

Special Joint Information Meeting

TOWN COUNCIL & COUNTY COMMISSIONER MEETING

January 29, 2019

3:00 PM

Town Council Chambers

Chair: Mayor Pete Muldoon

NOTICE: THE VIDEO AND AUDIO FOR THIS MEETING ARE STREAMED TO THE PUBLIC VIA THE INTERNET AND MOBILE DEVICES WITH VIEWS THAT ENCOMPASS ALL AREAS, PARTICIPANTS AND AUDIENCE MEMBERS. **PLEASE SILENCE ALL ELECTRONIC DEVICES DURING THE MEETING**

I. CALL TO ORDER AND ROLL CALL

II. DISCUSSION/ACTION ITEMS

A. Affordable Housing Project RFP for 440 West Kelly

III. ADJOURN

Please note that at any point during the meeting, the Chairman or Mayor may change the order of items listed on this agenda. In order to ensure that you are present at the time your item of interest is discussed, please join the meeting at the beginning to hear any changes to the schedule or agenda.



**BOARD OF COUNTY
COMMISSIONERS**



TOWN COUNCIL

**JOINT INFORMATION MEETING
AGENDA DOCUMENTATION**

PREPARATION DATE: January 23, 2019
MEETING DATE: January 29, 2019

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

SUBJECT: Request for Proposals to Develop Housing at 440 W. Kelly Avenue

STATEMENT/PURPOSE

Provide staff direction on the draft RFP to develop workforce housing at 440 W. Kelly Avenue.

BACKGROUND/ALTERNATIVES

On January 10, 2019 Teton County purchased 440 W. Kelly Avenue for \$1,703,416.03. On January 23, 2019, the Town of Jackson reimbursed Teton County 45% of the purchase price, or \$766,537.21. On February 19, 2019, the Commissioners will provide a Quitclaim deed to the Jackson Teton County Housing Authority (JTCHA). The property was purchased for the purpose of developing affordable housing.

This staff report is broken out into two parts: 1) contextualizing how this project fits in with other housing developments – both private and public – and achieves the goals set forth in the Housing Action Plan, Comprehensive Plan, and Supply Plan; and 2) key questions related to the RFP for this specific project.

How does this project fit in with other developments?

Based on information gathered through the Intake Form and American Community Survey, the demand for housing is highest for smaller households at the lower end of the income spectrum. However, there remains demand across all income ranges and for a range of household sizes.

Over the next 24 months, we anticipate that 205 deed restricted rental units, including 23 dorm beds, will come online along with another 95 market multifamily units. The bulk of those units are in two projects: Hidden Hollow Phase 1 and Phase 2 (110 units) and Sagebrush Apartments (90 units). Over that same timeframe, we anticipate 24 deed restricted ownership units will come online from two projects: Grove Phase 3 (8 units) and Westview Townhomes (16 units).

ACS & Intake Form Data Comparison		
HH Size	ACS % Total	Intake Form % Total
1	23.82%	40.36%
2	37.29%	27.00%
3	20.55%	13.50%
4+	18.34%	19.14%
Income Range	ACS % Total	Intake Form % Total
0-50	20.00%	16.91%
50-80	15.00%	35.16%
80-120	35.00%	32.64%
Workforce	30.00%	15.28%

Restriction	# units	%	Dorm Beds	Studio	1 Bed	2 Bed	3 Bed	Size Unknown
Affordable Rentals	102	31.48%	23	21	45	9	2	6
Workforce Rentals	103	31.79%	0	4	23	39	4	33
Market Rentals	95	29.32%	0	0	48	20	7	16
Affordable Ownership	8	2.47%	0	0	0	0	8	0
Workforce Ownership	16	4.94%	0	0	0	16	0	0
Total	324	1	23	25	116	84	21	55

Comparing the demand with the nearer and longer-term pipeline helps us determine the highest priority for the public projects we partner to construct. The pipeline indicates that about 90% of new units we expect to be built over the next two years are rental units and that most of those units are 1 and 2-bedrooms.

Below, staff has summarized the housing projects for consideration over the next 24 months. Except for 440 W. Kelly, these projects are all summarized in the Housing Supply Plan.

