



VICTOR STAFF REPORT

Decision Item Agenda Documentation

PREPARATION DATE: November 2, 2018

MEETING DATE: November 14, 2018

SUBMITTING DEPARTMENT: Administration

DEPARTMENT DIRECTOR: Olivia Goodale

PRESENTER: Olivia Goodale, City Administrator

SUBJECT: Affordable Housing Strategic Plan

Re: Applicable Victor Values:

Culturally Historic

Sustainable

Connected to Nature

Small Town Feel

Family Friendly

Administrative Need

STATEMENT/PURPOSE

The purpose of this item is for Council to consider accepting the Affordable Housing Strategic Plan.

BACKGROUND/ALTERNATIVES

During its October 24, 2018 meeting, City Council held a work session to review the plan, take public comment, and provide any feedback. Specific feedback was provided relating to Figure 3: Affordable Housing Strategy Evaluation Matrix which has since been incorporated into the plan. The plan is now before Council to consideration of its final acceptance. The attached October 24th staff report provides additional detail.

There are several options to proceed:

1. Accept the plan as presented or amended.
2. Continue the item.
3. Other.

ATTACHMENTS

October 24, 2018 Staff Report

Affordable Housing Strategic Plan

FISCAL IMPACT

As noted in the October 24th staff report, there is no proposed immediate direct cost to the City. Should a Joint Housing Authority be activated there is the potential for a fiscal impact to the City which would require future approval from Council. Further, any specific actions coming out of the plan that require financial support are subject to future Council approval.

STAFF IMPACT

Staff impact is lessened to the extent that the City of Driggs is listed as the lead organization on many strategies but will include coordination as applicable and leading any required statutory processes. Should the City of Victor be the lead organization on any strategies, staff impact would be substantial.

LEGAL REVIEW

N/A

RECOMMENDATION

Staff recommends that Council accept the plan. As noted in the previous staff report, acceptance, as opposed to adoption, is the recommended procedure so as not to be confused with the Comprehensive Plan or other plans that may have equal enforceable footing.

SUGGESTED MOTION

I move to accept the Affordable Housing Strategic Plan as presented.

[General vote]

STAFF REPORT

To: Victor City Council
From: Doug Self, Driggs Community Development Director
Meeting Date: October 24, 2018 (updated 10/23/2018)

Teton County Affordable Housing Strategic Plan

SUMMARY OF PURPOSE & PROCESS

Teton County and the Cities of Victor, Driggs and Tetonina created the Joint Affordable Housing Technical Advisory Group in 2017 to advise the cities and county on actions that may be taken by the cities and county, as well as other entities, to increase opportunities for affordable housing. The attached Teton County Affordable Housing Strategic Plan was recommended for ~~adoption~~ acceptance by the technical advisory group.

The plan has been revised once, following the October 9, 2018 Board of County Commissioners work session. Changes and deletions are shown in red. The plan consideration process is proposed as follows:

- October 22nd – BoCC Work Session – see notes at bottom of report on changes
- October 24th – City of Victor Work Session
- November 12th – City of Tetonina Work Session
- November 13th – BoCC ~~Hearing for Plan Adoption~~ Public Meeting / Plan Acceptance
- November 13th – City of Driggs Work Session
- November 28th – City of Victor ~~Hearing for~~ Public Meeting / Plan Adoption Acceptance
- December 4th – City of Driggs ~~Hearing for~~ Public Meeting / Plan Adoption Acceptance
- December 10th – City of Tetonina ~~Hearing for~~ Public Meeting / Plan Adoption Acceptance

KEY FINDINGS

- There is a significant gap between household income and housing costs and this gap has negative effects on government service agencies and local business.
- Increasing housing cost burden and associated impacts is a local and national trend that shows no sign of self-abatement.
- There is no one solution, but there are many strategies (the plan identifies 16) that have good potential for positive impact in the next five years.
- Implementation of these strategies, largely through leveraging existing resources and facilitating private development and programs, is within the existing capacity of the community.

FISCAL IMPACT

There is no proposed immediate direct cost to the City of Victor in the recommended plan. If the Joint Housing Authority were activated, there would be administrative expenses, including a possible staff position, that would logically be shared between the cities and county based on a future agreement. For FY19, it is proposed that City of Driggs staff continue to serve as lead in facilitating implementation of Tier 1 strategies. The cities and county can evaluate the need and capacity for activating the Joint Housing Authority during the FY20 budget cycle. All recommended strategies have an alternative lead organization designated so that implementation can commence with or without a Joint Housing Authority.

The Plan proposes to use City of Driggs sales tax that is collected from short-term rentals for the city's administrative costs associated with implementing the affordable housing strategies. City of Driggs defined affordable housing as a sales tax expense category. City of Victor could consider an ordinance amendment allowing affordable housing to be an eligible sales tax expense.

PUBLIC INPUT

A request for public comment was published in the Teton Valley News on August 30th and September 6, 2018. No written public comments were received.

DISCUSSION

Below are three topics that have been raised previously in discussion of the plan.

