



VICTOR STAFF REPORT

Decision Item Agenda Documentation

PREPARATION DATE: February 19, 2019

MEETING DATE: February 27, 2019

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

X Administrative Need

STATEMENT/PURPOSE

The purpose of this item is for Council to consider adoption of the Affordable Housing Strategic Plan via Resolution R522, A Resolution of the City Council of the City of Victor, Idaho, Adopting the Teton County Affordable Housing Strategic Plan, Dated February 12, 2019, as a Guiding Document to be Used by the City in the Pursuit of Programs and Initiatives to Address Affordable Housing Needs of the Community.

BACKGROUND/ALTERNATIVES

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 by the technical advisory group in August and revised by staff over the following months as various public meetings were held for input from county and city governing boards.

Adoption of the plan by the three cities and the county will complete the process, which was outlined in the November 2017 Memorandum of Understanding. Driggs adopted the plan on February 19th with one change adding one item to the very end of the report: "County local option lodging tax" as an additional funding opportunity. This would require state legislation to enable, but there is an indication that this is being discussed. Teton County will consider adoption on February 25th. Tetonina is expected to consider adoption in March.

PUBLIC INPUT

A request for public comment was published in the Teton Valley News on August 30th and September 6, 2018. An open house was held on February 11, 2019 and attended by approximately seven members of the public, two advisory group members and various elected officials and staff. No specific concerns were identified in the strategic plan during the open house.

Since Council's last review, the attached plan has recently been updated with the below:

1. Added the 2014-2018 rates of change chart from the open house.
2. Added USDA Direct Loan to the LIHTC strategy.
3. Combined USDA Self-Help Housing with the Habitat strategy
4. Moved the pre-listing strategy to Tier 1 (something a couple of AHTAG members had suggested, and could be an easy one to accomplish)
5. Added "or additional accessory dwellings" to the incentives strategy
6. Removed specific exaction mitigations, such as real estate transfer fee, that could still be pursued at the state level.

KEY FINDINGS

- There is a significant gap between household income and housing costs and this gap is resulting in negative impacts 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.
- Appointment of Commissioners to the existing Joint Housing Authority is a recommended action, however many strategies can begin to be implemented while the governing boards discuss appointment and administrative funding for the Housing Authority. An October 1, 2019 startup for the Housing Authority would be a realistic and appropriate goal, coinciding with the start of the FY20 fiscal year.

There are several options to proceed:

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

[ATTACHMENTS](#)

Resolution

Affordable Housing Strategic Plan

[FISCAL IMPACT](#)

As noted in the October 24th staff report, there is no proposed immediate direct cost to the City. There is the potential for a fiscal impact to the City should Council opt to fund a Joint Housing Authority in the future. 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 as dictated by any required statutory processes. Should the City of Victor be the lead organization on any strategies, staff impact would be substantial.

LEGAL REVIEW

Complete

RECOMMENDATION

Should Council wish to adopt the plan, a recommended motion is below.

SUGGESTED MOTION

I move to approve Resolution R522, A Resolution of the City Council of the City of Victor, Idaho, Adopting the Teton County Affordable Housing Strategic Plan, Dated February 12, 2019, as a Guiding Document to be Used by the City in the Pursuit of Programs and Initiatives to Address Affordable Housing Needs of the Community.

[Roll Call Vote]

RESOLUTION R522

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VICTOR, IDAHO, ADOPTING THE TETON COUNTY AFFORDABLE HOUSING STRATEGIC PLAN, DATED FEBRUARY 12, 2019, AS A GUIDING DOCUMENT TO BE USED BY THE CITY IN THE PURSUIT OF PROGRAMS AND INITIATIVES TO ADDRESS AFFORDABLE HOUSING NEEDS OF THE COMMUNITY.

THIS RESOLUTION, made on the date hereinafter set forth by the City Council of the City of Victor, Idaho, a municipal corporation under Idaho Law, hereinafter referred to as the "City."

WHEREAS, the Victor City Council has received and reviewed the Affordable Housing Strategic Plan, dated February 12, 2019, which was prepared for the cities of Driggs, Teton and Victor and Teton County, Idaho, by the appointed Affordable Housing Technical Advisory Group; and

WHEREAS, the City has previously adopted Resolution No. R-16-07-27, finding there to be a shortage of safe or sanitary dwelling accommodations in the City available to persons of low income or rentals they can afford, and creating the joint Teton County-Driggs-Tetonia-Victoria Housing Authority; and

WHEREAS, this Affordable Housing Strategic Plan is expected to be utilized by said joint housing authority;

NOW THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE CITY COUNCIL OF THE CITY OF VICTOR, IDAHO, AS FOLLOWS:

The City of Victor hereby adopts the Teton County Affordable Housing Strategic Plan, dated February 12, 2019.

This Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED by the City Council of the City of Victor, Idaho, on February 27, 2019.

Signed by the Mayor, and attested by the City Clerk, on this 27th day of February, 2019.

APPROVED:

ATTEST:

By _____
Mayor

By _____
Clerk

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 - FEBRUARY 20, 2019

Adopted by the City of Driggs: February 19, 2019 by Resolution No. 346-19

Adopted by the City of Victor:

Adopted by the City of Teton:

Adopted by Teton County, ID:

PRODUCED BY THE JOINT AFFORDABLE HOUSING TECHNICAL ADVISORY GROUP:

Brady Barkdull
Carol Barker
Peter Boogaard
Todd Cedarholm
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, Tetonida and Victor for 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.

