

Catch 22?

Exploring the link between affordable housing and land-use planning.

One of the common consequences of rapid growth is a lack of affordable housing, because both commercial and residential growth create a demand for new workers, who need places to live.

So ironically, quickly building high-density developments that provide some affordable housing can actually generate a demand for *more* affordable housing.

This vicious circle highlights the complexity of the relationship between affordable housing and responsible land-use planning. Development of affordable housing has both benefits and costs for our social and natural environments, and finding a balance through responsible planning is the difficult task ahead for Jackson Hole.

For decades, the Conservation Alliance has recognized the importance of social diversity in our community and has actively supported measures, such as affordable housing, to protect it. We've also recognized that affordable housing is only one component of the much broader issue

of community growth, and therefore it shouldn't be addressed in a vacuum. We believe that if viable solutions are to be found, the issue of affordable housing must be fully understood.

Preserving existing workforce housing, and making sure community development and redevelopment both occur at a reasonable rate, will reduce demands to produce additional housing. Outlined below are other pieces of the puzzle that our community needs to consider in a comprehensive way.

We're fortunate to be updating the Jackson/Teton County Comprehensive Plan, which gives us the opportunity to set priorities and work toward solving our community's need for affordable housing. Of course, taking a comprehensive approach isn't always the easy route. But then again, easy paths rarely lead to the best possible outcome. Protecting Jackson Hole is worth the extra effort of comprehensively tackling the important issue of affordable housing. ■

To comprehensively address our affordable housing problem, we need to:

- Support the concept that as a gateway community, Jackson Hole has a unique obligation to develop land in a way that preserves our one-of-a-kind environment, economy and community. To protect wildlife and our unique role in the Greater Yellowstone Ecosystem, we also need to consider the capacity of our area to absorb the impacts of growth.
- Employ diverse strategies to complement the production of new affordable housing. For example, Burlington, Vermont's affordable housing agenda is built around three "Ps": "Protection of the vulnerable, preservation of existing affordable housing and production of new affordable housing."
- Balance rental and ownership housing through production and preservation to meet the needs of both our seasonal workforce and the permanent resident population. Redevelopment policies, such as Jackson's controversial apartment-to-condominium conversion process, should be evaluated in this light. (It's been the practice of the Town of Jackson to streamline condominium conversions, which haven't had to abide by affordable housing mitigation requirements that other development types must comply with. Thus renters who are integral to our community, and part of the workforce, are being displaced. Town planners and officials are currently revisiting condo conversion policies.)
- Increase mitigation requirements for affordable housing to *at least* a 40 percent rate for Teton County and the Town of Jackson, as recommended by the Teton County Housing Authority's 2007 Housing Needs Assessment. (See "Mitigating Impacts" above right for details.)
- Strengthen density guidelines and development standards for the Planned Unit Development-Affordable Housing zoning district to ensure a more predictable balance with other community needs. (The current PUD-AH zoning district has no limit on the number of housing units a developer can be awarded as a bonus for providing 50 percent traditional affordable housing. This has resulted in development proposals like Teton Meadows Ranch, which is seeking an upzone to 500 units on a 288-acre parcel currently allowed only 8 units under its base rural zoning, or up to 49 units if a density bonus were awarded for 70 percent open space protection. Visit www.jhalliance.org/issuesgrowth.htm for more information on this and other current specific development proposals.)
- Map appropriate locations for affordable housing that minimize impacts to wildlife and follow Smart Growth principles (see box on Page 3).

MITIGATING IMPACTS

In December, the Teton Board of County Commissioners approved amendments to increase affordable housing mitigation rates for new residential developments in the county from 15 to 25 percent. In the Town of Jackson, a proposed similar amendment remains in limbo.

However, even 25 percent is not enough. *Developers need to supply at least enough affordable housing to satisfy the demand for affordable housing new developments themselves will generate.* The 2007 Housing Needs Assessment, available from the Teton County Housing Authority, recommends increasing the mitigation rate to a *minimum* of 40 percent just to "keep up" with housing needs associated with new growth. (For comparison, in Aspen, Colo., 60 percent of new housing units are required to be affordable.)

The report also states that 87 percent of the time, developers in Teton County have been allowed to just convey land to fulfill affordable housing requirements, rather than build actual affordable homes: "The resources required to develop these projects...were not paid for by the developer *even though town and county rules required it*, and should be recognized as a form of subsidy by the community."