Upcoming Community Housing Partnership Projects					
Project	# Units	Release RFP	Choose Partner	Cert. Occupancy	Notes
440 W. Kelly Ave.	12 to 18	5-Feb	6-May	Fall 2020	Jointly-owned (JTCHA)
105 Mercill Avenue	25 to 30	6-Mar	4-Jun	Fall 2021	County-owned
Tract 4 Karns Meadow	3 to 12	TBD	TBD	TBD	Waiting on E.A. ToJ SAM? Historic preservation? Sell lots?
Jackson/Kelly	31-46	TBD	TBD	TBD	County lots only
Jackson/Kelly partnership	90 to 140	TBD	TBD	TBD	County + Red House lots

Looking at the unit counts for each project and the demand for housing, staff recommends focusing the smaller projects on ownership units for the higher income ranges and the larger projects on rental units for all income ranges, with an emphasis on the lower income ranges. Projects that are over 30 units, but fewer than 50 units will likely provide housing for a spectrum of income ranges.

The reasoning for this is two-fold: 1) the economics of the smaller projects are such that a higher price point for the units allows the projects to pencil without additional subsidy, and 2) the density of the larger projects lends itself to rental products that can serve a larger range of incomes, including lower earning households.

For the 440 W. Kelly Ave RFP, staff seeks direction on the housing and parking components, specifically:

- **Minimum number of units, unit sizes**
- **Unit restrictions (affordability)**
- **Parking requirements**

Staff also seeks direction on minimum requirements for the streetscape of the project, specifically:

- **Maximum set back allowed**
- **Porches and entryways**
- **Ground floor residential**

Key Issue One: What should the housing and parking components require?

Unit Restrictions

The RFP currently states that a developer must restrict all units utilizing either the Affordable Ownership or Workforce Ownership restrictions. There is no stated preference between the two. The Affordable restriction does have a maximum sales price while the Workforce restriction allows the developer to set the sales price for each unit. Appreciation is set for both restriction types (CPI capped at 3%).

Affordable units are income and asset restricted; Workforce units require that 75% of the household income is earned locally. Both programs require owners to work locally full time and prohibit owners from owning land within 150 miles of Teton County.

Based on the site size and estimates for cost of construction, the economics of the project lend themselves to a Workforce product, for which there is demand locally. The most recent Workforce Ownership unit sold by the Housing Department was a one-bedroom, 734 square-foot multi-family unit, one parking space, built in 2008, located in town, with a sales price of \$224,459. Thirty-three households applied for this unit.

Last 12 Months - Workforce Sales			
Unit Size	# Beds	Price	# HH Who Entered
734 SF	1 bed	\$224,459	33
1,435 SF	2 bed plus	\$505,826	17
1,064 SF	2 bed	\$257,272	87
1,123 SF	3 bed	\$356,383	35

Ultimately, there is a balance between providing affordability and requiring additional subsidy. Staff has drafted the RFP to provide flexibility for the developer in terms of which restrictions to use but has provided direction on whether the units should be rental or ownership (in this case, ownership units are required).

Minimum Number of Units, Unit Size

The RFP currently requires a minimum of 15 units, does not set a maximum number of units, and does not state a preference for unit size. By requiring a minimum and maximum number of units, the RFP could provide parameters for unit sizing (number of bedrooms per unit).

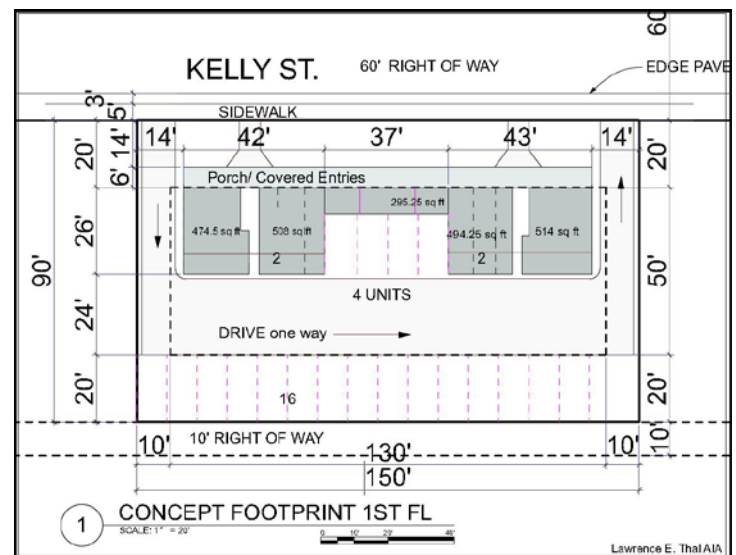
The chart to the left provides an example of how setting minimum and maximum units could affect the size of units built. Providing a maximum number of units could also limit a developer's ability to maximize the site, thus limiting the number of households served and potentially increasing the sales price.