- “Acceptance of Plan” – at the October 22nd Board of County Commissioners meeting, city and county staff agreed that the appropriate process and decision was the “acceptance” of the plan, rather than “adoption”, so as to not to be confused with the Comprehensive Plan or other plan that may have equal enforceable footing.
- Short-Term Rentals: Following the October 9, 2018 work session with the Board of County Commissioners, the Short-Term Rentals strategy section was revised to emphasize that this strategy is centered on evaluating the impacts (positive and negative) of short-term rentals and building community consensus about what, if any, solutions are needed and appropriate to implement. Following the October 22nd BoCC meeting, the short-term rental strategy was moved to Tier III and revised to emphasize that the focus is evaluation of short-term rentals within the cities; specific steps related to developing regulation were deleted. Moving this strategy to Tier III is also appropriate given that short-term rentals will likely not be found to have a significant impact on availability of affordable housing to the Area Median Income categories prioritized in the plan, since if those units were converted to long-term rentals they would be priced at market rates, which are typically affordable to households earning 120% AMI and higher.
- Public Housing: The proposed strategies do not explicitly recommend or include the development of housing units owned by public agencies. That said, certain agencies may find that it is most beneficial in meeting their needs to develop or own housing units directly. Teton Valley Health, for example, owns housing units and utilizes those for recruiting and retaining its employees. Cities may decide to negotiate dedication of deed-restricted affordable units through development or annexation agreement (as City of Driggs did for Huntsman Springs), but these units would not need to be owned and managed by a public entity.
- Organizational Bureaucracy: The intent of the plan is to leverage existing resources and to implement realistic strategies within existing organizational capacity and not create or grow any large bureaucracy. An example is the rental security deposit program, which the Community Resource Center of Teton Valley developed and the Board of County Commissioners agreed to support with existing funds that had been sitting in an Idaho Housing and Finance account. The BoCC approved the program unanimously on October 9th. At the BoCC's October 22nd meeting, concern about including a specific recommendation on the Joint Housing Authority was expressed. The plan text was amended to delete the recommendation on activating (appointing members to) the joint housing authority and a clarification was added that the joint housing authority was not needed in the short term.

TETON COUNTY, IDAHO AFFORDABLE HOUSING STRATEGIC PLAN



COMMUNITY AFFORDABLE HOUSING GOAL

To facilitate the development of diverse, permanently affordable housing options within city limits that will support public service agencies, enhance the local economy, add vibrancy to downtowns and help preserve the rural character of the area.

RECOMMENDED PLAN - AUGUST 15, 2018 (REVISED 10/23/2018)

PRODUCED BY THE JOINT AFFORDABLE HOUSING TECHNICAL ADVISORY GROUP:

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Carol Barker
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Lindsey Love
Megan O’Brien
Josh Thulin

With staff support from Doug Self, Driggs Community Development Director

The advisory group held eight public meetings between November 2017 to August 2018. The current plan is being submitted to Teton County, Idaho and the cities of Driggs, Teton and Victor for ~~consideration of adoption~~ review and acceptance.

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INTRODUCTION & PURPOSE

In 2017, Teton County and the cities of Driggs, Teton and Victor created a technical advisory group (TAG) to advise the cities and county on actions that may be taken by the cities and county as well as other entities to increase opportunities for affordable housing. This plan is the product of that technical advisory group and builds on previous county-wide studies and reports, including an Analysis of Barriers and Impediments and Housing Needs Assessment produced in 2014 as part of a HUD-funded regional planning project as well as the Housing Program Goals and Objectives Report produced in 2016 for Teton County. These documents may be viewed at www.DriggsIdaho.org/AHTAG

This plan reviews the above documents, currently available rental and ownership housing, the affordable housing outlook as well as impacts to public service agencies and business. Housing strategies to address needs not being met by the market are then grouped into prioritization tiers and assigned implementation steps. The plan also includes discussion of organizational needs and funding opportunities.

AFFORDABLE HOUSING FINDINGS

Housing is considered affordable when not more than thirty percent of household income is spent on housing costs. Otherwise, households are considered cost-burdened. These cost-burdened households are more likely to live in substandard and/or overcrowded housing situations and to forego other expenses, such as health insurance. Significant housing cost-burdens also create difficulties for employers (private and public) in attracting and retaining employees.

2014 HOUSING NEEDS ASSESSMENT

The 2014 Teton County, Idaho Housing Needs Assessment concluded that there was a significant need for more affordable owner and rental housing, finding that:

- More than a quarter of the 3,690 households in Teton County, Idaho are cost-burdened, including six percent that are severely cost-burdened (paying more than fifty percent of income on housing costs).
- There is a significant shortage of rental units, with the 2014 rental vacancy rate at 3%, compared to the minimum recommended rate of 6%. The HNA calculated a 2014 need for 22 rental units affordable to households earning less than 80% of AMI.
- The median sale price for a home in Teton County, Idaho would only be affordable to those households earning 200% of AMI. The HNA calculated a 2014 need for 188 units affordable to households earning less than 80% of AMI.

2014-2018 HOUSING AFFORDABILITY TRENDS

Despite increases in new housing construction, between 2014 and 2018, both median home sales price and rental rate have increased significantly in Teton County, Idaho and have outpaced gains in wages. The Affordable Housing Technical Advisory Group found that between 2014 and 2018:

- The median listing price per square foot for homes increased 20% from \$189 to \$226, putting most three-bedroom homes over \$300,000 in price.
- The median advertised long term rental rate (> 30 day term) has increased 40% for 1-bedroom units (from \$625 to \$871), 80% for 2 bedroom units (from \$725 to \$1,306), and 137% for 3 bedroom units (from \$975 to \$2,310 per month).
- Median wage growth in Teton County, Idaho has been under 4% annually, while wage earners employed in Teton County, Wyoming earn a third more annually on average. Increasing numbers of workers commuting to Jackson has fueled multi-family building in Victor, where new two-bedroom apartments in Victor rent for around \$2,000. Victor issued permits for 38 multi-family units (mostly in 2017), whereas Driggs issued zero.
- An increase in the number of short term rental units has coincided with the reduction in available long term (>30 days) rental units. As of July 2018, there were 370 “entire home” short-

term (<30 days) rentals listed on the Air BnB website in Teton County, Idaho. This represents 6.4% of the county’s housing units. Within the Driggs city limits, there were 77 “entire home” short term rental listings (equating to 8.7% of the total housing units) while there was only 1 long term rental listing.

