

Teton County, WY

Key Findings

Housing for the workforce in Teton County, WY is in short supply, too expensive for many households to afford, increasing in price and not keeping up with growth in demand.

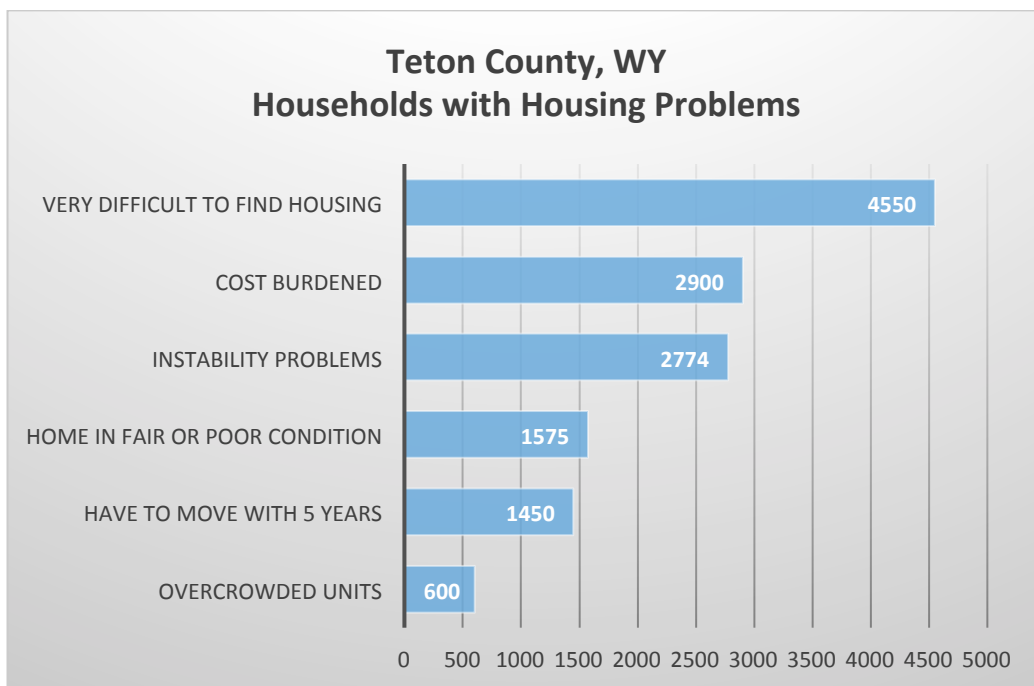
- Despite an inventory of 1,488 restricted housing units, the supply of working housing is shrinking relative to vacant second homes. Local residents occupied 75% of all housing units in 2000 but by 2010 only occupied 70%.
- Job growth has been robust since the Recession with the number of jobs now exceeding the previous peak in 2008.
- The economy is less diversified and more dependent upon tourism than elsewhere in the region. Nearly one-fourth of jobs are in Accommodations and Food Services, the sector that pays the lowest wage.
- Between 2010 and 2013, growth in the housing supply (460 occupied units/3.2% rate of growth) did not keep pace with job growth (2,125 jobs/8.2% rate of growth). This increases in commuting of employees from other counties.
- With demand for workforce housing increasing faster than the supply, the rental market has become very tight. The vacancy rate is extremely low (less than 1%) and rents are rising. The median rent among units listed for rent in July was \$2,825, which would take 2.8 times the average wage to be affordable.
- The ownership market has slowly recovered. Home prices have returned to 2004/05 levels. The inventory of homes at entry level prices is very low. Only eight small condominiums were listed at prices affordable for moderate/middle income households. The median list price in July was nearly \$2.1 million.
- The affordability of housing for the workforce is considered to be one of the biggest threats to the quality of life in the region with over 80% of residents considering it to be a moderate or major threat.

Housing problems are varied and widespread.

- Nearly half of Teton County, WY's households had a very difficult time finding housing they could afford and that met their needs the last time they moved. Difficulty finding housing has increased over time and has become much more acute within the last year.
- Many residents (1,450 households) plan to move within the next five years because they will *have* to move, not because they *want* to move.
- Housing affordability is currently a problem for almost one-third of households -- their housing payments exceed 30% of their household income. This problem is acute for very low income

households – over three-fourths are cost burdened by monthly housing payments that are too high relative to their income.

- Housing instability is the next most common problem as measured by evictions/forced removals from housing, inability to pay for other necessities, inability to rent or buy due to poor credit and being forced to move often.
- Approximately 17% of households live in homes that are in fair or poor condition with most needing energy efficiency upgrades.
- Overcrowding as measured by more than two persons per bedroom is not widespread. It is almost exclusively a problem among very low income households.



Source: 2014 Housing Survey

Housing Units Needed

Given the extremely limited availability of rental housing in Teton County, WY, approximately 300 additional rental units are now needed to achieve balance between supply and demand such that rising rents could stabilize. This estimate does not take into account additional rental demand that will be created from future job growth. It also does not include demand for seasonal rental housing. With 44 rental units now under construction or planned (Powderhorn seasonal rentals excluded), a gap of 256 units still remains.

Demand for approximately 900 ownership units for moderate/middle households will materialize over the next five years generated by renters who want to buy and owners who want to move into a different (e.g., larger or smaller) home. With a median list price of \$2.1 million, the free market will not address this demand.

1. Households and Housing Units

Number of Units and Occupancies

There are approximately 13,300 housing units in Teton County, WY. Between 2000 and 2010, the number of housing units increased by 2,546, which equates to a growth rate of almost 25%. From 2010 through 2013, a total of 460 new units were built, which equates to a growth rate over the three-year period of 3.2%. The rate of growth so far this decade has slowed to less than half the rate of the previous decade.

About 70% of housing units are occupied by 9,295 resident households, both owners and long-term renters. The remaining 3,978 are occupied for seasonal, occasional or recreation use (mostly as second homes, but some are used to house seasonal workers) or vacant. Since 2000, the relationship between primary homes and second/vacant homes has shifted about five percentage points, with relatively fewer homes occupied by residents (70% resident-occupied in 2010 compared with 75% in 2000). This shift has implications for workforce housing demand. With more homes generating demand for workforce housing (homes need workers to construct and maintain them and part-time owners and occupants need workers to supply them with goods and services) and relatively fewer units housing the workforce, the supply is shrinking while demand is increasing.

Teton County, WY
Housing Units by Occupancy, 1990 – 2013

	2000	2010	2013
# of Housing Units	10,267	12,813	13,273
# Occupied Units	7,688	8,973	9,295
% Occupied	74.9%	70.0%	70.0%
Renter Occupied	3,473	3,890	4,139
Owner Occupied	4,215	5,083	5,156
Homeownership Rate	54.8%	56.6%	55.5%

Source: 2000 and 2010 Census; Census Bureau and Team estimates for 2013.

The homeownership rate increased slightly between 2000 and 2010 in line with the national trend. In 2000, nearly 55% of occupied units were owner occupied. The homeownership rate has since declined slightly due to a combination of factors: 78% of households that have moved into the region within the past five years rent, households that lost the homes they owned during the recession are now renting, and the millennial generation prefers to rent more so than past generations.

Income

Housing affordability is a function both of the cost of housing and household income. When a single median income figure is referenced, it is typically income published by HUD for a family of four. The 2014 figure for Teton County is \$96,800.

Median Family Income for Teton County, WY, 2014

Persons/Household	50% AMI	80% AMI	100% AMI	120% AMI
1	\$33,900	\$44,750	\$67,800	\$81,360
2	\$38,750	\$51,150	\$77,500	\$93,000
3	\$43,600	\$57,550	\$87,200	\$104,640
4	\$48,400	\$63,900	\$96,800	\$116,160
5	\$52,300	\$69,050	\$104,600	\$125,520
6	\$56,150	\$74,150	\$112,300	\$134,760

Source: HUD

The median family income (MFI) is typically higher than the income of all households in a county because non-family household incomes (single persons and roommate households) are not included in HUD's calculation. The median income for *all households* in Teton County is \$65,000, which is \$31,800 lower than the median income for a *family of four*. The fact that 45% of households in Teton County are non-family households (and 29% live alone) contributes significantly to this difference.

Household Income Distribution, Teton County, WY

	OVERALL	Employee(s) in Households	No Employee(s) in Household
Under \$25,000	11%	9%	40%
\$25,000 - \$49,999	25%	25%	23%
\$50,000 - \$74,999	20%	21%	12%
\$75,000 - \$99,999	14%	15%	12%
\$100,000 - \$124,999	15%	16%	3%
\$125,000 - \$149,999	6%	6%	4%
\$150,000 - \$174,999	4%	4%	
\$175,000 - \$199,999	1%	1%	
\$200,000 or more	3%	3%	5%
	100%	100%	100%
Average	\$80,519	\$82,227	\$59,868
Median	\$65,000	\$70,000	\$32,800

Source: 2014 Housing Survey. Note: Part time residents who are second home owners are not included in these figures

The median income of households without any employees is considerably lower than for households with employees (\$70,000 compared with \$32,800). Of households with no employees, 40% have annual incomes under \$25,000; however, 5% have incomes over \$200,000.

When expressed as a percentage of the area median income (AMI), household size is considered in tandem with household income to determine the income category into which households fall. Overall, 22% of Teton County households have very low incomes (equal to or less than 50% AMI) and another 15% have incomes that are considered low (51% - 80% AMI).

There are clear distinctions between owners and renters in terms of income.

- Over half of renters (52%) have low or very low incomes;
- Only 13% of renters have incomes above 120% AMI, which makes construction of free market (unsubsidized) rental units difficult since most renters earn too little to afford rents that will cover the full cost of construction;
- About 25% of owner households have low or very low incomes.
- Approximately 39% of owners have incomes above 120% AMI.

AMI – Overall and by Own/Rent, Teton County, WY

	All Households	Owners	Renters
≤50%	22%	13%	33%
50.1% - 80%	15%	12%	19%
80.1% -120%	35%	36%	35%
>120%	28%	39%	13%
Total	100%	100%	100%

Source: 2014 Housing Survey; differences due to rounding

Another way to look at the incomes of owners and renters is to consider the mix in each AMI category. In total, 71% of households own and 29% rent; however, in the very low income category, 52% of households are owners and 48% are renters.