Example Unit Breakdown Based on Minimum Requirements				
# units	Livable SF	SF/Unit	Unit Size	LDR Parking
12	12,500	1042	2-3 Bed	18
15	12,500	833	2 Bed	23
18	12,500	695	9 2-bed, 9 1-bed	23

Parking Requirements

The RFP currently states that respondents must meet the parking requirements in the LDRs. The LDRs require one parking space per dwelling unit that is 500 square feet max and 0-1 bedrooms. For all other units, the LDRs require 1.5 parking spaces per dwelling unit.

Based on access from Kelly Avenue only, approximately 20-25 parking spaces can be built on site. If ground-floor residential is required, then only 20 parking space can be built on site. If parking is reduced to one parking space per unit, the ground-floor livable square footage could increase, resulting in a more livable design, with more options for access and storage. Based on preliminary site analysis, staff believes 20 units with one parking space per unit and balconies/front porches could be provided. These would be studio, one and two-bedroom units in approximately 12,500 square feet.



Key Issue Two: Should the RFP include minimum requirements for streetscape and façade?

Prohibit Front Yard Parking

Front yard parking diminishes street-level activation. Currently the RFP prohibits front yard parking in an effort to avoid this situation. Prohibiting front yard parking could also limit a developer's ability to maximize the housing built on the property.

Porches and Entryways

Requiring a front porch and limiting the number of units that can be accessed via a front entryway will help with placemaking but could limit a developer's design options and potentially reduce the housing built on the property. Currently, the RFP states that 8 units maximum may be accessed per front entry and requires that front porches/balconies must be provided for each unit.

Ground Floor Residential

Requiring ground floor residential with front porches increases the street-level activation of the project. Currently, the RFP states projects must provide a minimum of 100' of ground floor street frontage and a minimum of 1,500 square feet of habitable space on the ground floor with street facing entries and front porches. Requiring this in the RFP will limit a developer's design options but may result in a more livable design.

EXISTING POLICY DIRECTION – COMPREHENSIVE PLAN, HOUSING ACTION PLAN

Comprehensive Plan Policy:

- Emphasize a variety of housing types. 3.2.d
- Emphasize a variety of housing types, including deed-restricted housing. 4.1.b
- Create and develop Transitional Subareas. 4.3.b
- House at least 65% of the workforce locally. 5.1.a
- Focus housing subsidies on full-time, year-round workers. 5.1.b
- Provide a variety of housing options. 5.2.a
- Housing will be consistent with Character Districts. 5.2.b
- Create workforce housing to address remaining shortages. 5.3.c

Housing Action Plan Strategy:

- Provide land as a public subsidy and build development partnerships. 2B

ATTACHMENTS

- Draft RFP for 440 W. Kelly Avenue

FISCAL IMPACT

The fiscal impact will vary based on the housing program defined by the elected officials. If housing that is more affordable is required, then additional public subsidy may be required.

STAFF IMPACT

This project will require significant time from the joint housing director. The Town planning director and Town and/or County legal departments will also be involved with the project.

STAKEHOLDER ANALYSIS

Stakeholders include Town and County tax payers, local working families, business owners, and neighbors.

LEGAL REVIEW Reviewed by Audrey Cohen Davis and Keith Gingery.

RECOMMENDATION

One of the lessons learned from the 174 N. King Street RFP was that the RFP needed to be more specific and that by being specific we will receive better responses and avoid wasting respondents' time.

By requiring a minimum number of units, reducing parking to one space per unit, requiring ground floor residential and porches/balconies, and prohibiting front yard parking we will provide developers with both flexibility in design and guidelines for that design that result in better, more livable responses.