Figure 1: Available Housing by Income & Household Type

Annual Income	All Households	Families	Married-couple Families	Nonfamily Households	Maximum Rental Payment *	Number of Rentals Advertised	Affordable Home Price	Number of Homes For Sale
Median income (dollars)	\$ 58,173.00	\$ 67,759.00	\$ 78,152.00	\$ 36,464.00				
Less than \$10,000	4.30%	3.10%	0.30%	8.70%	\$ 188	\$ -	\$ 42,000	\$ -
\$10,000 to \$14,999	2.80%	2.50%	0.00%	5.90%	\$ 281	\$ -	\$ 63,000	\$ -
\$15,000 to \$24,999	11.90%	8.70%	3.70%	18.00%	\$ 469	4 (rooms only)	\$ 105,000	\$ -
\$25,000 to \$34,999	7.70%	3.20%	3.00%	15.60%	\$ 656	6 rooms, 1 apt	\$ 151,000	1 (1BR Condo)
\$35,000 to \$49,999	15.20%	14.80%	15.20%	17.00%	\$ 1,030	8 (mostly 1 BR)	\$ 216,000	3
\$50,000 to \$74,999	21.30%	24.30%	26.30%	18.00%	\$ 1,655	29	\$ 329,000	27
\$75,000 to \$99,999	17.70%	17.80%	20.60%	10.50%	\$ 2,280	7	\$ 438,000	26
\$100,000 to \$149,999	13.90%	18.60%	22.60%	4.40%	\$ 3,530	0	\$ 653,000	42
\$150,000 to \$199,999	1.50%	2.20%	2.50%	0.00%	\$ 4,780	0	\$ 871,000	18
\$200,000 or more	3.70%	4.70%	5.80%	1.80%	>\$4,780	0	>\$871,000	38
TOTALS	3,725	2,498	2,032	1,227		54		155

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

* Excludes utilities cost, estimated as 25% of housing cost or \$220, whichever is less.

LAND AND BUILDING COSTS

SINGLE-FAMILY HOMES

While land is still a significant expense (roughly 15%) of the cost for building a new home (Figure 2), prices in Teton County, Idaho have not dramatically increased since the economic recession. Single-family lots within developed subdivisions in Driggs start around \$40,000. Single-family lots in Victor’s developed subdivisions are priced slightly higher, starting at \$47,000.

Building costs have increased significantly. Local builders and suppliers have reported framing materials increasing 50% in the last two years. Labor costs have also increased significantly as industry activity has increased and subcontractors are sourced from more distant communities.

The minimum home construction cost reported from local builders is \$150 per square foot (not including land, design, fees and utilities). Using that figure, a small three-bedroom 1,400 square foot home built onsite in Driggs with low-end finishes and no garage will cost about \$270,000. This price tag would require a household to be earning more than 120% of the Area Median Income and have saved about \$55,000 for closing and mortgage loan down payment. These costs are minimums and on-site custom construction through a general contractor will typically be higher.

Figure 2: Cost of On-Site Single-Family Construction - 1400SF Home (No Garage)

Expense Category	Cost Estimate	% of Total
Land	\$ 40,000.00	15%
Design	\$ 5,600.00	2%
Utility/Permit/ Impact Fees	\$ 8,550.00	3%
Site Work / Utilities	\$ 5,000.00	2%
Building	\$ 210,000.00	78%
	\$ 269,150.00	

Options for reducing and mitigating the cost of new single-family dwellings:

- Land Expense
 - Higher density zoning to reduce land cost
 - Lease lot – typically a 99-year lease (e.g., Gemstone Subdivision in Driggs, Habitat for Humanity or a Community Land Trust)
- Fees
 - ~~Repealing impact fees and waiving~~ Repayment of city impact, building permit and utility fees (typically for deed-restricted affordable units) from revenue sources allocated to affordable housing (e.g., sales tax, donations)
- Design & Building
 - Utilizing off-site construction – either “manufactured homes”, built to federal standards and usually the cheapest option, or “modular homes”, built to local codes and generally higher quality finishes and better energy efficiency.
 - Smaller unit size – with ability to add on at a later time if needed.

- Attached dwellings – sharing common walls.
- Accessory dwellings – a stand alone or attached rental unit on the same property as a single-family dwelling, thus removing the land portion of cost as well as lowering utility and impact fees.
- Subsidized or donated labor & materials – through programs such as Habitat for Humanity, USDA self-help housing or a workforce training program.
- Mortgage
 - Federal Housing Administration Loans – reduces the down payment to 3.5%
 - Local down payment assistance program

MULTI-FAMILY DWELLINGS

Developers of significant multi-family projects in Teton County, Idaho tend to be larger entities from outside of the community. Attracting these developers to multi-family opportunities in the community is a challenge along with property availability and construction cost.

