

Teton County, Idaho Housing Program Goals & Objectives Draft Report

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INTRODUCTION

Purpose

The Housing Program Goals and Objectives Report summarizes the outcome of a process with elected officials designed to establish goals and objectives for a potential housing program in Teton Valley.

The purpose of this process was to provide Teton County, and the cities of Victor, Driggs, and Tetonida with the information needed to:

- Determine whether or not a housing program will necessary in order to effectively address the housing needs identified in the Western Greater Yellowstone Region Housing Needs Assessment (HNA),
- Facilitate a consensus on goals and objectives of a housing program,
- Determine the preferred organizational structure of a housing program, and
- Define strategy recommendations for a housing program.

This information is intended to help the county and cities establish a housing program to ensure the alignment between the various jurisdictions. And, to set the foundation for establishing affordable housing strategies and polices that will cost effectively provide more opportunities for local employees to live in the valley.

Methodology

Information from interviews and other sources was gathered and analyzed during the months of June – August, 2016 and include:

- A series of interviews with the three Teton County, Idaho Commissioners, and the mayors and several city council members of the cities of Victor, Driggs and Tetonida, were conducted in order to gather information about potential goals, objectives, and outcomes of a housing program,
- A summary of data was compiled from the 2014 Western Greater Yellowstone Region Housing Needs Assessment (HNA) and distributed to elected representatives,
- Review of existing resources including the HNA, 2014 Western Greater Yellowstone Analysis of Impediments to Fair Housing Choice, 2012 Teton

County Comprehensive Plan, and City of Driggs, Victor and Teton
Comprehensive Plans,

- Elected officials from Victor, Driggs, Teton and Teton County, Idaho attended a work session to review data from the HNA and refine goals and objectives,
- A summary of the previous Teton County Housing Authority Commission (HAC) provided by Shawn Hill, Executive Director of Valley Advocates for Responsible Development (VARD), and
- Statutes related to forming a county housing authority memo from Kathy Spitzer, Teton County Prosecuting Attorney.

GOALS & OBJECTIVES

The elected officials in the county and cities within Teton County, Idaho participated in a process designed to facilitate the establishment the goals and objectives of a housing program. The process began with individual interviews where each interviewee was asked the same series of questions during a 45 – 60 minute period. Their responses were then compiled into draft goals and objectives.

A four-hour group work session encouraged the elected officials to individually express the community benefits of having a housing program and to collectively discuss each of the draft objectives. The results of this work session formed the basis for the following goals and objectives.

Goals

To facilitate the development of diverse, permanently affordable housing within the city limits in order to provide a variety of housing options that will enhance the local economy, add vibrancy to downtowns and preserve the rural character of the area.

Objectives

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 to create 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).

Employee Prioritization

To be refined at 2nd work session!

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.

RECOMMENDED STRATEGIES

Meeting the affordable housing needs of Teton Valley residents and employees requires a variety of strategies. Housing needs are too diverse in the community for one strategy or one housing development to be able to solve. There is no “silver bullet” and there is no short-term solution. Key points to note about implementation strategies:

- Consistent commitment over time is required. The problem will not go away with just one strategy or one project built.
- Specific strategies typically address only part of the need. For example, a Low Income Housing Tax Credit project can only be used to house low-income households (e.g. those earning 60% AMI or below).
- Typically, local funding sources address the housing needs of moderate/middle income families who cannot afford homes provided by the private sector.
- Some strategies may only produce a few units. However, in combination with other efforts, are key for a diversified inventory of affordable housing that meets the wide spectrum of needs.

The following recommendations are in order of priority.

Re-Establish a Housing Authority

Based on the information gathered from the process, it is clear that an organization needs to take the lead on housing. Development codes, impact fees, and density bonuses have been codified to incentivize the production of affordable housing. However, an entity to administer the new housing programs and manage units created using these incentives has not been established.

Resources within planning departments are strained because of the increased housing responsibilities; in addition housing codes are being defined and implemented inconsistently adding unwanted complication.

The elected officials were clear about their preferred structure for a housing organization, which would include:

- Countywide organization managed by a representative board
- Board members appointed by Victor, Driggs, Teton and Teton County
- Oversight of the Board by Victor, Driggs, Teton and Teton County (i.e.: approve work plan, budget, periodic review)
- Experienced part-time staff person hired by Teton County

Housing Authority

Several organizational structures can be utilized to govern a housing program. Three common approaches are a housing authority, department of government, or a private non-profit.

Table 1 demonstrates how the different approaches meet (marked with an X) the stated objectives of a housing program organizational structure.

Table 1: Housing Program Organizational Structure

Organizational Structure Objectives	Housing Authority	County or City Department	Private Non-Profit
Countywide	X		X
Representative Board	X		X
Board members appointed by cities and county	X		
Oversight by cities and county	X		
Dedicated staff person	X	X	X

A housing authority can be multi-jurisdictional, can have board members appointed by the city and county in a representative manner, mechanisms can be used to provide oversight and it can be staffed.