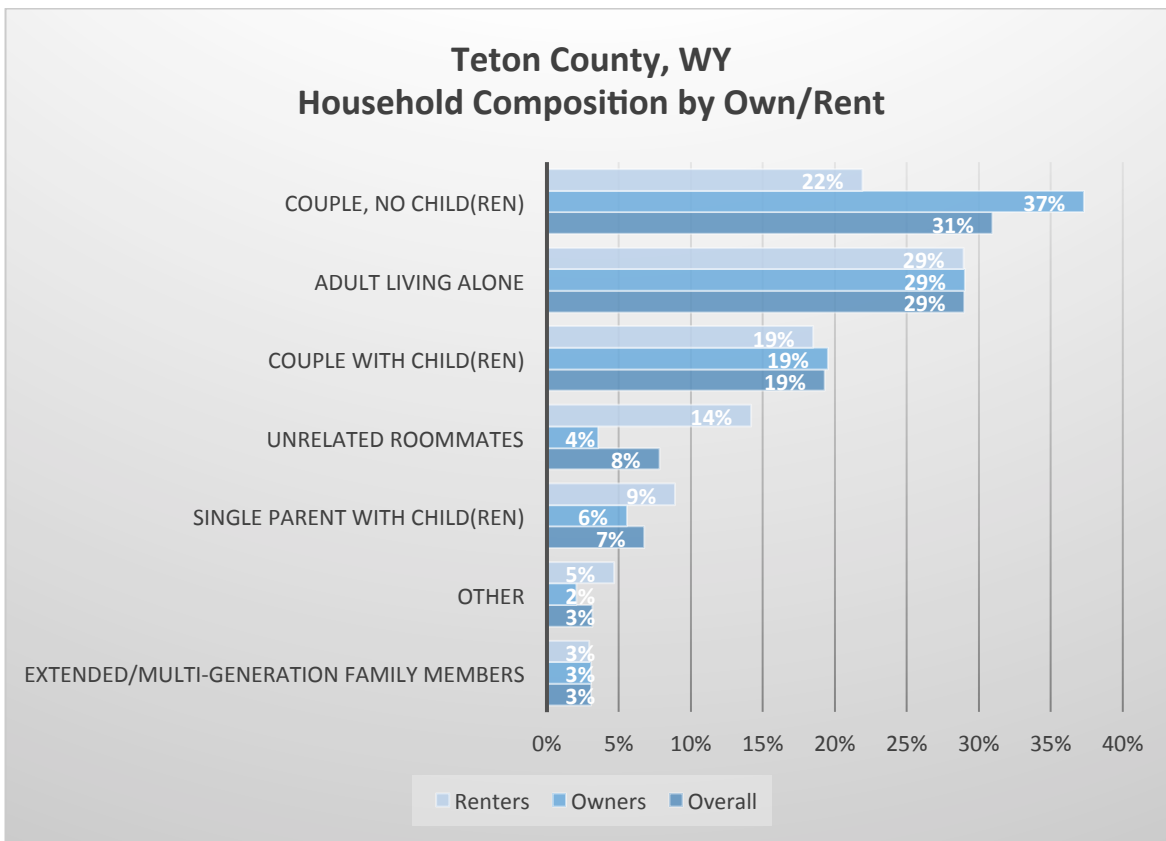
Owner and Renter Households by AMI, Teton County, WY

	All Households	Owners		Renters	
		%	#	%	#
≤50%	2,024	35%	663	65%	1,361
50.1% - 80%	1,350	48%	596	52%	755
80.1% -120%	3,285	60%	1,841	40%	1,443
>120%	2,636	81%	2,056	19%	580
Total	9,295	54%	5,156	46%	4,139

Source: 2014 Housing Survey; differences due to rounding

Household Composition

Couples, with or without children comprise half of the households in Teton County. Renters are more likely than owners to be single parents living with a child(ren) or to live with roommates.



Note: Caretakers are included with renters in all tabulations except those involving rent calculations.

Low income households are more likely to have only one income, usually consisting of one person living alone or a single parent with children. Of households with incomes greater than 120% AMI, only 6% have only one member living alone.

Household Composition by AMI, Teton County, WY

	Overall	AMI			
		≤50%	50.1% - 80%	80.1% -120%	>120%
Adult living alone	29%	35%	56%	37%	6%
Couple, no child(ren)	31%	5%	13%	32%	57%
Couple with child(ren)	19%	32%	8%	17%	19%
Single parent w/ child(ren)	7%	18%	6%	3%	3%
Unrelated roommates	8%	4%	8%	8%	9%
Extended/multi-generation family	3%	3%	2%	1%	4%
Other	3%	2%	8%	3%	2%
	100%	100%	100%	100%	100%
With Person(s) under 18	26%	59%	25%	20%	23%
With Senior(s)	16%	25%	21%	7%	15%

Source: 2014 Housing Survey

Low income households are more likely than other households to have one or more children living in the home and at least one member age 65 or older.

Unit Type

Overall, 44% of all households and 25% of all renters live in single-family homes or cabins. About 41% live in multi-family units (apartments, townhomes or condominiums), which are often the most affordable housing option. Interestingly, 2% of owners indicated they were camping, which may be while they rent out their homes.

Type of Units Occupied by Owners/Renters, Teton County, WY

	Overall	Owners	Renters
Single-family house/Cabin	44%	60%	25%
Duplex or triplex	5%	2%	8%
Apartment, Townhouse or condominium	41%	30%	54%
Mobile home	3%	2%	3%
Motel	1%	0%	1%
Tent/Camper/RV/Yurt/Truck/Van	2%	2%	1%
Other	5%	3%	8%
	100%	100%	100%

Source: 2014 Housing Survey

Households with incomes greater than 120% AMI are more likely than other households to live in single family homes and less likely to live in multi-family units. Interestingly, moderate and middle income households are just as likely as low income households to live in multi-family units. Typically, households with incomes in the 80% to 120% AMI are more often able to afford single family homes. Approximately 6% of households with very low incomes (125 households) indicated they were camping/living in vehicles.

Type of Units Occupied by AMI, Teton County, WY

	AMI			
	≤50%	50.1% - 80%	80.1% -120%	>120%
House/Cabin	27%	30%	38%	69%
Duplex or triplex	3%	10%	6%	4%
Apartment/TH/Condo	45%	46%	49%	25%
Mobile home	5%	1%	1%	0%
Motel	2%	4%	0%	0%
Camping	6%	3%	1%	0%
Other*	12%	6%	6%	2%
	100%	100%	100%	100%

Source: 2014 Housing Survey

*Employee housing, basements and single rooms common among "other" responses.

Bedrooms

There is a correlation between income levels and number of bedrooms. The number of bedrooms generally increases as household income increases. This is inverse of the relationship between household size and bedrooms; very low income households have the largest average household size (3.0 persons per unit).

Number of Bedrooms in Home by AMI, Teton County, WY

Bedrooms	AMI				
	Overall	≤50%	50.1% - 80%	80.1% -120%	>120%
One	23%	39%	39%	25%	3%
Two	35%	35%	30%	39%	34%
Three	32%	22%	23%	30%	48%
Four	8%	3%	8%	5%	12%
Five+	2%	1%	1%	1%	3%
	100%	100%	100%	100%	91%
Average	2.3	1.9	2.0	2.2	2.8

Source: 2014 Housing Survey

Restricted/Employee Housing Inventory

Nearly 1,500 housing units housing 16% of the households in Teton County, WY are restricted for occupancy by local residents. Restrictions vary and include:

- Income limits associated with Low Income Housing Tax Credits and Rural Development financing;
- Employment requirements imposed by the Town of Jackson or Teton County on units developed as the result of regulations and/or incentives;
- Employment and income restrictions placed on units by the Teton County Housing Authority (TCHA);
- Units development by two non-profit housing organizations – the Jackson Hole Community Housing Trust (JHCHT), which limits occupancy on most of its units to households with incomes no greater than 120% AMI, and Habitat for Humanity, which provides ownership for low and very low income households; and
- Units provided by major employers for their employees.

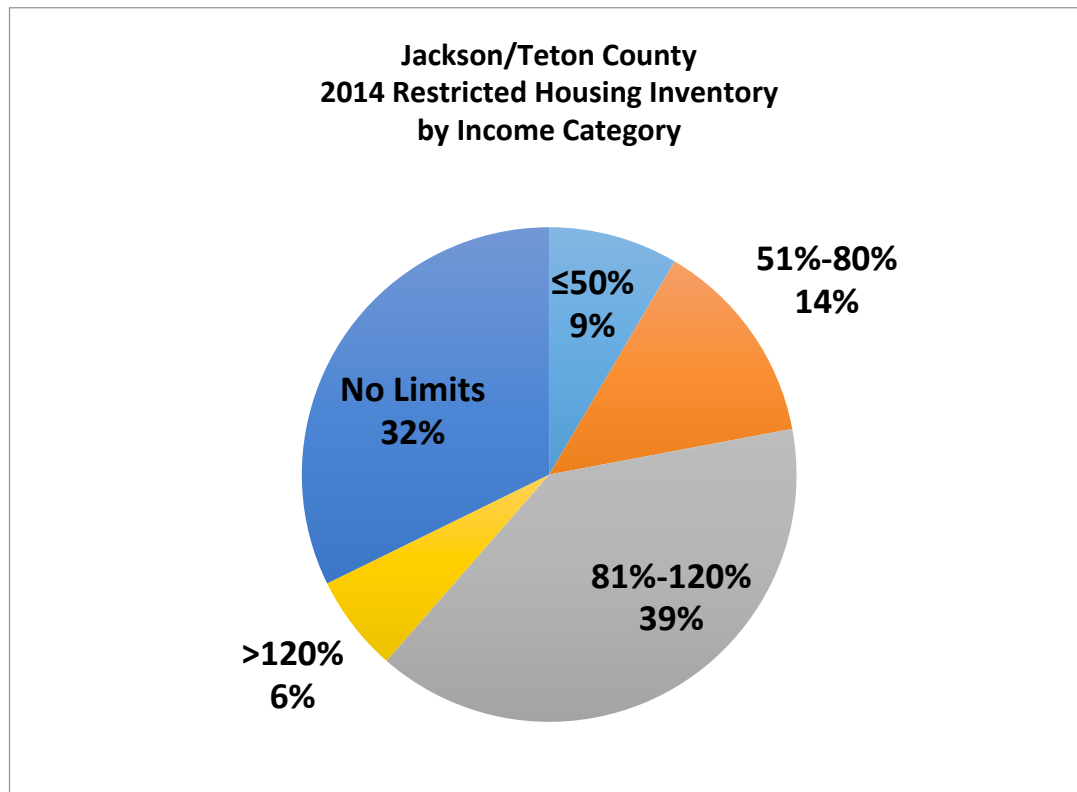
Of the 1,488 unit total:

- About 35% are owner occupied and 65% are rentals;
- Nearly one-third have employment but no income limits;
- The 81% to 120% AMI category has the largest number of units (39% of the total);
- 78 units are specifically for seniors; and
- 107 units (46 ownership and 61 rental units) were built from 2010 through 2013.

Teton County, WY Restricted Housing Inventory

	Owner	Rental	AMI				No Limits	Total
			≤50%	51%-80%	81%-120%	>120%		
Existing								
TCHA	369			74	206	89		369
JHCHT	102	2		50	49	5		104
Habitat	26		22	5				27
Major Employers*	4	358					362	362
Accessory Residential Units		96					96	96
Employee Regulatory Rentals		331			331			331
LIHTC/RD (incl 78 senior)		178	104	73			1	178
Live/Work	21						21	21
Total	522	965	126	202	586	93	480	1,488
Percent of Total	35%	65%	8%	14%	39%	6%	32%	100%

Sources: Teton County Housing Authority, Teton County, WY Community Housing Trust, Habitat for Humanity and property manager interviews. *Not a complete list; Yellowstone National Park and many smaller employers also provide housing assistance to their employees.