There are few parcels listed for sale that are zoned multi-family and prices may be prohibitively high. There is no multi-family zoned land currently listed for sale in Victor. In Driggs, there are four adjacent multi-family zoned lots in Valley Centre for sale at \$750,000 for 3.66 acres or about \$205,000 per acre. The only other multi-family zoned property for sale in the Driggs area would require annexation and utility extensions and has wetland conditions and existing older homes making it less attractive.

Options for facilitating development of multi-family housing:

- Land Availability/Cost
 - Expand areas of multi-family zoning (e.g., along residential collector roads).
 - Allow four-unit multi-family buildings in lower density zones, with design standards to mimic single-family designs.
 - Public acquisition of property for multi-family development
- Builder/Developer Interest and Availability
 - Utilize a Request for Proposals and Low-Income Housing Tax Credit program on publicly owned land.
 - Market multi-family and mixed-use development opportunities and leverage assistance through urban renewal agencies in Driggs and Victor.
- Construction Cost
 - Utilize modular construction and smaller unit sizes.
 - Subsidized or donated labor & materials – through programs such as Habitat for Humanity or a workforce training program.

AFFORDABLE HOUSING IMPACTS

At present, households looking to move into Teton County, Idaho will likely experience a housing cost burden unless they earn 120% or more of the median income. More likely is that those considering

employment in Teton County, ID will be turned away by the cost of housing. This creates a significant challenge to both public service agencies and private businesses in attracting and retaining employees. The Affordable Housing Technical Advisory Group found that most local agencies struggle to attract and retain employees.

PUBLIC AGENCY IMPACTS

- Teton County School District reported difficulty in hiring for lower wage positions (\$13-\$15/hr) and in attracting employees from outside of Teton Valley (typically a third of the 30 new hires each year). In July 2018, the School District had two dozen vacant positions.
- Teton County Fire Protection District reported applicants withdrawing applications or declining employment offers due to housing cost concerns. Fortunately, TCFPD only has one opening every other year on average.
- Teton Valley Health reported having employees leave positions and decline offers because of housing costs and that the organization typically needs to attract a third of their 30-35 new employees each year from outside of Teton Valley. In July 2018, Teton Valley Health had six openings, several of which had been vacant for months.
- Teton County Departments, including Sheriff and Public Works did not respond with information, however news reports have made clear that key positions such as dispatcher and deputy have been difficult to fill due to housing costs. Many Road & Bridge, Transfer Station and Administrative positions also would be difficult to fill with candidates needing to relocate.

BUSINESS & ECONOMIC DEVELOPMENT IMPACTS

Lack of adequate affordable housing also hinders business attraction, retention and expansion. Jobs in the growing recreation and tourism industries fall on the lower end of the wage scale, as do positions such as general laborers, entry service workers, daycare and retail clerks.

- Broulim's Grocery currently brings in 20 of their employees per day from the Rigby/Rexburg area and has the most difficulty filling positions earning \$12-\$14/hr. While large employers may have the resources to transport workers from communities 45-60 minutes away with lower housing costs, smaller businesses do not have this ability and may have difficulties expanding, meeting demand or simply staying open.
- In July 2018, there were 54 mostly entry-level non-government jobs advertised in Teton Valley, not including 22 job postings (many for multiple vacancies) at Grand Targhee Resort.
- While the new Cobblestone Hotel in Victor reported being able to quickly fill most of its new positions, approximately 80% of its new hires were persons already living in Teton Valley who were commuting to hospitality jobs over Teton Pass. With increasing traffic congestion in the Jackson area, commuters may be increasingly willing to consider lower wage employment on the Idaho side of Teton Pass, but this will be a finite source of new employees. With the heightened competition for workers and housing, larger Jackson employers such as hotels are exploring developing their own employee housing in Teton County, Idaho.

The advisory group concludes that implementation of a variety of strategies for affordable housing is necessary to ensure public agencies can maintain acceptable service quality and that worker availability is not a barrier to business growth and economic development.

AFFORDABLE HOUSING PROGRAM GOAL

The 2016 Teton County Housing Program Goals & Objectives Report drafted an affordable housing goal for the community that is endorsed by the Affordable Housing Technical Advisory Group with additional language addressing public agency needs:

To facilitate the development of diverse, permanently affordable housing options within city limits that will support public service agencies, enhance the local economy, add vibrancy to downtowns and help preserve the rural character of the area.

AFFORDABLE HOUSING PROGRAM OBJECTIVES

The 2016 Teton County Housing Program Goals & Objectives Report states the following objectives, which the Affordable Housing Technical Advisory Committee endorses, with the addition of a ninth objective to prioritize public agency needs.

LOCATION

Locate Affordable Housing within the city limits of Victor, Driggs and Tetonida according to the Teton County Idaho Comprehensive Plan. With the exception of housing for agricultural workers, rural areas in Teton County should be avoided to reduce public costs to improve and maintain infrastructure (i.e. public roads, water, sewer), and to preserve the rural agricultural character of the area.

REGIONAL APPROACH

Seek out regional opportunities to collaborate with Wyoming and Idaho in creating housing options for working households and public transit improvements.

OWNER/RENTER MIX

Strive for a mix of ownership and rental product to meet the diverse needs of working households, including a variety of income levels and life stages.

INCOME TARGETS

Create opportunities for the market to produce housing for working households. The housing market is unproductive at providing suitable ownership opportunities below 120% of the median income and rental product below 80% AMI. The housing program should target specific underserved markets based on current data.

MAINTAINING AFFORDABILITY

Ensure affordability permanence of housing units created through the housing program (i.e. ground lease, covenant, deed restriction).

