

Special Town Council Workshop

September 3, 2019

2:00 PM

Town Council Chambers

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I. CALL TO ORDER AND ROLL CALL

II. COMMENT ON SADDLE BUTTE FIRE by Chief Brady Hansen

III. WORKSHOP ITEMS:

- A. Implementation Schedule for Downtown Parking & Mobility Management Plan (Paul Anthony)
- B. 174 King Street Development Options (April Norton)
- C. 2019 Council Priorities - Predictable Funding of Local Government Framework (Tyler Sinclair)

IV. ADJOURN

Please note that at any point during the meeting, the Mayor and Council 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.



TOWN OF JACKSON

WORKSHOP DOCUMENTATION

SUBMITTING DEPARTMENT: PLANNING

PRESENTER: PAUL ANTHONY

MEETING DATE: SEPTEMBER 3, 2019

SUBJECT: COUNCIL TO PROVIDE DIRECTION ON A SCHEDULE FOR IMPLEMENTATION OF THE DOWNTOWN PARKING AND MOBILITY MANAGEMENT PLAN

PURPOSE OF WORKSHOP ITEM

The purpose of this item is to present for Town Council's discussion a schedule for the implementation of the Downtown Parking and Mobility Management Plan (Downtown Parking Plan).

[NOTE: This item was continued from the Council's August 19 workshop. Staff has made a few minor changes to the staff report...]

DESIRED OUTCOME

The intent is to have the Council provide direction to staff on the next steps for implementation of the Downtown Parking Plan.

To help organize the agenda, staff proposes that the Council discuss the workshop topics in the following order:

- **Topic 1:** Discuss the "Pros and Cons" table comparing the short-term action items and paid parking to determine if the Council has a preference for one option;
- **Topic 2:** Discuss the possibility of hiring a Parking Manager as a first step toward implementing the Downtown Parking Plan (regardless of which option is preferred in Topic 1);
- **Topic 3:** Discuss the attached implementation schedule for the Downtown Parking Plan (unless the Council chooses immediately implementation of paid parking).

Staff recommends that the Council not take public comment at this workshop in order to allow the Council adequate time to complete the agenda and provide direction to staff. Once staff has Council's direction, we can provide a more final and updated version of the implementation strategy at a future Council meeting for final approval. Staff supports inviting the public to comment on that updated implementation strategy at that future meeting if Council desires.

BACKGROUND/ALTERNATIVES

The town embarked on the Downtown Parking Plan study determine whether the Town has a significant parking problem downtown that requires additional parking management strategies to address. While most locals and visitors who visit the Town Square area in the summer already likely agree that parking is congested, the decision to implement and fund a comprehensive parking management program to reduce this congestion is a major undertaking. Such programs also involve balancing important trade-offs. For example, most downtown business owners are keenly aware that there is competition between customers and local employees for the limited downtown parking spaces. This raises the question of how to best maximize use of our limited ROW while providing for the needs of businesses and the safety of employees, especially those who work late shifts. Addressing these complex parking issues requires current data, careful analysis, and then consideration of the economic and social implications of taking action. The Downtown Parking Plan, led by a consultant team from Kimley Horn, was intended to provide Town decision makers and the public a solid foundation from which to consider these issues and then choose an action plan for moving forward.

More specifically, the Plan describes the project objectives as providing strategies and tools to:

1. Identify governance and management structures that will work best for Jackson that will also contribute to the successful implementation of other community goals;
2. Position parking as a contributor to the vitality of Downtown;
3. Provide recommendations on establishing positive and proactive customer relations;
4. Explore the range of parking management strategies that can be used by the Town's management staff to encourage on-street parking turnover and promote increased community vitality;
5. Identify management strategies and technologies that can improve the customer experience, while also controlling operating costs and enhancing system financial performance; and
6. Position parking management within the larger "mobility management" context in a way that promotes a balanced system of parking and multi-modal transportation alternatives.

The Comprehensive Plan also provides strong context and support for initiating the Downtown Parking Plan study:

Principal 2.3: Reduce Energy Consumption through Transportation

- The parking recommendations are intended to decrease unnecessary driving around the Town Square by using existing parking more efficiently and increasing its availability. In addition, alternative modes of travel, such as walking and biking, will also be better accommodated by a safer and more efficient parking system.

Principle 6.3: Create a Positive Atmosphere for Economic Development

- Improving parking in downtown will positively impact the economic vitality of the businesses by making the downtown area more accessible and enjoyable not only to visitors but to locals. The support of both groups is critical to the long-term success of the Town Square area.