A private non-profit would have board members appointed by the organization and there is limited ability to oversee activities or control the work plan.

Since a housing authority meets the criteria of all of the objectives, in this case it seems to be the preferred organizational structure.

To create a regional housing authority, each government entity must adopt a resolution declaring that there is a need for a housing authority because it finds (a) that insanitary or unsafe inhabited dwelling accommodations exist or (b) that there is a shortage of safe or sanitary dwelling accommodations available to persons of low income or rentals they can afford. The data in the 2014 Greater Western Yellowstone Region Housing Needs Assessment supports the need for a housing authority.

Regional Housing Authority

The housing challenge is a valley wide issue with strategies that often cross boundaries and impact the service provision of neighboring governments. A Regional Housing Authority established by Teton County, Driggs, Victor and Tetonia supports coordination between the multiple jurisdictions.

The coordinated approach also reduces duplication of services, utilizes resources effectively, and creates program consistency across jurisdictions.

Board Members (Commissioners) Appointed by Government Officials

Idaho Code allows for either a 5 or 7 member board (commission) appointed by the county or city that creates the authority. A board that is representative of the valley population can be achieved by appointing the 7-member regional housing authority commission in the following manner:

Teton County	2 commissioners
Driggs	2 commissioners
Victor	2 commissioners
Tetonia	1 commissioner

Governmental Oversight

An Intergovernmental Agreement (IGA), a contract between governmental or quasi-governmental entities, is an instrument commonly used to specify governmental oversight of a Housing Authority.

An IGA between the cities, county and regional housing authority is a mechanism that would clarify roles and responsibilities of each party and provide oversight. Items to consider in the IGA:

- Budget review and approval
- Funding and in-kind contributions
- Establishment of work plan
- Periodic review

An example of an Intergovernmental Agreement is provided in Appendix A. It is the Fifth Amended and Restated Intergovernmental Agreement Aspen/Pitkin County Housing Authority that is with the City of Aspen and Pitkin County Board of County Commissioners.

Board Diversity

Board members can add intellectual and practical capacity to a housing program, along with diverse perspectives representing various segments in the community.

Skill sets of the board should include:

- Informal community leaders
- Real estate agent
- Banker/Lender
- Appraiser

- Developer/Builder/Civil Engineer/Architect
- Lawyer

Representation by board members at different stages of life, gender, race, and income level is also an important consideration as housing needs differ among these groups.

[Hire a Part-time Housing Specialist/Executive Director](#)

Implementing a housing program requires time and expertise best achieved by a dedicated staff person. Volunteer board members provide direction, expertise, and benefit from the structure provided by a dedicated staff person.

The group of elected officials identified the need for a “point-person” to manage the program and indicated that county resources may be available for a part-time position.

A part-time housing specialist could add capacity in the following manner:

- Manage the housing board
- Coordinate with the cities and county
- Assist with code provisions, implementation and monitoring
- Manage deed restrictions on units
- Create and implement an annual work plan
- Foster relationships and partnerships for the production of housing

Create a Management System

A management system is a set of policies, processes and procedures used by an organization to implement its objectives. With housing programs management systems typically include:

- Housing Guidelines
- Restriction templates
- Record keeping

Most mature housing organizations struggle with complex management systems that have evolved over many years. Challenges include high administrative costs, large staffs to administer, gaps in understanding the inventory, difficult for the public to understand and to update.

Take advantage of the trials and errors of other communities (often called “bloopers”) and create a straightforward and standardized management system.

Guidelines

Housing Guidelines are the core set of policies and procedures of a housing program and are directly tied to goals and objectives such as maintaining affordability, quality/type of units and employee prioritization.

Housing Guidelines normally include the following:

- Definitions
- Affordability standards
- Rental procedures
- Sale and resale processes
- Selection criteria and process
- Unit standards – size, quality, amenities
- Development code standards
- Compliance and grievance procedures

There is some urgency to establish Housing Guidelines because existing development code encourages affordable housing units to be provided without any policies or procedures to offer direction to developers or staff. The former Teton County Housing Authority Commission (HAC) made some progress with draft guidelines that can be used as a foundation.

Restriction Templates

Create restriction templates for ownership and rental product that will be price and/or occupancy restricted. A new housing program has the benefit of learning from the successes and shortfalls of established housing programs.

Most established housing programs struggle with the lack of standardized restrictions because their programs and related restrictions have evolved over time to respond to various matters. This evolution results in numerous restrictions with slightly different requirements. The variety and nuanced differences are burdensome to administer, are very hard to update and difficult to understand.