This, plus substandard mitigation rates, have both caused pressure to allow high-density spot zoning in inappropriate places, risking our community's wildlife and rural character.



Why is there a shortage of affordable housing here?

Demand is exceeding supply. Our unmatched scenery, wildlife and recreational opportunities give this area tremendous appeal. Simply put, many people who can afford to live anywhere in the world want to own a piece of Jackson Hole. And they're outbidding many of our local working families. According to the 2007 Teton County Housing Needs Assessment, average single-family home prices in Teton County increased by about 80 percent between 2000 and 2005, while average wages increased by only 22 percent. This means that local wage earners are being priced out of the housing market. On top of this, Jackson Hole's commercial and residential growth create a demand for new workers, who have to live somewhere. Many new employees can't afford local housing, so they commute.

BY THE NUMBERS

- Since the chapter on affordable housing was added to the current Comp Plan in 1995, a total of 819 affordable and employee housing units have been built in Teton County. About 51 percent resulted from mitigation requirements placed on developers; 15 percent from incentives in the Land Development Regulations; 15 percent from direct development by the Teton County Housing Authority, Jackson Hole Community Housing Trust, Habitat for Humanity and Pioneer Homestead; and 10 percent from private employers.*
- The median single-family house price in Jackson Hole exceeds \$1,000,000, and essentially no ownership unit is available under \$500,000.*
- What it would take to buy a \$500,000 home, according to Jackson State Bank: A \$25,000 minimum down payment; a \$475,000 loan; and a resulting \$3,800 monthly payment, including taxes and insurance. (This assumes 7 percent interest on a 30-year fixed mortgage.) The minimum annual income to qualify for this loan: \$136,000
- Teton County's median household income: \$81,000 (*Charture Institute*)

*Source: 2007 Analysis of 1994 Comp Plan

More homes don't mean extra tax revenues*

The Sonoran Institute has conducted a number of fiscal impact studies on Western communities, which have shown that residential growth rarely pays for itself and indeed often costs communities more than it generates in tax revenues. Another study, "Fiscal Impacts of Growth in Teton County, Wyoming" was commissioned by the Conservation Alliance in 2000 and confirmed these findings for Jackson Hole. (It's available online at www.jhalliance.org/libraryreports.htm.)

County officials and other elected leaders are often led to believe that land converted to residential use will provide local government with extra revenue due to an expanded tax base. Acres of houses generate more income from taxes than acres of ranch land and open space. But when the costs of public infrastructure and services, such as schools, teachers, roads, public transportation and law enforcement, are taken into account, the financial contributions that homeowners make to tax revenues are far outweighed by increased demand for these services.

In general, Cost of Community Services studies around the country have found that counties receive more tax revenue from commercial and industrial uses than has to be spent in the form of services for them. The same is true for farmland and open space. But residential use, which usually generates more gross tax revenue than the other types of use, often leaves a county

**Excerpted from "Ten Truths & Trends in the New American West," Sept. 2006, used with permission from the Sonoran Institute, www.sonoran.org.*



Patterns of land use affect the costs of providing public infrastructure and services such as roads, schools, water, sewers and garbage collection. Studies show that these costs tend to increase with sprawl (dispersed development outside existing town boundaries), and can be reduced with Smart Growth (compact, planned development within town boundaries). See Page 3 for more on Smart Growth.

Photo by Erika Muschaweck

with a net financial loss after the costs of roads, schools, sewers and the like are factored in.

Uncontrolled residential development generally leads to either increased property taxes or decreased public services.

COMMUNITY COSTS RELATED TO GROWTH*

Costs for infrastructure & services:

- School facilities (K-12)
- Sanitary sewer system
- Storm drainage system
- Transportation system
- Water service facilities
- Fire protection facilities
- Parkland & recreation facilities
- Police facilities
- Library facilities
- General government facilities
- Electric power generation & distribution
- Natural gas distribution system
- Solid waste disposal facilities
- Wages for people to staff these facilities

Environmental costs & other impacts:

- Decreased air quality
- Decreased water quality
- Increased rates of resource consumption
- Increased noise
- Lost open space & resource lands (farms, forests)
- Lost visual & other natural amenity values
- Lost wildlife habitat
- Increased regulation
- Lost mobility due to traffic congestion
- Higher cost of housing
- Higher cost of living
- Increased crime
- Lost sense of community
- Costs to future generations

*Source: "Better Not Bigger" by Eben Fodor, available at Teton County Library