage requirements have created 424 units, or 52 percent of the inventory.

Incentives through the land development regulations are responsible for another 267 units, or 33 percent of the total. These incentives include accessory residential units, units built by employers and "increased FAR," or increased floor area ratio that allows a developer to build more square feet than what is allowed by right to accommodate more affordable housing units. Employers have contributed 76 units that we are able to track, which account for 9 percent of the total. The balance of the units comes from direct construction by the Housing Authority, Housing Trust and Pioneer Homestead has generated the balance of 128 units, or 16 percent.

It must be noted that in many cases, developers were permitted to dedicate land to fulfill affordable housing requirements rather than building actual affordable homes. Although the units built on these parcels are shown being generated through land use requirements, the Housing Authority, Housing Trust, Habitat for Humanity and other individuals actually build the homes. The applicants were required to build affordable homes only 13 percent of the time. The resources required to develop these projects, as well as costs related to off-site infrastructure improvements, were not paid for by the developer even though town and county rules required it, and should be recognized as a form of subsidy by the community. In the future, requiring developers to build the units will enable the community to shift its time and funds and make the housing program more effective.

RESIDENTIAL CONSTRUCTION TRENDS

Residential construction activity in the Town of Jackson, Teton County, and the surrounding region, including Teton County, Idaho and Lincoln County, Wyoming, is documented in **Table 14**. Regional

construction activity averaged 583 units per year from 2000 to 2005, as shown. This is a 21 percent increase from the 1995 to 1999 time period when there was an average of 483 units per year in the region as a whole. Construction in Teton County peaked in 1998 with 357 new housing units, followed by 355 in 1999. The pace declined from 2000 to 2003, but picked up again in 2004 with 214 units.

In 2001, building permits in the outlying communities exceeded the number issued in Teton County and the Town of Jackson. For the past year, construction in the surrounding communities accounted for 70 percent of regional activity.

In **Figure 6**, construction trends for the region are shown graphically. The data suggests that a substantial amount of construction demand has spilled out from the local Teton County community to Teton County, ID and Lincoln County which includes Alpine. In Teton County, ID, construction has been increasing fairly steadily since 1995, when 98 housing units were built. By 2001, Teton County, ID surpassed Teton County, WY in residential construction, with 216 units in 2001 and 281 units in 2004. Lincoln County, WY is also active in residential construction, with an average of 190 units per year from 2000 to 2004, increasing from 83 units in 1997 to 207 in 2004. The vast majority of this activity is occurring in the Lower Valley area, encompassing Alpine, Etna, Star Valley Ranch, Thayne, and Bedford. All communities experienced fluctuations in the rate of construction. However, as construction in Teton County, WY and the Town of Jackson decreased from 1998 to 2001, construction in the surrounding communities increased significantly and is likely to continue at similar rates. As housing construction outside Teton County, WY continues at these strong paces, the local community will be faced with increasing impacts from commuting.

Table 14
Regional Residential Construction Activity
Teton County Housing Needs Assessment

Jurisdiction	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Ann. Avg. Construction		
												1995-1999	2000-2004/5	1995-2004/5
Teton County, WY														
Town of Jackson ¹	81	88	89	101	135	32	25	43	45	84	28	98.8	42.8	68.3
Unincorporated Area ²	<u>101</u>	<u>108</u>	<u>159</u>	<u>256</u>	<u>220</u>	<u>196</u>	<u>97</u>	<u>82</u>	<u>148</u>	<u>130</u>	<u>134</u>	<u>168.8</u>	<u>131.2</u>	<u>149.7</u>
Total	182	196	248	357	355	228	122	125	193	214	162	267.6	174.0	218.0
Lincoln County, WY ³														
Alpine	37	13	2	6	7	15	48	39	18	11	---	13.0	26.2	19.6
Other Areas	7	11	6	10	7	6	4	5	9	10	---	8.2	6.8	7.5
Uninc. Incl. Star Valley Ranch	<u>120</u>	<u>112</u>	<u>75</u>	<u>83</u>	<u>125</u>	<u>123</u>	<u>164</u>	<u>160</u>	<u>153</u>	<u>186</u>	<u>---</u>	<u>103.0</u>	<u>157.2</u>	<u>130.1</u>
Total	164	136	83	99	139	144	216	204	180	207	---	124.2	190.2	157.2
Teton County, ID ⁴														
Driggs	---	---	---	---	---	17	26	43	24	36	47	---	32.2	32.2
Victor	26	25	8	4	7	24	66	39	60	89	---	14.0	55.6	34.8
Tetonia	1	0	0	1	1	3	6	2	0	0	---	0.6	2.2	1.4
Unincorporated Area	<u>71</u>	<u>94</u>	<u>61</u>	<u>81</u>	<u>75</u>	<u>102</u>	<u>118</u>	<u>128</u>	<u>89</u>	<u>156</u>	<u>177</u>	<u>76.4</u>	<u>128.3</u>	<u>104.7</u>
Total	98	119	69	86	83	146	216	212	173	281	224	91.0	218.3	173.1
Total Region	444	451	400	542	577	518	554	541	546	702	386	482.8	582.5	548.3

Source: Economic & Planning Systems

"---" indicates that data was not available.

¹ Source: Town of Jackson

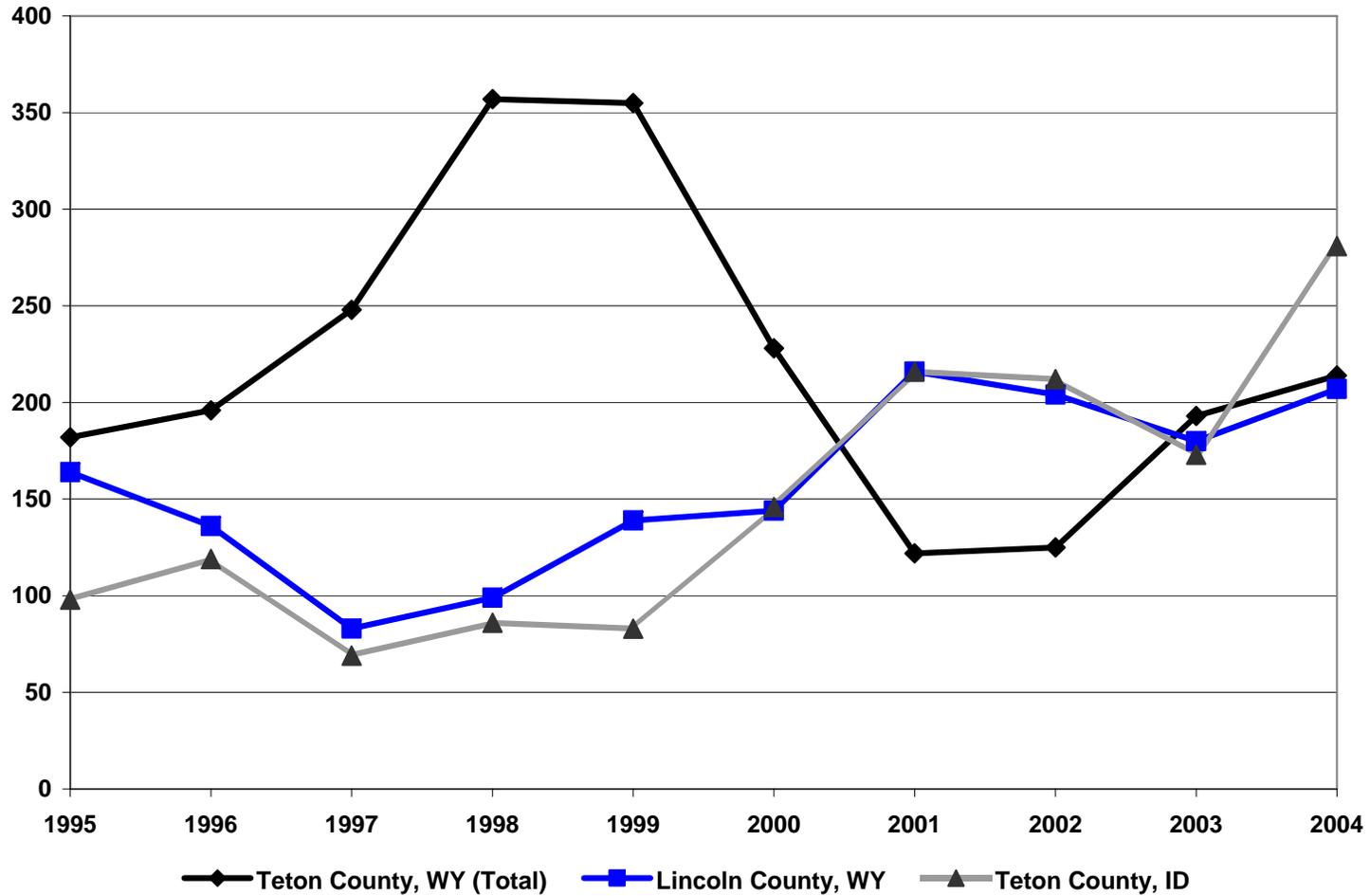
² Source: US Census C-40 data 1995-1999; Teton County, WY 2000-2005. Includes 5 multifamily units in 2000 and 1 in 2001.

³ Source: US Census C-40 data

⁴ Source: Teton County, ID

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Figure 6
Regional Residential Construction Activity
Teton County Housing Needs Assessment



Source: as listed in Table 15

HOUSING FORECASTS

The Economic Analysis Division of the Wyoming Department of Administration and Information prepares population projections for Wyoming counties. Its most recent projection for Teton County is shown in **Table 15**. The forecast is provided in five-year increments and estimates an increase of 7,700 residents and 3,200 households from 2004 to 2020. Compared to household trends from 2000 to 2004, the State forecast suggests a slowing of population and household growth.

Table 15
Population and Household Forecast
Teton County Housing Needs Assessment

Demographic	2005	2010	2015	2020	2004 - 2020		
					Total #	Ann. #	Ann. %
Population	19,705	22,352	24,703	26,671	7,707	482	2.2%
Households ¹	8,300	9,415	10,406	11,235	3,246	203	2.2%

¹ Estimated assuming constant population per household.

Source: WY Dept. of Administration; Economic & Planning Systems

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The expected growth in population and households can be translated into an estimate for full-time resident housing demand. In **Table 16** the number of future households is converted to the number of required housing units by adding a 5.0 percent vacancy factor to allow for units under construction and for sale. (Note that this does not account for the demand for homes for part-time residents, which could increase the amount of construction.)

The expected increase of 1,115 households from 2005 to 2010 translates to a demand for 1,174 new housing units, or 235 per year as shown. In total, this forecast suggests demand for approximately 200 new units each year from 2005 to 2020 to house the increase in the year-round population.

If job growth continues at historic rates, the annual growth of 600 to 700 jobs translates to a demand of 270 to 340 dwelling. The employment based forecast exceeds state projections by 15 to 45 percent.

These figures are derived from State forecasts of population growth and may be conservative. A more accurate indication of demand can be derived from estimates of job growth. For the 15 year period from 1990 to 2005, the community added an average of 700 jobs per year. In 2005, there was an increase of nearly 600 jobs. The household

survey provides factors to compare jobs, employees, and households. Given the survey findings of 1.3 jobs per employee and 1.8 employees per household, a range of 600 to 700 jobs translates to a demand of 270 to 340 dwelling units (assuming a vacancy rate of 5 percent). Employment based forecasts show that demand will exceed state projections by 15 percent to 45 percent.

Table 16
Housing Demand and Construction Forecast, Teton County, 2005-2020
Teton County Housing Needs Assessment

Description	Factor	2005	2010	2015	2020	2005-2020
Housing Demand						
Households		8,300	9,415	10,406	11,235	2,934
Required Housing Units (Total)	<u>Vacancy</u> 5%	8,737	9,911	10,953	11,826	3,089
			<u>2005-2010</u>	<u>2010-2015</u>	<u>2015-2020</u>	
New Unit Demand			1,174	1,042	873	3,089
Annual Unit Demand			235	208	175	206

Source: Economic & Planning Systems

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V. HOUSING MARKET CONDITIONS

The local housing market includes both rental and ownership housing. This section summarizes housing price trends from 1999 through August 2005 for both types and provides an understanding of the current costs in comparison to historic costs. The data reflects an aggregation of information compiled from local realtors and appraisers.

OWNERSHIP MARKET

SALES TRENDS

In 2005, the average sale price for a condominium or townhome unit (attached units) was \$454,000 and \$346 on a per square foot basis. Based on the sales analyzed, the average sale price of an attached unit in Teton County has been increasing by 6.6 percent per year, or \$24,000 per year since 1999, as shown in **Table 17**.

Table 17
Condominium and Townhome Sales, Teton County, 1999-2005
Teton County Housing Needs Assessment

Year	Avg \$	Avg. \$/Sq. Ft	# of Sales Analyzed
1999	\$308,732	\$205	231
2000	\$336,941	\$238	237
2001	\$481,204	\$355	216
2002	\$461,080	\$351	243
2003	\$403,902	\$307	293
2004	\$415,126	\$328	348
2005	\$453,635	\$346	267
Ann. Change (\$)	\$24,151	\$23	
Ann. Change (%)	6.6%	9.1%	

Source: Rocky Mtn. Appraisals; Economic & Planning Systems

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In 2005, the average sale price for a single family detached unit was \$1.2 million, up from \$1.1 million in 2004. Single family price appreciation has been even stronger than attached unit appreciation, as shown in **Table 18**. Single family home prices have been rising 10.2 percent per year based on the sales analyzed. This translates to an annual average increase of \$91,000. Single family prices per square foot are strong, at \$432 in 2005.

Table 18
Single Family Sales Trends, 1999-2005
Teton County Housing Needs Assessment

Year	Avg \$	Avg. \$/Sq. Ft	# of Sales Analyzed
1999	\$688,168	\$263	312
2000	\$1,148,185	\$374	313
2001	\$1,161,947	\$360	229
2002	\$1,015,422	\$370	227
2003	\$1,043,282	\$399	274
2004	\$1,075,481	\$390	273
2005	\$1,232,920	\$432	190
Ann. Change (\$)	\$90,792	\$28	
Ann. Change (%)	10.2%	8.6%	

Source: Rocky Mtn. Appraisals; Economic & Planning Systems

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CURRENT LISTINGS

Prices in the real estate market continue to escalate. The current listings of both attached and detached units are shown below in **Table 19**, and **Figure 7**. In single family homes, the two areas of concentration include the \$500,000 to \$2.0 million range with 45 percent of listings, and the \$5.0 million plus range with 18 percent of listings.

Current listings show an average price of \$3.8 million for single family homes and \$806,000 for town homes and condominiums.

In attached units (condominiums and townhomes), 23 (or 47 percent) of available units are priced under \$500,000, with 12 percent under \$300,000, 14 percent between \$300,000 and \$400,000, and 22 percent between \$400,000 and \$500,000. The largest price point

segments in attached units are the \$400,000 to \$500,000 range with 22 percent of the inventory, and the \$1.0 million plus, also with 22 percent. Overall, 65 percent of all active listings are priced above \$1.0 million.