Principle 7.1 Meet Future Transportation Demand Through the Use of Alternative Modes

- The reason that the Plan is called the Downtown Parking **and Mobility** Management Plan is to emphasize the point that this plan also addresses non-vehicular modes of travel, such as walking and biking, as well as transit. The goal to create a better visitor experience regardless of the mode of travel used to access the Town Square.

Principle 7.2 Create a Safe, Efficient, Interconnected, Multimodal Transportation Network

- The reason that the Plan is called the Downtown Parking **and Mobility** Management Plan is to emphasize the point that this plan also addresses non-vehicular modes of travel, such as walking and

biking, as well as transit. The goal to create a better visitor experience regardless of the mode of travel used to access the Town Square.

Principle 8.2 Coordinate the Provision of Infrastructure and Facilities Needed for Service Delivery:

- Parking, both on-street and off-street lots, are a critical part of the Town's infrastructure that supports the community in many different ways. Parking is itself a municipal service that the Town provides in order to add value to the community and support all types of economic activity.

From the outset, a major goal of the Plan has been to ensure public outreach and public involvement. Kimley Horn facilitated two public open houses at key stages of the project to solicit public comment and to present and explain recommendations. An on-line survey elicited 395 responses, which is a very high participation rate. Stakeholder meetings were also held with the Chamber of Commerce and many of its downtown business members so that they could provide input on parking strategies around the Town Square area. The Chamber was an active participant and partner throughout the process.

Choosing a Strategy to Implement the Downtown Parking Plan

The draft Downtown Parking Plan was presented to the Council in a workshop on July 15, 2019 for consideration of adoption of the Plan by resolution. At the workshop, the Council accepted the Downtown Parking Plan by resolution. This action concluded the primary public participation segment of the process, allowing the Council to then decide on how best to implement the Downtown Parking Plan. Toward this end, the Council requested that staff provide more details on the staffing impacts, costs, and timing of each short-term action item. In addition, the Council wanted staff to provide additional logistical details on the possibility of implementing paid parking and a residential parking permit program by the summer of 2020.

In response, staff provided at the Council's August 19 workshop the attached implementation table (now updated with some modifications) that tries to summarize the desired information. Planning staff met directly with the many Town departments that would be required to implement the action items and so would be most impacted by the changes. These departments include: Police, Town Manager, Public Works, Town Attorney, Pathways, Finance, and Court. Additional discussion with the Information Technology (IT) department is necessary. The attached table represents their direct input. Due to time constraints at the August 19 workshop, the Council was unable to finish its deliberation regarding the attached implementation table.

As mentioned above, staff has provided a recommended agenda to assist in the orderly discussion of an implementation schedule for the Downtown Parking Plan. It includes the following three main topics:

TOPIC #1: Discuss the "Pros and Cons" table comparing short-term action items vs. immediate paid parking

Based on the Council's most recent direction, staff wants to discuss with the Council the relationship between the short-term items (0 - 2 years) and the possibility of future paid parking. As a reminder, the approach outlined in the Downtown Parking Plan is that the Town would implement the short-term action items over the next two years, then monitor our progress at reducing parking congestion in the downtown, and then reassess whether paid parking (and other measures) would be necessary and should be implemented. If paid parking was selected at that time, it would be another 1 – 2 years before it would be operational (i.e., about 3 - 4 years from now). This 2-step approach was accepted by the Council on July 15 when the Council accepted by resolution the Downtown Parking Plan.

However, if the Council agrees to implement paid parking immediately, then staff would advise that there is little need to discuss the short-term items in the attached implementation table because all of staff's resources and focus in the next 1-2 years would need to be dedicated to getting the paid parking program off the ground. It is not feasible for staff to implement the short-term action items and paid parking at the same time, so the Council will need to decide which direction to take.