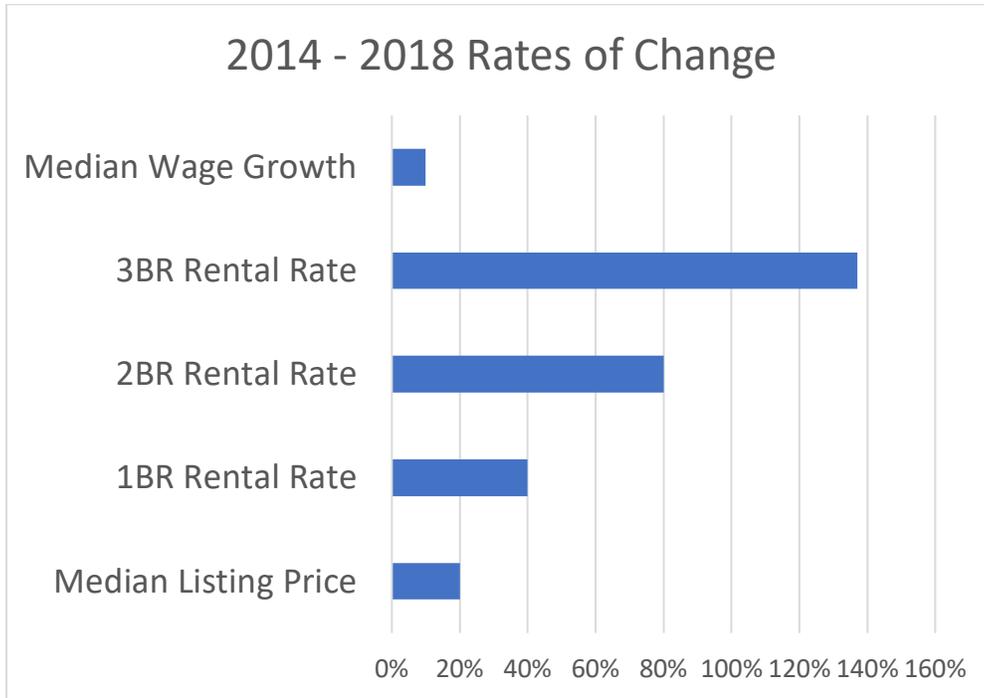
2014-2018 HOUSING AFFORDABILITY TRENDS

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.

Figure 1: Comparison of Changes in Median Wages, Rental Rates and Listing Price, 2014-2018



- 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 in February 2019, there were 104 “entire home” short term rental listings (equating to 12% of the total housing units) while there were only 3 long term rental listings.

Figure 2: Available Housing by Income & Household Type (August 2018)

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 3), 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 3: 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
 - 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

MUTLTI-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 have reported that key positions such as dispatcher, deputy, seasonal truck driver and solid waste jobs have been difficult to fill due to housing costs.

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.

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 Teton 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 4: Affordable Housing Strategy Evaluation Matrix

CATEGORY	STRATEGY	OWNERSHIP / RENTAL	AMI CATEGORY	LEVEL OF IMPACT	COST / EFFORT	TIME FRAME
Public-Private Partnership	LIHTC or USDA Direct Loan Project	Rental	<60%	High	High	3 Years
Public-Non-Profit Partnership	Habitat for Humanity / Self-Help Housing	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	Both	<80%	Medium	Low	1 Year
Public or nonprofit	Renter's Deposit Loan Program	Rental	<80%	Medium	Medium	1 Year
Public	Employer-Assisted Housing	Rental	<120%	Medium	Medium	1-2 Years
Public-Private Partnership	Local Buyer Pre-Listing Network	Ownership	Market	Medium	Medium	1Year
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	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 OR USDA DIRECT LOAN PROJECT

Attract a qualified housing developer to the community that will secure LIHTC tax credits through the Idaho Housing and Finance Association or a USDA Direct Loan, 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 secures Idaho Housing and Finance Association tax credits or USDA loan

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 or additional accessory dwellings 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 TO ADDRESS AFFORDABLE HOUSING IMPACTS

Require mitigation of impacts on affordable workforce housing by significant new development as part of annexation agreements, planned unit development approval and other legally permissible mechanisms.

Step 1: Develop and adopt affordable housing mitigation goals for large scale development.

Step 2: Require mitigation of impacts on affordable housing by large scale development at time of annexation or PUD approval.

LEAD ORGANIZATION: City of Driggs

PARTNERSHIP OPPORTUNITIES

- City of Victor
- City of Teton
- 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.

This program has been established by the Community Resource Center of Teton Valley, with funding from the \$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

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 or City of Driggs

PARTNERSHIP OPPORTUNITIES

- Realtors
- Local employers (outreach)

TIER 2 STRATEGIES

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 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

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 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 the supply of long-term (>30 days) rental units within their jurisdictions. The cities should also identify the beneficial impacts of short-term rentals and determine whether any regulation of short term rentals is desired by the community and necessary to protect public health, safety and general welfare.

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

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

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, 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

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.

In the interim, until the joint housing authority becomes activated through the appointment of its commissioners, 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 implementation of affordable housing strategies.

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:

- Community Development Block Grant – for land acquisition and utilities improvement
- Private Donations of land or cash
- Development exactions
- Sale or use of public properties for affordable housing projects
- Teton County Hospital Fund – for development of housing for Teton Valley Health employees
- 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.
- County local option lodging tax