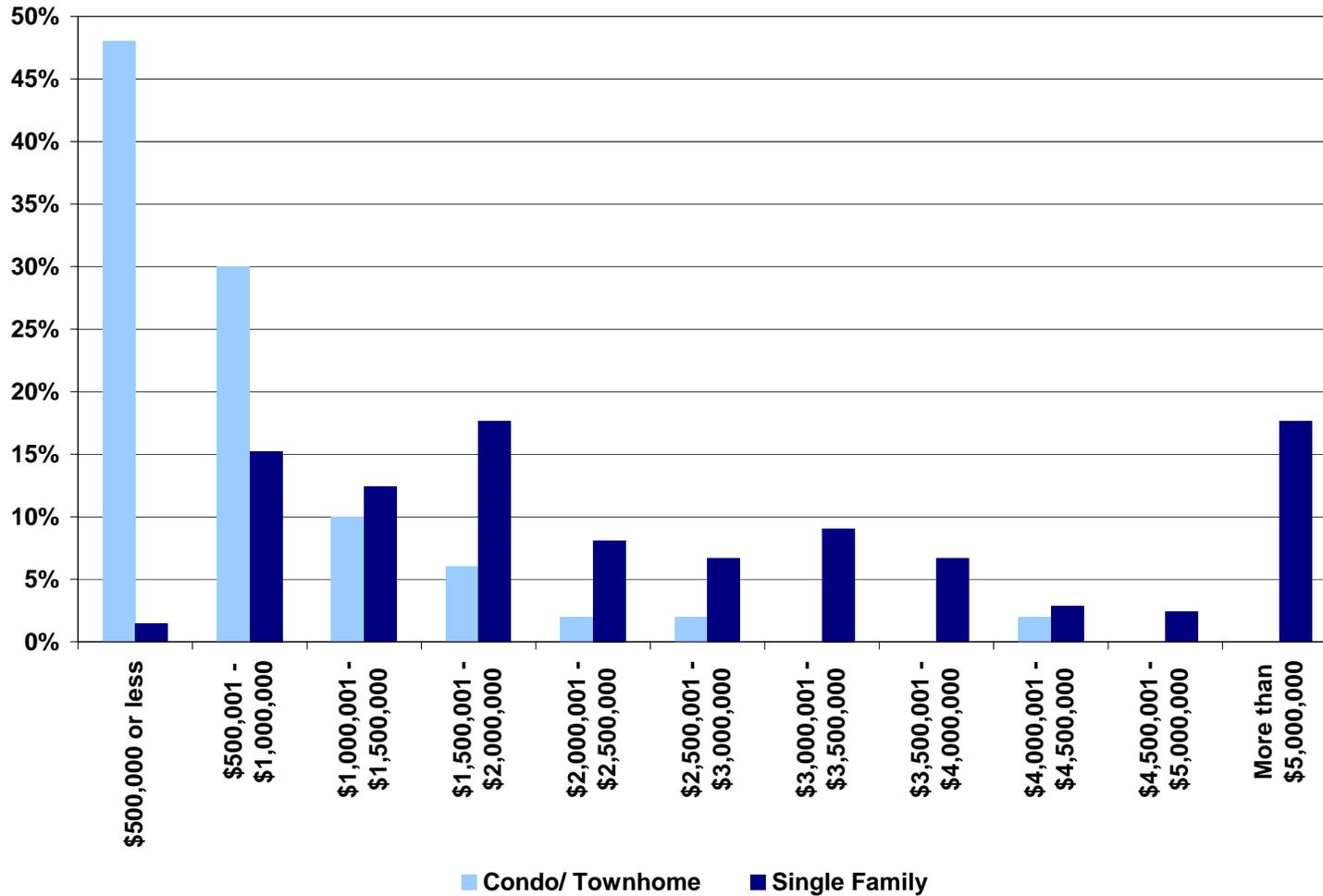
Table 19
Residential Listings by Price Range, Teton County, 2006
Teton County Housing Needs Assessment

Price Range	# of Listings				Total	
	Condo/Townhome		Single Family		#	%
	#	%	#	%		
Less than \$300,000	5	10.2%	0	0.0%	5	2.3%
\$300,000 - \$400,000	7	14.3%	0	0.0%	7	3.2%
\$400,000 - \$500,000	11	22.4%	1	0.6%	12	5.5%
\$500,000 - \$600,000	5	10.2%	4	2.3%	9	4.1%
\$600,000 - \$700,000	6	12.2%	10	5.8%	16	7.3%
\$700,000 - \$800,000	1	2.0%	9	5.3%	10	4.5%
\$800,000 - \$900,000	1	2.0%	2	1.2%	3	1.4%
\$900,000 - \$1.0M	2	4.1%	7	4.1%	9	4.1%
\$1.0M - \$1.5M	5	10.2%	26	15.2%	31	14.1%
\$1.5M - \$2.0M	3	6.1%	37	21.6%	40	18.2%
\$2.0M - \$2.5M	1	2.0%	17	9.9%	18	8.2%
\$2.5M - \$3.0M	1	2.0%	14	8.2%	15	6.8%
\$3.5M - \$4.0M	0	0.0%	19	11.1%	19	8.6%
\$4.0M - \$4.5M	0	0.0%	14	8.2%	14	6.4%
\$4.5M - \$5.0M	1	2.0%	6	3.5%	7	3.2%
Greater than \$5.0M	0	0.0%	5	2.9%	5	2.3%
Total	49	100.0%	171	100.0%	220	100.0%

Source: Teton County MLS; Economic & Planning Systems

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Figure 7
Single Family and Condo/Townhome Listings, 2006
Teton County Housing Needs Assessment



Source: Teton County MLS; Economic & Planning Systems

The average price by lot size is shown in **Table 20** with percent of market activity in **Figure 8**. In the less than 0.5-acre category, which ranges from 40 to 55 percent of all sales, the average price was just over \$1.0 million in 2000 through 2005. The next largest market segment, the 1.0 to 5.0 acre category, accounts for 22 to 32 percent of the market. The average price in this category has also remained in the vicinity of \$1.0 million each year, although it has shown a slight decline. Because of the low numbers of sales in the 5- to 10-acre and 10+ acre category, there is less confidence in the trend analysis because of the small sample size, explaining the wide variations in price.

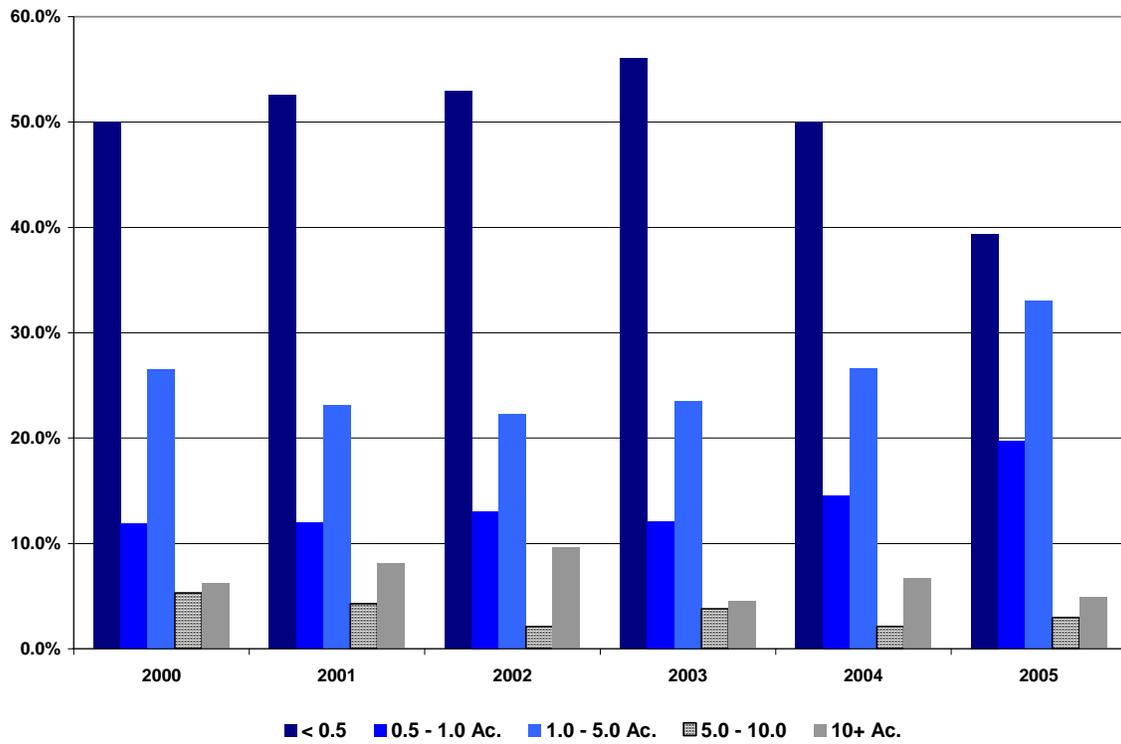
Table 20
Average Price by Lot Size, 2000-2005
Teton County Housing Needs Assessment

Year	< 0.5	0.5 - 1.0 Ac.	1.0 - 5.0 Ac.	5.0 - 10.0	10+ Ac.
Average Price					
2000	\$1,155,044	\$1,072,316	\$1,134,583	\$625,988	\$1,472,875
2001	\$1,158,170	\$559,507	\$1,209,221	\$1,261,235	\$1,685,237
2002	\$1,021,308	\$846,695	\$965,775	\$1,551,250	\$943,098
2003	\$1,051,093	\$499,019	\$1,195,448	\$1,498,987	\$542,308
2004	\$1,083,482	\$1,231,902	\$946,025	\$547,500	\$1,210,500
2005	\$1,250,050	\$1,382,616	\$980,479	\$1,899,500	\$791,200
Ann. % Change	1.6%	5.2%	-2.9%	24.9%	-11.7%
No. of Sales Analyzed					
2000	160	38	85	17	20
2001	123	28	54	10	19
2002	126	31	53	5	23
2003	162	35	68	11	13
2004	141	41	75	6	19
2005	80	40	67	6	10

Source: Rocky Mtn. Appraisals; Economic & Planning Systems

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Figure 8
Market Volume by Lot Size, 2000-2005
Teton County Housing Needs Assessment

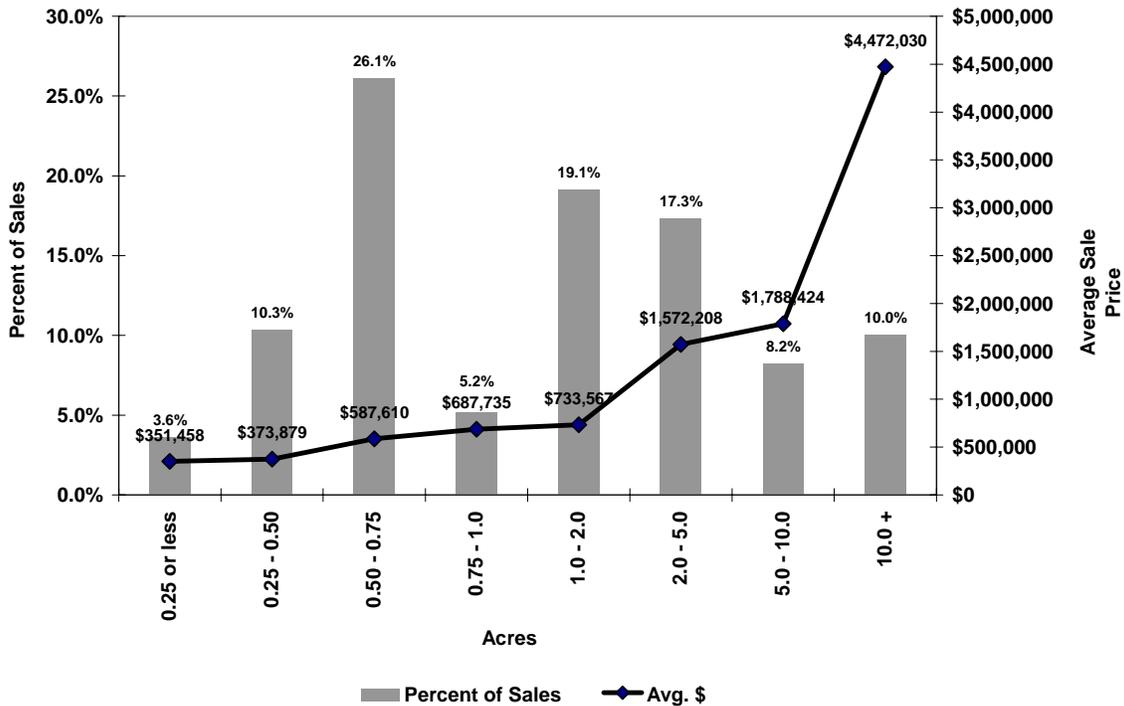


Source: Rocky Mountain Appraisals; Economic & Planning Systems

Sales of vacant lots are summarized in **Figure 9**. Lots of 1.0 acre or more made up 55 percent of all lot sales in 2004 and 2005. The average price for a 1.0 to 2.0 acre lot was \$734,000, and \$1.6 million for a 2.0 to 5.0 acre lot. Very large lots greater than 10.0 acres sold for an average of \$4.5 million. Smaller lots in the 0.25 or less to 0.5 acre size range sold for an average of \$351,000 to \$374,000 in 2004 and 2005 with a combined total of 13.9 percent of market volume, as shown. Half to three quarter acre lots were 26.1 percent of lot sales, with an average price of \$588,000.

There is a large jump in price from lots less than 0.5 acres to lots larger than 0.5 acres. Lots less than 0.5 acres sold for an average of \$351,000 to \$374,000. For lots larger than 0.5 acres, sale prices start in the high \$500,000 range. Lots ranging in size from 0.5 to 2.0 acres have sale prices in the \$588,000 to \$734,000 range. Lots larger than 2.0 acres sold for more than \$1.0 million. The increase in price with lot size can reflect many factors including higher development costs for infrastructure (e.g., roads, water and sewer) often associated with large lots and low density development, or amenities such as views and open space.

Figure 9
Vacant Lot Sales by Lot Size and Average Price, Teton County, 2004 and 2005
 Teton County Housing Needs Assessment



Source: Rocky Mountain Appraisals; Economic & Planning Systems

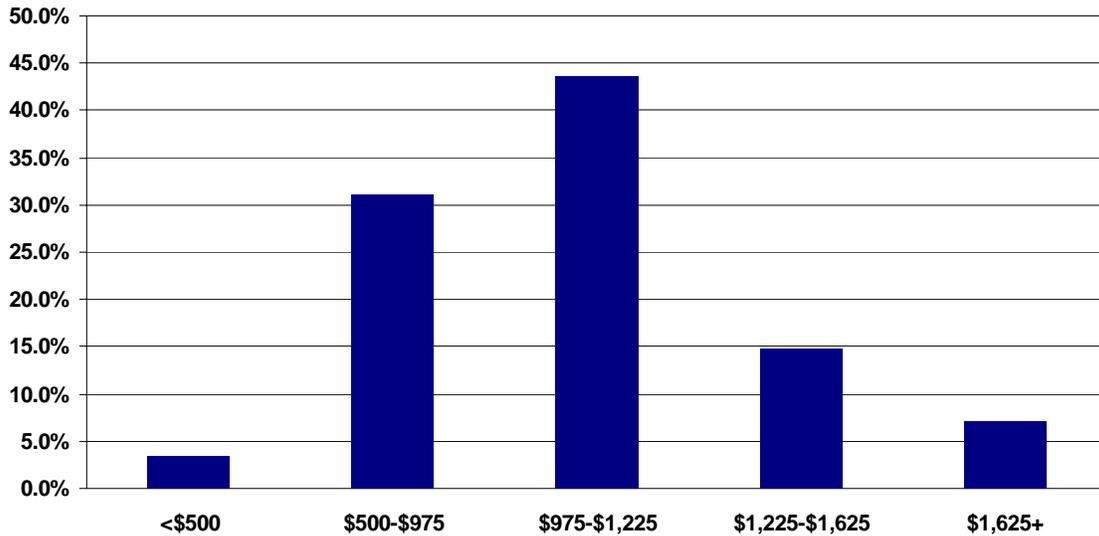
RENTAL MARKET

In Teton County, and in other high-cost communities, the rental market consists largely of privately managed rental units, long-term rentals handle by property management companies, privately managed individual units or homes, and a small number of traditional apartment properties. EPS interviewed representatives from local property management companies and apartment properties to document the current market conditions for rentals.

Managed rental units consist largely of condominiums and townhomes owned by individuals but managed through a local property management firm. Typical or average rents for these units range from approximately \$1,000 for a one-bedroom unit to \$1,400 for a two-bedroom unit, and \$1,550 or more for a three-bedroom unit.

The distribution of pricing in the rental inventory is shown in **Figure 10**. The rent ranges were set to correspond to Area Median Income ranges and will be used later to document how the inventory is balanced relative to renter household demand.

Figure 10
Distribution of Rental Inventory by Rent
Teton County Housing Needs Assessment



Source: RRC Associates; Economic & Planning Systems

Interviewees indicated that rents vary little with unit quality, as older one-bedroom units in need of renovations and repairs typically rent for approximately \$950 per month. Interviewees indicated that there are few vacancies and that units typically turn over to new tenants within a few days, essentially the time needed for any cleaning and repairs between tenants.