With this in mind, staff has provided a quick table of pros and cons to help the Council compare the two options (2-step process vs. paid parking now):

Short-term Items First, then Consider Paid Parking (Option 1)		Paid Parking first, then Consider other Options (Option 2)	
Pros	Cons	Pros	Cons
This approach has already received initial approved by the Council.	If unsuccessful, could lead to unnecessary expenditure of staff time and cost because paid parking needed anyway.	If it is unlikely that short-term items will be enough to significantly improve parking congestion (including any positive shifts to multi-modal options), why not admit that now and move to this solution.	Public, including property/business owners, have been told that paid parking is at least 2 years away, changing now could be major unpleasant surprise
If short-term actions are successful, then may avoid paid parking altogether. Less change to the character of the Town Square.	In addition to the direct costs of time, staff, and money, many short-term items also require considerable educational preparation to ensure success – staff would not need additional resources to fully conduct such education.	Makes sense to begin as soon as possible because of large lead time to implement. Four years is too long to wait.	Question of whether we have budget to cover immediate and significant costs to hire Parking Management Coordinator (and supporting staff) and/or parking consultant
If recession is a near-term possibility, may make sense to start with small items rather full-blown paid parking.			If recession is a near-term possibility, implementing paid parking in a downturn would be a public relations challenge. Also not a good time to expend major money and hire new staff.
			Paid Parking will likely need major and costly upgrades to Town computer systems.

TOPIC #2: Hiring a Parking Manager

The issue of whether (and when) to hire a full-time Parking Manager is an important question that touches on all options related to the implementation of the Downtown Parking Plan. For example, while existing staff can commit to implementing the “green” short-term described below (see Topic #3), we note that the hiring of a new full-time **Parking Manager** to coordinate and implement these items would significantly increase the speed and effectiveness of these efforts. A Parking Manager would have the expertise and time to better coordinate the many different affected departments — while also reaching out to and educating the public — instead of relying on a different mix of project managers for each task as shown in the implementation table.

And if we assume that comprehensive parking management is a long-term priority for the Town, then a Parking Manager would be tasked with ensuring that the parking program continually adapts and innovates to address future parking and mobility needs. This recommendation is different from the Downtown Parking Plan's recommendation which states that the Parking Manager should be hired if and when a paid parking program is initiated. However, in a recent phone call with our Kimley Horn consultants, they agreed that hiring a Parking Manager at the outset would be a good idea to help create and guide a durable parking program process. Staff is looking for feedback from the Council on this recommendation.

TOPIC #3: Discuss short-term implementation schedule for the Downtown Parking Plan

To further assist with the Council's consideration of the attached implementation plan, staff has color-coded the implementation table to better offer options for moving forward.

- **Green:** Staff can implement this item without additional staff and with existing or shifting of resources. Could begin implementation immediately on schedule provided in table;
- **Yellow:** Item needs additional staff or funding resources and or might compromise existing service levels. Future discussion needed before implementation;
- **Red:** Staff does not recommend implementing this item for reasons provided in table.

Staff is looking for Council direction on this color-coded plan.

STAKEHOLDER ANALYSIS

This project has many stakeholders including downtown property owners, business operators, town residents, and visitors.

FISCAL IMPACT

Each action item in the implementation schedule for the Downtown Parking and Mobility Management Plan provides a general assessment of the required additional financial resources needed to implement that action item.

STAFF IMPACT

Responsibility for implementation of the actions item in the Parking Plan will reside mostly with Planning, Public Works, Police, and Legal departments. As with the fiscal impacts, the implementation schedule only provides a general assessment of the amount of staff time needed to implement the action items.

LEGAL ISSUES

The Town Attorney has not conducted legal review on the Downtown Parking and Mobility Management Plan but will provide legal review for any future implementation items on an as-needed basis.

ATTACHMENTS

Proposed Short-term Action Item Implementation Schedule

RECOMMENDATION

Staff recommends that Council approve the attached color-coded short-term implementation schedule as presented by staff, and to then consider paid parking in future discussions as provided in the Downtown Parking and Mobility Management Plan, dated May 2019.

SUGGESTED MOTIONS

I move to direct staff to begin implementation of the Downtown Parking and Mobility Management Plan, dated May 2019, with the following direction:

- To implement the short-term action items as presented in the attached implementation schedule, subject to any changes provided at this meeting;
- To consider implementation of paid parking in the future as provided in the Downtown Parking and Mobility Management Plan, dated May 2019; and
- To hire a Parking Manager as soon as practical [or by a certain date].

Implementation Schedule - Downtown Parking Implementation Plan					
Action Item	Implementing Departments	Estimated Staff Resources	Estimated Cost/Offsetting Revenue	Estimated Completion Date	Comments/Discussion/Things to Consider
1.1 Extend Enforcement Hours to 7:00 PM	Police Public Works Legal Finance/Court	Police: - Unless additional staff added, only partial enforcement of expanded hours possible - With the council approval of a 3rd FTE CSO, we converted to a 4/10 schedule to accommodate this request. - Down side of a 4/10 is we now only have 1 CSO on Tue and Thurs. If they are gone or busy, parking can become a low priority. - Must account for time to wind up operations in the morning and wind down in the evening. Tends to take 20-30 minutes on each end, thus reducing enforcement by about 1 hour total. Unless OT is provided to account for this, achieving enforcement to 7 pm is challenging. Estimated	Public Works: \$175 to change number on approx. 140 signs Revenue: Possible. May generate additional revenue through increased ticket citations if FTE's dedicated to parking.	1-2 months	May be some efficiency to be gained in ticket processing with IT, other methods.