Sources: Teton County Housing Authority, Teton County, WY Community Housing Trust, Habitat for Humanity; chart prepared by Tim Wake.

An additional 125 units are now under construction or planned for near term development including:

- The Grove, a mixed-use project under development by TCHA that will include 20 rental units in the first phase and 48 two and three bedroom ownership units in four 12-plex buildings in the second and third phases, is scheduled for construction in 2015 and 2016.
- Schwabacher Meadows, an 11-unit project being developed by JHCHT in partnership with the School District. Buyers have been identified for five of the units; the others will be rented until such time as qualified buyers apply to purchase. Construction should be completed by April 2015.
- Redmond Hall, an 18-unit rental project planned for development by JHCHT on six lots owned in east Jackson. Construction is scheduled to be completed in 2016.
- Four units under construction by Habitat for Humanity in the Daisy Bush Addition.
- Powderhorn, a 24 unit project that will house 94 seasonal employees, is being built in the town of Jackson by the Teton County, WY Mountain Resort with some units master leased by Four Seasons Teton County, WY and the Teton Resort Group. Since the units are being built in advance of mitigation requirements, no income restrictions will be imposed on units until they are counted towards mitigation. These units are excluded from net demand estimates since seasonal employees are not counted.

Restricted Housing under Construction and Planned, Teton County, WY

Planned	Owner	Rental	AMI				No Limits	Total
			≤50%	51%-80%	81%-120%	>120%		
The Grove	48	20	12	24	16	16		68
Schwabacher Meadows	5	6				11		11
Daisy Bush - Habitat	4		3	1				4
Redmond Hall		18			18			18
Powderhorn		24					24	24
Total	57	68	15	25	34	27	24	125
Percent of Total	46%	54%	12%	20%	27%	22%	19%	100%

Sources: Teton County Housing Authority, Teton County, WY Community Housing Trust, Habitat for Humanity

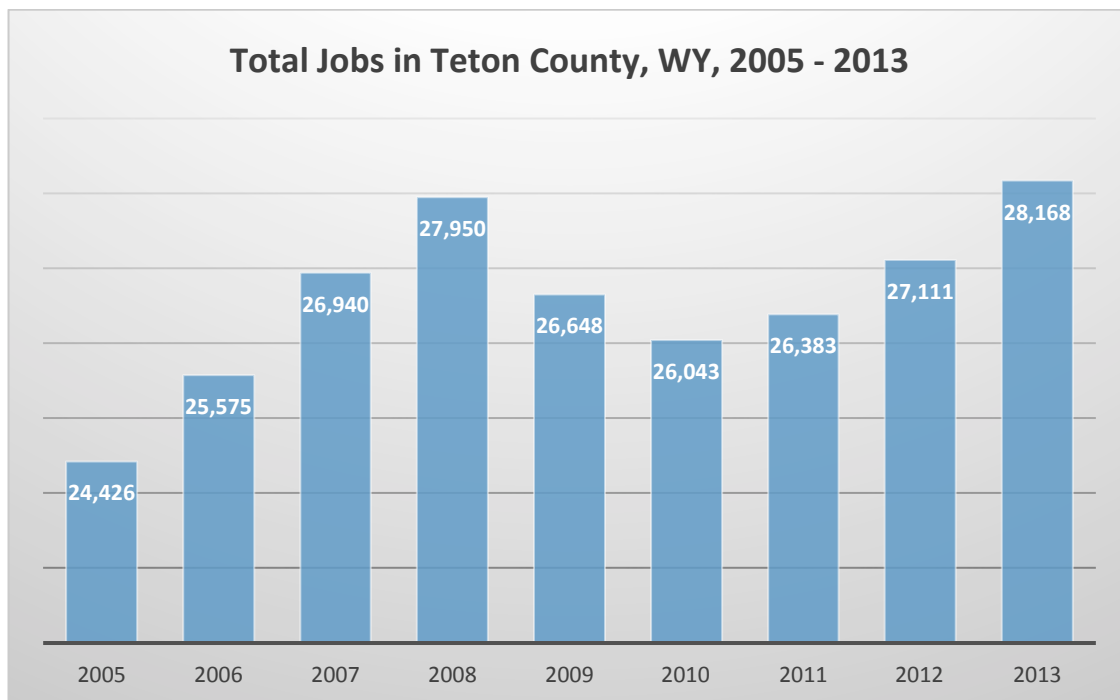
Employer Assisted Housing

Employers provide housing assistance to about 8% of renter households and 4% of owner households in the form of free housing, a place to rent or down payment/mortgage assistance. Note: these figures do not include many seasonal employees that live in the county only part of the year. Major employers in Teton County, WY, primarily public sector, have provided over 360 units of housing for their employees. Many smaller employers also provide housing for their employees. According to a 2012 employer survey, approximately 1,400 peak season employees reside in housing provided by employers.

2. Economic Conditions and Trends

Number of Jobs and Rate of Growth

Approximately 28,200 full- and part-time jobs are now located in Teton County. Employment growth was very strong from 2005 through 2008 when the number of jobs increased by approximately 3,500, which equated to a growth rate of over 14%. About 1,900 jobs were then lost, however, between 2008 and 2010. Since 2010, however, job growth has been robust. In the past three years, the number of jobs has increased by 2,125, now exceeding the previous peak in 2008.



Source: Bureau of Economic Analysis

The county's five largest sectors produce nearly 60% of the jobs in the county. The dominance of tourism is very evident. Accommodations and food services account for 24% of the county's jobs, with three times more jobs than in retail or construction.

Top Employment Sectors in Teton County, WY

Sector	Percent of Total Jobs	Avg. Annual Wage	Avg. Hourly Wage
Accommodations & food services	24%	\$25,772	\$12.89
Real estate & rental and leasing	10%	\$54,106	\$27.05
Government	9%	\$39,475	\$19.74
Retail trade	8%	\$30,417	\$15.21
Construction	8%	\$45,409	\$22.70

Source: Bureau of Economic Analysis and Quarterly Census of Employment and Wages

Wages

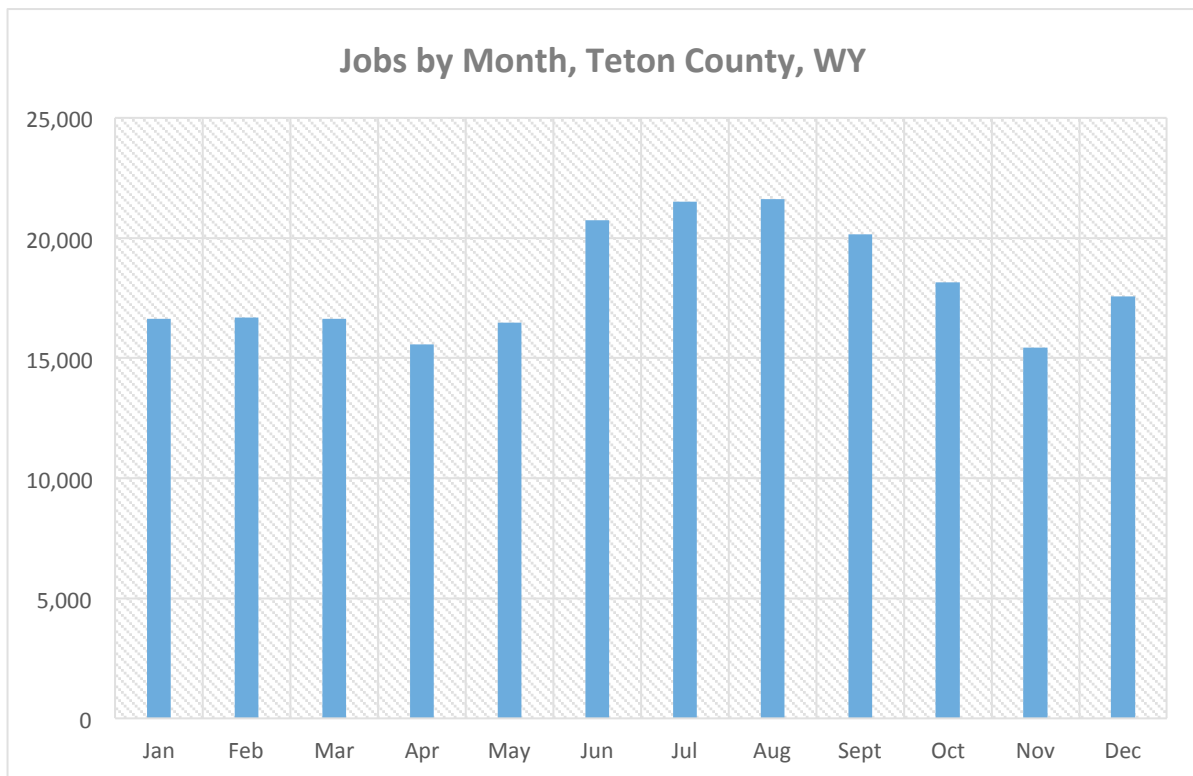
The average annual wage in 2013 in Teton County was \$40,484, which equates to about \$20.24 per hour. The largest job sector, Accommodations and Food Services, paid the lowest hourly wage of any sector in the county.

Number of Jobs Held and Employees per Household

On average, there are 1.8 employees per household in Teton County based on households with at least one employed member, and 1.7 employees per household for all households. Each employee, on average, holds 1.2 jobs part- and full-time combined. These figures are important when determining the impact that job-generating development has on housing demand.

Seasonality in Employment

There are two peak employment periods and two dips in the number of jobs in the county. The highest peak by far is summer. During the winter peak, there are approximately 75% as many jobs as during the summer. In the spring and fall, the number of jobs drops slightly to about 70% of the summer peak.