One-bedroom units rent for approximately \$800 per month and two-bedroom units are approximately \$950 per month. There are few vacancies. Units typically turn over to new tenants within a few days.

Rental rates in conventional apartment complexes, such as Blair Place, a market rate apartment property, are slightly lower than the managed condominium/townhome rental units. One-bedroom units rent for approximately \$800 per month and two-bedroom units are approximately \$950 per month.

Tenant profiles include a wide variety of people, including people moving to the area for a few months for an outdoor recreation-oriented lifestyle, local wage earners, recent immigrants and their families, and local professionals.

VI. COMMUNITY THEMES

One of the primary reasons communities establish affordable housing policies is to ensure long-term economic viability and to preserve the composition of the community. This section of the report provides insight regarding community issues such as volunteering, commuting, regional shifts in jobs and employment opportunities, sources of income for Teton County residents, and perspectives on housing issues broken out by a variety of cohorts within the community. The purpose is to inform elected and appointed officials about some of the less tangible qualities of the community that are directly affected by the availability of affordable housing. This section provides a greater understanding of the residents in the region, based primarily on findings from the household and employer surveys.

COMMUNITY COMPOSITION

Similar to many mountain communities, the largest group of households by type in Teton County is those without children, as shown in **Table 21**. Households without children make up 47 percent of all households. Based on the 2005 survey, the next largest group at 29 percent is two-parent households with children and includes traditional families with children. A single parent with children, a group often affected by housing issues, makes up 4 to 5 percent of households. The survey data, shown with Census data at the state and national level, indicates that Teton County has a greater share of non-children households.

Table 21
Household Types
Teton County Housing Needs Assessment

Household Type	2005 Survey	Percent Households		
		Teton County	Wyoming	U.S.
Households without Children	47%	47.2%	41.0%	41.4%
One-person Households	20%	27.3%	26.3%	25.8%
Two-Parent Households w/Children	29%	20.1%	24.3%	23.5%
Single Parent w/ Children	4%	5.5%	8.4%	9.2%
Total	100%	100.0%	100.0%	100.0%

Source: US Census; RRC Associates; Economic & Planning Systems

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Nearly 30 percent of Teton County residents have lived in the County for more than 20 years, indicating a strong core of long-time residents. As shown in **Table 22**, there are also a large percentage of residents who have moved to Teton County within the past four years, constituting 25 percent of households or residents. The survey has captured a broad cross section of the community, including newcomers and long-time residents.

Table 22
Years Living in Teton County
Teton County Housing Needs Assessment

Longevity	Percent
Less than 1 Year	4%
1 to 4 Years	21%
5 to 8 Years	18%
9 to 12 Years	10%
13 to 20 Years	18%
More than 20 Years	<u>29%</u>
Total	100%
n=	649

Source: RRC Associates; Economic & Planning Systems

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Cost burden is a standard measure of household affordability. A cost burdened household is defined as a household paying more than 30 percent of its income towards a rent or mortgage payment. As shown in **Table 23**, the survey found that 25 percent of all households in Teton County are cost burdened. The majority of cost burdened households are in the income ranges below the county median income of \$65,195, based on 2005 HUD data for a household of size of 2.5. As shown, 71 percent of cost burdened households are in the 30 to 100 percent of area median income (AMI) ranges.

Table 23
Cost Burden by AMI
Teton County Housing Needs Assessment

Cost Burden	Housing Payment	
	Less than 30% of Income	30% or More of Income
Overall	75%	25%
AMI		
30% or Less	1%	7%
30.1% - 50%	4%	16%
50.1% - 60%	6%	15%
60.1% - 80%	13%	16%
80.1% - 100%	22%	17%
100.1% - 120%	13%	7%
120.1% - 140%	10%	7%
140.1% - 150%	5%	4%
150.1% - 175%	9%	3%
Over 175%	<u>17%</u>	<u>8%</u>
Total	100%	100%
n=	305	104

Note: Cost Burden is where 30% or more of income is spent on mortgage

Source: RRC Associates; Economic & Planning Systems

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For people who are employed in Teton County and also live in Teton County, the proportion that are renters is larger than those who live outside the County but commute to work in the County. Twenty-eight percent of Teton County resident employees are renters, as compared to 15 percent of commuter employees, as shown in **Table 24**. Eighty-four percent of commuter employees surveyed are homeowners, while only 68 percent of resident employees surveyed are homeowners. This suggests that when local employees want to buy a home, they often need to go outside Teton County in order to find something in their price range. It also suggests demand for more rental housing in Teton County.

Table 24
Teton Residents and Commuters by Tenure
Teton County Housing Needs Assessment

Residence is:	Live Outside Teton and Work in Teton	Live Inside Teton and Work in Teton
Owned	84%	68%
Rented	15%	28%
Other	<u>1%</u>	<u>4%</u>
Total	100%	100%
n=	153	579

Source: RRC Associates; Economic & Planning Systems

H:\15819-Teton County Housing Authority\Data\15819-Final Housing Survey.xls\Live Worker X Tenure

Respondents to the household survey were largely full-time residents of Teton County. Ninety percent of respondents indicated that they live in Teton County year-round, while 10 percent indicated that they are part time residents, as shown in **Table 25**. The actual number and percentage of part-time residents in Teton County is higher, as the targeted recipients of the survey were regional residents as opposed to property owners. While there is overlap among the various categories, the response rate from part-time residents would have been much higher using an alternative methodology. It is highlighted here to show that this analysis has captured a portion of this element of the Teton community and will enable the study to compare perspectives of the two groups.

Table 25
Residency
Teton County Housing Needs Assessment

Resident Status	Percent
Part Time Resident	10%
Full Time Resident	90%
Total	100%
n=	648

Source: RRC Associates; Economic & Planning Systems

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VOLUNTEERING

There is concern that as affordable housing becomes less available it may detract from the community's character and diversity. As local employees commute from more outlying communities, the time they have to allocate to other activities diminishes. The survey shows that there is substantially more volunteering among Teton County resident employees than among commuters. The survey data shown in **Table 26** compares employees working in Teton County, that live locally with those that live in the outlying region. The data show that there is substantially more volunteering among Teton County resident employees than among commuters, with 61 percent of resident employees doing some type of volunteer work, compared to 33 percent of commuter employees.

Table 26
Volunteering by Teton Residents and Commuters
Teton County Housing Needs Assessment

Volunteer	Live Outside Teton and Work in Teton	Live Inside Teton and Work in Teton
Yes	33%	61%
No	<u>67%</u>	<u>39%</u>
Total	100%	100%
n=	153	575

Source: RRC Associates; Economic & Planning Systems

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The types of volunteer activities in which commuters and resident employees engage in are summarized in **Table 27**. Overall, these two groups volunteer in similar organizations. The most popular types of volunteer activities are non-profit groups, service clubs (i.e., the Elks), church groups or religious organizations, and schools. Resident employees participate at higher levels than non-resident employees in the following activities: non-profit organizations, service clubs, sports organizations, and 'other' activities. School participation is higher among commuter employees, suggesting that the outlying communities are becoming more family-oriented as housing costs in Teton County become prohibitively high for raising a family.

Table 27
Teton Residents and Commuters by Volunteerism
Teton County Housing Needs Assessment

Volunteer Location	Live Outside Teton and Work in Teton	Live Inside Teton and Work in Teton
Non-Profit Board	26%	37%
Service Clubs	18%	26%
Church/Religious	22%	22%
Education/Schools	34%	24%
Sports Organizations	4%	15%
Ambulance/EMS	2%	8%
Search and Rescue	10%	7%
Fire Department	8%	8%
Other	<u>24%</u>	<u>34%</u>
Total	148%	182%
n=	50	346

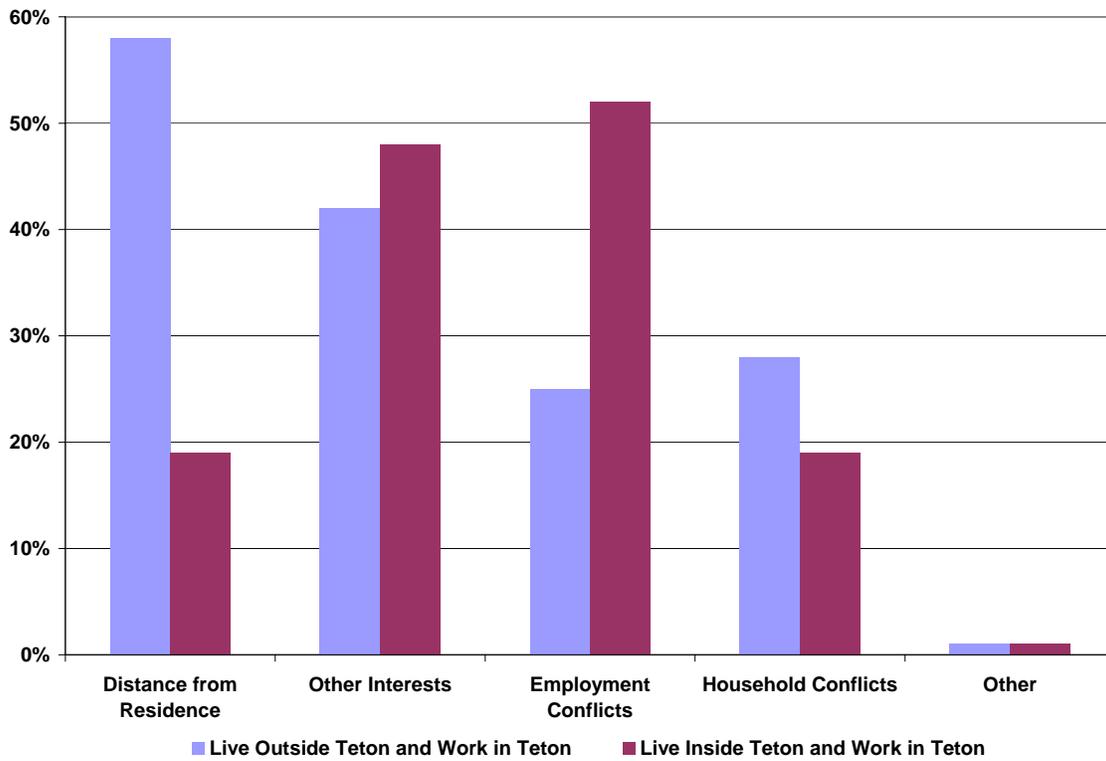
Note: Total is more than 100% due to multiple response question

Source: RRC Associates; Economic & Planning Systems

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Among commuters, the main reason cited for not volunteering was distance from residence, indicating that either the location or required travel time from their home, or both, contributed to a decline in volunteerism. In other words, nearly 60 percent of commuters indicated that they do not volunteer because the activities are too far from their residence, as shown in **Figure 11**. 'Other Interests' were the next most often cited reason for not volunteering, followed by household or family conflicts, and then by employment/job conflicts. For Teton County resident employees, employment conflicts and other interests were the main reasons for not volunteering, with distance from residence ranking below household/family conflicts.

Figure 11
Reason for Not Volunteering by Teton Residents and Commuters
Teton County Housing Needs Assessment



Source: RRC Associates; Economic & Planning Systems

SOURCES OF PERSONAL INCOME

Personal income consists of several components that can be combined into two major categories: wages and salaries (from employment) and non-wage income (investments, social security, pensions, etc.). As illustrated in **Table 28**, the primary source of income for 80 percent of Teton County residents is their job. Other major sources of income for Teton County residents include investments for 20 percent of residents, social security for 17 percent, and retirement pension for 14 percent. In total, it is estimated that more than one quarter of Teton County residents do not rely on a job for their primary source of income and are therefore less reliant on the stability and vitality of the region's economy. Note that respondents could choose more than one choice in this question, resulting in a total of more than 100 percent.

Table 28
Primary Source of Income
Teton County Housing Needs Assessment

Primary Income Source	Percent
Employment/Job	80%
Unemployment	2%
Retirement Pension	14%
Investments	20%
Social Security	17%
Alimony/Child Support	1%
Disability	1%
Other	1%
Total	137%
n=	608

Note: Total is more than 100% due to multiple response question

Source: RRC Associates; Economic & Planning Systems

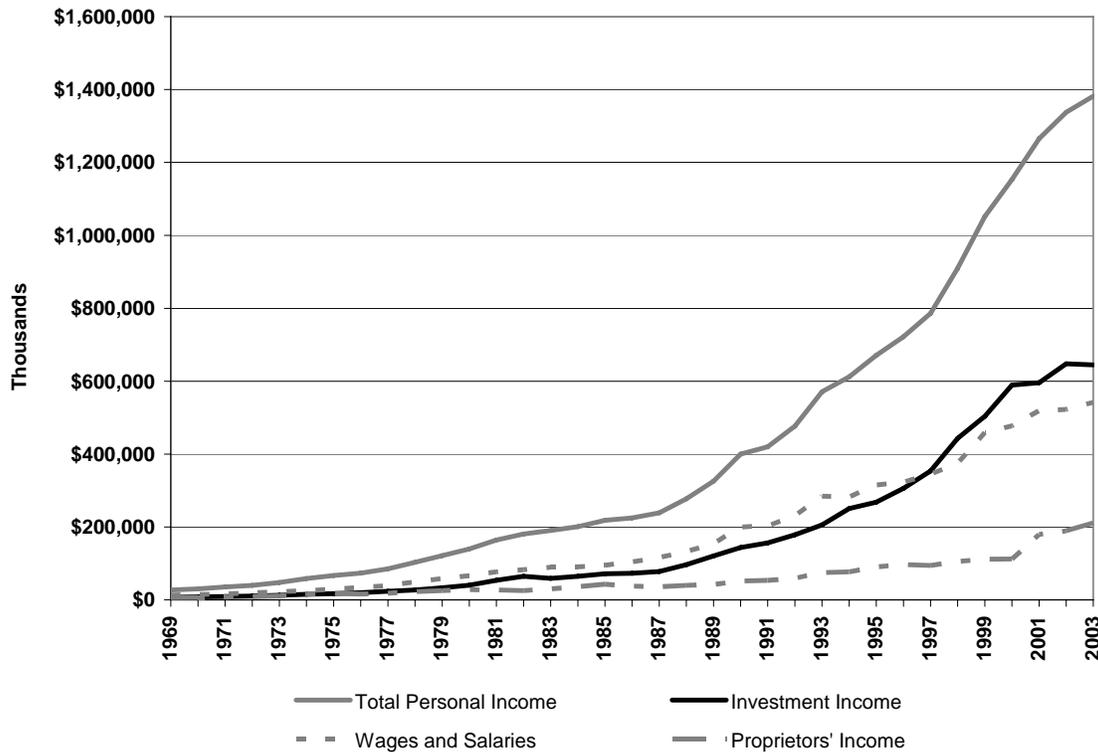
H:\15819-Teton County Housing Authority\Data\15819-Final Housing Survey.xls|P. Income

The sources of personal income vary significantly between full-time residents and seasonal/part time residents. Nearly 90 percent of year-round residents rely on their job or jobs for their primary source of income, compared to seasonal/part time residents of which only 50 percent rely on a job for income. Seasonal residents are far less reliant on employment as their primary source of income, suggesting a stability that will continue independent of local economic conditions.

While a few number of Teton County year-round residents rely on investments rather than employment as their primary source of income, in total, investment income is the largest source of personal income in Teton County, as shown in **Figure 12**. It shows the trend in three major sources of personal income (wages and salaries, proprietor's income, and investment income) from 1969 to 2003, and that in 2003 investment income became the largest source of personal income for Teton County residents, as measured by total dollar amount.

In 2003, investment income outpaced the other two sources of personal income – wages and proprietor's income. In most communities, including other high-cost mountain towns, investment income does not typically exceed wages and proprietor income.