Implementation Schedule - Downtown Parking Implementation Plan					
Action Item	Implementing Departments	Estimated Staff Resources	Estimated Cost/ Offsetting Revenue	Estimated Completion Date	Comments/Discussion/ Things to Consider
		cost to have 1 hr. OT 365 would be \$12K. - Solution may be no Sunday enforcement. Public Works: - No Additional staff needed but Increased staff time Legal: - No Additional staff needed - No new resolution or ordinance; change signs to give notice. Court: - Would need additional staff or capacity if volume of tickets increases because staff is at capacity to handle current volume of parking tickets.			
1.2 Implement Escalating Fine Structure for Repeat Violators while waiving fee for	Police Legal Municipal Finance Court IT	Police: Current LPR does not do this. It only tells us how long a person has been parked in any one spot, it does NOT track prior violations.	Cost estimate: TBD (see comment)		Staff does not recommend implementing 1.2 at this time due to significant but unknown costs, technology upgrades, coordination, and staffing. We will continue to study options

Implementation Schedule - Downtown Parking Implementation Plan					
Action Item	Implementing Departments	Estimated Staff Resources	Estimated Cost/ Offsetting Revenue	Estimated Completion Date	Comments/Discussion/ Things to Consider
first time violators		- Would require buying a new ticket writing system to do this. Legal: - No additional staff but Increased staff time - Should be considered comprehensively at a later date. Municipal Court: - No additional staff but Increased staff time Finance: - No additional staff but Increased staff time			including how other communities do it. Problem with rental cars
1.3 Convert Home Ranch to 3-Hour Visitor Parking (Peak Summer Season Only) with Additional Wayfinding (ALSO: convert Parks and Rec	Police Public Works Legal Finance Court	Police: - No additional staff but Increased staff time - Additional area to enforce will increase total time to make one parking round and thus may limit total amount of enforcement rounds made in a day. - Some difficulties with 90 degree parking spaces and LPR.	\$325 (25 signs @ \$13.00 /sign)	2-3 months (education might take longer)	Staff does not recommend applying 3-hr limit to oversized vehicles (RVs) because few other locations for oversized vehicles to park. Question: Should passes be provided to Parks and Rec staff and/or customers to allow parking in excess of 3 hrs?

Implementation Schedule - Downtown Parking Implementation Plan					
Action Item	Implementing Departments	Estimated Staff Resources	Estimated Cost/Offsetting Revenue	Estimated Completion Date	Comments/Discussion/Things to Consider
lot to 3-hr parking)		Public Works: No additional staff but Increased staff time to install signs.			Might extend enforcement to October 1? Just for over-sized. This will affect commercial operators using this lot for all day customer parking (e.g., rafting/wildlife tours); need to communicate and offer alternatives; may be significant opposition to change. Should be a good educational program to tell employees and others where you want them to park. Need to coordinate with School District to possibly include additional signage.
1.4 Convert Taxi2Fly Parking to regular parking that will be targeted (but	Police Public Works	No additional staff needed.	Approx. \$0.00 (remove Taxi2Fly signs, no new signs required)	Spring 2020 (change will happen when airport discontinues use)	Staff recommends removing Taxi2Fly when the airport terminates contract with town for this service.

Implementation Schedule - Downtown Parking Implementation Plan					
Action Item	Implementing Departments	Estimated Staff Resources	Estimated Cost/Offsetting Revenue	Estimated Completion Date	Comments/Discussion/ Things to Consider
not reserved) for employee parking					This item led to broader discussion about general management of the garage. For example, Police noted that because a person only has to leave for 3 hours to reset the 48 hour limit, effective enforcement is very difficult. Also, should we try to limit use of garage by Spring Hill Marriott? Solutions considered included installing an entrance gate (and maybe exit gate) to monitor length of stays.
1.5 Develop Employee Parking Maps & Communication Program	Public Engagement Coordinator Planning Public Works Pathways IT	No additional staff but Increased staff time (until Public Engagement Coordinator is hired, existing staff will do best to develop and implement program).	Costs: TBD (Maybe some funding through sponsors or Tourism and Transportation Board)	Spring 2020 (and ongoing, as necessary)	Be proactive to get people information before they arrive for parking locations and where to shop. Consider different languages. Look at aps for parking information.
1.6 Add 15-Minute Stalls at Nearest	Public Works Police Legal	No additional staff but Increased staff time.	Cost: \$100 - \$300 (5 -15 signs)	2 - 3 months	Need to determine which intersections get signs.