SUGGESTED MOTION

I move to direct staff to finalize the Request for Proposals for 440 W. Kelly Avenue and to bring it to the Joint Information Meeting on February 4, 2019 for final approval based on the direction provided in this meeting.

440 West Kelly Avenue Workforce Housing Development Downtown Jackson, Wyoming

Request for Proposals

Release Date

February 5, 2019

Information Session

February 19, 2019

Submission Deadline

April 5, 2019



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Executive Summary

The Town of Jackson and Teton County, through the Jackson/Teton County Affordable Housing Department (“Housing Department”), is pleased to release this Request for Proposals (“RFP”) for the long-term ground lease and development of a 14,000 square-foot site located in downtown Jackson, Wyoming. This project represents an exciting opportunity to develop workforce housing in the newly created Neighborhood High Density 1 (NH1) zone.

This site is located six blocks from Snow King Mountain Resort and provides easy access to mass transit. Grand Teton National Park, Jackson Hole Mountain Resort, and Jackson Hole Airport are all less than 15 miles from the site. St. John’s Medical Center is within one mile.

The site is owned by the Jackson/Teton County Housing Authority. The site was purchased in early 2019 for the purpose of developing community workforce housing.

A competitive response to the RFP will describe a project that accomplishes the following goals:

- Develops a site plan and building design that exemplifies design excellence and sustainability.
- Successfully capitalizes on the workforce housing incentives provided in the NH1 zone.
- Creates a community housing project that provides a housing program consistent with the criteria set forth in this RFP.
- Supports the goal of stabilizing the community by providing healthy housing solutions.
- Provides pedestrian amenities, an attractive and active streetscape, and encourages alternative modes of transportation.

Site Context

Neighborhood Characteristics & Amenities

The site is in the Core Residential subarea in downtown Jackson, Wyoming and is owned by the Jackson Teton County Housing Authority. It is approximately 14,000 square feet. Currently, a 1,736 square foot house is located on the property and is rented month-to-month.

The site is located one block from the Fairgrounds and Karns Meadow; within half a mile of Snow King Mountain Resort and the historic Town Square; and less than a mile from Jackson Elementary School, the Jackson/Teton County Parks and Recreation facility, St. John's Medical Center, and the National Elk Refuge. The site is also located close to numerous businesses, including retail and office spaces, and is on the Town bike route and a block from a START bus stop.

The 2012 Jackson/Teton County Comprehensive Plan identifies the Core Residential neighborhood as a transitional subarea. Redevelopment, revitalization and reinvestment are highly desired in this subarea. Due to its central location in the core of Town near employment and Complete Neighborhood amenities, the Town Council recently re-zoned this area to include incentives for workforce housing, increased density, and larger buildings.



The intent of the NH1 zone is to provide for high density residential development. Buildings in the Neighborhood High Density 1 (NH1) zone can be up to 3 stories in height and a maximum of 39 feet.

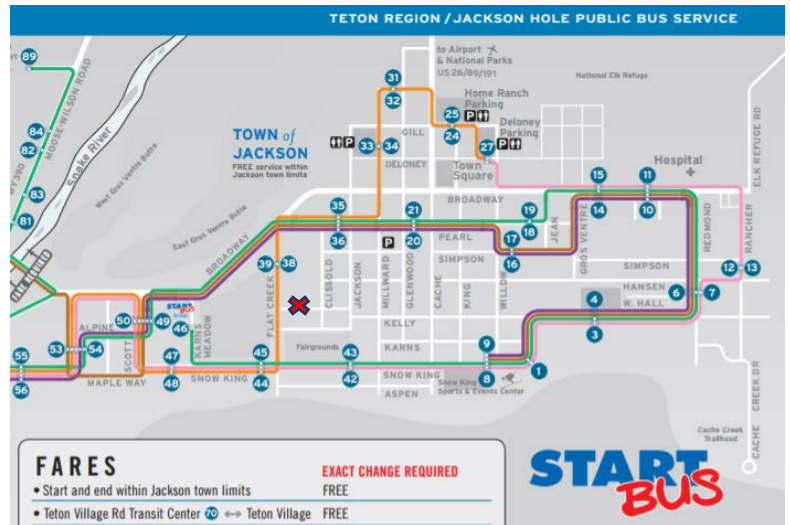
The diagram shows a rectangular building footprint (light gray) within a larger rectangular lot (tan). The lot is bounded by three streets: 'Alley' at the top, 'Street' at the bottom, and 'Street' on the left. Dimensions are indicated by numbered arrows: 1 (left setback), 2 (right setback), 3 (top setback), 4 (bottom setback), 5 (left building setback), 6 (right building setback), 7 (top building setback), 8 (bottom building setback), 9 (left lot width), 10 (right lot width), 11 (top lot depth), and 12 (bottom lot depth).