Figure 12
Personal Income by Source, Teton County, 1969-2003
Teton County Housing Needs Assessment



Source: U.S. Bureau of Economic Analysis; Economic & Planning Systems

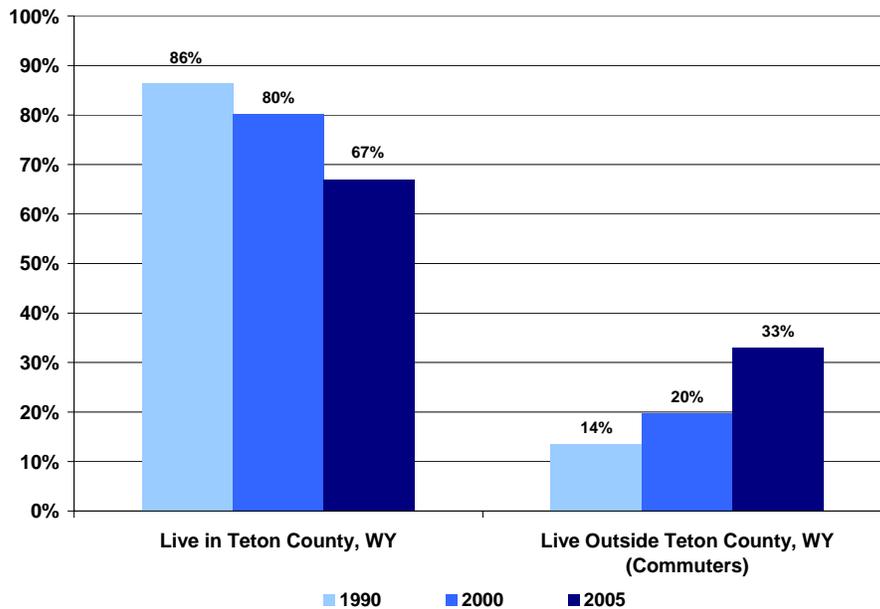
In 1997, investment income exceeded wage and salary income for the first time in Teton County. In 2003, investment income accounted for \$644 million in personal income, or 46 percent of the total \$1.38 billion in personal income in the Teton County. Wage and salary income was 39 percent of total personal income in 2003. Proprietor's income (self employed) increased from 10 percent of personal income in 2000 to 15 percent of personal income in 2003. Self-employed people can include local small business owners, as well as part-time residents who work remotely from Teton County.

COMMUTING

One of the most visible impacts of high housing costs in Teton County is the location of residence in relation to place of work. As illustrated in **Figure 13**, 86 percent of people in 1990 working in Teton County lived in Teton County (resident employees). By 2000, the percentage of resident employees dropped to 80 percent while the number of commuter employees increased by 6 percent. The percentage of commuter employees increased again, sharply, from 2000 to 2005 as found in the household and employer surveys. As shown, by 2005 an estimated 33 percent of people who work in Teton County commuted from outside the County. Teton County employees are increasingly leaving Teton County for lower cost housing opportunities in the Victor and Driggs areas of Teton County, ID, and Lincoln County which includes Alpine and the fast growing Star Valley Ranch area.

In 1990, 14 percent of local employees commuted. By 2000, it increased to 20 percent. In 2005, it jumped to 33 percent, an increase twice as large in half the time as the change from 1990 to 2000.

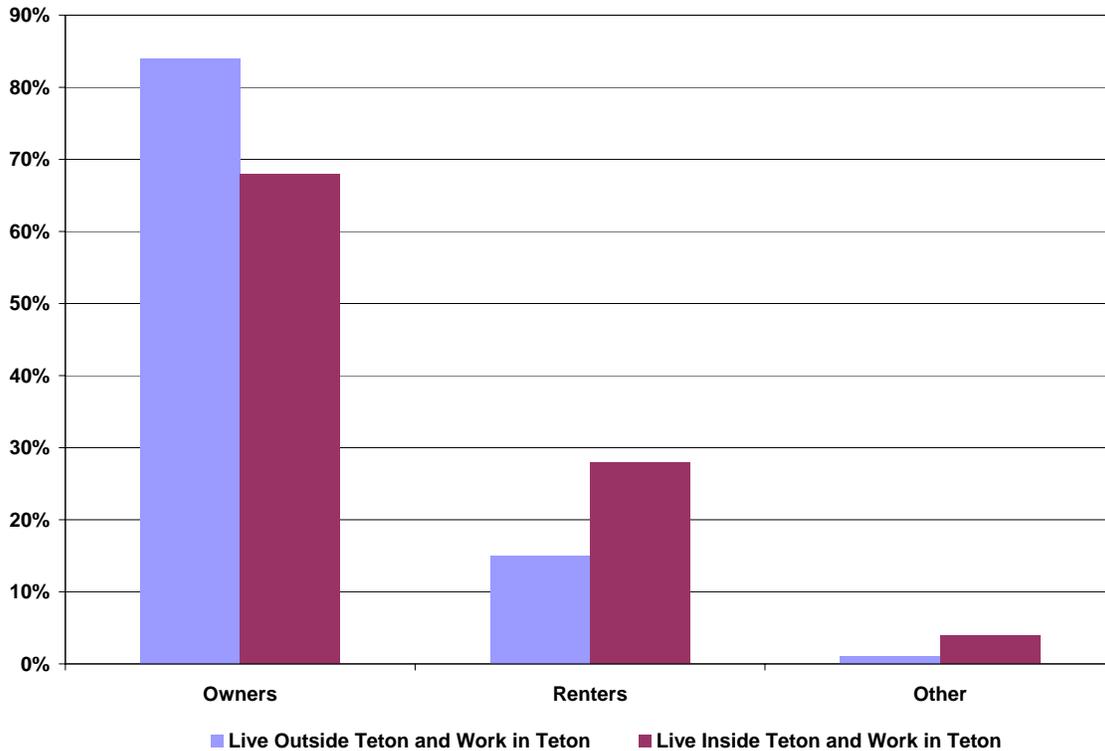
Figure 13
Teton County, Commuting Patterns, 1990-2005
Teton County Housing Needs Assessment



Source: U.S. Census; Economic & Planning Systems

The Teton County workforce may be moving to lower cost areas to pursue homeownership opportunities. As shown in **Figure 14**, the percentage of commuter employees who own homes is higher than for Teton County resident employees. Approximately 82 percent of commuter employees own their home as compared to 69 percent of resident employees. Conversely, 29 percent of resident employees are renters while 15 percent of commuter employees are renters.

Figure 14
Teton Residents and Commuters by Tenure
Teton County Housing Needs Assessment



Source: RRC Associates; Economic & Planning Systems

One-way commuting distances for non-resident employees are fairly high. Fifty percent of commuter employees commute at least 26 miles and as far as 50 miles one-way to their place of work in Teton County. Ten percent of commuters commute at least 50 miles. These long commutes have implications related to quality of life, time available to spend with family, and time available to devote to community activities such as volunteering or sports. Furthermore, the environmental impacts of the associated energy consumption, carbon dioxide emissions related to global warming, and traffic goes against the strong environmental conservation ethic of the greater Teton County community.

The amount of money spent on the commute to work is higher among commuter employees than among resident employees. Survey data shows that 23 percent of commuters spend 6 to 10 percent of their income on commuting costs, compared to 13 percent of resident employees. Eleven percent of commuters spend 11 to 15 percent of

their income on commuting compared to 3 percent of resident employees. Thus the more a household spends on commuting, the less money it has available for other needs such as housing, health care, education, and recreation.

As part of the survey, residents were asked about direct commuting costs. After comparing the responses to basic estimates of gasoline costs (which did not include acquisition, maintenance, or depreciation), it is clear that residents underestimate their true monetary costs. The community awareness of direct commuting costs should be raised to help residents compare the trade-offs of living in outlying areas.

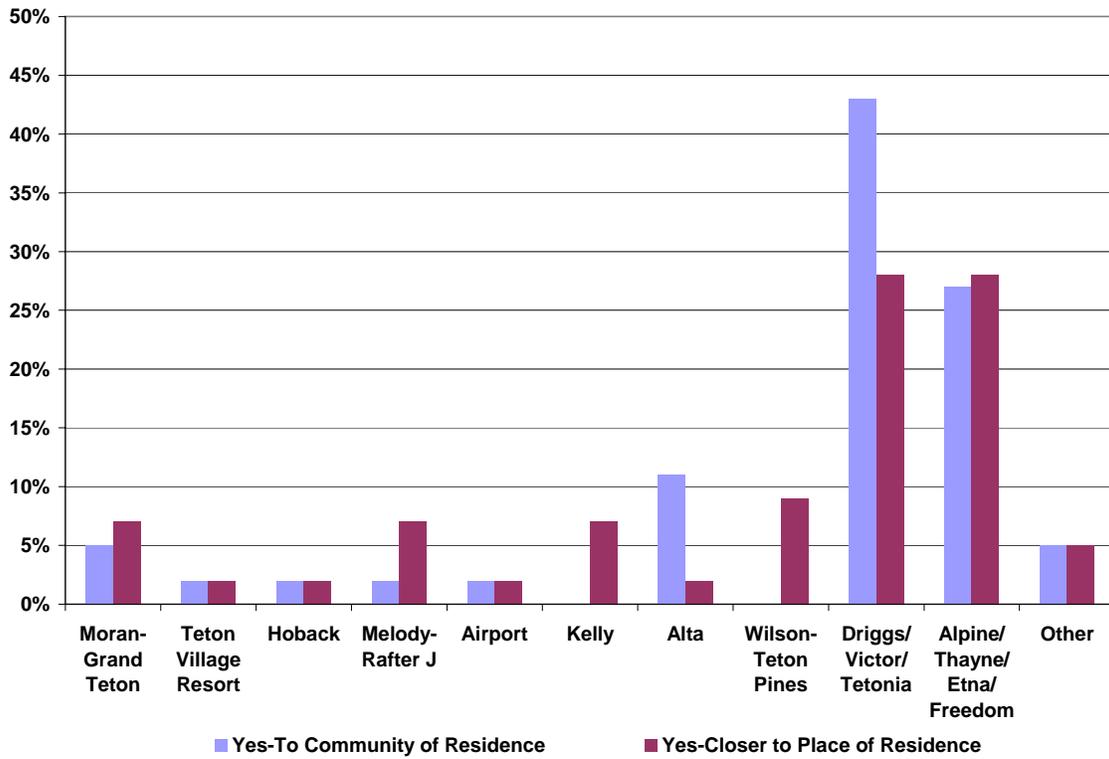
JOB AND EMPLOYMENT SHIFTS

Approximately 25 percent of commuters would like to shift their employment to a location closer to home. The interest in shifting one's employment away from Teton County has implications for the local community's continued economic vitality.

The survey asked if the opportunity was available, would they like to shift their job to either the community in which they live, or simply closer to their place of residence. **Figure 15** shows the responses to this question separated by where respondents live. Forty-three percent of respondents

living in the Victor, Driggs, and Tetonia areas of Teton County, ID indicated that they would move their job to their community of residence; 28 percent indicated they would move their job closer to home if the opportunity were available. Responses were similar for respondents from Lincoln County. Roughly 25 percent of commuters living in the Alpine, Thayne, Etna, and Freedom areas indicated that they would move their job closer to home if the opportunity were available.

Figure 15
Shift Job to Community if Employment Available
Teton County Housing Needs Assessment



Source: RRC Associates; Economic & Planning Systems

The interest in shifting one's employment away from Teton County, has implications for the County's continued economic vitality as housing costs and commuting cause some of the County's workforce to seek employment in other areas. This is not to say that outlying communities in the Teton County region should not develop their own sustainable economies, but that housing and commuting may have an effect on the ability of employers to find employees and sustain their business.

A similar question was asked of employers and some Teton County business owners expressed interest in shifting their operations outside of Teton County. Of the 231 employers responding to the survey, 47 (or 20 percent) indicate plans for expansion within or outside of Teton County. Some of these responses are a reflection of the overall growth of this region, which is creating new business opportunities in the surrounding communities. However, some of these responses reflect the larger migration trend of residents and businesses moving out of Teton County. As shown in **Table 29**, of the 56 business owners who answered this question, 46 percent indicated plans to expand their business outside Teton County. Thirty-eight percent indicated interest in or plans to expand within Teton County. Twenty percent indicated plans to sell their business, and 7 percent indicated plans to either close or relocate their business outside Teton County.

Table 29
Business Operation Plans in the Next 5 Years
Teton County Housing Needs Assessment

Business Plan in Next 5 Years:	Percent of Subset	Percent of Total Survey
Add New Branch Outside Teton County and Retain Current Business Location	46%	11%
Add New Branch Within Teton County and Retain Current Business Location	38%	9%
Looking to Sell Teton County Business	20%	5%
Relocate Business Outside Teton County or Close Business	<u>7%</u>	<u>2%</u>
Total	111%	27%
n=	56	231

Note: Total is more than 100% due to a multiple response question

Source: RRC Associates; Economic & Planning Systems

H:\15819-Teton County Housing Authority\Data\15819-Final Employer Survey.xls\Bus Plan 5 Years

OPINIONS ABOUT HOUSING AND COMMUNITY ISSUES

The household survey provides an objective assessment of public opinions on affordable housing and other community issues. Generally, Town of Jackson residents perceive the issue to be somewhat more pressing than Teton County residents. As shown in **Table 30**, 15 to 17 percent of Teton County, residents indicated that affordable housing is the most critical problem in the County. Forty-five to 50 percent indicated that affordable housing is one of the more serious problems in the County. Including all of these respondents with those who indicated that affordable housing is a problem needing attention indicates that 92 percent of Teton County, residents feel that housing is at least an issue of concern. Among respondents living in the Driggs, Victor, and Tetonia areas, 93 percent indicated that affordable housing was a problem needing attention, a serious problem, or the most critical problem. A comparable percentage (92 percent) of Lincoln County residents shared the same perspective.

Table 30
Ranking of Affordable Housing Issue by Location of Residence
Teton County Housing Needs Assessment

Affordable Housing is:	Town of Jackson	Teton County	Driggs/ Victor/ Tetonia	Alpine/ Thayne/ Etna/ Freedom
Not A Problem	0%	4%	4%	5%
A Lesser Problem	7%	3%	3%	3%
A Problem Needing Attention	25%	32%	32%	18%
One of the More Serious Problems	50%	45%	42%	49%
The Most Critical Problem	17%	15%	19%	25%
Total	100%	99%	100%	100%
n=	136	253	114	91

Source: RRC Associates; Economic & Planning Systems

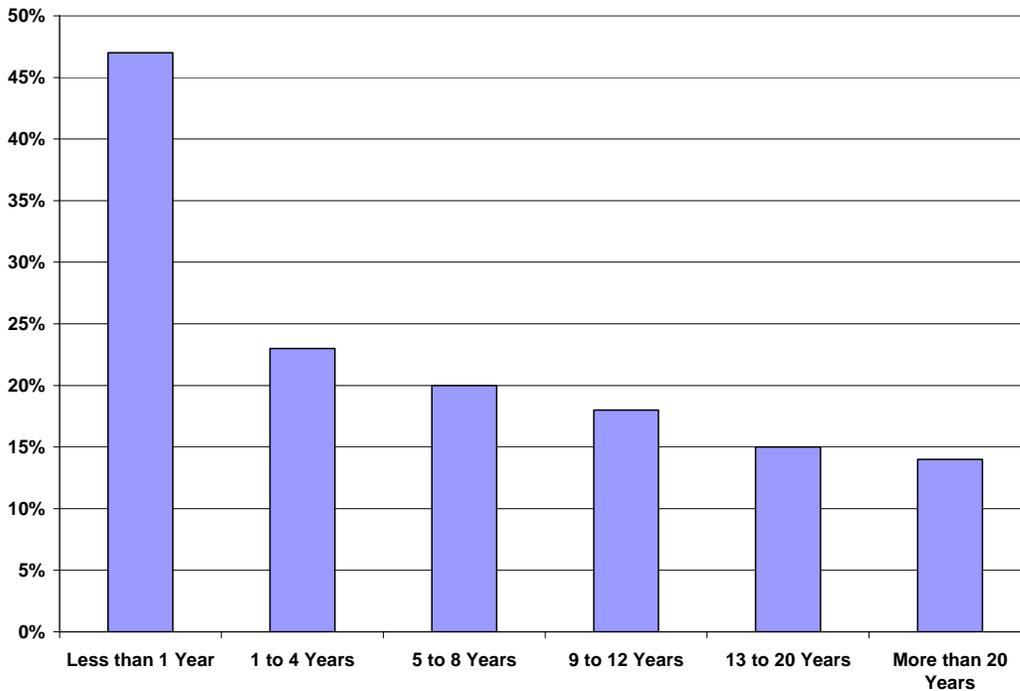
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How respondents view the issue of affordable housing varies by how long they have lived in the region. **Figure 16** shows the percentage of respondents who believe housing is the most critical issue for each cohort of residents. (The responses do not total 100 percent, as each bar in the chart represents only the percentage within that group that responded in a certain way.)

