Heat on to push cheap housing

Report suggests nearly tripling amount of affordable dwellings developers must provide in valley.

Teton County should increase its affordable housing requirement for residential development from the current 15 percent to 40 percent, according to a Colorado-based consulting firm’s study.

Economic & Planning Systems Inc., a Denver-based firm that specializes in land-use economics, conducted the study for Teton County Housing Authority to measure the valley’s current housing conditions. Among the five pages of recommendations it makes for Jackson Hole’s affordable housing program, the firm suggests almost tripling the current requirement on residential development to ensure that 60 percent of the workforce lives in affordable housing.

"I understand there’s going to be some opposition to those numbers," said Jack Stout, president of the Housing Authority board. "But we feel that if we really want to try and solve this problem, or at least keep the problem from getting worse, that we need to take measures like this."

The consultants released initial findings last fall. The final, 100-page study – expected to be available today at www.tetonwyo.org – recommends the community agree on what percentage of the local workforce it wants housed within the county lines. From there, the community can then determine how much of new residential development should be affordable.

While that decision ultimately belongs to county leaders and residents, consultants suggest the 40 percent figure to keep people living where they work.

"I don’t think there’s anything in this document that is a shock to people who are sort of watching this," Stout said. "Now we have a defensible position in that a distinct, third party came up with this. ... They don’t have a dog in the fight. They are just doing their job."

Now, county regulations require residential developers allocate 15 percent of their home sites to affordable housing units. Stout said the other resort communities have higher percentages. For example, Pitkin County, Colo., requires 60 percent.

In addition to releasing the study today, Housing Authority leaders will address Town of Jackson and Teton County officials during a joint information meeting at 3 p.m. on Monday.

At subsequent meetings, Housing Authority staff will ask the joint boards answer the question: What percentage of the workforce should live locally?

Diana Welch, a Housing Authority board member, said it’s important not to overreact to the recommendation of increasing the affordable housing requirement.

"That’s actually a pretty small piece of the puzzle," she said.

Fewer big developments

The Housing Authority was able to build recent large projects because of the requirements placed on Melody Ranch and Wilson Meadows developers, for example. The days of big developments, however, are receding into the past, she said.

"There’s not going to be that many large developments," she said. "We’re almost tapped out."

Affordable housing will be more impacted by other recommended changes such as increasing the fees in lieu, changes to the land development regulations or incentives for private developers to build these units, Welch said.
The Aspen/Pitkin County Housing Office has had a 60 percent requirement since its inception in 1974, said Tom McCabe, executive director of that organization.

The requirement has not deterred development there, but it may have fueled the community’s whopping home prices, he said.

"Our community’s goal of workforce housing has always had a place at the table,” he said. "And developers have been able to get what they want, and they still make a ton of money.”

The Aspen housing agency has built 2,700 units since inception and is still building more. For comparison, the community’s year-round population is 6,200, McCabe said.

"We have found that the private market is so out of touch, even if you have a professional husband-and-wife team bringing in a good income, it’s really hard to find a place here," he said. "If there were not an affordable housing program, there would be virtually no opportunity.”

McCabe lives in affordable housing, as does about half the city and county employees, he said. The other half commutes, he said. Housing is such an issue in Aspen that even doctors live in affordable homes.

The agency is funded with a 1 percent real estate transfer tax. This year, it already generated $11 million.

In response to escalating real estate prices in Teton County, the community began creating affordable homes for workers in 1996. Affordable homes are priced below market value, have certain resale restrictions and are available to workers in Teton County who fall under certain income and asset limits. Because homes are deed restricted, resale prices are limited and the dwellings stay affordable through generations.

“This community has done a lot to provide affordable housing, and we are ahead of most resort communities in that we have the majority of our workforce living locally,” said Christine Walker, Housing Authority executive director. "But overall we don’t have a way to measure our success. We hope the Housing Needs Assessment will help us set a community goal.”

Sense of community at stake

Based on survey responses, the study found 14 percent of employees commuted here in 1990. Ten years later, that figure increased to 20 percent. By 2005, it jumped to 33 percent.

Walker said the study found that in many resort areas where workers commute from outlying areas, there is a "tipping point" at which 40 percent of the workforce commutes. At that point, the town loses its sense of community.

"In other communities, when a significant amount of the workforce lives outside the town, many of the local services disappear or relocate to those outlying areas,” Walker said. "Before you know it, there’s no place to buy jeans.”

Walker said the numbers show Jackson Hole is experiencing a "rapid out-migration of our workforce.”

According to the Housing Authority, single-family home prices have increased 79 percent since 1999, while the average wage has only increased by 22 percent. This means that the household affordability gap continues to grow, Walker said.

Renting isn’t an option, because the “American Dream” is home ownership, she said.

"Affordable housing was established to be a stepping stone into the free market, but today most homeowners would be strapped to bridge the gap into market,” Walker said. "The study shows that the only choice for most of our workforce is to buy an affordable home, rent or commute.”
Walker also said the need for more homes relates to strong job growth. There has been an average growth of 700 jobs per year since 1990. That economic growth is likely to continue and will drive the housing need, consultants found. Specifically, an annual growth of 600 to 700 jobs per year translates into a demand of 270 to 340 units per year.

Now, the housing authority has 819 units in its program: 361 ownership units and 458 rental and seasonal units. About 75 percent of those homes have been built since 2000, for a production of 125 units a year.

Still, the program needs more.

Teton County Commission Chairman Andy Schwartz said Tuesday he had not heard about this recommendation and could not comment. Schwartz is the Teton County Commission liaison to the Housing Authority board. Jackson Town Councilman Bob Lenz, also a liaison, said he wasn't aware of it either.

"It's sure worth talking about," he said. "It sounds a bit high to me."

While the creation of affordable housing is a sensitive topic, "one of the great things is that it has live bodies in it year round," Lenz said.