- 5

Transportation, Access, and Parking

The Jackson/Teton County Comprehensive Plan prioritizes the creation of a safe, efficient, interconnected, multi-modal transportation network. It states that future improvements to this district should include complete street amenities and should be developed to link residents to key community features found in the district, including parks, schools, and local convenience commercial.

The site is within a quarter mile radius of four START bus stops. The Jackson Hole Airport is less than ten miles from the site.



Parking Requirements

In the NH1 zone, parking requirements are based on use, not square footage. Parking type options allowed at this site include: surface, tuck-under, enclosed, structured, and underground. All responses must meet the minimum parking requirements set forth in the LDRs.

1. Allowed Uses				2. Use Requirements	
Use	Permit	Density	Individual Use (max)	Parking (min) (Div. 6.2.)	Affordable Workforce Housing Units (min) (Div. 6.3.)
Residential					
Detached Single-Family unit	B	<u>E.1.</u>	8,000 sf habitable-excluding basement	1/DU 0-1 bedrooms 500 sf max; otherwise 1.5/DU	$0.000017(sf) + (Exp(-15.49 + 1.59 \cdot \ln(sf)))/2.176$
Attached Single-Family unit (6.1.4.C.) (E.1.)	B	<u>E.1.</u>			$0.000017(sf) + (Exp(-14.17 + 1.59 \cdot \ln(sf)))/2.176$
Apartment (6.1.4.D.)	B	<u>E.1.</u>			

Development Program

The Town of Jackson and Teton County, through the Housing Department, seek proposals for this site that develop a 100% residential project that provides a community housing program that meets or exceeds the residential criteria outlined in this RFP.

Project Scope & Phasing

Respondents should propose only one phase of development for the site. A clear and reasonable timeline for all applications, approvals, and construction must be provided.

Housing Program

The housing component of the project may include any combination of Affordable Ownership and Workforce Ownership restricted units but must meet the minimum criteria defined in this RFP. Short-term rental units will not be allowed.

Specific criteria for the housing program include:

- 100% of units developed must be deed restricted.
- A minimum of 15 units must be built.
- All units must meet the livability standards set forth in the Housing Rules and Regulations.

Developers may sell the Workforce units directly or work with a real estate agent, but all purchasers must be qualified by the Housing Department. Initial sales prices for Workforce Ownership units will be set by the developer. Units will appreciate based on CPI capped at 3%. The Housing Department can also run a weighted drawing for these units. In this scenario, the developer will collect the sales proceeds, minus a 2% facilitation fee.

All Affordable units will be sold via a weighted drawing run through the Housing Department. Developers will collect the sales proceeds, minus a 2% facilitation fee. Affordable units have set maximum prices (available in Appendix 7) and appreciate based on CPI capped at 3%.

Parking Program

Respondents must meet the parking requirements set forth in the LDRs. The LDRs require one parking space per dwelling unit that is 500 square feet max and 0-1 bedrooms. For all other units, the LDRs require 1.5 parking spaces per dwelling unit.

Other Design Considerations

Additional design requirements have been identified in an effort to provide community housing that enhances livability and promotes placemaking within the neighborhood.

Specific requirements include:

- The building may be set back a maximum of 21 feet from the property line.
- A maximum of eight units may be accessed per entry. (Applies only to shared interior corridors.)

- A minimum of 100' of ground floor street frontage and a minimum of 1,500 sf. of habitable space on the ground floor with street facing entries is required.
- Front porches are required for ground floor units. Balconies are required for all other units.

Financing

It is the responsibility of the Developer(s) to obtain construction and permanent financing in amounts consistent with their proposal.

Affordable Housing Financing

Respondents' proposed financing may consider public subsidy and tax-exempt bond financing as potential funding sources. However, respondents are encouraged to minimize the use of any Town, County, or Jackson/Teton County Housing Authority subsidy while maximizing the affordable housing developed and the range of affordability provided.