As shown, for residents living in the area for less than one year, 46 percent believe the issue is the most critical. The distribution of “most critical” responses by longevity declines for people who have lived in the region for longer periods of time. People who have been in the region for a long period of time may have homes that are paid off, or mortgages based on prices established several years ago, which may explain some of this variation.

The percentage of the population that believe affordable housing is “the most critical issue” declines for people who have lived in the region for longer periods of time.

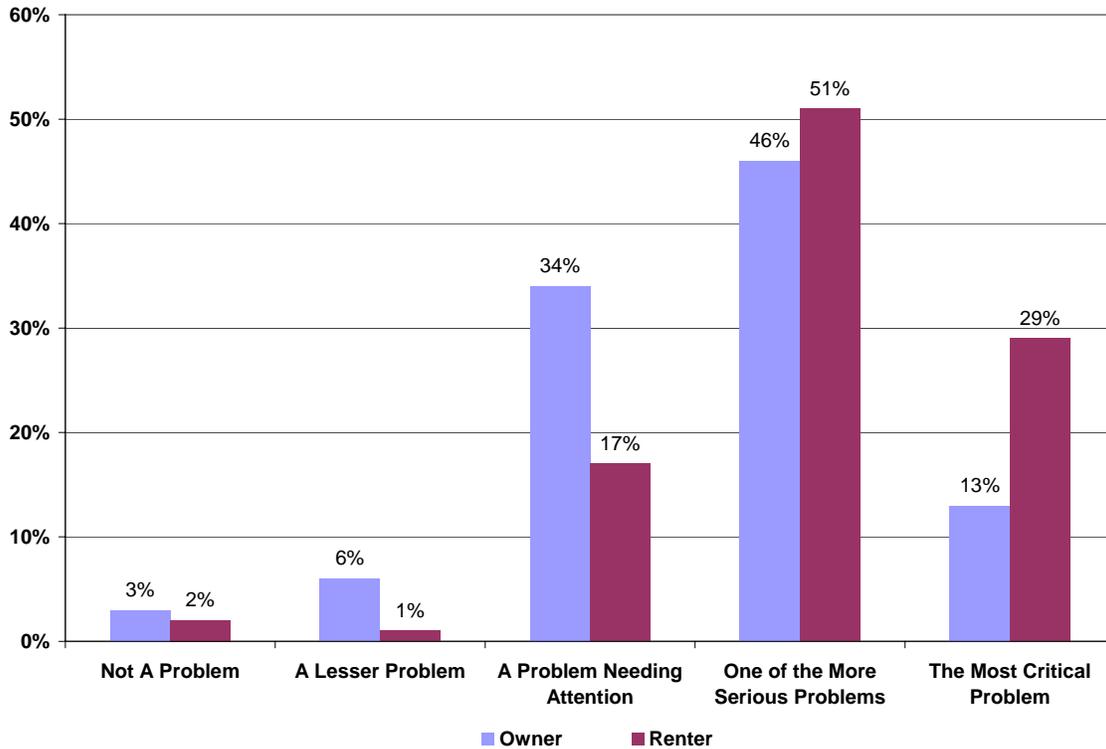
Figure 16
Affordable Housing as the Most Critical Problem by Longevity in the Region
Teton County Housing Needs Assessment



Source: RRC Associates; Economic & Planning Systems

There is also variation in opinions regarding affordable housing according to ownership status. As shown in **Figure 17**, significantly more renters indicated that affordable housing is the most critical problem in the County, with 29 percent of the responses to this choice versus 13 percent by owners. For people who chose “one of the more serious problems”, renters and owners were fairly evenly distributed. More owners than renters are associated with declining importance of affordable housing.

Figure 17
Ranking of Affordable Housing Issue by Tenure
Teton County Housing Needs Assessment

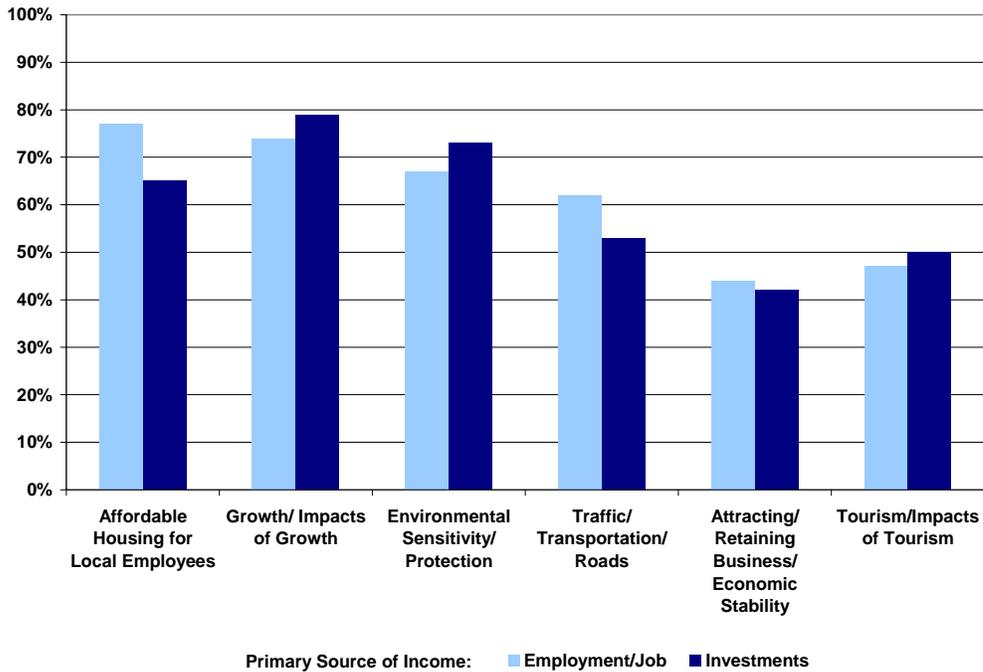


Source: RRC Associates; Economic & Planning Systems

There is some variation in opinions on community issues between people whose primary source of income is their job as opposed to investments or non-wage income. **Figure 18** shows the percentage of responses for each individual issue that indicated the specific issue was “one of the more serious problems” or “the most critical problem.” The chart can be seen as an indicator of relative importance across the issues. Affordable housing for local employees was given significantly more importance by wage earners than by non-wage earners (people who live on investment income). Environmental issues were ranked very high in importance by wage earners and non-wage earners alike.

When asked to rank affordable housing relative to other issues, local wage earners gave more importance to affordable housing than those households whose primary income is based on investments.

Figure 18
Ranking of Community Issues by Source of Income
Teton County Housing Needs Assessment



Source: RRC Associates; Economic & Planning Systems

On a scale of 1 to 5, with 5 being the highest priority, business owners ranked “entry level for sale housing for year-round employees” as the highest priority if additional housing resources are available. As shown in **Table 31**, entry level for sale housing had an average ranking of 4.1. Move-up housing for year-round employees and rental housing for year-round employees had similar ranking scores, with an average of 3.5 and 3.7, respectively. Housing for seasonal employees was given lower priority, with an average ranking of 3.0.

Table 31
Average Ranking of Housing Solutions by Business Owners
Teton County Housing Needs Assessment

Issue:	Number of Years in Business					All Responses
	Less than 2 Years	2 to 5 Years	5 to 10 Years	10 to 20 Years	More than 20 Years	
Entry Level for Sale Housing for Year-Round Employees	3.9	4.1	4.0	4.1	4.1	4.1
Move-Up for Sale Housing for Year-Round Employees	3.3	3.4	3.6	3.6	3.5	3.5
Rental Housing for Year-Round Employees	3.9	3.4	3.6	3.6	3.8	3.7
Rental Housing for Seasonal Employees	3.6	2.7	3.0	2.7	3.2	3.0

Note: The number is the average priority for each issue with 1 being a low priority and 5 being a high priority

Source: RRC Associates; Economic & Planning Systems

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VII. HOUSING NEEDS

This section of the report evaluates the housing needs of the region with the goal of informing the community regarding the number, type, and income targets that best reflect the regional needs and desires. The first section evaluates demand for deed restricted affordable housing, gauging the level of interest for future housing developments and documenting the sectors representing the greatest depth of demand. The second section addresses needs, in terms of current and future deficits based on employment and include a gap analysis addressing supply and demand across the full spectrum of income levels for renter and owner households.

DEMAND FOR AFFORDABLE HOUSING

At the onset of this study, interviews were conducted with a variety of community members. From those interviews, it became clear that the community wanted an annual production target based on objective data. Another key piece of information related to the depth of demand for housing. Community members wanted to know if demand was sufficient to generate buyers and renters for deed restricted affordable housing, should the community dedicate its resources to develop it. This study brackets the demand and provides it as one factor to be used in larger policy discussions about affordable housing development.

To gauge the level of interest in deed restricted affordable housing, three survey questions were asked of households with at least one member employed in Teton County. The survey instrument attempted to convey the limits of the deed restriction by stating that there was limited appreciation and no rental potential. Additional descriptors were provided for each unit type, including bedroom count and floor area, in the effort to convey as accurate description of the potential product as possible. Of the 641 responses, 184 rated their interest as a two through five, on a scale of zero to five, where zero represented no interest and five indicated high interest. Thus, approximately 29 percent of local households have some interest in deed restricted affordable housing. When this percentage is applied to the households in Teton County and the surrounding region, there is a potential demand from 2,100 households.

There are two recent developments that show the depth of demand. In the 48-unit Millward project completed in 2003, the larger homes in the highest income category absorbed slowly. One reason for this was the price of these homes; there were options in the free market close to this price point. The second reason is was the prohibition on pets. As discussed in greater detail below, the survey found that pets is the number one factor potential buyers consider when looking at housing options. For the most recent TCHA project in December of 2006, the Housing Authority received 223 applications for 36 units. The interest in the recent project is in line with the survey findings, as further described below.

One of the more significant findings from the survey research is the *degree* of interest. Approximately one-third of those interested responded at the highest level (a five on the survey form). Two-thirds responded with a four or five, with the balance of one-third responding with a two or three. Thus, approximately 700 households are highly motivated to purchase deed restricted housing, if the unit type and price match household needs.

As shown in **Table 32**, the basic interest has been cross-tabulated by Area Median Income (AMI) level and location of current residence. Of the 29 percent of all households expressing some level of interest (measured by a ranking of two through five), 23 percent reside within Teton County and 6 percent live in outlying areas. These percentages represent nearly 2,100 households with some level of interest, of which 1,832 are local and 266 live outside the County. For local households, the income level representing the greatest interest are households earning between 80 and 100 percent of AMI (27 percent). There is generally high support among all income levels, up to 150 percent of AMI. The same is true of households living in outlying areas, except there is not a peak at any one income level.

Table 32
Interest by AMI and Location of Residence
Teton County Housing Needs Assessment

AMI Level	<u>Teton Households</u>		<u>Outlying Households</u>	
	#	%	#	%
30% or less AMI	75	4%	22	8%
30.1% - 50% AMI	249	14%	50	19%
50.1% - 60% AMI	324	18%	29	11%
60.1% - 80% AMI	162	9%	50	19%
80.1% - 100% AMI	486	27%	50	19%
100.1% - 120% AMI	212	12%	22	8%
120.1% - 150% AMI	174	10%	29	11%
150.1% - 175% AMI	62	3%	0	0%
175% and higher	<u>87</u>	<u>5%</u>	<u>14</u>	<u>5%</u>
Total	1,832	100%	266	100%
% of Survey Respondents	23%		6%	
N =	147		37	

Source: RRC Associates; Economic & Planning Systems

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Residents were asked about their preference for unit type, as shown in **Table 33**. The survey provided fairly detailed descriptions of each unit type, including the number of bedrooms, number of stories, and a typical square footage for each. Because respondents could check all types that generated interest, the totals exceed the number of households identified in the tables above. In general, lower income households tend to have a greater preference for condominium units (as indicated at the 50 to 60 percent income level). Higher income buyers, 100 to 140 percent, generally prefer larger units. At the income level with the highest representation of interested buyers (80 to 100 percent of AMI), there is uniform interest across all unit types. Additional cross tabulations (not shown in the table below) indicate that a majority of Teton County residents prefer townhomes over duplex or condominium units while outlying residents place greater priority on duplexes.

Table 33
Interest by Type by AMI
Teton County Housing Needs Assessment

AMI Level	Condo	TH	Duplex
30% or less AMI	3%	3%	5%
30.1% - 50% AMI	17%	15%	10%
50.1% - 60% AMI	20%	15%	18%
60.1% - 80% AMI	9%	10%	8%
80.1% - 100% AMI	28%	28%	28%
100.1% - 120% AMI	6%	12%	14%
120.1% - 140% AMI	9%	9%	10%
140.1% - 175% AMI	5%	4%	3%
175% and higher	3%	5%	4%
Total from Survey	100%	100%	100%
N =	94	140	143

Source: RRC Associates, Economic & Planning Systems

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Of respondents expressing interest in condominium units, approximately one-third are adults living alone, as shown in **Table 34**. For couples with no children, roughly the same level of interest was expressed for each of the three unit types. As might be expected, couples with children place a priority on duplexes over the other types.

Table 34
Interest by Household Composition
Teton County Housing Needs Assessment

Household Composition	Condo Interest	Townhome Interest	Duplex Interest
Adult Living Alone	32%	26%	17%
Single Parent with Child(ren)	1%	5%	7%
Couple with no Children	32%	31%	30%
Couple with Child(ren)	13%	19%	26%
Unrelated Roommates	17%	14%	15%
Immediate and Extended Family	4%	4%	4%
Other	1%	---	1%
Total	100%	100%	100%
n=	85	124	122

Source: RRC Associates; Economic & Planning Systems

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Of those households expressing an interest in any unit type, over 40 percent are two-person households, as shown in **Table 35**. There is a 16 point difference in one-person households between condominiums (33 percent) and duplexes (17 percent). The magnitude of the difference suggests that small condominium units designed for one-person occupancy should be included in future projects. The data suggest that three- and four-person households are reasonably flexible in housing options, as the difference among preferences is relatively small. Specifically, there is a five point difference for three-person families between condominium and duplex units and a seven point difference for four-person families.

Table 35
Interest by Number of People in Household
Teton County Housing Needs Assessment

Number of People	Condo Interest	Townhome Interest	Duplex Interest
1	33%	26%	17%
2	41%	43%	44%
3	11%	14%	16%
4	10%	12%	17%
5	5%	4%	4%
6 or More	---	1%	1%
Total	100%	100%	100%
n=	84	123	121

The survey data show reasonably strong demand for small condominiums for single occupant use.

Source: RRC Associates; Economic & Planning Systems

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For most elements of this study, the Town of Jackson and Teton County are seen to be the local community and differences between the two are not material. However, a distinct question was included in the survey to document the location preference of future buyers. Residents were asked to indicate their preference for living within the Town of Jackson or elsewhere in Teton County using a scale of zero to three, with three indicating the level of greatest support. The data in **Table 36** below reflect the percentage of households responding with a three, by household type. For adults living alone and for unrelated roommates, there is a distinct desire to live within the Town of Jackson. Single parents with children prefer other areas within the County. Households consisting of couples, with and without children, account for approximately 47 percent of the County’s population, expressed the same level of interest in either location.

Table 36
Interest by Location of Development
Teton County Housing Needs Assessment

Housing Location	Adult Living Alone	Single Parent w/ Children	Couple no Children	Couple w/ Children	Unrelated Roommates
Town of Jackson	44%	20%	17%	18%	33%
Other area of Teton, WY	27%	36%	17%	18%	18%

Note: Percent are those respondents who answered 3; where 0 is no interest and 3 are the most interested.