Standardized restriction templates will minimize complexities in the housing program, which will streamline management, reduce administration costs, and increase understanding of the program.

Record Keeping

Establish a centralized record keeping system to collect, track and disseminate data. Initiating this system at the outset will streamline administration, keep track of what is working well and where changes may be needed, effectively disseminate information, and make the system less reliant upon institutional knowledge.

Housing units will be created through various mechanisms (development agreements, impact fee waivers, accessory residential units, apartments,

cooperatives, Habitat for Humanity, low income housing tax credits, etc.) and within each jurisdiction. A centralized system can capture all of these methods and enable the evaluation of the entire housing program.

Establish an Education Plan

Community education is fundamental to the success of a housing program as an informed community results in a supportive community willing to invest in solutions. An effective education plan will be ongoing and will be modified as the program evolves. At its core, an education plan will clearly present the value of having a variety of housing options affordable to all income levels.

The values voiced through the goals and objectives process include:

- Diverse and strong economy
- Vibrancy in the downtown cores
- Employees to support local businesses
- Enhance the local economy

Foster Relationships

The production of housing affordable to working household often includes layers of funding sources and partnerships. It takes years to develop relationships that result in partnerships to create housing. The housing program should begin fostering relationships with potential housing partners such as the Jackson/Teton County Housing Department, Habitat for Humanity, Grand Targhee, Idaho Housing and Finance Association, Jackson Hole Mountain Resort and local employers.

Explore Potential Funding Sources

A secure funding source is crucial to the long-term success of a housing program. It takes resources consistently committed to manage a housing program effectively. The following are recommendations on funding sources primarily from the Western Greater Yellowstone Region Housing Needs Assessment (HNA):

- A number of state and federal programs provide funding for housing, particularly for households earning less than 80% AMI. Although these funds can be challenging to obtain, the housing program should seek state and federal funding (grants and tax credits, loans) and provide technical assistance to private entities applying for such funds (HNA).
- Partner with Grand Targhee to capture sales tax generated at Grand Targhee for housing and transportation if 1-cent sales tax initiative is successful in Teton County, Wyoming.
- Real estate transfer assessment (RETA) from residential unit sales at Grand Targhee Resort. A portion of the proceeds from this RETA were intended to

support workforce housing in Teton County, ID as part of their housing mitigation plan. Access to these funds should be pursued (HNA).

Create a Housing Production Plan

Create a Housing Production Plan that prioritizes the use of specific strategies based on housing needs and available resources to focus efforts.

A Housing Production Plan includes a variety of strategies to create housing options for the diverse needs of working households. Each strategy usually targets a specific income level and either a rental or ownership product.

The Greater Western Yellowstone Region Housing Needs Assessment (HNA) identifies housing strategies. Table 2 shows these housing strategies by owner and rental product, and targeted area median incomes (AMI).

Table 2 – Housing Strategies by Area Median Income

	Area Median Income (AMI)			
	<50%	50.1% - 80%	80.1% - 120%	>120%
Max. Income	\$26,750	\$42,750	\$64,200	>\$64,200
Max. Affordable Purchase Price	\$99,400	\$158,700	\$238,700	>\$238,700
Housing Strategies - Ownership	Habitat for Humanity, Public sector development of entry level housing	Self Help Housing, Public sector development of entry level housing	New Development Code* - condos and townhomes, Public/private partnership for mixed-income housing, Fee waiver incentives	New Development Code - condos and townhomes, private sector development
Housing Strategies - Rental	Low Income Housing Tax Credits (LIHTC)	Low Income Housing Tax Credits (LIHTC), Public sector development	New Development Code* - apartments, ARUs*	New Development Code - apartments, ARUs
Net Units Needed	45	143	272	191

Source: 2014 Greater Western Region Housing Needs Assessment; consultant Team

*Not restricted to income level or for occupancy

Housing strategies that serve the lower income levels tend to be private non-profits (Habitat for Humanity) or government agencies (Self Help, LIHTC, Public Sector development). There is a gap between the cost to construct housing and the price these households can afford. This gap is bridged through a combination of sweat equity, philanthropic dollars, and public funds. The complexity of accessing public funds, raising philanthropic dollars, and managing sweat equity

takes time and resources. These strategies tend to be slower to implement and produce a limited number of units.

Housing strategies that serve the higher income households tend to be zoning tools (new development codes), incentives (fee waivers, ARUs), or public/private partnerships. Zoning and incentives can be effective at leveraging the skills of the private sector to produce housing, often in higher numbers and at a quicker pace.

Without a mechanism to limit price and occupancy; prices often escalate beyond wages and occupancy transitions to part-time residents or visitors (short-term rentals). This is prevalent in desirable locations with high amenities such as Teton Valley and walkable neighborhoods near vibrant downtowns. Zoning is effective at creating supply but is ineffective at maintaining affordability.