Performance Bond

As a condition for issuing a building permit, the Developer will be required to post a financial assurance that required construction and installation of improvements, performance of duties, and all other financial duty is completed. The financial assurance must be at least 125% of the cost to complete the project. The cost shall be identified in the form of an estimate approved by the Planning Director. The Planning Director may require that the estimate be prepared by a professional engineer, landscape architect, or other professional licensed or certified to practice in the State of Wyoming.

The Developer shall provide one of the following types of financial assurances in a form that is acceptable to the Planning Director:

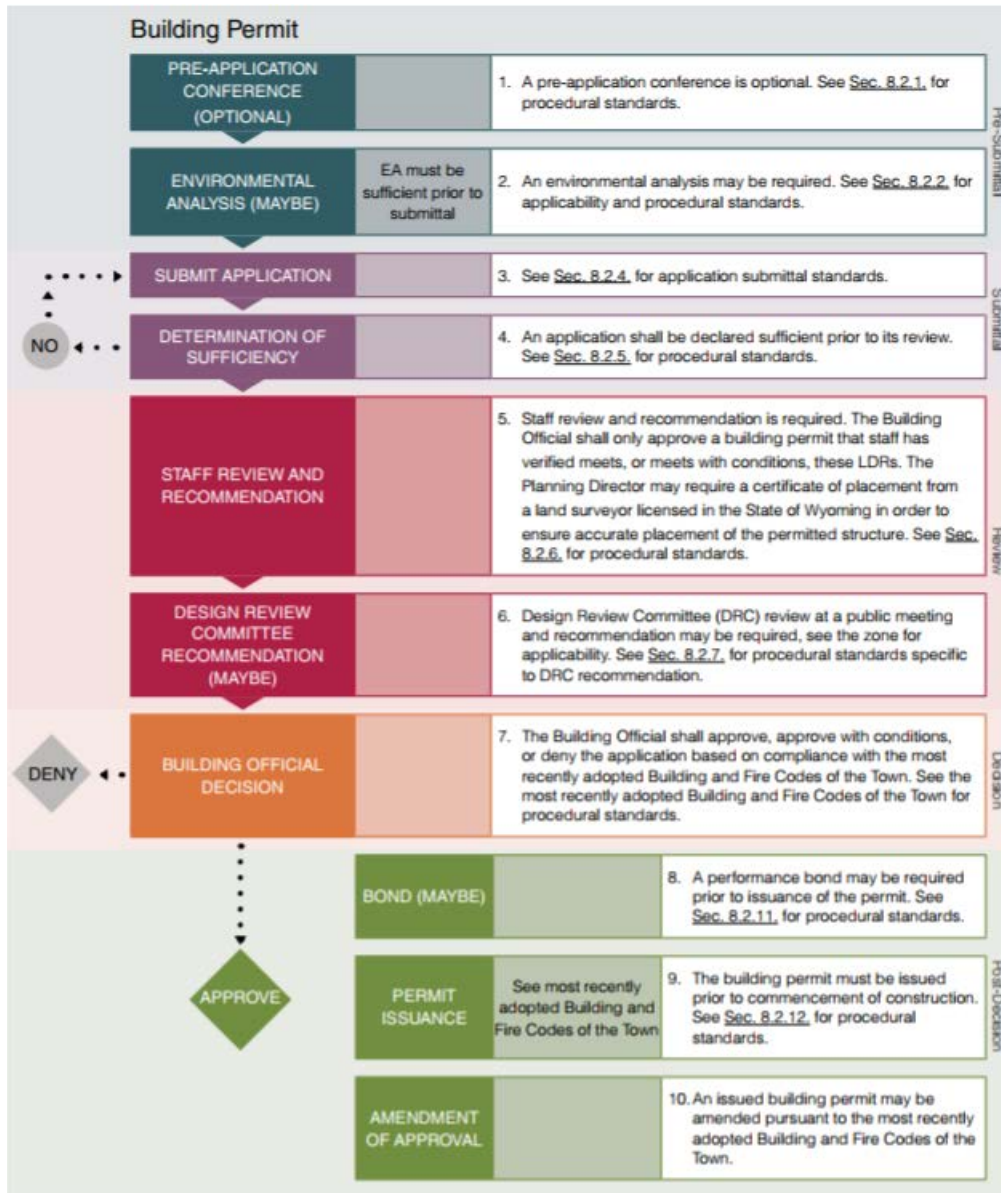
1. Surety Bonds. A deposit with the Town Finance Director of a good and sufficient performance bond in a form made available by the Planning Director or otherwise determined acceptable by the Town Attorney.
2. Escrow Deposit of Cash or Certified Funds. A deposit with the Town Treasurer of cash or certified funds.
3. Irrevocable Letter of Credit. A deposit with the Town Treasurer of an irrevocable letter of credit in a form made available by the Planning Director or otherwise determined acceptable by the Town Attorney.