Source: RRC Associates; Economic & Planning Systems

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Not all residents are interested in affordable housing. Given that there were a total of 641 survey responses, the 424 responses to this question generally reflect the two-thirds of the community not interested in deed restricted affordable housing. Of this subset, 63 percent already own a home.

The survey listed options to determine what issues diminish interest. As shown below in **Table 37**, slightly more than one-third would prefer a single family home rather than the attached homes listed in the survey. Approximately 19 percent report that the terms of the deed restriction are not acceptable. The size of the units was cited as a factor for another 19 percent.

That the deed restriction did not rank higher reflects the cost of market rate housing. Based on experience in other high-cost communities, resistance to the terms of a deed restriction is inversely correlated to the cost of homes in the community. Because market rate options in Teton County are dramatically higher than the affordable options, resistance to the deed restriction falls to a level that is half as important as compared to unit type.

Table 37
Reason for Lack of Interest
Teton County Housing Needs Assessment

Reason Not Interested:	Percentage
Prefer a Single Family Home	37%
Terms of Deed Restriction Not Acceptable	19%
Size/Type of Housing Offered Not Suitable for Needs	19%
Other	8%
Cannot Get Financing/Need Help with Downpayment	<u>8%</u>
Total	91%
n=	424

Source: RRC Associates; Economic & Planning Systems

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DESIRED HOME FEATURES

For residents looking for a home in the next three years, the top factor affecting their decision is the potential to have pets, as shown in **Table 38**. When asked about the desired home features, potential homebuyers are looking for, in order of importance, a place for their pets, a single family home, a garage, and the lowest cost option. Potential renters, however, are looking for the lowest cost option after finding a place that will accept pets. In terms of future affordable housing development, demand will be much higher if the development allows pets. For developments that prohibit pets, a lack of interest should not be interpreted as a lack of demand for affordable housing, given the data shown below.

Table 38
Factors in Looking for a Home
Teton County Housing Needs Assessment

Priority	Yes, Rent a Home	Yes, Buy a Home	Yes, Rent or Buy	Uncertain
Allow Pets	68%	57%	61%	76%
Single Family Home	32%	51%	64%	64%
Garage	28%	42%	56%	46%
Lowest Cost	51%	41%	54%	42%
Attached Product	0%	1%	8%	6%
Disabled Access	32%	1%	9%	6%
n=	5	95	28	64

Note: Percentage are those respondents who answered 5, where 1 is low priority and 5 is high priority

Source: RRC Associates; Economic & Planning Systems

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TARGETS FOR AFFORDABLE HOUSING

The community target for affordable housing will reflect a variety of measurements, which are evaluated in detail in the following section. Three measurements that quantify the extent of the need include the “catch up” factor, the “keep up” factor, and the gap analysis. As the housing need is quantified in housing units, there are two factors derived from survey information that frequently are used to translate employment information into dwelling units. Survey data shows that Teton County employees have an average of 1.3 jobs and that local households have an average of 1.8 employees.

CATCH UP

The catch up factor represents the number of housing units needed to address existing deficits, as measured by unfilled jobs reported by employers in the survey conducted as part of this study. The survey captured 25 percent of employers and 10 percent of the

total workforce. The capture of this much data exceeds typical survey efforts and provides a robust set of information from which to document conditions. It should be noted, however, that the respondents were self-selecting. While the information provides a good indication of conditions, the findings cannot be applied across all employers. In general, it is reasonable to extrapolate the survey findings using a factor of two to three to represent countywide conditions.

Based on employer responses, there were a total of 521 vacant full-time equivalent positions over the previous year, which employers attribute to the local housing conditions (such as the limited inventory, long commutes, high cost, etc.). Of these, just under half were year-round, one-third consisted of summer jobs, and the balance was winter positions. The composition of these vacant positions, full-time or part-time status by season, is provided in **Table 39**.

Based on these findings, it appears that community businesses collectively had 1,000 to 1,500 vacant full-time equivalent positions. As the residential survey found that Teton County has an average of 1.3 jobs per employee and 1.8 employees per household, there is an existing deficit of 430 to 640 units needed to house an adequate pool of employees to fill the vacant positions, with a midpoint of 535. $(1000/1.3/1.8 = 430)$

Table 39
Unfilled Jobs by Season and Type
Teton County Housing Needs Assessment

Type	Year-Round	Summer	Winter	Total
Full Time	208	159	95	462
Part Time	<u>68</u>	<u>27</u>	<u>24</u>	<u>119</u>
Total	276	186	119	581
Full Time Equivalent	242	172	107	521

Source: RRC Associates; Economic & Planning Systems

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Employers were also asked about employee turnover caused by or related to housing issues in the region. As shown in **Table 40**, employers reported a total of 457 employment positions that were vacated over the past year. As these positions were not vacant, employers were apparently successful in filling them; however, the data indicate that employers invested significant time recruiting and training to address the issue. It also suggests that employers incur costs from temporarily vacant positions, such as overtime wages paid to other employees, or from lost business due to insufficient staffing.

Table 40
Employee Turnover by Season
Teton County Housing Needs Assessment

Season	Employees
Year-Round	293
Summer Season	54
Winter Season	<u>110</u>
Total	457

Source: RRC Associates; Economic & Planning Systems

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KEEP UP

The “keep up” analysis evaluates employee housing needs moving into the future based on business expansion plans. Employers were asked if they planned to increase the number of employees and 35 percent indicated they would expand, as shown in **Table 41**. The balance of 57 percent is planning to remain at the same employment level with 8 percent unsure. Businesses that have been operating for 10 years or less are poised for growth, with the respondents reporting higher than average plans for expansion. Those in business for less than two years, two to five years, and five to ten years responded positively at 70, 42, and 47 percent respectively, as compared to an average of 35 percent for the County. It should be noted that the correlation between growth and shorter-term longevity may reflect an optimism that may or may not prove to be accurate.

Table 41
Business Plans for Expansion by Longevity of Business
Teton County Housing Needs Assessment

Business Plan in 1 Year:	Overall	Less than 2 Years	2 to 5 Years	5 to 10 Years	10 to 20 Years	More than 20 Years
Increase Number of Employees	35%	70%	42%	47%	32%	23%
Stay the Same	57%	15%	48%	44%	64%	69%
Don't Know/Unsure	<u>8%</u>	<u>15%</u>	<u>10%</u>	<u>9%</u>	<u>5%</u>	<u>8%</u>
Total	100%	100%	100%	100%	100%	100%
Increase Number of Employees	82	14	13	16	14	24
Stay the Same	133	3	15	15	28	72
Don't Know/Unsure	<u>19</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>8</u>
Total	233	20	31	34	44	104

Source: RRC Associates; Economic & Planning Systems

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In an effort to quantify the housing needs of the community, businesses were asked to list the number of positions they expect to add in the future. The composition by job-type and season are listed in **Table 42**. If these expansion plans are met, they translate to 307 full-time equivalents. Assuming that these expansion plans also reflect the larger Teton County employment base, this growth would call for an additional 600 to 900 employees. These employees would require approximately 330 to 500 new dwelling units at an average of 1.8 jobs per household. The employers surveyed are generally consistent with the historical track record, which shows an average increase of 700 jobs annually since 1990. The sample includes businesses that are generally more optimistic, as they have identified a range with a high end of 900 positions; however, the low end of the range at 600 positions, is in line with recent trends.

Table 42
Increase Number of Jobs by Season and Type
Teton County Housing Needs Assessment

Type	Year-Round	Summer	Winter	Total
Full Time	189	51	12	252
Part Time	<u>77</u>	<u>27</u>	<u>9</u>	<u>113</u>
Total	266	78	21	365
Full Time Equivalent	227	64	16	307

Source: RRC Associates; Economic & Planning Systems

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PENDING RETIREES

The community is concerned about pressure on the local labor pool from upcoming retirements. Several employers discussed concerns about replacing long-term employees who will be eligible to retire and who arrived in Teton County at an earlier time when housing was much more affordable.

When asked about the number of retirements that are expected or have recently occurred, employers reported a total of 98 retirements over the past two years and 189 retirements anticipated in the next five years, as shown in **Table 43**. If these are representative of the larger community, there could be a need for 400 to 600 additional employees to fill vacancies left by long-term workers. These translate to 170 to 260 housing units needed for workers, with a midpoint of 215. ($400/1.3/1.8 = 170$) The types of positions are listed in **Table 44**, which shows that all sectors and all wage levels will be affected.

Table 43
Employees Planning to Retire
Teton County Housing Needs Assessment

Number of Employees	Retired Past 2 Years	Will Retire Next 5 Years
1 to 5	40	103
6 to 10	0	33
More than 10	<u>58</u>	<u>53</u>
Total	98	189

Source: RRC Associates; Economic & Planning Systems

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Table 44
Selected Representative Positions of Employees Retiring in the Past Two Years
Teton County Housing Needs Assessment

Positions:

Administrative Assisstant	Game Warden
Agency Manager	Housekeepers
Architect Interns	Human Resources Manager
Assisstant Director of Sales	Kitchen Assistants
Attorney	Law Enforcement
Partner in Law Firm	Licensed Appraiser
Bulk Drivers	Loan Officer
Carpenter	Management of Skilled Labor
Carpenter Superintendents	Nurses
Chief Administrative Officer	Office Manager
Civile Engineers	Outfitting Guide
Land Surveyors	President Marketing Coordinator
Constructions Laborers	Principal
Director of Graphic Design Production	Psychologist
Electricians	Senior Mountain Guides
Biologists	Ski Guide
Store Clerks	Teacher
Executive Director	Volunteer Firefighters
Financial Director	VP Construction and Development
Fishing Guides	

Source: RRC Associates; Economic & Planning Systems

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GAP ANALYSIS

The following tables identify the degree of need by income level by measuring the gaps in supply and demand by household income. The U.S. Department of Housing and Urban Development (HUD) defines income level by household size annually for every county. **Table 45** shows the distribution of owner and renter households derived from the survey data that has been applied to current HUD thresholds for Teton County. Each income level is expressed as a percentage of the Area Median Income (AMI) with 100 percent of AMI representing the mid-point of the community. Teton County's affordable housing definitions correspond to these levels, with Category 1 at 80 percent of AMI and below, Category 2 at 81 to 100 percent of AMI, and Category 3 at 101 to 120 percent of AMI. Category 4 covers the range from 124 to 140 percent of AMI and Category 5 spans from 141 to 175 percent of AMI. The income targets reflect local needs and, in general, a greater disparity between local wages and housing costs warrants additional categories at the higher AMI levels.

Table 45
Households by Tenure and AMI Level
Teton County Housing Needs Assessment

% of AMI	Households			Percent ¹		
	Owners	Renters	Overall	Owners	Renters	Overall
< 30% (Cat 1)	236	191	427	4.0%	9%	5%
31-60% (Cat 1)	768	572	1,341	13.0%	28%	17%
60-80% (Cat 1)	828	339	1,167	14.0%	16%	15%
81-100% (Cat 2)	1,005	466	1,471	17.0%	22%	18%
101-120% (Cat 3)	709	170	879	12.0%	8%	11%
121-140% (Cat 4)	709	106	815	12.0%	5%	10%
141-175% (Cat 5)	709	170	879	12.0%	8%	11%
175% +	<u>946</u>	<u>64</u>	<u>1,009</u>	<u>16.0%</u>	<u>3%</u>	<u>13%</u>
Total	5,911	2,077	7,988	100%	100%	100%

¹ Household Survey

² Estimated by applying percentages from Household Survey to estimated households in 2004.

Source: RRC Associates; Economic & Planning Systems

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OWNERSHIP NEED

The relationship between income and home purchase price is shown in **Table 46**. The maximum income for each income level is shown with the corresponding purchase price. For example, households earning 100 percent of AMI have an annual income of \$65,195 and could afford a \$221,500 home, assuming a down payment of 5 percent and an interest rate of 7 percent. The analysis accounts for expenses related to taxes and insurance and, most importantly, assumes that total housing costs do not exceed 30 percent of gross household income.

Table 46
Home Purchasing Capacity by AMI Level
Teton County Housing Needs Assessment

Description	Factor	% of AMI					
		< 60%	60-80%	81-100%	101-120%	121-140%	141-175%
Maximum Income ¹		\$39,117	\$49,300	\$65,195	\$78,234	\$91,273	\$114,091
Housing Payment Capability							
Total Montly Payment	30% of Income	\$978	\$1,233	\$1,630	\$1,956	\$2,282	\$2,852
Insurance	\$1,300/Yr.	-\$110	-\$110	-\$110	-\$110	-\$110	-\$110
Taxes ²	59.192	-\$70	-\$90	-\$120	-\$150	-\$170	-\$210
Net Avail. For Debt Service		\$798	\$1,033	\$1,400	\$1,696	\$2,002	\$2,532
Target Purchase Price							
Loan Amount	7.0% Interest	\$119,900	\$155,200	\$210,400	\$254,900	\$300,900	\$380,600
Down Payment	5%	5%	5%	5%	5%	5%	5%
Loan to Value Ratio	95%	95%	95%	95%	95%	95%	95%
Target Purchase Price		\$126,200	\$163,400	\$221,500	\$268,300	\$316,700	\$400,600

¹ Based on a household size of 2.5.

² Estimate from a housing price of [Household Income X 4] applied to the general County mill levy.

Source: Economic & Planning Systems

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The cost of housing in Teton County is shown in **Table 47**. It has been assumed that the current listings of the MLS are representative of local housing costs, which is reasonable, as homebuyers must choose from available listings to move into home ownership. The listing prices were also adjusted down by 10 percent to account for negotiations and other adjustments that may occur at the time of sale. The right column in the table shows the percentage of the inventory that can be purchased by households within each income level without becoming cost burdened. A total of 7.7 percent of the current inventory is affordable to households below Category 5. The remaining 92.3 percent is priced above the level affordable to Category 5 households.

Table 47
Available Homes and Purchasing Capacity by AMI Level
Teton County Housing Needs Assessment

% of AMI	Purchase Capacity	% of Available Homes ¹
31-60% (Cat 1)	\$0 - \$126,200	0.0%
60-80% (Cat 1)	\$126,200 - \$163,400	0.0%
81-100% (Cat 2)	\$163,400 - \$221,500	1.5%
101-120% (Cat 3)	\$221,500 - \$268,300	1.5%
121-140% (Cat 4)	\$268,300 - \$316,700	1.2%
141-175% (Cat 5)	\$316,700 - \$400,600	3.5%
175% +	\$400,600 +	<u>92.3%</u>
Total		100.0%

¹ Listing prices adjusted down by 10% to account for negotiations and other adjustments.

Source: Teton County MLS; Economic & Planning Systems

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The comparison of supply and demand for ownership housing is provided below in **Table 48**. Based on the percentage of homes available at each income level and the percentage of ownership households within each level, the gap analysis shows the magnitude of the deficit. As would be expected, the deficits are greatest at the lowest income level (17 percent). However, the deficits do not fall significantly over the spectrum and even at the 175 percent level there is a gap of 9 percentage points.

Table 48
Ownership Housing Gap Analysis
Teton County Housing Needs Assessment

Description	% of AMI						Totals
	< 60%	60-80%	81-100%	101-120%	121-140%	141-175%	
Maximum Income	\$39,117	\$49,300	\$65,195	\$78,234	\$91,273	\$114,091	---
Target Purchase Price	\$126,200	\$163,400	\$221,500	\$268,300	\$316,700	\$400,600	---
Available Homes	0.0%	0.0%	1.5%	1.5%	1.2%	3.5%	7.7%
Owner Households by AMI (%)	17%	14%	17%	12%	12%	12%	
Owner Households by AMI	1,005	828	1,005	709	709	709	
Surplus (+) or Gap (-)	-17%	-14%	-15%	-10%	-11%	-9%	

Source: Economic & Planning Systems

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RENTAL NEED

EPS and TCHA conducted a survey of market rate rental properties in Teton County, which is summarized in **Table 49**. The sample includes approximately 500 rental units consisting of approximately 225 privately managed condominiums, townhomes, and single family homes, with the balance in apartment properties. The inventory is categorized according to the income levels at which the units would be affordable, with an average household size of 2.5. As shown, approximately 31 percent of the units would be affordable to household earning between 31 and 60 percent of AMI, and 44 percent would be affordable to the 60 to 80 percent income levels.

