



TOWN COUNCIL

WORKSHOP AGENDA DOCUMENTATION

PREPARATION DATE: September 15, 2016
MEETING DATE: September 19, 2016

SUBMITTING DEPARTMENT: Housing
DEPARTMENT DIRECTOR: April Norton
PRESENTER: April Norton

SUBJECT: RECOMMENDATIONS FOR TOWN FUNDS TO ADDRESS HOUSING

PURPOSE OF WORKSHOP ITEM

The purpose of this workshop item is to discuss possible ways to spend Town funding to address workforce housing.

DESIRED OUTCOME

Town Council direction on which of the following options they would like to have staff pursue with the goal of providing housing solutions for our workforce.

BACKGROUND/ALTERNATIVES

The 2012 Comprehensive Plan set the target of housing 65% of the workforce locally as part of community character preservation. The 2015 Jackson/Teton County Workforce Housing Action Plan set 10-year housing goals based on status quo projected supply and projected need. These goals, informed by 8 housing studies publicly and privately funded, reflect the annual need for rental and ownership product below 120% AMI.

While the Council has not specifically targeted this \$2.1M towards those below 120% AMI, the Council may want to consider this as a goal for use of these funds.

The Town Manager has identified \$2.1M in the FY2017 budget that could be expended on workforce housing solutions or on employee housing solutions. A small portion of this funding, \$376,199 is restricted to uses authorized for housing exactions. But the remainder, \$1,723,801 is not restricted and could be spent on either Town employee housing, other capital or operational expenses, or on community workforce housing. Potential options for spending these funds to address workforce housing are outlined below.

Option 1: Hidden Hollow

Investment: offsite infrastructure + \$2.1M for additional restricted units

Timeline: Phase 1 2017, Phase 2 2018, Phase 3 2020

- Total Project Development: 135 condominium units (1, 2, 3 BR); 20 townhomes; 13 home sites
- Housing Mitigation Requirement: 72 units (27 income restricted units + 45 employment restricted units)
- Proposing to fulfill mitigation requirement in phases 1 and 2

In return for the Town providing offsite infrastructure, Hidden Hollow provides:

- Option A: all housing mitigation in Phase 1, which is projected to start 4/1/17, and Mercill Avenue infrastructure.
- Option B: only apartments in the five multifamily buildings and extinguishes their ability to convert to condominiums at a later date, and Mercill Avenue infrastructure.
- Option C: additional restricted units – income or employment, and Mercill Avenue infrastructure. In this option, direction re: priority for more employment restricted (likely serving 140%-175% AMI) units or fewer income restricted units (<80%-120%)?

Hidden Hollow is offering the Town a discounted rate to buy the employment restricted units. They anticipate the base sales prices of the 45 employment restricted units to be 10-20% lower than the 63 free market units. Anticipated sales price for the employment restricted units breaks down as follows: 1 bedroom \$255,000; 2 bedroom \$340,000; and 3 bedroom \$450,000. These prices are not final and do not include upgrades or premiums for locations and views. The discounts currently offered are: 7% discount for up to 10 units, 8.5% discount for 11-20 units, and a 10% discount for 21 units or more.

Option 2: Redmond and Hall

Investment: \$4.35M

Timeline: Start Spring 2017, Occupancy Spring 2018

This project builds 28 affordable rental units that are a mix of 1 and 2 bedrooms and house members of the workforce earning <120% AMI.

Option 3: Request for Proposals

Investment: \$2.1M for restricted units

Timeline: Release RFP 2016, Award early 2017, Occupancy 2018

Create a request for proposals to use the \$2.1M to build restricted housing. Criteria could include number of units, unit type, restriction type, location, etc.

Option 4: Preservation Fund

Investment: \$2.1M for restricted units

Timeline: 2017, depending on available housing stock and time needed to establish fund and/or attract additional capital

Create a fund – sinking, revolving, investment – to purchase market housing units, restrict, and then rent and/or sell.

Option 5: Feebate Fund

Investment: \$2.1M for deed restrictions

Timeline: 2017, depending on public interest and time needed to establish program

Create a feebate program to purchase deed restrictions on homes that are currently occupied. The restriction is enforced when the homeowner moves out and either rents or sells the unit.

Additional Options: The Town Council could also choose to use the bulk of this funding to offset expenses associated with employment rental units such as Park Maintenance Shop Housing, START Bus Housing, or purchasing/building Town of Jackson employment based units. The provision of Town employee rental units creates vacancies for community employees.

[STAKEHOLDER ANALYSIS](#)

Stakeholders include the Town of Jackson organization, local working families, Town and County residents and visitors, local employers, etc.

[FISCAL IMPACT](#)

Varies, depending on which option is pursued.

[STAFF IMPACT](#)

Varies, depending on which option is pursued.

[LEGAL ISSUES](#)

This item has not been provided to the Town Attorney at this time.

[ATTACHMENTS](#)

None.

RECOMMENDATION

Staff recommends the Town Council discuss this issue and provide direction if they are ready to do so.

SUGGESTED MOTION

I move to direct staff to pursue Option (1, 2, 3, 4, 5) and bring a recommendation back to the Council at the October 3, 2016 regularly scheduled meeting.