TYPE/QUALITY DESIGN

Provide a variety of dwelling types and density ranges to keep pace with job growth. Encourage development of high-quality housing that is durable, energy efficient, attractive, sanitary, safe and affordable.

DATA COLLECTION

Prioritize the annual collection of key indicators to measure the progress of the housing program and keep stakeholders informed.

EDUCATION

Prioritize public education to demonstrate the value of affordable housing to create and maintain a healthy, vibrant community.

PRIORITIZE PUBLIC AGENCY NEEDS

Work with public agencies (school district, hospital, county departments, etc.) to address specific employee housing needs and strive to locate affordable housing near agency employment locations.

EVALUATION OF POTENTIAL STRATEGIES

With the above goal and objectives in mind, the Affordable Housing Technical Advisory Group identified a wide-variety of strategies that may be deployed to help meet the community's affordable housing needs. These strategies were evaluated in terms of the Area Median Income (AMI) category addressed, the level of impact (e.g., how many housing units), the cost or level of effort required (medium and high categories require capital funding) and the expected time duration for implementation. Strategies were ranked by level of impact and then cost/effort and further grouped for implementation as either Tier 1 or Tier 2.

- Tier 1 strategies are ready to be implemented and have medium to high impact or low cost/effort.
- Tier 2 strategies have a low estimated impact, but also a low estimated level of effort.
- Tier 3 strategies either require further evaluation or have a higher cost/effort than generated impact.

Figure 3: Affordable Housing Strategy Evaluation Matrix

CATEGORY	STRATEGY	OWNERSHIP / RENTAL	AMI CATEGORY	LEVEL OF IMPACT	COST / EFFORT	TIME FRAME
Public-Private Partnership	Low Income Housing Tax Credit Project	Rental	<80% 60%	High	High	3 Years
Public -Non-Profit Partnership	Habitat for Humanity	Ownership	<50%	High	High	5 Years
Public	New Development Incentives	Both	<120%	High	Medium	1 -2 Years
Public & Non-Profit	Promote Existing Development Opportunities & Incentives	Both	<120%	Medium	Low	1 Year
Public	Development Exactions & Inclusionary Zoning	Both	<80%	Medium	Low	1 Year
Public or nonprofit	Renter's Deposit Loan Program	Rental	<80%	Medium	Medium	1 Year
Public	Support Employer-Assisted Housing	Rental	<120%	Medium	Medium	1-2 Years
Public-Private Partnership	Local Buyer Pre-Listing Network	Ownership	Market	Low Medium	Medium	1-2 Years
Public	Evaluate & Address Short Term Rentals	Rental	Market	Low	Low	1 Year
Public or Non-Profit	Home Buyer/Renovation Education	Ownership	<120%	Low	Low	1 Year
Non-Profit	Emergency Shelter Transportation	N/A	<50%	Low	Low	1 Year
Public or Non-Profit	Weatherization	Both	TBD	Low	Low	2 Years
Public or Nonprofit	Down Payment Assistance	Ownership	<100%	Low	Medium	2 Years
Public	Evaluate Short-Term Rentals	Rental	Market	Low	Medium	1-2 Years
Non-Profit	USDA Self Help Housing	Ownership	<80%	Medium-High	High	5 Years
Non-Profit	Community Land Trust	Ownership	<80%	Medium-High	High	5 Years
Public – Private Partnership	Cooperative Housing Project	Ownership	<120%	Medium	High	5 Years

TIER 1 STRATEGIES
TIER 2 STRATEGIES
TIER 3 STRATEGIES

RECOMMENDED STRATEGIES

TIER 1 STRATEGIES

ATTRACT A LOW INCOME HOUSING TAX CREDIT PROJECT

Attract a qualified housing developer to the community that will secure LIHTC tax credits through the Idaho Housing and Finance Association, resulting in the construction of at least 30 deed-restricted rental units affordable to households earning less than 60% of the Area Median Income.

Step 1: Develop detailed project scope

Step 2: Inventory publicly-owned land (e.g., City of Driggs, Teton Valley Health, School District, County)

Step 3: Secure suitable land

Step 4: Develop and publish a request for proposals

Step 5: Review proposals, select developer and negotiate agreement

Step 6: Developer LIHTC application approved by Idaho Housing and Finance Association

Step 7: Developer receives final design approval and permits from City

Step 8: Construction

LEAD ORGANIZATION: City of Driggs or Teton County, ID Joint Housing Authority

PARTNERSHIP OPPORTUNITIES

- Teton Valley Health
- Teton County School District
- Teton County
- Developers
- Idaho Housing & Finance Association

FUNDING OPTIONS

- County Hospital Fund
- Community Development Block Grant
- Sale or donation of public land
- Teton County, WY Revenue Sharing from Alta, WY Housing Mitigation Fees
- City Sales Tax
- Annexation Negotiation

FACILITATE A MULTI-YEAR HABITAT FOR HUMANITY PROJECT

Facilitate development of necessary resources in Teton Valley to support a continuing Habitat for Humanity project that will produce at least four single-family homes per year, affordable to purchase by households earning less than 60% of the Area Median Income. Partnerships with Teton School District and College of Eastern Idaho should be pursued to develop a construction trades workforce training program that will address workforce shortages and provide low-cost construction labor.