Implementation Schedule - Downtown Parking Implementation Plan					
Action Item	Implementing Departments	Estimated Staff Resources	Estimated Cost/Offsetting Revenue	Estimated Completion Date	Comments/Discussion/Things to Consider
Intersection on Blocks that Have at Least One High-Turnover Business in the Downtown Core (Up to 2 Per Block Face). This strategy could be expanded to address the need for hotel drop-off spaces.	Planning	Public Works: - Some signs may be covered by current painting budget/staff, but if it's a lot then we would need additional budget and time to finish. Police: - No active enforcement because not practical to enforce violations for longer than 15 minutes (honor system), but overall concept seems sound.			Try to Increase use by Fedex and UPS, etc. Should coordinate this with ADA parking identification. Businesses with longer customer stays (e.g., restaurants) might oppose signs.
1.7 Invest in Real-Time Space Availability in Select Public Lots	Public Works Planning IT	No additional staff but Increased staff time.	Cost: TBD (Not funded. Kevin Meagher, Facilities Manager, needs to work with IT to decide on a system.	12 - 24 months	This action will be expensive and should go in FY21 budget request.
1.8 Initiate Annual Data Collection Program to Monitor Performance	Planning	No additional staff but Increased staff time. (may use interns and Kimley Horn for support)	Cost: TBD but minimal	Summer 2020	

Implementation Schedule - Downtown Parking Implementation Plan					
Action Item	Implementing Departments	Estimated Staff Resources	Estimated Cost/Offsetting Revenue	Estimated Completion Date	Comments/Discussion/Things to Consider
1.9 Add Section to the Municipal Code to Require Drivers to Move at Least One Block to Avoid a Time-Limit Citation	Legal Police Planning Public Works	No additional staff but Increased staff time.	Cost: Minimal (No signage changes needed)	1 – 3 months (Legal: ordinance change could be done immediately)	Police: Would suggest off of the “block face” as the language, not “one block” as blocks come in varying lengths and leaves it open for debate what a “block” is. Planning: Need to educate employees and guests on policy.
1.10 Add Additional On-Street ADA Stalls in Downtown	Public Works Police Legal	No additional staff but Increased staff time. Police: Have been recommending this for a couple of years. Will require additional enforcement, but we have the capacity.	\$720/space \$50/year maintenance	2 – 3 months	Public Works: 4 spots already identified. Locate close to end of street to increase visibility.
1.11 Add Additional Bicycle Parking in Downtown	Public Works Pathways Planning Police	No additional staff but Increased staff time. Public Works: Can help with pads/installation. Pathways:	\$1,000/unit in street \$250 U-Rack (Pathways will take lead on determining cost which will be	Depends on location: On public property: 2-3 months On private property or on-street parking space: 3+ months.	Locate close to end of street to increase visibility. Consider using red curbs where no conflict with on-street parking.

Implementation Schedule - Downtown Parking Implementation Plan					
Action Item	Implementing Departments	Estimated Staff Resources	Estimated Cost/Offsetting Revenue	Estimated Completion Date	Comments/Discussion/ Things to Consider
		Will provide assistance with rack location identification and approval, rack procurement, and installation.	based on number and type of racks selected)		Work with WDOT along highways.
Other Items					
Install Paid Parking by Memorial Day 2020	Parking Manager Public Works Police Legal Planning Finance Pathways IT Court	3 - 5 additional FTE (this would likely include one CSO transferred from Police). First need to hire Parking Manager and other staff to lead and implement program. Existing staff capacity not sufficient.	\$825,000: On-street meter technology \$300K – 500K: Staff Revenue: 1 st Year: \$100,000 Other years: \$275,000/yr (according to consultants)	Immediate implementation (May, 2020): Not feasible and not recommended Gradual Implementation October 2020 (initial testing) and May 2021 (possible full implementation) Alternative: Don't hire Parking Manager but hire consultant to implement entire program immediately (approx. 6 -12 months). Higher costs. 1.5 – 2 million.	Implementing paid parking requires not only approx. \$1.2 – 1.5 million of direct initial investment, but significant time to educate downtown business/property owners and public, and install and test major technological upgrades. System should have extensive trial period which should begin in off season. Not sure if this would increase/decrease number of parking tickets

