

Teton County Planning & Development

Affordable Housing Fee Calculation for a Single-Family Dwelling

(Applicable for any Building Permit submitted May 1, 2016 to April 30, 2017)

Why do I have to pay an affordable housing fee when I build my house?

Since 1994 the community has acknowledged the need to provide affordable housing for the workforce of Teton County. As a result, the Teton County Land Development regulations require that all new development be composed of 25 percent affordable housing. If your property has not already met this requirement your construction of a single family dwelling constitutes new development. The Teton County Housing Authority uses the in-lieu fees to construct your requirement because it would be unreasonable to expect you to construct it yourself.

How much do I have to pay?

It depends on the following:

Are you adding habitable* floor area to your property? (*does not include garages or barns)

No – no fee applicable

Yes – *Has the full affordable housing requirement already been met for your property?*

Yes – no fee applicable (This is PROBABLY you if your lot was platted in 1995 or later or your house was originally built in 1995 or later)

No – see below for how to calculate your fee based on your existing circumstances

- Vacant lot or parcel – see **Example 1**
- Existing habitable floor area of less than 2,500 square feet – see **Example 2**
- Existing habitable floor area of greater than or equal to 2,500 square feet – see **Example 3**

If applicable, the required fee is based on the habitable square footage of your home. The fee is equal to either **\$6.75** or **\$32.79** per square foot of habitable floor area that is not exempt from this regulation depending on whether your lot or parcel was create prior to 1995. 2,500 square feet of total habitable floor area on a property is exempt. In addition, existing habitable floor area and ARU floor area are also exempt. The examples below illustrate three potential situations. Please contact the Teton County Planning Department at 307-733-3959 or 200 S. Willow Street with any questions.

Example 1, Vacant Lot/Parcel: Proposal: 3,548 square feet of new habitable floor area on a vacant lot or parcel

Lot or Parcel Created Prior to 1995	Lot or Parcel Created Since to 1995
$(3,548 - 2,500) * \$6.75 = \$7,074$	$(3,548 - 2,500) * \$32.79 = \$34,363.92$

Example 2, Existing Floor Area < 2,500: Proposal: 1,564 square feet of new habitable floor area on a lot or parcel with 2,000 square feet of habitable floor area existing

Lot or Parcel Created Prior to 1995	Lot or Parcel Created Since to 1995
$(1,564 - (2,500 - 2,000)) * \$6.75 = \$7,182$	$(1,564 - (2,500 - 2,000)) * \$32.79 = \$34,888.56$

Example 3, Existing Floor Area ≥ 2,500: Proposal: 1,564 square feet of new habitable floor area on a lot or parcel with 3,625 square feet of habitable floor area existing

Lot or Parcel Created Prior to 1995	Lot or Parcel Created Since to 1995
$1,564 * \$6.75 = \$10,557$	$1,564 * \$32.79 = \$51,283.56$

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May 1, 2016 – April 30, 2017 Residential In-Lieu Fee Calculation

How are the Residential in-lieu Fees Calculated?

Based on Section 7.4.1.F.3.b, *Calculation of the In-Lieu Fee*, of the Teton County Land Development Regulations (LDRs), the fee to be paid in lieu of housing a person in a category of affordable housing is calculated by averaging the per person affordability gap for a 1, 2, and 3 bedroom unit in that category. Based on Section 7.4.1.F.3.c.v, *In-Lieu Fee Due at Building Permit*, the in-lieu fee for construction of a single family dwelling (SFD) on a lot or parcel created prior to 1995 for which the full affordable housing requirement has not been met is equal to 25 percent of the average of the category 1, 2, and 3 fees divided by 5,500¹, applied per square foot of habitable floor area. On a lot or parcel created since 1995 the fee is equal to the category 1 fee divided by 5,500. Please see the referenced sections of the LDRs for the exact definitions of the equations and variables used in the calculations and any applicable exemptions. The equations and table below shows the current fees and how they were calculated.

$$\begin{aligned} \text{Category 1: } & \frac{\$198,086 + \$119,981 + \$223,023}{3} = \mathbf{\$180,363} \\ \text{Category 2: } & \frac{\$150,586 + \$92,831 + \$202,690}{3} = \mathbf{\$148,702} \\ \text{Category 3: } & \frac{\$103,086 + \$65,681 + \$182,323}{3} = \mathbf{\$117,030} \\ \text{25\% of Average of} & \frac{\$180,363 + \$148,702 + \$117,030}{3} (0.25) = \mathbf{\$37,174} \\ \text{Cat 1, 2, and 3:} & \\ \text{SFD (on pre-1995} & \frac{\$37,174}{5,500} = \mathbf{\$6.75} \text{ per square foot of habitable floor area} \\ \text{lot or parcel):} & \\ \text{SFD (on post-1995} & \frac{\$180,363}{5,500} = \mathbf{\$32.79} \text{ per square foot of habitable floor area} \\ \text{lot or parcel):} & \end{aligned}$$

2015 Residential In-Lieu Fee Calculation					
Unit Type	Market Price ²	Affordable Price ³	Affordability Gap ⁴	Persons per Unit ⁵	Per Person In-Lieu Fee ⁶
One Bedroom Cat 1	\$324,886	\$126,800	\$198,086	1.0	\$198,086
One Bedroom Cat 2	\$324,886	\$174,300	\$150,586	1.0	\$150,586
One Bedroom Cat 3	\$324,886	\$221,800	\$103,086	1.0	\$103,086
Two Bedroom Cat 1	\$390,761	\$150,800	\$239,961	2.0	\$119,981
Two Bedroom Cat 2	\$390,761	\$205,100	\$185,661	2.0	\$92,831
Two Bedroom Cat 3	\$390,761	\$259,400	\$131,361	2.0	\$65,681
Three Bedroom Cat 1	\$842,269	\$173,200	\$669,069	3.0	\$223,023
Three Bedroom Cat 2	\$842,269	\$234,200	\$608,069	3.0	\$202,690
Three Bedroom Cat 3	\$842,269	\$295,300	\$546,969	3.0	\$182,323

- ¹ 5,500 equals the maximum amount of habitable floor area on a parcel (8,000) minus the habitable floor area exempt from affordable housing fees (2,500).
- ² Market Price is the average sales price of a condo of that many bedrooms in the Town of Jackson for the immediately previous year
- ³ Affordable Price is the maximum amount a family making the allowable amount of money for that category can pay for a unit of that many bedrooms based on the income data from the previous year
- ⁴ Affordability Gap = Market Price – Affordable Price
- ⁵ Persons per Unit is defined in Section 7.4.1.E.2 of the LDRs
- ⁶ Per Person In-Lieu Fee = Affordability Gap / Person per Unit