Step 1: Support Teton Area Habitat for Humanity in development of a Teton County Idaho program

Step 2: Develop detailed project scope and partnerships, including construction trades training program

Step 3: Identify & pursue funding options

Step 4: Acquire suitable land

Step 5: Execute development agreement with habitat for humanity

- Step 6: Habitat for Humanity receives design approval / permits
- Step 7: Habitat for Humanity selects homebuyers
- Step 8: Construction

LEAD ORGANIZATION: City of Driggs or Teton County, ID Joint Housing Authority

PARTNERSHIP OPPORTUNITIES

- Teton Valley Health
- Teton County School District
- Teton County
- Karl Johnson Foundation
- College of Eastern Idaho
- Teton Regional Economic Coalition

FUNDING OPTIONS

- County Hospital Fund
- Community Development Block Grant
- Teton County, WY Revenue Sharing from Alta, WY Housing Mitigation Fees
- City Sales Tax
- Annexation Negotiation

CREATE NEW AFFORDABLE HOUSING DEVELOPMENT INCENTIVES

Create additional incentives for new deed-restricted affordable housing units. For example, consider allowing a density or height bonus or waiving fees for utility connection fees and/or building permits for units deed-restricted as affordable to households earning less than 80% of the Area Median Income. Expand multi-family zoning and allow four-unit buildings in lower density zones with design standards.

Step 1: Identify and evaluate new development incentives for affordable housing and alternative funding sources.

Step 2: Adopt incentives and allocate alternative funding, such as sales tax, where necessary.

Step 3: Promote incentives per separate strategy

LEAD ORGANIZATION: City of Driggs

PARTNERSHIP OPPORTUNITIES

- City of Victor
- Realtors
- Developers
- VARD
- TREC

FUNDING OPTIONS

- City Sales Tax (as substitute funding for waived fees)

PROMOTE AFFORDABLE HOUSING DEVELOPMENT OPPORTUNITIES AND INCENTIVES

Promote the land use development codes recently adopted in the cities of Driggs and Victor that provide new opportunities for private housing development at a lower per unit cost through higher densities,

height bonuses, accessory dwellings and design flexibility. Promote existing Driggs impact fee waivers and any additional incentives. Promote alternative construction options and technologies, such as off-site prefabricated units and identify financial lenders for such units. Promote leased-lot options such as Gemstone Subdivision.

Step 1: Prepare & distribute web and print promotional material to public and developers

Step 2: Hold developer and home builder workshops for education and feedback

LEAD ORGANIZATION: City of Driggs

PARTNERSHIP OPPORTUNITIES

- City of Victor
- Realtors
- Developers
- Karl Johnson Foundation
- Valley Advocates for Responsible Development
- Teton Regional Economic Coalition

FUNDING OPTIONS

- Regional foundation grants (for promotional material production; workshops)

USE DEVELOPMENT EXACTIONS & INCLUSIONARY ZONING TO ADDRESS AFFORDABLE HOUSING IMPACTS

Adopt base inclusionary zoning standards (affordable housing development requirements) for large scale development and negotiate additional mitigation of affordable housing impacts as part of annexation land annexation requests. For example, obtain dedication of land for affordable housing to be built by other partners and/or establish a real estate transfer fee to be used for development of affordable housing.

Step 1: Develop and adopt affordable housing mitigation goals, utilizing the community's Housing Needs Assessment, for large scale development through a Comprehensive Plan amendment in each jurisdiction.

Step 2: Adopt and implement standards within the land development code of each jurisdiction.

LEAD ORGANIZATION: City of Driggs

PARTNERSHIP OPPORTUNITIES

- City of Victor
- City of Tetonia
- Teton County, ID

FUNDING OPTIONS

- General Fund (staff time)

DEVELOP A RENTER'S SECURITY DEPOSIT GUARANTEE PROGRAM

Lower income households attempting to rent a free-market home in Teton Valley are often faced with the difficult to impossible task of providing a last month's rent and damage deposit with the execution of a rental agreement. This program would provide a security deposit guarantee for households with

demonstrated need through an application program. The guarantee would be provided to the landlord and the tenant would pay the program 1/12th of the deposit amount with each month's rent, with the guarantee being eventually replaced by the full security deposit. A Memorandum of Understanding with property management companies and low-income housing agencies may facilitate implementation.

Step 1: Develop the Program Details (model other successful programs)

Step 2: Secure Funding for the Program

Step 3: Launch and Promote the Program

Step 5: Monitor and Evaluate the Program

LEAD ORGANIZATION: Community Resource Center of Teton Valley

PARTNERSHIP OPPORTUNITIES

- Property Management Companies
- Low Income Housing Agencies / Managers

FUNDING OPTIONS

- \$13,814 held by Idaho Housing & Finance on behalf of Teton County Housing Authority

SUPPORT EMPLOYER-ASSISTED HOUSING SOLUTIONS

Larger employers such as Grand Targhee Resort, Broulim's, Teton Valley Health, Teton School District, etc., are able to secure more affordable rental housing for employees through guaranteed longer term (e.g., 10 year) leases or by pooling resources and/or property management. Implementation of this strategy would involve facilitating exploration of opportunities for employer-assisted housing (e.g., connecting employers with developers and short-term rental owners or management companies) as well as coordination and partnerships between such employers and potentially the housing authority.

Step 1: Identify employers that are interested in assisting employees with housing

Step 2: Facilitate exploration of opportunities for leasing or acquiring housing units

LEAD ORGANIZATION: Teton County, ID Joint Housing Authority, or City of Driggs

PARTNERSHIP OPPORTUNITIES

- Large employers
- Property Management Companies
- Developers

TIER 2 STRATEGIES

LOCAL BUYER PRE-LISTING NETWORK

In a very active real estate market, it can be difficult for a buyer in the local workforce to compete against investment buyers and second home buyers in purchasing a home. To compensate for this difficulty, a network could be created to 'pre-list' homes for qualified local buyers, who would have the first opportunity to negotiate a purchase. Incentives, such as reduced commissions, may be needed to entice sellers to utilize such an option.