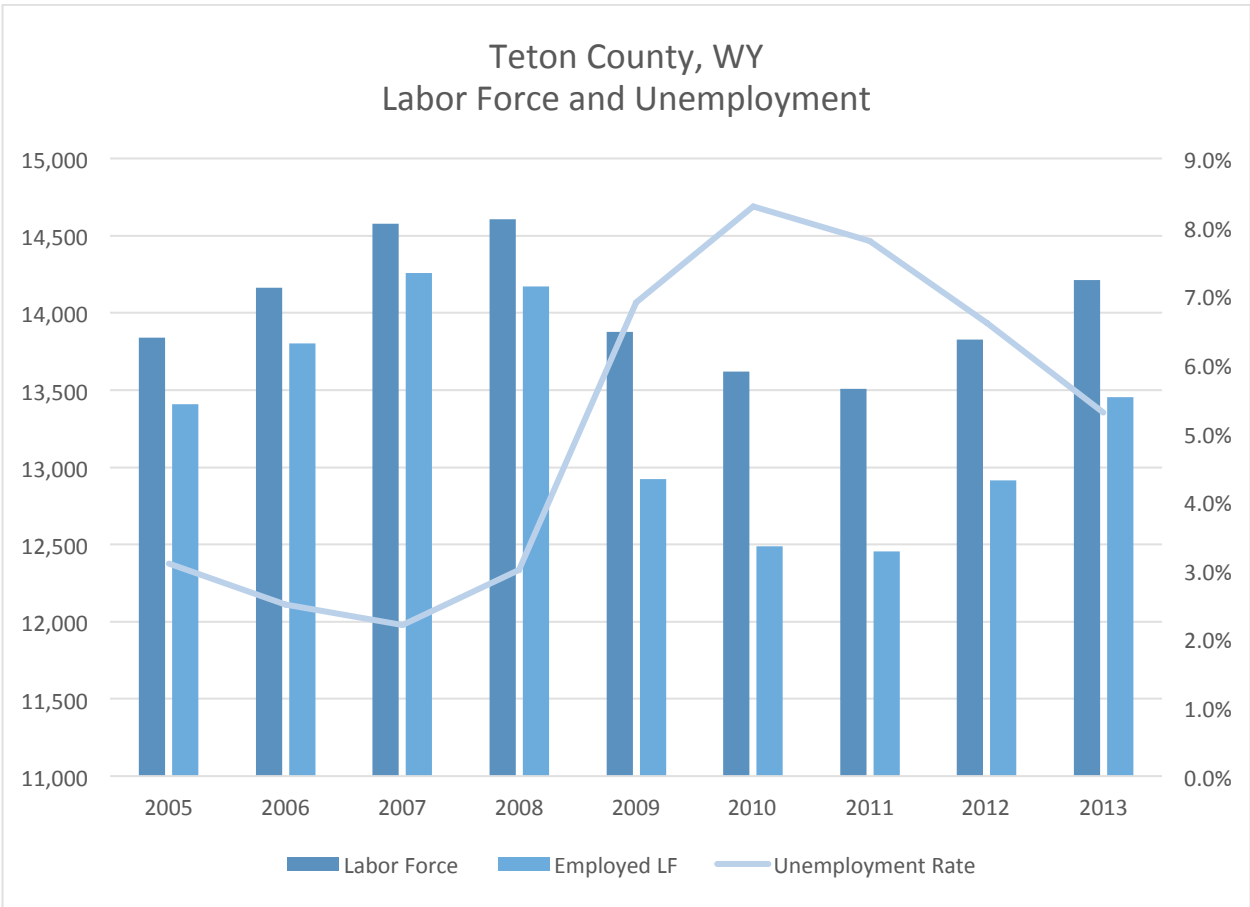


Source: Quarterly Census of Employment and Wages (QCEW); note: sole proprietors not included in this data.

Labor Force and Unemployment

Labor force is a measurement of persons who work or are seeking work based on where the employed person lives, not where their job is located. The number of Teton County residents who worked increased steadily through 2007. The labor force remained flat in 2008 as the unemployment rate started to rise. In 2009 and 2010, the unemployment rate jumped sharply and the size of the labor force decreased as residents moved away.

The labor force has slowly returned, but is still short of the 2008 peak. Job growth has exceeded growth in the labor force, creating a labor shortage. Unemployment dropped with job growth, averaging 5.3% in 2013, which was well below the national average.



Source: LAUS

3. Ownership Market Analysis

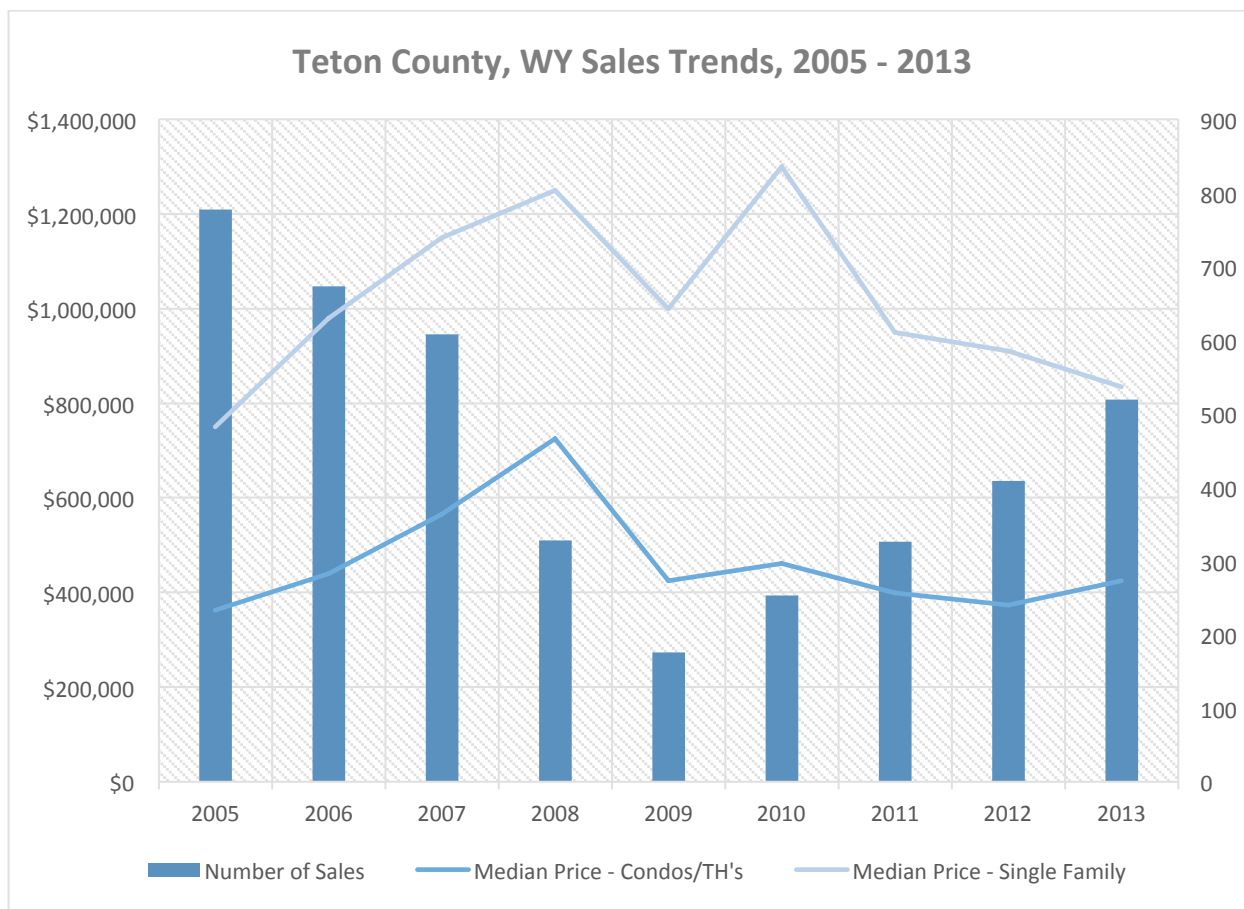
Market Characteristics

Based on interviews of realtors in the area:

- Demand for homes priced at the low end (under \$600,000) exceeds supply whereas homes priced over \$1.5 million are the slowest to move.
- Locals are most interested in single family homes priced up to \$500,000, of which there were three listed as of July 9th (one in the town of Jackson, one in Wilson and one in Moran). Locals are less interested in condominiums because of design and HOA dues.
- Interest in buying homes is increasing among local residents. About half of the locals who have been or are looking to buy are singles and half are families.
- Most local buyers (about 70%) have been long term residents of the region while 30% are new to the area.
- The features that local buyers are most concerned about include garages, outdoor space/yards, schools and HOA dues. They tend to be firm on location but are more willing to compromise on unit type and size.
- The local resident market is largely distinct from the second home market, but there has been some cross over. Second home buyers have purchased some lower end single family homes previously occupied by locals and locals have bought some homes in The Aspens, which have historically been vacation properties.
- Foreclosures and sales of bank owned real estate is having almost no impact on the market.

Sales and Price Trends

The real estate market is now recovering. Home prices escalated rapidly between 2006 and 2008 then dropped off sharply in 2009 losing about 39% overall (20% for single family homes and 40% for condominiums/townhomes). Prices then remained largely flat with an upswing in 2010 followed by slight decline until 2013. Prices are now roughly comparable to levels in 2004/05, although sales volume remains much lower.



Source: Teton Board of Realtors MLS

The number of home sales peaked in 2005 then declined through 2009. The decrease was initially due to lack of inventory to sell rather than lack of demand. This shortage in homes available for purchase helped fuel the increase in home prices. By mid 2008, however, demand for housing dropped off sharply as the impacts of the world-wide recession hit Teton County, WY. As prices dropped in 2009 in response to lower demand and a rise in the inventory of homes listed for sale, the number of sales steadily increased through 2013 but has not returned to 2004/05 levels as have prices.

Current Availability

Availability is relatively low; the inventory of homes listed for sale is one-fourth the number listed five years ago. A total of 408 residential units were listed for sale as of July 9th. Of these listings:

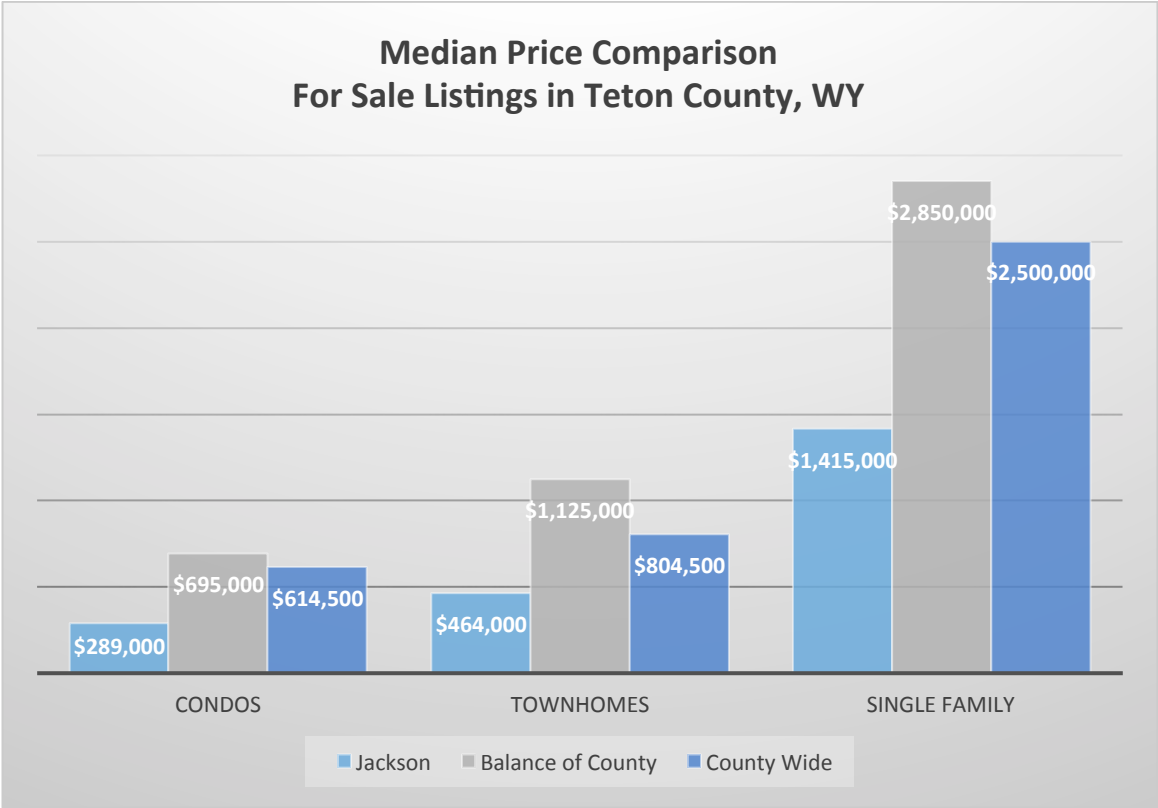
- 75% were single family homes;
- 13% were in the town of Jackson;
- 304 or three-fourths were priced for over \$1 million;
- The overall median price was nearly \$2.1 million, or \$629 per square foot. To afford the median list price would require a household income of 727% AMI.