Approval Process

Development of the site will be subject to certain approvals, which may include, but is not limited to, the following: building permit and grading permit.

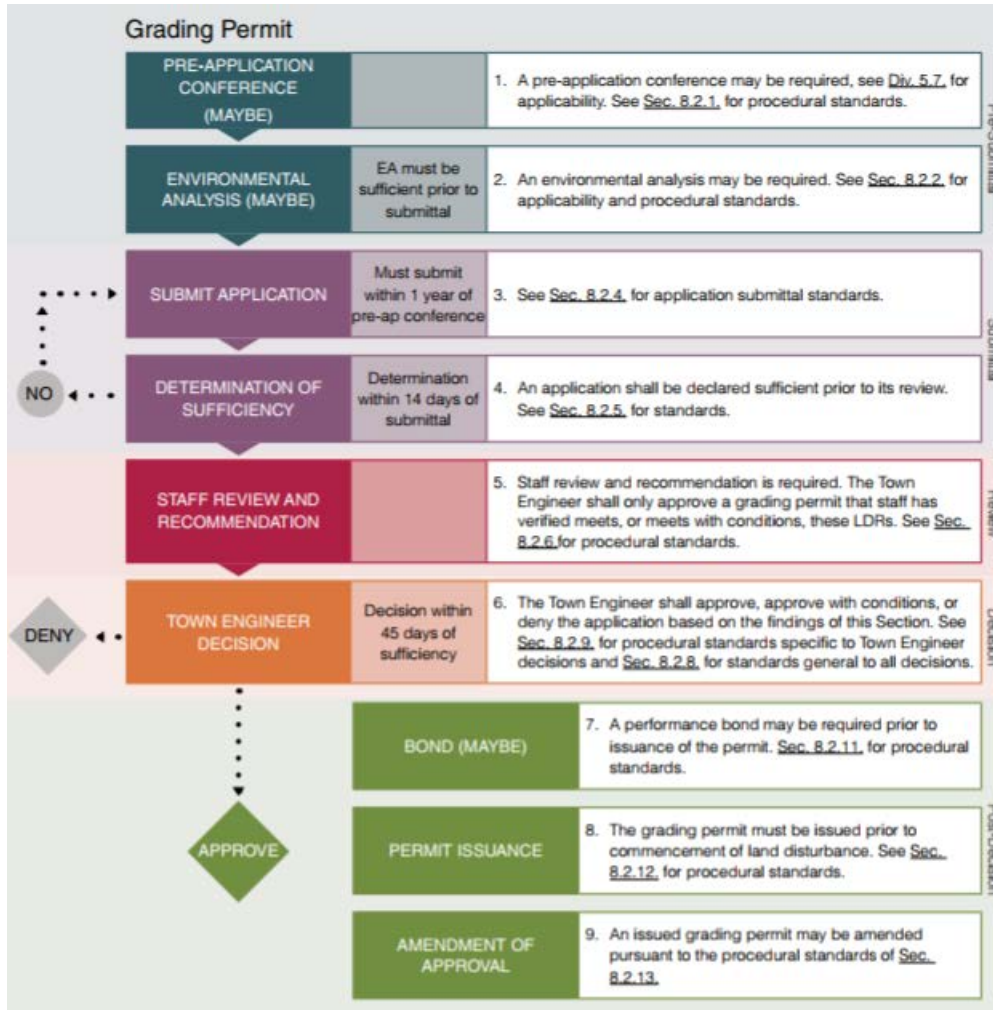
Building Permit

The purpose of a building permit review is to ensure that proposed physical development of a structure complies with the LDRs and adopted building codes.