Table 49
Available Rental Units
Teton County Housing Needs Assessment

Monthly Rent	Affordability Level (% of AMI) ¹	# of Units Sampled	% of Units
<\$500	< 30%	17	3.4%
\$500-\$975	31-60%	153	31.0%
\$975-\$1,225	60-80%	215	43.6%
\$1,225-\$1,625	81-100%	73	14.8%
\$1,625+	>100%	<u>35</u>	<u>7.1%</u>
Total		493	100.0%

¹ Based on an average household size of 2.5.

Source: Economic & Planning Systems

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In **Table 50** the rental inventory by AMI level is compared to the distribution of Teton County households by AMI level. The 30 percent of AMI income level is not analyzed separately, since this often has special needs and often includes the homeless. The gap analysis indicates a slight shortage of units at and below the 60 AMI level, a balanced market in the 60 to 80 percent category, and slight shortages in the 80 percent and higher AMI levels.

The surplus of units in the 60 to 80 percent range, and the gap in the ranges above 80 percent, are likely a reflection of pooled household income from multiple earner households and multiple job holders within those households. This has the effect of bringing up the overall average household income. What the gap analysis does not show is the social impacts of holding multiple jobs, which competes for time with other community and family activities. In other words, the higher household incomes are driven by the high housing costs, which require people to work more in order to afford shelter, which is common in resort communities.

Table 50
Rental Housing Gap Analysis
Teton County Housing Needs Assessment

Description	Factor	% of AMI			
		< 60%	60-80%	81-100%	>100%
Maximum Income ¹		\$39,117	\$49,300	\$65,195	>\$65,195
Rent Payment Capability	30% of Income	\$978	\$1,233	\$1,630	>\$1,630
% of Rental Inventory		34.5%	43.6%	14.8%	7.1%
% Renter Households by AMI		36.7%	16.3%	22.4%	24.5%
Surplus or Gap (-)		-2.3%	27.3%	-7.6%	-17.4%

¹ Based on a household size of 2.5.

² From Household Survey.

Source: Economic & Planning Systems

H:\15819-Teton County Housing Authority\Models\15819-Gap_01-16-07.xls\7-Rent_Gap

Comparison to census data on household income distribution adjusted to 2005 dollars confirmed the income distribution of the survey. The reader should also recall that the household survey found that approximately 25 percent of Teton County households are cost burdened, which is an important affordability indicator.

In **Table 51**, the distribution of household types (for renters and owners) by income level is shown from the household survey. The largest demographic groups in each income range are adults living alone and couples with and without children. Below 60 percent of AMI, adults living alone are 8.2 percent of this income group. These are most likely elderly individuals living on fixed incomes. There is a higher concentration of single parents in the income ranges below 80 percent of AMI, with almost 3 percent of County households in the 0 to 60 and 60 to 80 percent AMI ranges.

The concentration of couples without children compared to couples with children in the income ranges above 100 percent of AMI, which could be interpreted in two ways. First, the case could be that for some reason, couples without children have higher incomes. Second, couples with children may be moving out of Teton County, to more affordable communities. This second interpretation is supported by the more family oriented single family home developments that are becoming more common in the Victor and Driggs, ID areas, and the Star Valley ranch area of Lincoln County, WY.

Table 51
Households by Area Median Income Level
Teton County Housing Needs Assessment

Household Type	AMI Range					Total
	<60%	60-80%	80-100%	100-120%	>120%	
Households						
Adult Living Alone	45	19	9	9	21	103
Single Parent	7	8	2	2	2	22
Couple, no child(ren)	21	14	39	39	117	231
Couple with child(ren)	28	22	21	21	51	142
Unrelated Roomates	4	4	7	7	12	35
Immediate and extended family	3	4	3	3	2	16
Other	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>6</u>
Total	109	74	83	83	205	555
Percent						
Adult Living Alone	8.2%	3.5%	1.6%	1.6%	3.7%	18.6%
Single Parent	1.2%	1.5%	0.4%	0.4%	0.4%	3.9%
Couple, no child(ren)	3.8%	2.5%	7.1%	7.1%	21.1%	41.6%
Couple with child(ren)	5.0%	4.0%	3.7%	3.7%	9.2%	25.6%
Unrelated Roomates	0.7%	0.8%	1.3%	1.3%	2.2%	6.4%
Immediate and extended family	0.6%	0.7%	0.6%	0.6%	0.4%	2.8%
Other	<u>0.1%</u>	<u>0.3%</u>	<u>0.1%</u>	<u>0.1%</u>	<u>0.4%</u>	<u>1.1%</u>
Total	19.6%	13.2%	14.9%	14.9%	37.3%	100.0%

Source: Economic & Planning Systems

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VIII. MITIGATION POLICY

This section provides an overview of the current residential and commercial affordable housing standards in Teton County. It also compares Teton County’s regulations and policies to several peer communities in the Mountain West. Finally, recommended updates for Teton County’s affordable housing mitigation rates and fees-in-lieu are presented.

CURRENT TETON COUNTY STANDARDS

This section summarizes the current affordable housing mitigation standards in Teton County and the Town of Jackson. It also documents the amount of affordable housing generated by the existing regulations in the Town and County known as the “Residential Affordable Housing Standards” (RAHS). The RAHS are similar to inclusionary zoning, affordable housing set-aside, or residential mitigation policies as they are known in other communities. The RAHS require that a percentage of the residential units within a *residential development* be affordable to particular income ranges. The Town and County also have Employee Housing Standards (EHS) that apply to *commercial development*.

The two sets of regulations have resulted in some confusion over terminology. To some, “affordable housing” means units generated through the RAHS, while “seasonal housing” implies housing tied to the EHS even though many of the residents of these units and many employees in seasonal jobs live in the community year-round. In this report, the term “affordable housing” defined as any type of housing where occupancy is restricted by income, age, disability, place of residence, or place of employment.

The Town and County rely on the same household income definitions established by TCHA to administer housing programs, as shown in **Table 52**. The community established that 33 percent of affordable units must be allocated across three income ranges.

Table 52
Income Definitions and Set-Aside Requirements
Teton County Housing Needs Assessment

Category	% of AMI	% of Units
Category 1	80%	33%
Category 2	100%	33%
Category 3	120%	33%
Category 4	140%	N/A
Category 5	175%	N/A

Note: Category 4 and 5 are used only by the County in the PUD AH zone for density bonuses

Source: Teton County, Economic & Planning Systems

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TETON COUNTY

The following is a summary of §49400 through §49670 from the Teton County Land Development Regulations.

§49400 Residential Affordable Housing Standards

The County's RAHS are applied at the time of subdivision platting and require that 15 percent of residential development within a project be developed as affordable housing. This set-aside is calculated using a number of bedrooms in the project rather than the number of units and a factor of one person per bedroom. If the number of bedrooms is not known at the time of platting, the developer may estimate the future unit types. For houses on existing lots built before 1997, the mitigation requirement is applied at time of building permit (as the lot has already been platted). The developer/builder is required to pay a 15 percent mitigation fee for a single unit, based on the average fee-in-lieu for Category 1, 2, and 3 income ranges.

Affordable units can be for sale or rental. The TCHA determines the initial sale price for for-sale units so that based on a 30 year fixed-rate mortgage and prevailing interest rates, the unit will not exceed 30 percent of the yearly gross income for the specified income category, adjusted for the number of people that could occupy the unit. For-sale units are deed restricted for permanent affordability, with the terms of the deed restrictions subject to approval by TCHA. TCHA is responsible for qualifying buyers, while the developer qualifies renters.

§49600 Employee Housing Standards for Planned Unit Development (PUD) District for Planned Resort

The County's EHS apply only to non-residential development within PUDs for Planned Resort Districts; they do not currently apply to other areas of the County. The EHS specifies the number of employees to be accommodated per 1,000 square feet of proposed development based on number of employees generated per square foot, seasonality, and average wage per industry. The regulations indicate that a variety of unit types are acceptable, but do not specifically indicate whether rental or for-sale units are preferred. Housing is preferred to be on-site; however, off-site housing can also be provided.

TOWN OF JACKSON

In the past the Town of Jackson's Residential Affordable Housing Standards (formerly Ordinance 517) were nearly identical to the County's standards, although the 15 percent set aside was based on 1.25 persons per bedroom rather than 1.0 in the County. Recently, the Town changed its residential standards to be based on the size of the home in square feet.

PEER COMMUNITY HOUSING STANDARDS

This section provides a comparison of affordable housing standards tied to residential and commercial development from several peer communities selected because they have geographic, economic, and cultural attributes similar to Teton County and the Town of Jackson. First, a brief summary of some economic and demographic indicators in these communities is provided for context. Next, affordable housing standards in these communities are provided.

INDICATORS

Housing Units and Households

A household is a unit of people living in a housing unit. In many mountain resort communities, the number of housing units outnumbers the number of households due to the presence of second homes and investment properties that are not occupied year-round. The ratio of permanent resident households to housing units for the comparable communities is shown in **Table 53**. Teton County ranks on the low end of these communities in terms of the degree to which the housing supply outnumbers the permanent population, with a ratio of 1.34. Summit County, CO has the highest ratio of housing units to households at 2.65 and is influenced by the presence of four major ski resorts within 1.5 hours of the Denver metropolitan area. Pitkin County, CO is closer to Teton County in terms of the balance between housing units and households at 1.48. These ratios have declined in many of these communities, indicating growth in locally occupied homes. This reflects a combination of expanding economies and labor forces, and influxes of retirees and telecommuters.

Table 53
Population, Households, and Housing Units, 1990-2005
Teton County Housing Needs Assessment

Location	Ski Resort Towns/Locations	Ratio of Housing Units to Households		
		1990	2000	2005
Teton County, WY	Jackson Hole	1.55	1.34	1.34
Pitkin County, CO	Aspen	1.67	1.48	1.48
Blaine County, ID	Sun Valley	1.73	1.57	1.57
San Miguel County, CO	Telluride	1.77	1.72	1.72
Summit County, CO	Breckenridge; Keystone; Copper	3.23	2.65	2.65

Source: Claritas; Economic & Planning Systems

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Income and Wages

Median and average household incomes for selected peer communities are shown in **Table 54**. A difference between average and median income can be an indication of income inequality; where the difference is great, so is the disparity. In Teton County, the difference is large, although not as large as in Pitkin County where the difference is nearly \$36,000.

Table 54
Median and Average Household Income, 2005
Teton County Housing Needs Assessment

Location	Household Income		Difference	
	Median	Average	\$	%
San Miguel County, CO	\$57,175	\$87,390	\$30,215	52.8%
Blaine County, ID	\$57,913	\$87,252	\$29,339	50.7%
Teton County, WY	\$63,824	\$95,159	\$31,335	49.1%
Summit County, CO	\$64,074	\$82,927	\$18,853	29.4%
Pitkin County, CO	\$69,167	\$104,981	\$35,814	51.8%

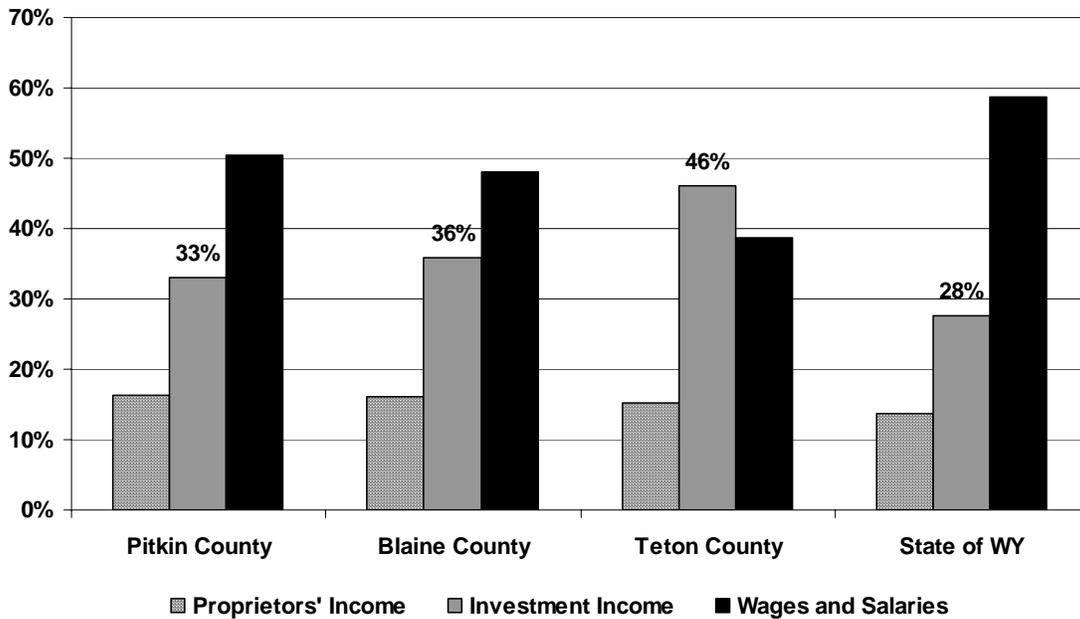
Source: Claritas; Economic & Planning Systems

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Sources of Personal Income

The three major sources of personal income are wages and salaries, proprietors' income (self employed income), and investment income. **Figure 19** shows these three components as a percent of the total¹. The data show the unique nature of Teton County, in that there is more income received through non-wage sources than there is through traditional wage and salary employment. Furthermore, non-wage income is received by fewer people than receive wage and salary income, even though there is more non-wage income than wage and salary income. Of all the selected counties, Teton County is the only county in which investment income, at 46 percent of total personal income, exceeds wage and salary income. By comparison, 28 percent of total personal income in the State of Wyoming is investment income. Even in Pitkin County, CO, which includes the City of Aspen, traditional wage and salary income exceeds investment income by almost 20 percent.

Figure 19
Major Sources of Personal Income, 2004
Teton County Housing Needs Assessment



Source: US Bureau of Economic Analysis, Economic & Planning Systems

¹ The official US Bureau of Economic definition for personal income is: earnings by place of work (wages, benefits, proprietors income), minus social security payments, adjusted for place of residence, plus dividends, interest and rent, plus transfer receipts. This analysis is simplified to show only the three major components.

Population and Employment

The ratio of jobs to population in selected peer communities is shown in **Table 55**. This ratio provides an indication of a number of socioeconomic factors. Generally, as this number increases, it indicates a higher level of in-commuting because there are more jobs in the community than the locally residing labor force can fill. Limited housing opportunities for workers, including high costs, would contribute to a larger imbalance between jobs and population. Also, communities with a large number of residents who are not in the labor force (i.e. retired, part time residents, or earn their income from other sources such as investments) would contribute to larger ratio of jobs to population. As shown, Teton County lies just below Pitkin County, Colorado in the jobs to population ratio. Pitkin County has a very high degree of in commuting from as far as 90 miles away. San Miguel County includes Telluride, which has a high degree of in-commuting at the municipal level as there are a number of small, more affordable communities surrounding Telluride. The county level data shown does not reveal this characteristic.

Table 55
Ratio of Jobs to Population, 1990-2004
Teton County Housing Needs Assessment

Location	1990	2000	2004
Pitkin County, CO	1.38	1.45	1.34
Teton County, WY	1.25	1.24	1.26
San Miguel County, CO	0.96	1.09	1.05
Blaine County, ID	0.86	0.92	0.94
Summit County, CO	1.16	1.10	0.90

Source: Bureau of Economic Analysis; Claritas; Economic & Planning Systems

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Housing Costs

Average house prices from 2005 and 2006 in the comparable counties are shown in **Table 56**. Average prices range from \$650,000 in Summit County to \$2.2 million in Sun Valley. In Teton County, the average listing price in 2005 was \$1.85 million, while the sale price was \$1.23 million.