MLS Listings by Location, Price and Unit Type – July 9, 2014, Teton County, WY

# of Listings	Town of Jackson	Balance of County	County Wide
Condos	15	55	70
Townhomes	9	13	22
Single Family	30	286	316
Total	54	354	408
Median Price			
Condos	\$289,000	\$695,000	\$614,500
Townhomes	\$464,000	\$1,125,000	\$804,500
Single Family	\$1,415,000	\$2,850,000	\$2,500,000
Overall	\$867,000	\$2,325,000	\$2,092,500
Median Price/SF			
Condos	\$374	\$581	\$545
Townhomes	\$318	\$586	\$425
Single Family	\$450	\$717	\$680
Overall	\$411	\$681	\$629

Source: Teton Board of Realtors MLS; fractional ownership excluded.

Homes listed for sale in the town of Jackson are priced lower overall than in the rest of Teton County.



Source: Teton Board of Realtors MLS

Affordability of Homes Available for Purchase

Low income households have no opportunity to buy a free market home in Teton County, WY. Eight condos were listed for sale at prices affordable for moderate to middle income households. These units averaged 673 square feet with average monthly HOA dues of \$251. Seven were located in the town of Jackson with one in Teton Village.

MLS Listings by AMI, Teton County, WY

	Total	AMI			
		≤50%	50.1% - 80%	80.1% -120%	>120%
Maximum Price*		\$143,900	\$189,800	\$287,700	\$345,600
Listings					
Condos				8	62
Townhomes					22
Single Family					316
Total		-0-	-0-	8	400
Percent of Total	100%	-0-	-0-	2%	98%

Source; Teton Board of Realtors *Based on a 30 year fixed rate mortgage at 5.5% with 5% down and 20% of the monthly payment covering taxes, insurance and HOA fees.

Restricted Housing

Demand for restricted ownership housing weakened during the recession. For a couple of years, lotteries were not necessary to select buyers but rather units were sold on a first come/first serve basis. Conditions clearly had turned around by the winter of 2013/14. The number of applicants now resembles demand in 2006. One-bedroom units and the more expensive units remain the most difficult to sell, as has typically been the case.

Mortgage Financing

It is no longer particularly difficult for buyers to obtain mortgages. Qualifying standards and under writing criteria have become more clear after an unpredictable period during the recession. Most local residents obtain conventional Freddie Mac/Fannie Mae mortgages with 5% to 20% down with a few obtaining FHA mortgages. It remains difficult to obtain conventional or government backed mortgage financing for condominiums.

Many local buyers get help from family members when buying. Funds available through the down payment assistance program operated by the Jackson Hole Community Housing Trust have been loaned.

4. Rental Market Analysis

To summarize trends and conditions:

- While the rental market had softened during the recession, it recovered quickly in 2012 and, by 2013, resembled pre-recession conditions.
- The rental market is extremely tight in Teton County, WY with a very low vacancy rate of less than 1%. Managers report availability is as limited as or worse than ever experienced in the past. A survey of most of the community's major apartment complexes (eight properties with 672 units) found no units available to rent. Most of the units that are available are large, with three or more bedrooms, and rent for \$2,000 to \$3,500 per month.
- Most of the employees now seeking rental housing are looking for units they can share with multiple housemates, yet Town ordinance and home owner limits on unrelated occupants make it difficult for groups of more than four to rent the larger single family homes now available.
- Rents are rising. Although at least one apartment complex manager is holding rents steady in order to retain stable, responsible tenants, market rents are rising in Teton County, WY. The average has been around 10% in the last year though rates on some units for which leases are now being renewed are being increased more than 15%. As one manager indicated, "rents are going through the roof" with some owners seeking to maximize rates in recognition of how tight the market has become.
- Multiple factors appear to be responsible for the rapid change in the rental market, the greatest being growth in demand which has not been addressed by corresponding growth in supply. Since 2010, there has been an increase of approximately 2,125 jobs in Teton County, and 78% of new-to-the-area households rent. Rental demand has also increased by owners losing homes to foreclosure and the formation of new households. At the same time, few new rental units have been built.
- The impact of renting units short term through VRBO and other methods on the long term rental market remains unclear. Property managers report little if any conversion of long-term rentals they manage into short-term vacation rentals; their clients want professional management. There may be some loss of long term rentals managed by their owners, but this was not measured by this study.

Rents

The median rent in Teton County, WY is \$1,200 per month, and ranges from \$883 for one-bedroom units to over \$2,000 for four bedrooms. Maximum allowable rents are charged for all of the 178 restricted/subsidized rental units in Teton County, WY. The median paid for subsidized/restricted rentals is \$300 less per month than the market median.

Low income households, however, tend to pay about the same in rents as moderate to middle income households. With 1,270 low and very low income renter households and only 178 rental units restricted

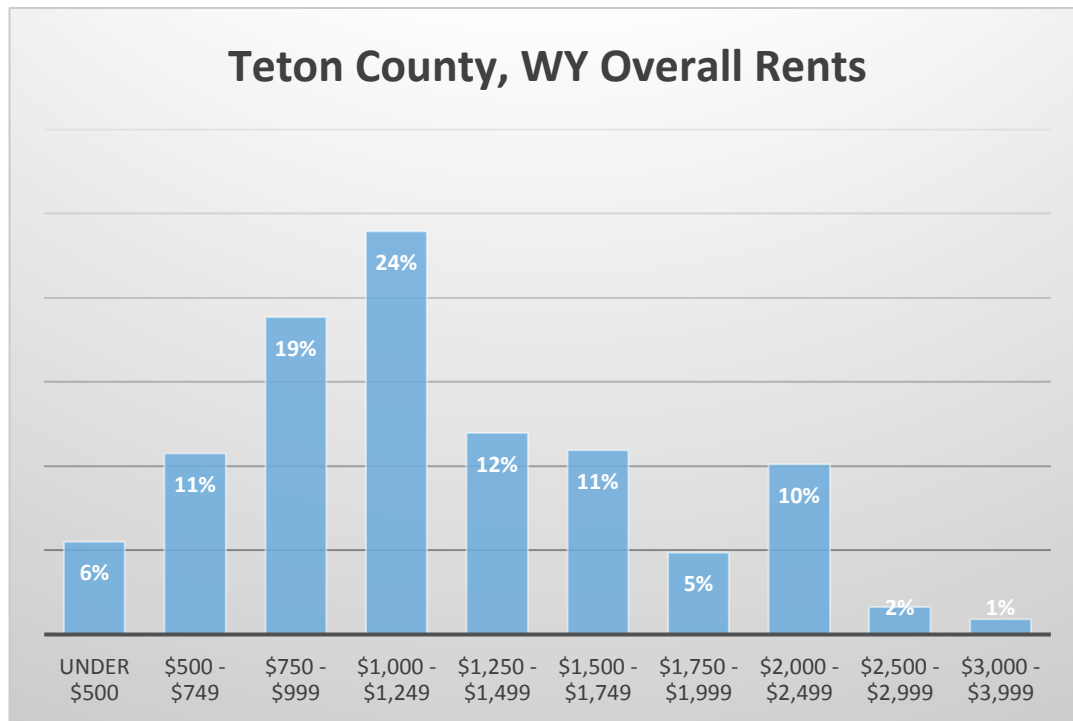
for occupancy by low income households, the large majority of low income households have to pay market rents. The median rent paid by very low income households is \$1,100 per month.

Teton County, WY Overall Rents*

	Overall
Overall Median Rent	\$1,200
Overall Average Rent	\$1,225
Med. Restricted Rents	\$900
Med. Market Rents	\$1,200

Source: 2014 Housing Survey *Utilities not included.

The distribution of market and restricted rents combined shows a concentration in the \$1,000 to \$1,250 per month category.



Source: 2014 Housing Survey

Rents by Bedrooms and by AMI, Teton County, WY

Med. Rents by Bedrooms		Med. Rents by AMI	
1 BR	\$883	≤50% AMI	\$1,100
2 BR	\$1,200	51% - 80% AMI	\$1,000
3 BR	\$1,800	81%-120% AMI	\$1,200
4 BR	\$2,000	>120% AMI	\$1,604

Source: 2014 Housing Survey

Current Availability

A total of 14 units were identified as being available for rent in July. This is based on information from:

- Two large property management companies that combined manage 325 long term rental units;
- Three free market apartment complexes with 494 units total;
- All of the five subsidized/restricted apartment properties with 178 units combined; and
- Craigslist and newspaper classified ads.

In total, these 14 available units represent a vacancy rate of 0.3%, although it should be noted that research methods did not capture all available units (such as those posted with an on-site sign). Of the 325 units leased through property management companies, the three available units represent a vacancy rate of 0.9%. No units were available of the 672 units in the market and restricted apartment complexes researched, bringing the vacancy rate of researched properties down to about 0.5%.

The median rent for listed units was \$2,825 per month, or nearly 140% higher than the rent paid for occupied units. For the listed rent to be affordable, 145% AMI would be required. This confirms what property managers indicated – almost all rental units now available for rent are upper end units and that rents are rising.

Rental Rates Compared - Available and Occupied Units, Teton County, WY

	# Listed For Rent	For Rent Median Rents	Occupied Median Rents
1 BR	2	\$1,940	\$883
2 BR	3	\$2,000	\$1,200
3+ BR	9	\$2,950	\$1,800
Total/Median	14	\$2,825	\$1,200

Sources: 2014 Housing Survey, interviews, on-line research

5. Housing Problems

Housing costs are not affordable for 27% of the county's households. Many residents are also experiencing other housing problems ranging from difficulty finding housing to a variety of physical deficiencies. Renters are more likely than owners to have housing problems.

Threats to Quality of Life

- The affordability of housing for the workforce is considered to be one of the biggest threats to the quality of life in the region with 23% considering it to be a moderate threat and 59% indicating it is a serious threat. Renters are more concerned than owners about the affordability of housing for the workforce with 69% considering it to be a serious threat to the quality of life in the region.
- The availability of housing for seniors and persons with special needs is also considered a threat by at least one-half of residents – 28% feel it is a moderate threat; 22% a serious threat.

Affordability

Approximately 2,900 households are cost burdened by housing payments that exceed 30% of the gross income of household members combined. When payments exceed 30%, households have insufficient residual income to afford other necessities like food, transportation and health care. Very low income households ($\leq 50\%$ AMI) are particularly hard hit by the cost of housing in Teton County – 77% are cost burdened.