Grading Permit

The purpose of a grading permit is to ensure that proposed land disturbance includes required erosion control and stormwater management and complies with all other standards of the LDRs.



Proposal Requirements

Respondents should provide the following set of submission requirements. A list of tabs for all required proposal contents is provided in Appendix 1. The Town of Jackson, Teton County, and/or Housing Department reserve the right to request additional materials from the respondent at any stage in the RFP process.

Project Description

The project description should contain the following:

- Development plan with occupancy types and size of development.
- Breakdown of all residential units, including size, unit counts, ownership, shared storage, other common spaces, and/or amenities.
- Preliminary site plan that shows building footprints and heights, open space, parking, access, circulation, etc.
- A description of qualitative aspects of the project, including how the project meets the goal of stabilizing the community by providing healthy housing solutions.

Project Team Description & Qualifications

The project team description should include:

- A description of each member of the Respondent's team, including: a resume, how the member will participate in the project, his/her relevant experience, and portfolios of any similar projects on which s/he has worked.
- Organizational structure, including a clear explanation and an organizational chart for any proposed partnership or joint venture, showing structure and percentages of ownership and investment.
- A summary of the Respondent's work in the community and/or other similar communities.

Project Financial Information

The financial proposal must include the following:

- A summary narrative of the financing structure of the project that explains permanent and construction financing and sources for each.
- Supporting documentation for the financial proposal, including all assumptions made regarding construction costs, financing and soft costs, the use of public or private subsidy, sales prices, operating expenses, and any other relevant information.
- Completed "Project Criteria Worksheet" provided in Appendix 8 of this RFP.

Site Plan & Design

Detailed architectural plans are not required at proposal submission. Respondents are required to outline the design approach and provide site plans that:

- Show square footage, broken down by use/type
- Building height and use broken down by floor; and
- Proposed architect.

All projects should meet the livability standards found in the Housing Rules and Regulations and provided as an attachment to this RFP.

Sustainable Development

Climate sustainability through energy conservation is addressed in the Jackson/Teton County 2012 Comprehensive Plan. Specific principles are outlined, including: reducing consumption of non-renewable energy, reducing energy consumption through land use, reducing energy consumption through transportation, and conserving energy through waste management and water conservation.

Respondents should include a narrative summary describing how the proposed project meets the community's goals of reducing energy consumption. At a minimum, projects must meet LEED Silver standards, although certification will not be required.

Schedule

Respondents should provide an anticipated development schedule that includes a projected timeline for each major step associated with completion of the project from development agreement to certificate of occupancy, how they will be held accountable for the proposed dates, and what contingencies may apply.

Selection Criteria

Proposals will be evaluated using the criteria listed below in no order of preference. Responses that do not meet minimum development requirements will not be considered.

1. Completeness and quality of overall response
 - Completeness and quality of proposal
 - Quality of building, design, and residential program
2. Program and design
 - Number, type, size, and affordability of residential units provided
3. Financial and schedule feasibility, including minimizing Town, County, and/or Housing Authority resources.
4. Qualifications and experience

Due Diligence

Respondents are encouraged to review all publicly available sources of information regarding the site prior to submitting a proposal. Relevant materials include: 2012 Jackson/Teton County Comprehensive Plan and the Town of Jackson Land Development Regulations.

Inquiries & Submissions

All inquiries regarding this RFP should be directed to aprilnorton@jacksonwy.gov. Questions will be accepted until March 22, 2019. Answers will be posted on a rolling basis at www.jhaffordablehousing.org.

RFP Timeline

The Jackson Town Council and Teton County Board of County Commissioners have approved the following timeline for this RFP:

RFP Release	February 5, 2019
RFP & Site Information Session	February 19, 2019
Submission Deadline	April 5, 2019

Proposals are due April 5, 2019 by 4pm MST. Eight (8) copies of the proposal and one electronic copy of the proposal, on a flash drive, must be provided.

Proposals should be hand delivered or mailed to:

Jackson/Teton County Affordable Housing Department
320 S. King Street
P.O. Box 574
Jackson, Wyoming, 83001
Attn: April Norton, Director