Table 56
Peer Community Housing Prices
Teton County Housing Needs Assessment

Location	Average Home Price
Teton County, WY	\$1,850,000
Pitkin County, CO (Aspen)	\$1,280,000
San Miguel County, CO (Telluride)	\$1,179,000
Summit County, CO	\$650,000
Eage County, CO	\$840,600
Blaine County, ID	
Sun Valley	\$2,232,000
Ketchum	\$1,295,000

Source: Economic & Planning Systems Research

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Mitigation Rates

The term “mitigation rate” refers to the percentage of affordable housing that a proposed development is required to provide, or the number of employees for which the project must provide housing or “mitigate”. Mitigation rates range from 40 to 60 percent, as shown in **Table 57**. Research shows that communities at the 15 percent level (such as Glenwood Springs, 40 miles northwest of Aspen) are those that have only recently started housing programs or do not perceive that their housing problems are as severe as communities with higher housing prices and price pressure from second home buyers. Other communities have identified serious affordable housing shortages and designed their policies with higher mitigation rates and fees to address the problem and to link new growth with providing affordable housing.

The communities with mitigation rates that fall between 15 and 30 percent generally reflect those that are beginning their housing programs and/or have lower cost housing relative to communities like Teton County. For example, Aspen, CO has the highest mitigation rates of any of the peer communities, at 60 percent of employees generated for commercial development, and 60 to 70 percent of housing units for residential development. Aspen lowers the affordable housing requirement to 30 percent as an incentive for mixed-use development. Telluride has mitigation requirements of 40 percent for both residential and commercial development. San Miguel County (Telluride area) has a 36 percent mitigation requirement for residential development, but no commercial mitigation requirements; there is limited commercial development outside Telluride. Teton County is similar to Aspen and Telluride in socioeconomic terms, and these communities have the highest mitigation rates and fees-in-lieu, suggesting that higher fees and a higher mitigation requirement are justified in Teton County.

Fees-in-lieu of providing housing are shown in **Table 58** for selected peer communities with the most similarity to Teton County and the Town of Jackson. For comparison, fees are calculated for a 6,000 square foot home and for a 1,000 square foot commercial building. Residential fees range from a low of \$19,772 in Pitkin County, CO to a high of \$411,780 in the City of Aspen, CO. Three communities have fees above \$50,000: San Miguel County, CO, Park City, UT, and Sun Valley, ID. The fees are highly variable depending on the community and the method used to determine the fee. As shown, Teton County falls in the lower end of the peer communities.

Fees for a 1,000 square foot commercial building range from a low of \$24,775 in Pitkin County, CO to a high of \$508,400 in the City of Aspen. Park City’s fee-in-lieu for commercial development is \$190,555. Ketchum and Sun Valley, ID charge \$105,000 for a 1,000 square foot commercial building.

Table 57
Affordable Housing Development by Agency
Teton County Housing Needs Assessment

Community	Affordable Housing Mitigation Rate		Notes
	Commercial	Residential	
Teton County, WY	15%	15%	Adopted in 1997. Has not been updated since adoption.
Aspen	60%	60 to 70%	Mixed use developments encouraged through mitigation rates as low as 30%
Basalt	Max of 20%	15%	One of the few communities to have higher commercial mitigation rates
Carbondale	None	15%	No Commercial mitigation; only residential
Glenwood Springs	None	15%	No Commercial mitigation; only residential
Garfield County	None	10%	No Commercial mitigation; Residential only if it is a PUD and the PUD has more planned units than the Master Planned has called for
Telluride	40%	40%	Residential mitigation is applied to attached units only.
San Miguel County (Telluride Area)	---	36%	No commercial mitigation in San Miguel County
Steamboat Springs	None	15%-20%	15% under 2,000 Sq Ft homes, 20% for 4,000 sq feet homes
Vail	15% - 30%	15%-30%	Currently Town applies 15% to all uses and 30% for PUD/density increases. Town Council currently debating increasing rates to 30% across all uses. May adjust commercial linkage rate down from 30% and may raise residential rate to 30%-40% for the core downtown areas. Rates could be as high as 60% but most likely will be in the 30 to 40% range.
Breckenridge	10%	10%	Not required but recommended 10% mitigation on commercial and residential lots bigger than 5,000 square feet. The town council is currently discussing creating a mitigation rate for commercial and residential development of 10% to 60%
Summit County	None	Case-by-Case	No commercial mitigation; residential based on density and is incentive-based.
Sun Valley, ID	10%	20%	
Ketchum, ID	2.5%	2.5% - 15%	Mitigation is based on FTEs generated, not the number of units. Mitigation increases with size of home, to 15% above 6,000 sq. ft. The low commercial mitigation rate is off set by the high fee per square foot.

Source: Economic & Planning Systems interviews.

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Table 58
Mitigation Policies of Comparable Communities
Teton County Housing Needs Assessment

Location	Residential (6,000 Sq. Ft. unit)				Commercial (1,000 Sq. Ft. unit)				
	\$/Empl.	\$/Unit	\$/Sq. Ft.	Fee	\$/Empl.	\$/Unit	\$/Sq. Ft.	Empl. Gen. Rate	Fee
Teton County, WY ¹	---	\$14,922	---	\$14,922	\$16,864	---	---	0.42	\$7,083
Aspen, CO	---	---	\$68.63	\$411,780	\$124,000	---	---	4.10	\$508,400
Town of Telluride, CO	---	---	---	None	---	---	\$90	---	\$90,000
San Miguel County, CO	---	\$80,000	---	\$80,000	---	---	---	---	None
Pitkin County, CO	\$34,173	---	---	\$19,772	\$8,543	---	---	2.90	\$24,775
Park City, UT	---	\$86,616	---	\$86,616	---	\$86,616	---	3.30	\$190,555
Blaine County, ID									
Woodside/Bellview	---	---	\$169.13	\$25,370	\$35,000	---	---	3.00	\$105,000
Ketchum & Sun Valley	---	---	\$412.50	\$61,875	\$35,000	---	---	3.00	\$105,000
Low	\$34,173	\$14,922	\$69	\$14,922	\$8,543	\$86,616	\$90.00	0.42	\$7,083
High	---	\$86,616	\$413	\$411,780	\$124,000	\$86,616	\$90.00	4.10	\$508,400

¹ The fee for a home on an existing lot created before 1997 is \$2,240.

Source: Economic & Planning Systems

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PROPOSED CHANGES TO TETON COUNTY STANDARDS

This section provides calculations to support updating the residential and commercial affordable housing fees, which have not been updated to account for current market conditions and income levels since 1993. This analysis, and the information on the regulations in peer communities, provides policy makers with a framework to consider the appropriate fee levels and mitigation rates for Teton County and the Town of Jackson.

MITIGATION FEES

Commercial Fee-In-Lieu

The most equitable fee is one that completely and intuitively mitigates the disparity between the average worker's ability to pay for housing and the average cost of housing. The average wage used in the affordability calculations is \$23,000, which is the wage earned by 67 percent of the workers in Teton County and reflects positions that are typically hourly wage earners. These employment categories include Construction, Manufacturing, Other Services, Retail Trade, Transportation and Warehousing, Educational Services; Arts, Entertainment, and Recreation; and Accommodation and Food Services as noted in **Table 59**. Assuming that an employee spends 30 percent of income on rent, the revenue from this rent equates to \$55,600 per employee, or the present value of \$6,900 per year in rent over 15 years at a 9 percent discount rate. The cost to develop 400 square feet of living space for an employee is calculated as \$100,667, indicating a subsidy of \$45,000 per employee generated by new commercial development (revenue minus cost).

**Table 59
Commercial Development In-Lieu Fee Calculation and Updated Fee
Teton County Housing Needs Assessment**

Factors	Existing Fee per Employee	Proposed Fee per Employee
Ability to Pay (Revenue)		
Avg. Ann. Wage	---	\$23,000 [1]
Affordable Monthly Rent (30%)	\$750	\$575
1.8 Empl per Household or Units		
Twelve months of Occupancy	<u>\$2,250</u>	<u>\$6,900</u> [2]
Present Value (15 years at 9%)	\$18,137	\$55,619 [3]
Housing Cost		
Living Area per Empl. (Sq. Ft.)	350	400 [4]
Cost/Sq. Ft	<u>\$65</u>	<u>\$175</u> [5]
Direct Construction Cost	\$22,750	\$70,000
Land Cost per Acre	\$150,000	\$360,000 [6]
Improvements for raw land		
Units per Acre	<u>20</u>	<u>12</u>
Land Cost per Unit	\$7,500	\$30,000
Land Cost per Unit per Empl.		\$16,667
Development Cost per Unit per Empl.	<u>\$5,000</u>	<u>\$14,000</u> [7]
Total Cost	\$35,000	\$100,667
Gap (Ability to Pay minus Cost)	\$16,864	\$45,048
Rounded		\$45,000

Notes:

- [1] U.S. Bureau of Labor Statistics Quarterly Census of Wages and Employment, Teton County. Average wage for Construction, Manufacturing, Other Services, Retail Trade, Transportation and Warehousing, Educational Services; Arts, Entertainment, and Recreation; Accommodation and Food Services.
- [2] Existing fee accounts for three months of occupancy.
- [3] Value today of future rent payments over 15 years.
- [4] Total living area including kitchen facilities.
- [5] ICC Building Safety Journal, Building Valuation Data, Feb. 2005. Avg. of Residential Multiple Family, Type IIIA, IIIB, VA, and VB construction.
- [6] Homesite Sales, Teton County MLS, 2004.
- [7] Calculated as 20% of construction, consistent with Appendix B (Seasonal Employee Housing Needs Assessment).

Source: Economic & Planning Systems

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As part of the employer survey, job generation data was collected to update the Town and County mitigation programs. The factors from a range of uses are provided below in **Table 60**. When the Town and County update the job generation rates, the categories should be narrowed to approximately five to simplify the administration. Suggested categories include retail, restaurant, office, lodging, and "other." In addition to Teton County results, context from similar studies in other communities can be provided to further substantiate the nexus between jobs and housing.

Table 60
Employee Generation by Land Use
Teton County Housing Needs Assessment

Business Type	Jobs/1000 Sq Ft	Establishments	Percent of Establishments
Construction	6.6	10	5.4%
Manufacturing	1.8	3	1.6%
Transportation, Warehouse, and Util.	0.8	3	1.6%
Wholesale Trade	4.7	2	1.1%
Bar/Restaurant	11.4	13	7.0%
Retail Trade	2.2	21	11.4%
Hotels & Motels	0.5	5	2.7%
Other Lodging	0.6	7	3.8%
Real Estate and Property Management	6.0	5	2.7%
Educational Services	1.8	8	4.3%
Finance, Banking, and Insurance	2.2	13	7.0%
Health Care and Social Assistance	3.1	9	4.9%
Prof., Scientific, and Tech. Services	3.7	31	16.8%
Amusement, Arts, Ent., and Rec.	2.3	12	6.5%
Other Services	5.0	14	7.6%
Government	4.4	14	7.6%
Other	2.0	<u>12</u>	<u>6.5%</u>
Total		185	100.0%

Source: RRC Associates; Economic & Planning Systems

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Residential Fee-In-Lieu

The residential fee-in-lieu is calculated by determining what households can afford to pay for a home at defined income levels and comparing the difference between the affordable price and the market price of a home. Affordability by income level and household size is based on the 2005 HUD income limits shown in **Table 61**.

Table 61
2005 HUD Income Limits by Household Size
Teton County Housing Needs Assessment

Unit Type	Persons per Unit	2005 HUD AMI	2005 HUD Income Limits		
			Cat 1 (80% AMI) 80% AMI or less	Cat 2 (100% AMI) 80-100% AMI	Cat 3 (120% AMI) 100-120% AMI
One Bedroom	1	\$50,800	\$40,600	\$50,800	\$61,000
Two Bedroom	2	\$58,000	\$46,400	\$58,000	\$69,600
Three Bedroom	3	\$65,300	\$52,200	\$65,300	\$78,400

Source: TCHA, HUD, Economic & Planning Systems

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The first step is to calculate the maximum affordable sale price by income level and unit or household size. As shown in **Table 62**, the maximum affordable price for a one bedroom unit at 80 percent of AMI (Cat 1) is \$102,100 and the maximum price for a three bedroom unit at 120 percent of AMI (Cat 3) is \$245,200.

Table 62
Maximum Sales Prices for Affordable Dwelling Units
Teton County Housing Needs Assessment

Unit Type	Monthly Housing Payment ¹			Maximum Sales Prices ²			
	% of						
	Income	Cat 1	Cat 2	Cat 3	Cat 1	Cat 2	Cat 3
		80% AMI or less	80-100% AMI	100-120% AMI	80% AMI or less	80-100% AMI	100-120% AMI
One Bedroom	30%	\$645	\$900	\$1,155	\$102,100	\$142,400	\$182,700
Two Bedroom	30%	\$770	\$1,060	\$1,350	\$121,800	\$167,700	\$213,600
Three Bedroom	30%	\$895	\$1,223	\$1,550	\$141,600	\$193,400	\$245,200

¹ HUD income limits less \$150 per month estimated HOA dues and \$110 per month estimated taxes. Also includes estimated PMI of \$110 (1-BR), \$130 (2-BR), and \$150 (3-BR).

² Based on a 30-year fixed rate mortgage with a 5% down payment and 7 percent interest.

Source: TCHA, HUD, Economic & Planning Systems

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In **Table 63**, the affordable sales prices are compared to market prices at each unit size. The affordability gap by income and size is shown in the fourth column, and the gap per person (mitigation fee per person) is calculated in the sixth column. The fee is calculated as the average mitigation per person for each income category, or \$324,983 as shown. This would be the fee-in-lieu at a 100 percent mitigation rate. A reduction is applied to this fee at mitigation rates of 15, 25, and 40 percent. The range is shown to provide the community with an understanding of the new fees at different mitigation rates. At a 15 percent mitigation rate, the updated fee is \$42,448 compared to the current fee of \$2,240. The updated fee is \$70,746 at a 25 percent mitigation rate, and \$113,193 at a 40 percent mitigation rate.

Table 63
Residential Fee-In-Lieu Update
Teton County Housing Needs Assessment

Unit Type	Market Price ¹	Affordable Price	Affordability Gap (Fee)	Persons per Unit	Mitigation Per Person	Current Fee
One Bedroom Cat 1	\$373,000	\$102,100	\$270,900	1.0	\$270,900	\$12,857
One Bedroom Cat 2	\$373,000	\$142,400	\$230,600	1.0	\$230,600	\$9,143
One Bedroom Cat 3	\$373,000	\$182,700	\$190,300	1.0	\$190,300	(\$14,000)
Two Bedroom Cat 1	\$576,000	\$121,800	\$454,200	2.0	\$227,100	\$26,933
Two Bedroom Cat 2	\$576,000	\$167,700	\$408,300	2.0	\$204,150	\$21,556
Two Bedroom Cat 3	\$576,000	\$213,600	\$362,400	2.0	\$181,200	\$6,311
Three Bedroom Cat 1	\$1,436,000	\$141,600	\$1,294,400	3.0	\$431,467	\$31,167
Three Bedroom Cat 2	\$1,436,000	\$193,400	\$1,242,600	3.0	\$414,200	\$25,333
Three Bedroom Cat 3	\$1,436,000	\$245,200	\$1,190,800	3.0	\$396,933	\$15,000
Average Fee						
Cat 1					\$309,822	\$23,652
Cat 2					\$282,983	\$18,677
Cat 3					\$256,144	\$2,437
Average Fee					\$282,983	\$14,922
Fee For Single Unit on Lot Created Before 1995 ²						
15% Mitigation					\$42,448	\$2,240
25% Mitigation					\$70,746	\$2,240
40% Mitigation					\$113,193	\$2,240

¹ Average listing price reduced by 10 percent to account for negotiations and other adjustments at time of sale.

² Average of Cat 1, 2, and 3 multiplied by 15%.

Source: TCHA, Rocky Mtn. Appraisals, Economic & Planning Systems

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FUTURE ACTION

The recommendations regarding mitigation programs discussed above are one of several critical elements to a community-wide affordable housing strategy. They are among the more important action items, given the time since the original adoption, but do not outweigh the importance of other issues evaluated throughout the housing needs assessment.

The community should refer to the Action Plan and the corresponding table that prioritizes each element to understand the full breadth of the issues. The Action Plan addresses:

- Policy Guidance,
- Mitigation Standards,
- Land Use Strategies,
- Housing Production, and
- Administrative Tasks.

The community has made significant progress since the original housing developments and programs, as seen with the current inventory of 819 units. For continued success, the community should broaden the effort as discussed in this study.