Percentage of Income Spent on Housing Payment by AMI, Teton County, WY
Shading Denotes Cost Burden

% Income=Housing Pmt.	Overall	AMI			
		$\leq 50\%$	50.1% - 80%	80.1% -120%	>120%
$\leq 30\%$	69%	23%	66%	81%	88%
31% - 40%	15%	20%	19%	15%	10%
41% - 50%	7%	14%	14%	4%	2%
>50%	9%	43%	1%		
	100%	100%	100%	100%	100%
Total Cost Burdened	31%	77%	34%	10%	12%

Source: 2014 Housing Survey

Renters are much more likely than owners to pay more than 30% of their income on housing (36% compared with 25%).

Percentage of Income Spent on Housing Payment by Own/Rent, Teton County, WY
Shading Denotes Cost Burden

% Income=Housing Pmt.	Owners	Renters Rent Only
30% and under	74%	64%
30.1-40%	16%	13%
40.1-50%	5%	9%
Over 50%	4%	14%
	100%	100%
Total Cost Burdened	25%	36%

Source: 2014 Housing Survey

Heat and Utilities

While lack of heat may make it impossible to live year round in some residential units in Teton County, only 1.2% of survey respondents indicated they do not have heat. Many use more than one type of heat. Electricity is used by about 86% of the county's households, followed by natural gas (19%), wood (16%) and propane (10%). Renters are more likely to use electricity for heat and less likely to use propane, natural gas or wood. Solar is rarely used for domestic heat in the county.

With the cold climate, the average cost of utilities in Teton County is \$179 per month, averaging \$190 for owners and \$153 for renters. The average varies little according to income until the upper range; low income households have to spend as much if not more than middle income residents for utilities. Households with incomes above 120% AMI, however, pay \$219 per month on average, presumably due to the larger size of homes they occupy.

When the cost of utilities is added to the base rent or mortgage payment, as is often done under Federal housing programs, the percentage who are cost burdened increases to 35% of owners and 48% of renters.

Percentage of Income Spent on Housing Payment Plus Utilities by Own/Rent, Teton County, WY
Shading Denotes Cost Burden

% Income=Housing Pmt. Plus Utilities	Owners	Renters
30% and under	65%	52%
30.1-40%	23%	19%
40.1-50%	6%	7%
Over 50%	6%	22%
	100%	100%
Total Cost Burdened	35%	48%

Difficulty Finding Housing

Over 4,550 households (46% households) indicated that finding housing that was affordable and met their needs was very difficult when they last moved. Another 34% had a moderately difficult time finding housing. Low and very low income households in particular found it very difficult to find housing. Renters, however, were more likely to find it very difficult to find housing than owners (61% compared with 35% of owners).

Difficulty Finding Housing Last Time Moved, Teton County, WY

	Overall	AMI			
		≤50%	50.1% - 80%	80.1% -120%	>120%
Not Difficult	20%	17%	12%	17%	26%
Moderately Difficult	34%	26%	29%	36%	40%
Very Difficult	46%	57%	59%	47%	35%
	100%	100%	100%	100%	100%

Source: 2014 Housing Survey

Difficulty finding housing has increased over time. Relatively few households (24%) found it very difficult if they moved more than 10 years ago; however, of the households that have lived in their current home less than one year, 70% found it very difficult and another 24% found it moderately difficult to find affordable housing. The extent to which it has been difficult to find housing has recently jumped. Newcomers to the area report having a much more difficult time finding housing than households that moved just one to five years ago.

Difficulty Finding Housing by Years Lived in Current Home, Teton County, WY

	Overall	Years Lived in Current Home			
		<1 year	1 to 5 years	6 to 10 years	>10 years
Not difficult	20%	7%	13%	12%	41%
Moderately difficult	34%	24%	38%	47%	35%
Very difficult	46%	70%	49%	42%	24%
	100%	100%	100%	100%	100%

Source: 2014 Housing Survey

Of survey respondents, 1.6% indicated they were camping or living in their vehicles. Another 0.9% were living in motels. This equates to approximately 235 households that are not occupying housing. Interestingly, about half of the respondents who were camping/living in vehicles indicated they were homeowners. These owners may be renting out their homes.

Unable to Live Where Desired

Almost everyone living in Teton County, WY (98%) wants to live there. A few would rather live outside of the region or in Victor, but 97% to 99% of households at all income levels want to live in Teton County, WY.

Commuting

Commuting out of the county for work is not common. Overall, 11% of households include an employee who works in another county, but 97% also include an employee working within Teton County, WY. Households with incomes greater than 120% AMI are the most likely to include an employee working in Teton County, WY and an employee working elsewhere.

The Cost of Commuting for Teton County, WY Households

Households with Employees Working in:	Overall	AMI			
		≤50%	50.1% - 80%	80.1% -120%	>120%
Teton County, WY	97%	97%	98%	96%	99%
Madison County					
Teton County, ID	1%			0%	2%
Fremont County	5%	6%	3%	6%	3%
Other county	5%	1%	2%	4%	8%
Total	107%	104%	103%	106%	111%
Commute Out of County	11%	7%	5%	10%	13%
Average Commute Miles	17.9	17.9	17.9	17.9	17.9
Monthly Commute Cost	\$417	\$417	\$417	\$417	\$417
Monthly Rent/Mortgage Pmt.	\$1,398	\$1,166	\$1,022	\$1,280	\$1,989
Total Housing & Commute Costs	\$1,815	\$1,583	\$1,439	\$1,697	\$2,406
Increase in Payment	30%	36%	41%	33%	21%

Source: 2014 Housing Survey. Note: Multiple response question; totals exceed 100% (households have employees working in more than one county).

The cost of commuting averages \$417 per month for Teton County, WY households that include an out of county commuter. When this cost is added to the housing payment, it increases the monthly expense by 30% overall. The impact is greatest for very low income households where commuting costs increase their monthly payment for housing by 36%. For higher income households, the relative increase in cost is lower. This shows the importance of providing housing near jobs, especially for low wage employees.

Overcrowding

Approximately 600 households (7%) are overcrowded in Teton County based on the standard of more than two persons per bedroom. Overcrowding is far more prevalent among very low income households – 25% are overcrowded compared with only 1% in all other income ranges. Renter households are more likely to live in overcrowded housing than are owners (11% compared with 3%).

Overcrowding – More than Two Persons per Bedroom, Teton County, WY

Persons per Bedroom	Overall	AMI			
		≤50%	50.1% - 80%	80.1% -120%	>120%
≤1-person	71%	46%	75%	78%	85%
>1 to 1.5	10%	9%	6%	11%	10%
>1.5 to 2	12%	20%	18%	10%	4%
> 2 persons	7%	25%	1%	1%	1%
	100%	100%	100%	100%	100%
Average	1.2	1.7	1.0	1.0	.9

Source: 2014 Housing Survey

Most households indicated they need fewer bedrooms than they now have. This is not the situation for low income households, however. Very low income households now have an average of 1.9 bedrooms but need 2.4 bedrooms on average. The reverse is true for households with incomes greater than 120% AMI – they have 2.8 bedrooms on average but indicated they need an average of 2.3 bedrooms. This finding could be used to encourage free market developers to build smaller units and to allocate public subsidies to housing for larger families.

Bedrooms Now Have Compared to Needed, Teton County, WY

Bedrooms	Overall	AMI			
		≤50%	50.1% - 80%	80.1% -120%	>120%
Have					
1	23%	39%	39%	25%	3%
2	35%	35%	30%	39%	34%
3	32%	22%	23%	30%	48%
4+	10%	4%	9%	6%	15%
Average	2.3	1.9	2.0	2.2	2.8
Need					
1	29%	32%	39%	31%	19%
2	34%	23%	32%	42%	38%
3	28%	28%	24%	22%	35%
4+	10%	18%	4%	5%	8%
Average	2.2	2.4	1.9	2.0	2.3

Source: 2014 Housing Survey

Physical Deficiencies

Approximately 1,575 households (17%) live in homes that they consider to be in fair or poor condition. Low income households (51% - 80% AMI) are most likely to rate their housing as fair or poor. Renters are over four times as likely as owners to indicate their housing is in fair or poor condition (31% compared with 7%). About 260 households (2.8%) in Teton County do not have adequate/safe running

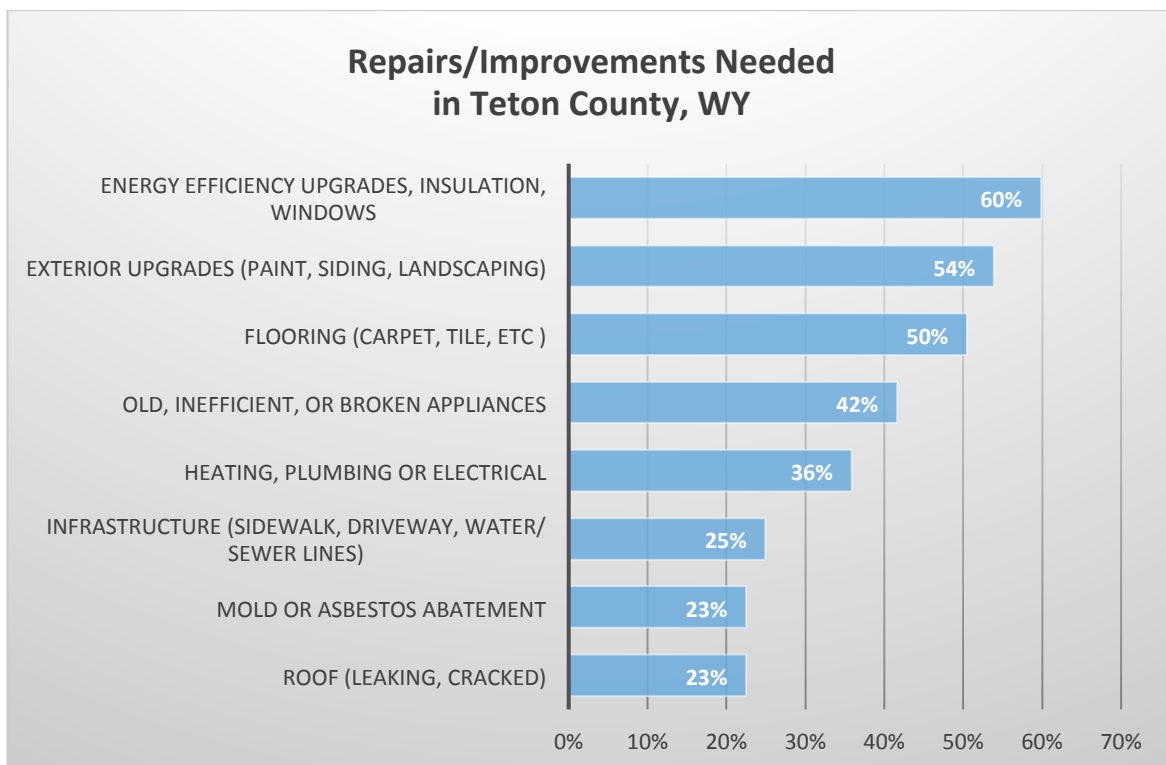
water. Almost all of these households are low or very low income; however, 2% of households with incomes over 120% indicated they do not have adequate/safe running water.