LEAD ORGANIZATION: ~~Teton County, ID Joint Housing Authority~~ Joint Affordable Housing Technical Advisory Committee

PARTNERSHIP OPPORTUNITIES

- Realtors
- Local employers (outreach)

PROVIDE EDUCATION AND APPLICATION ASSISTANCE FOR HOME PURCHASE AND RENOVATION PROGRAMS

Programs administered under Housing and Urban Development and USDA Rural Development as well as Idaho Housing and Finance Association can provide financial assistance to low income, elderly or disabled and other eligible home owners or buyers to address home health, safety and modernization issues or reduce down payments and mortgage rate. Community education and application assistance can increase the potential utilization of such programs.

- Step 1: Identify home buyer and renovation assistance programs
- Step 2: Establish staff capacity for providing community education and application assistance
- Step 3: Acquire and distribute promotional materials
- Step 4: Educate and assist potential applicants

LEAD ORGANIZATION: **City of Driggs** OR ~~Teton County, ID Joint Housing Authority~~ Community Resource Center

PARTNERSHIP OPPORTUNITIES

- Community Resource Center of Teton Valley
- US Department of Agriculture – Rural Development
- Idaho Housing and Finance Association
- Lending institutions
- Community nonprofits

FUNDING OPTIONS

- Regional grants
- Donations through local nonprofits

IMPROVE TRANSPORTATION OPTIONS TO REGIONAL EMERGENCY SHELTERS

Emergency shelter is a need in the community but providing an emergency shelter locally is beyond the current capacity of relevant organizations such as the Community Resource Center (CRC). However, transportation options to existing regional emergency shelters could be improved, in partnership with existing transportation providers and regional shelters. Purchase of a car for transporting CRC clients may be one option. Working with taxi drivers to guarantee fares in exchange for reduced rates may be another.

- Step 1: Identify the emergency shelter transportation needs in the community
- Step 2: Develop proposed improvements to meet identified needs.
- Step 3: Encourage and facilitate implementation of proposed improvements.

Step 4: Promote emergency shelter transportation options to those in need.

LEAD ORGANIZATION: Community Resource Center of Teton Valley

PARTNERSHIP OPPORTUNITIES

- TRPTA, START, Seniors West of the Tetons
- Regional emergency shelters

FUNDING OPTIONS

- Regional foundation grants
- Idaho Transportation Department / Federal Transit Administration

ENCOURAGE EXPANSION OF WEATHERIZATION PROGRAMS

Work with Fall River Rural Electric Cooperative, Eastern Idaho Community Action Partnership and other weatherization assistance providers to expand eligibility and reduce waiting times in Teton County, ID.

Step 1: Convene a meeting of responsible entities to discuss current programs and shortfalls and to generate ideas on addressing unmet weatherization assistance needs.

Step 2: Encourage implementation of expanded weatherization assistance programs

Step 3: Promote expanded weatherization assistance programs

LEAD ORGANIZATION: Community Resource Center of Teton Valley ~~OR Teton County, ID Joint~~ Housing Authority

PARTNERSHIP OPPORTUNITIES

- Fall River Rural Electric Cooperative
- Eastern Idaho Community Action Partnership
- Local contractors
- Community nonprofits

FUNDING OPTIONS

- Regional grants
- Donations through local nonprofits
- Utility programs

TIER 3 STRATEGIES

EVALUATE ~~AND ADDRESS~~ IMPACTS OF SHORT-TERM RENTALS ON LONG TERM RENTAL SUPPLY IN THE CITIES

Idaho State Statute (Section 67-6539) allows a county or city to “implement such reasonable regulations as it deems necessary to safeguard the public health, safety and general welfare in order to protect the integrity of residential neighborhoods in which short-term rentals or vacation rentals operate.” The cities of Driggs and Victor should evaluate whether the short-term rental market has any significant

impact on “neighborhood integrity” or the supply of long-term (>30 days) rental units ~~(for example, determine the percentage that are second homes and would otherwise sit vacant, and assess market saturation by comparing projected income between short and long term rentals) within their jurisdictions~~. The cities should also identify the beneficial impacts of short-term rentals. ~~Pending the outcome of such analysis, utilize stakeholder groups to develop possible solutions and performance goals that are acceptable to the community and conform with Idaho State Statutes, and determine whether any regulation of short term rentals is desired by the community and necessary to protect public health, safety and general welfare.~~

~~Step 1: Identify and evaluate positive and negative impacts~~

~~Step 2: Identify and evaluate solutions, if needed~~

~~Step 3: Implement solutions~~

~~Step 4: Monitor short term rental performance measures to ensure goals are reached.~~

LEAD ORGANIZATION: City of Driggs

PARTNERSHIP OPPORTUNITIES

- City of Victor
- Other Idaho resort cities
- Association of Idaho Cities
- Short-Term Rental Owners & Managers
- Neighborhood Groups

~~FUNDING OPTIONS~~

- ~~— General Fund (staff time)~~

DOWN PAYMENT ASSISTANCE PROGRAM

The former Teton County Housing Authority managed a mortgage down payment assistance program. This program could be reactivated to provide down payment assistance loans to eligible home buyers.

Step 1: Define eligibility requirements (review former program rules) and program goals

Step 2: Secure funding

Step 3: Promote program

Step 4: Manage program

LEAD ORGANIZATION: Teton County, ID Joint Housing Authority or Nonprofit Organization

PARTNERSHIP OPPORTUNITIES

- US Department of Agriculture – Rural Development
- Idaho Housing and Finance Association
- Community nonprofits

FUNDING OPTIONS

- Regional grants
- Donations through local nonprofits

USDA SELF-HELP HOUSING PROGRAM

The USDA Self-Help Housing program provides grant funding to eligible entities to support families who cooperatively build their own homes. This program would address home ownership needs for households earning below 80% of the Area Median Income and would complement the Habitat for Humanity program (addressing households between 50% and 80% AMI). This program would require a new self-help housing organization to be formed in the area.

LEAD ORGANIZATION: Teton County, ID Joint Housing Authority or City of Driggs

COMMUNITY LAND TRUST

Community land trusts can reduce housing costs by removing the land cost from the housing equation, acquiring and perpetually owning the land on which affordable housing is built and maintained through affordability restrictions on the resale of homes. Homes are typically on land that is leased to homeowners through a 99-year lease and the community land trust. Some interest in the formation of a community land trust has been articulated by local organizations.

LEAD ORGANIZATION: TBD – Nonprofit Organization

PARTNERSHIP OPPORTUNITIES

- Karl Johnson Foundation
- Teton Regional Land Trust
- Valley Advocates for Responsible Development
- Cities

COOPERATIVE HOUSING

The advantages of cooperative housing are similar to that of a community land trust, with resale restrictions and sharing of costs for the larger development. Owners hold shares in the housing development instead of owning a particular home and can transfer between units as housing needs evolve. Idaho statutes do not contain specific authorizing language for cooperatives and some state legislative action may be needed to fully utilize the cooperative housing model.

LEAD ORGANIZATION: Teton County, ID Joint Housing Authority or City of Driggs

PARTNERSHIP OPPORTUNITIES

- High Country Resource Conservation & Development
- Cities

IMPLEMENTATION

This strategic plan is meant to serve as a near term (1-2 year) guide for moving the most promising housing strategies forward as quickly as possible within existing funding and organizational capacities. Within that time frame, lead organizations should be developing additional capacity, securing-pursuing identified funding options and updating this strategic plan to reflect new information and opportunities.

Moving forward, the plan should serve as a living five-year guide, with the addition of clear housing production goals and measurable housing program performance indicators.

ORGANIZATION RECOMMENDATIONS

JOINT HOUSING AUTHORITY

~~The~~ In the long term, the joint housing authority created by Teton County, Idaho and the three incorporated cities is the logical entity to facilitate implementation of the recommended strategies (particularly tier III strategies), to perform ongoing monitoring of housing needs and strategy performance, and to provide new strategic recommendations. Certain strategies or actions, such as receiving revenue sharing from Teton County, Wyoming to produce or manage affordable units for mitigation of Alta, Wyoming development, may only be possible through the Joint Housing Authority.

~~The Affordable Housing Advisory Group recommends that the Teton County, ID Joint Housing Authority be activated, with appointment of members and execution of a memorandum of understanding between the county and cities on the role of the housing authority and on funding for administrative costs, which are expected to be minimal (\$5,000 – \$10,000) without additional staff. It is expected that the Driggs Community Development Director can continue providing staff support through at least 2019.~~

In the interim while the joint housing authority is inactive, ~~or while it builds capacity,~~ other organizations are identified as alternative leads on the recommended strategies.

PARTNER ORGANIZATIONS

The Teton County, Wyoming Housing Department should be utilized as a knowledgeable regional partner and consulted with frequently on the housing program objectives and strategies given the regional nature of the affordable housing challenges.

Idaho Housing & Finance is the key state level partner in Idaho and should also be consulted with frequently as strategies are further developed and implemented.

The many local partner organizations identified with each strategy should be engaged through an annual workshop, facilitated by the Joint Housing Authority or City of Driggs, as well as through regular strategy-specific working group meetings by the lead organization. An affordable housing website should be maintained to keep all partners and the public updated on implementation of this plan.

FUNDING OPPORTUNITIES

SUSTAINED FUNDING

Funding to support ongoing strategy development, implementation and evaluation activities should be allocated from:

- 3% sales tax collected in Driggs and Victor from short-term rentals (estimated to be at least \$25,000 annually in Driggs). While the Driggs sales tax ordinance authorizes use of sales tax

revenue for affordable housing, Victor's ordinance does not and would need to be amended if sales tax were to be used to support ~~the joint housing authority~~implementation of affordable housing strategies.

- Any future real estate transfer fees established through development/annexation negotiation.

PROJECT FUNDING & LAND

Funding opportunities to support construction of affordable housing units or land acquisition include the following, which should each be explored and defined for potential contribution, restrictions and process in the early stages of plan implementation:

- Funds held by Idaho Housing and Finance Association on behalf of Teton County, Idaho.
- Teton County Hospital Fund – for development of housing for Teton Valley Health employees.
- Community Development Block Grant – for land acquisition and utilities improvement.
- Private Donations of land or cash.
- Sale or use of public properties for affordable housing projects.
- Revenue sharing with Teton County, Wyoming from Alta, WY housing mitigation fees and Grand Targhee Resort real estate transfer fees – may be restricted to development of housing for Alta, WY employees.