General Condition of Homes, Teton County, WY

	Overall	AMI			
		≤50%	50.1% - 80%	80.1% -120%	>120%
1=Excellent	36%	30%	32%	33%	45%
2=Good	47%	49%	43%	55%	45%
3=Fair	14%	9%	23%	11%	10%
4=Poor	3%	13%	1%	2%	0%
	100%	100%	100%	100%	100%

Source: 2014 Housing Survey

Many households that feel their housing is in fair or poor condition indicated that multiple types of repairs or improvements are needed. The need for energy efficiency upgrades was cited by 60% of these households. Renters and owners responded similarly about energy efficiency upgrades, but less often cited exterior upgrades, infrastructure or roof repairs. Renters were more likely than owners to indicate they had problems with mold or asbestos (27% compared with 8%).



Source: 2014 Housing Survey. Note: Multiple response question; total exceed 100%.

Housing Instability

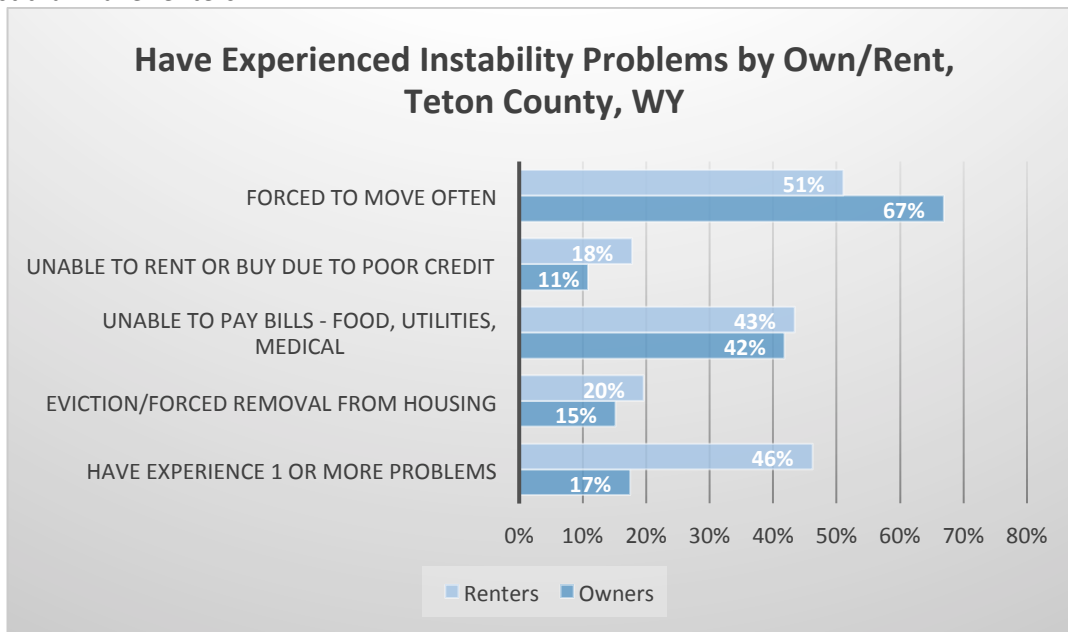
Overall, 29% of the county’s households (approximately 2,714 households) have experienced a problem while living in the region related to instability in housing. In most cases, low income households have been disproportionately impacted by these problems; however, being forced to move often has been a greater problem for households with incomes above 80% AMI. Overall, 18% (about 1,680 households) have been evicted or gone through foreclosure, yet the foreclosure problem has lessened; less than 1% of households indicated they are currently late on their housing payments and facing eviction or foreclosure. All of these households have very low incomes.

Instability Indicators Including Evictions/Foreclosures, Teton County, WY

	Overall	AMI			
		≤50%	50.1% - 80%	80.1% -120%	>120%
Experienced 1+ Problems	29%	49%	43%	31%	14%
Unable to Pay Bills	43%	50%	53%	35%	25%
Unable to Rent/Buy due to Poor Credit	15%	21%	20%	9%	4%
Forced to Move Often	56%	32%	48%	78%	81%
Eviction/Foreclosure					
Have Experienced	18%	23%	6%	15%	15%
Current Facing	1%	4%	-	-	-

Source: 2014 Housing Survey

Renters have more often experienced housing instability problems than have owners (46% of renters compared with 17% of owners). Renters have been particularly impacted by an inability to obtain housing due to poor credit, although households that now own have been forced to move more often in the past than have renters.



Forced to Move

About 3,850 households (21% of owners; 74% of renters) plan to move within the next five years, with 1,250 planning to leave the region. Most want to move, but about 40% (1,540 households) indicated they anticipate having to move. Being forced to move is more frequently a problem for low income households – over 60% anticipate being forced to move. Households with incomes greater than 120% are more likely to stay in their current residences. Renters are more likely than owners to indicate they will have to move.

Plans to Move, Teton County, WY

		AMI			
Within next 5 years...	Overall	≤50%	50.1% - 80%	80.1% -120%	>120%
Stay in your current residence	59%	51%	56%	57%	69%
Move into a different home within the region	28%	25%	31%	33%	21%
Leave the region	13%	23%	13%	10%	10%
Reason					
Want to	60%	66%	39%	64%	67%
Have to	40%	34%	61%	36%	33%
	100%	100%	100%	100%	100%

Source: 2014 Housing Survey

6. Housing Units Needed

This section of the report provides estimates of the demand for both rental and ownership housing.

Affordable Housing Costs

The following table provides the incomes for each AMI category with the corresponding affordable housing costs. These costs are the *maximums* for each range. Affordable purchase prices were calculated based on an interest rate of 5.5%, which is about one point higher than prevailing rates for 30-year fixed rate mortgages. Interest rates are rising, however, and will have a profound impact on housing affordability. A one point increase in the rate, as occurred in 2013, would drop the affordable purchase price for a household with an income of 80% AMI by \$20,000 to \$25,000.

Maximum Affordable Rents and Maximum Purchase Prices by Income, Teton County, WY

	AMI			
	≤50%	50.1% - 80%	80.1% -120%	>120%
Max. Income*	\$38,750	\$51,150	\$93,000	>\$93,000
Max. Affordable Rent w/ Utilities	\$970	\$1,280	\$2,330	>\$2,330
Max. Affordable Purchase Price**	\$143,900	\$189,800	\$345,600	>\$345,600

*Varies by household size; incomes for two-person households used based on average household size of 2.34 persons. The number of households at each AMI category is based on the actual size of those households and the corresponding income range.

**Assumes 30-year fixed rate mortgage at 5.5% interest with 20% of payment covering taxes, insurance and HOA fees and 5% down.

Rental Gap

According to an industry rule of thumb, a rental market is considered to be in balance when the vacancy rate is 6%. If the rate is 6% and trending downward, it is generally a signal that conditions are appropriate for the development of additional units. The current vacancy rate of 0.5% in Teton County, WY represents an extreme shortage of rental units based on this standard.

To return to a balanced rental market, where rents would stabilize and a sufficient number of units would enable movement within the market such that lower income households could potentially move into lower priced units, approximately 230 additional rental units are now needed. To also provide housing for persons who are now camping or living in motel rooms would require about 65 additional units. Development of approximately 300 additional rental units is needed to meet current rental demand. Note: This estimate does not include rental housing for seasonal employees who live in the area part of the year.

The following table shows the income targeting for the additional units now needed based on the income distribution of renter households. While the market will satisfy at least part of the demand for 40 units priced to be affordable for households with incomes over 120% AMI, public and non-profit initiatives will likely be required to provide the remaining 260 units now needed.

Rental Units Needed by AMI, Teton County, WY

	AMI			
	≤50%	50.1% - 80%	80.1% -120%	>120%
Max. Income*	\$38,750	\$51,150	\$93,000	>\$93,000
Max. Affordable Rent	\$970	\$1,280	\$2,330	>\$2,330
Renter Income Distribution	33%	19%	35%	13%
Rental Units Needed by AMI	100	55	105	40

Source: 2014 Housing Survey; Team calculations

When addressing rental demand, plans for development of ownership housing into which renters could move should be considered.

Ownership Housing Demand

This analysis of demand for ownership housing in Teton County, WY assumes it will primarily be generated by renters now living in the county who want to become homeowners and owners who want or need to move up into larger homes or move down into smaller, less expensive homes. While households will move into the area for employment and/or lifestyle, these estimates do not take into account future growth from such households.

The majority of renters now living in Teton County, WY (54%) want to move to a different home in the region within the next five years and most of them (70%) would like to move into ownership. Most owners plan to remain in the homes in which they now reside yet 12% would like to buy a different home within the region, 85% of whom want to continue to own. Combined, these households generate demand for 1,945 housing units, as shown on the following table.

Desire to Move into Owned Units, Teton County, WY

	Percent	Number
Resident Households	100%	9,295
Plan to Move within 5 years	41%	3,850
Plan to Move within the Region	28%	2,600
Want to Own	75%	1,945

Source: 2014 Housing Survey

Comparing the incomes of households that want to move to homes listed for sale shows that demand exceeds supply with a resulting gap in all ranges. Nearly half of the households that want to buy a home within the region have incomes in the 81% to 120% AMI range, the income levels targeted by most of the restricted ownership housing programs in Teton County, WY. After taking into consideration what the free market is now providing, just over 900 units will be needed to respond to demand generated by these moderate/middle income households.

The demand for 470 ownership units in the low income ranges will be difficult to address, usually requiring substantial subsidies. Habitat for Humanity is the only group in the area that primarily serves these income groups.

Though the gap is relatively small, it does not appear that the free market will satisfy all of the demand by households with incomes greater than 120% AMI. Most homes are priced way above the amount affordable at 120% AMI. Also, the units that are available at affordable prices may not be suitable/desirable due to a variety of factors, including the condition and location of the units.

When planning the development of affordable ownership, it is important to consider that there are impediments to ownership beyond cost, such as inability to qualify for mortgages, lack of down payment and inability to sell homes now owned. Attempting to address 100% of potential demand is, therefore, not advised.

Ownership Housing Needs, Teton County, WY

	AMI			
	≤50%	50.1% - 80%	80.1% -120%	>120%
Max. Income*	\$38,750	\$51,150	\$93,000	>\$93,000
Max. Affordable Purchase Price**	\$143,900	\$189,800	\$345,600	>\$345,600
Income Distribution Households Plan to Move & Own	11%	13%	47%	29%
Ownership Units Needed by AMI	212	258	913	562
For Sale Listings	-0-	-0-	8	400
Net Units Needed	212	258	905	132

Source: 2014 Housing Survey

Unit Type Desired

Among households that plan to move within the next five years, 80% prefer to move into a single family home. Their second choice in terms of unit type however shows that duplexes/townhomes are much preferred over condominiums. No respondent selected mobile homes as their first choice and these homes were selected by the lowest percentage of respondents for their second choice home.

Housing Type Desired by Households that Plan to Move, Teton County, WY

	1st Choice	2nd Choice
Single-family home	80%	13%
Apartment	6%	6%
Duplex/townhome	7%	56%
Condominium	5%	18%
Other	2%	4%
Mobile home	0%	3%
	100%	100%

Source: 2014 Housing Survey

7. Community Comparison

Households and Housing Units

Nearly 45% of Teton County households live in in the Town of Jackson.

- The town of Jackson has a higher percentage of occupied homes – there are proportionately more vacant/second homes in the county.
- Jackson has proportionately fewer senior households, but about the same percentage of households with children.
- Household incomes are higher in the county than in town. The median income in the town of Jackson is \$10,000 less than in Teton County as a whole; 41% of households in town compared with 37% county wide have low or very low incomes.
- The homeownership rate is higher in the county than in town, where nearly 60% of households rent.

Households and Housing Units, Teton County and Jackson

	Teton County	Town of Jackson
Housing Units	13,273	4,955
Occupied Units/Households	9,295	4,147
Percent Occupied/Primary Residences	70%	84%
Owner Households	5,156	1,681
Renter Households	4,139	1,681
Homeownership Rate	55%	41%
Households with Children	25.5%	24.7%
Households with Seniors	16.2%	10.7%
Average Annual Income	\$80,519	\$71,287
Median Annual Income	\$65,000	\$55,000
Households by AMI		
Very Low Income ≤50% AMI	22%	26%
Low Income 51%-80% AMI	15%	15%
Moderate/Middle Income 81%-120% AMI	35%	35%
Middle/Upper Income >120%	28%	24%
Total Low Income	37%	41%

Source: 2013 Census Bureau estimates for counties; 2014 Housing Survey

Housing Costs

- Housing costs are high in the town of Jackson but not as high as in the county. The median price of homes listed for sale countywide in mid-July was nearly \$2.1 million, while in town, where relatively more condominiums and townhomes were listed for sale, the median price was less than \$900,000.

- To afford the median priced home, an income over 700% AMI would be required in Teton County compared with 300% AMI in town.

Housing Costs in Teton County and Jackson

	Teton County Total	Town of Jackson
Average Monthly Housing Payment	\$1,398	\$1,355
Median Rent – Occupied Units	\$1,200	\$1,200
Median Rent –Units for Rent	\$2,825	\$2,450
AMI Required to Afford Median Rent	145% AMI	126%
Median List Price – Homes for Sale	\$2,092,500	\$867,000
AMI Required to Afford Med. Price	727%	301%

Source: 2014 Housing Survey; Teton Board of Realtors MLS

Housing Problems

There is little difference in the magnitude of housing problems in the town of Jackson compared to Teton County as a whole. In general, problems are relatively worse in Jackson but the differences range from only 1 to 3 percentage points.

Housing Problems in Teton County and Jackson

	Teton County Total	Town of Jackson
Cost Burdened Households	31%	34%
Very Difficult to Find Housing	46%	48%
Home Overcrowded	7%	8%
Home in Fair or Poor Condition	17%	18%
Want to Live in Other County	3%	4%
Households w/ Out-of-County Employee(s)	10%	8%
Will Have to Move	17%	17%
Instability Problems	29%	32%
Eviction/forced removal from housing	18%	19%
Unable to pay bills - food, utilities, medical	43%	42%
Unable to rent or buy due to poor credit	15%	16%
Forced to move often	56%	55%

Source: 2014 Housing Survey

8. Strategy Recommendations

Housing efforts in Jackson Hole are aimed at achieving the Comprehensive Plan goal shared by the Town Jackson and Teton County of housing 65% of the workforce locally.

In Place

Teton County Housing Authority (TCHA) – This public housing authority manages approximately 370 ownership units and the restrictions on 400 rental units that were developed by the agency or by developers as part of an inclusionary or commercial mitigation requirement. The operations are primarily funded by Teton County and developments funded through Special Purpose Excise Tax, developer in-lieu fees, and grants. Currently, TCHA is developing a 68 unit mixed-use affordable housing neighborhood in town that will have 20 rental units, 48 ownership units and 4 commercial spaces.

Teton County, WY Community Housing Trust -- This private, non-profit community organization builds and advocates for affordable homeownership in Teton County, WY with support from tax deductible donations, which average about \$1.1 million per year. JHCHT has developed 103 single family homes, duplexes, townhomes and condominiums since its inception in 1990, most of which are in small developments (12 to 36 units). Two additional developments are planned – 11 units in partnership with the school district and 18 rental units on six lots recently acquired in east Jackson that will provide an ongoing source of revenue (rental income) for the organization’s mission.

Habitat for Humanity of the Greater Teton Area – This international non-profit organization is dedicated to strengthening communities by building simple, decent homes in partnership with working families and others in need of assistance. Homes are built or repaired through volunteer labor and donations then sold to low income households with interest free mortgages. The Teton County, WY affiliate has completed 27 homes since it was formed in 1995 and has four homes now under construction.

Employer Assisted Housing – Major employers in Teton County, WY, primarily public sector, have provided over 360 units of housing for their employees. Many smaller employers also provide housing for their employees. According to a 2012 employer survey, approximately 1,400 peak season employees reside in housing provided by employers.

Density Bonuses – The Town allows a 25% bonus in the floor area ratio (FAR) in non-residential zones if the additional space is used for deed restricted affordable ownership or employee rental housing. Due to various reasons including need for clarification and modification, other density bonus tools were repealed by the Town in 2012 and County in 2010.

Accessory Units – Three types of accessory units are allowed or encouraged:

- Residential Accessory Units – The Town of Jackson allows attached or detached units up to 800 square feet in size in many zone districts that are accessory to the primary residence or commercial use. There is no requirement that these units be rented.
- Guest Houses – Teton County allows attached or detached units that are less than 1,000 square feet. These have occupancy requirements: employees, family members or guests of family and intermittent in nature.

- Commercial Accessory Units – In some commercial zones in the Town and County, extra square footage is allowed provided that it is used to house employees.

Special Purpose Excise Tax – TCHA has received two allocations of revenue to be utilized for affordable housing programs from a voter-approved Special Purpose Excise tax - \$9.3 million in 2001 and \$5 million in 2006. These funds have been used to produce about 50 low-income rentals, 100 restricted ownership units and to purchase over 14 acres of land for development during the next 15 years.

Down Payment Assistance – JHCHT administers two down payment assistance programs. The first was created in 2004 using a federal Economic Development Initiatives grant of \$270,000. The monies were all loaned with 30-year terms, deferred until the point of sale or refinance. No funds from this source are available at this time. JHCHT received a private donation of \$150,000 in November 2007 for a second down payment program through which, with matching funds, loans of up to \$30,000 are provided. Currently all monies with matching funds are distributed.

Federally Subsidized Apartments – A total of 178 income restricted rental units have been constructed in five complexes in using Low Income Housing Tax Credits and USDA Rural Development Multi-family financing programs. Of these, 78 units are for seniors.

Commercial Mitigation – Both the Town of Jackson and Teton County requires that new commercial development provide housing for 25% of “peak seasonal” employees that the development will generate. This program often results in production of Employee Housing Rentals, many of which are on site. Housing employees on site has not always been optimal due to conflicts among mixed uses and employee preferences for living in locations other than where they work.

Residential Inclusionary – The Town of Jackson and Teton County require that 25% of units in new residential developments must be for households with low to moderate incomes. In the County, the requirement is also imposed on new residential units on existing lots. In town, the 25% requirement is interpreted such that 20% of total units are restricted for employees. Fees and land in lieu of producing units are allowed.

Live/Work – The Town of Jackson adopted an ordinance in 2010 that exempts live/work units from housing requirements since the units provide workforce housing.

Transfer of Development Rights – This tool is used in Teton County in Noncontiguous Planned Residential Developments for clustering development and creating more open space, as well as opportunities for affordable housing, though use of this tool has been limited. Identification of appropriate areas to receive the development rights is needed.

Voluntary Units – Developers provide more affordable housing than required often to house their employees. Land Development Regulations (LDR’s) do not address these units. Typically, the units are exempt from income limits to allow housing for upper management to be developed.

Recommended

Establish a Dedicated Revenue Source for Housing – A tax or fee specifically for housing would:

- Share the responsibility for workforce housing more broadly, possibly with visitors who drive low wage tourism jobs contributing to workforce housing;
- Create a source of revenue that is predictable and can be used to fill gaps in housing not addressed by other programs; and
- Maximize the community's opportunities for leveraging other sources of funding.

Create a Housing Fund – Pool revenues from commercial mitigation in lieu payments, residential linkage fees, other new taxes or fees that might be created, donations and the Special Purpose Excise Tax should additional allocations be awarded to housing. From this pool, award funds for the development of housing to public or non-profit agencies, private developments, employers or partnerships through a standardized, perhaps competitive, selection process. Funds for land acquisition should also be allocated through this process.

Increase Production of Restricted Units – Additional units, both rental and ownership, are now needed. Demand for workforce housing is out pacing the development of workforce housing. The rental market is the most out of balance at this time, meaning initial efforts should be focused on rentals; however, within a few years, ownership demand should equal or exceed rental demand.

Adjust Accessory Unit Regulations – In town, require that the units be rented long term or sold to employee households. Enforce prohibitions against renting in the short term (nightly and weekly). Develop standards to ensure the units provide safe, adequate housing. Encourage Guest Houses in Teton County units to be rented long term to employees through incentives and possibly allowing these accessory units to satisfy residential linkage requirements.

Create a Housing Preservation Program – Consider methods to improve the condition and livability of existing homes and to preserve affordability through rehabilitation/weatherization that entail placement of restrictions, buy down assistance and subdivision of lots in some areas within town.

Consider Revisions to the Affordable Housing sections of Land Development Regulations that:

- Increase the consistency between Town and County requirements, draft requirements and incentives in code that is transparent and easily understood and provide clear means for analyzing compliance alternatives.
- Restructure the County's inclusionary requirements imposed on existing lots to be based on workforce housing demand generated by the units (residential linkage), possibly with a sliding scale based on home size;
- Extend the residential linkage requirements to homes built within the town of Jackson;

- Simplify the methodology for calculating and updating fees in lieu based on per-unit costs that can be converted into per-employee and per-square-foot amounts that reduces fluctuation in fee amounts from year to year.
- Provide ways to increase mitigation on development that is less sustainable while providing incentives to develop housing within complete neighborhoods served by infrastructure.
- Identify areas where increased density for affordable housing is appropriate and determine ways by which density/FAR could be increased in tandem with other site aspects.
- *Modify Commercial Mitigation* requirements to:
 - take into account total employment;
 - simplify application of the requirements with fewer use categories and elimination of change in use provisions; and
 - cover Institutional uses.
- *Evaluate priorities for on site, off site and fee in lieu options.* Consider adding voluntary real estate transfer assessments as an option.
- *Rework exemptions* so that:
 - market housing appropriate for the workforce receives waivers of or reductions in requirements.
 - when existing workforce housing units (rental units, smaller houses) are redeveloped into market housing the square footage is not exempt – a no net loss approach.
- *Codify a process for credits* when affordable housing units are produced before required or when the number of units exceeds the number required.