Implementation Schedule - Downtown Parking Implementation Plan					
Action Item	Implementing Departments	Estimated Staff Resources	Estimated Cost/Offsetting Revenue	Estimated Completion Date	Comments/Discussion/Things to Consider
IT and infrastructure upgrades including LPR, vehicles (backups), ticketing software, bridges for interconnectivity between software; redundancy of equipment and staff	Parking Manager Police IT Finance Legal Court	Additional staff needed. Significant staff time from the IT, Police, and Finance Departments in particular that cannot be handled by existing staff.	Cost: TBD but significant	May, 2020: Not feasible and not recommended October 2020: Possible initial testing of system May 2021: possible full implementation	This item will be a significant challenge and may require major shifts from existing software and hardware programs.
Implement a residential parking permit program	Parking Manager Public Works Police Legal Planning Finance IT Court	Only necessary if paid parking adopted. (assuming Parking Manager and support staff would be implementing this item)	Cost: TBD Revenue: Potential for revenue if tickets increase	2+ years (Implement after paid parking)	This option can either be done concurrent with paid parking or only if and when employees and other displaced parkers start to overuse adjacent residential neighborhoods to avoid paid parking.
Town wide ADA audit	Parking Manager Public Works Planning	Existing staff (assuming Parking Manager and support staff are hired. May require specialist consultant.	Cost: TBD	6 months from hiring Parking Manager	



TOWN OF JACKSON

WORKSHOP DOCUMENTATION

SUBMITTING DEPARTMENT: Housing

PRESENTER: April Norton

WORKSHOP DATE: September 3, 2019

SUBJECT: Project Selection for 174 N. King Street

PURPOSE OF WORKSHOP ITEM

Today, Council can choose a development partner who will break ground on a community housing project next spring.

On July 31 the Town was informed that the 174 N. King Street Project did not receive 9% Low Income Housing Tax Credit (LIHTC) allocations from the Wyoming Community Development Authority (WCDA). On August 19, the Council directed staff to analyze revised project proposals from Westmount Development and the Jackson Hole Community Housing Trust. Since that time, staff has received further refined proposals from both developers and provides an analysis below.

DESIRED OUTCOME

- Developer/project selection –
 - a) Westmount rental proposal
 - b) Housing Trust ownership proposal
- Direction on how to pay for the gap in funding required to build the project.
 - a) Town Housing Fee in Lieu funds that can only be used to fund housing that serves households earning <120% MFI, current balance: \$273,953; and/or
 - b) Town Housing Supply funds that have been allocated to implement the Housing Supply Plan in which this project is identified for development, current balance: \$1,719,059.

BACKGROUND

In 2018 the Council identified 174 N. King Street for low income rental housing based on the policy direction in the Housing Action Plan (*Initiative 2A: Prioritize lower-income, year-round housing; 4C: Seek and support grants, tax credits, loans, and other sources of funding*), pipeline and demand information available at the time. Since the initial project award, the development partner, Westmount Development, has unsuccessfully applied for Low Income Housing Tax Credits (LIHTC) through the Wyoming Community Development Authority.

On August 19 staff brought the 174 N. King Street project to Council for direction with how to move forward. After a staff presentation on current demand, pipeline, and funding, the Council directed staff to work with the Housing Trust and Westmount to analyze their revised options and bring an analysis and recommendation to the Council.

Since that time both developers have provided additional information and revisions to their proposals. These can be found online at <http://www.jhaffordablehousing.org/1577/174-N-King-Street>.

The good news is that there are two quality developers who have provided projects that, once built, will serve full-time, year-round working households in Teton County. Both proposals can break ground next Spring, which means that the Town of Jackson will welcome families to stable living situations sometime in 2021.

This staff report is broken into three sections: 1) proposal summary for each of the proposals, 2) key issue identification and analysis, and 3) options and staff recommendation.

Part One: Proposal Summary

Developer: Jackson Hole Community Housing Trust (JHCHT)

Architect: Northworks

Builder: Shaw Construction

For this proposal, JHCHT proposes a mixed-use development that will provide 24 ownership units with 34 bedrooms and 2,290 square feet of ground floor commercial space and 1,366 square feet of below grade commercial space. Total cost to build the project is estimated at \$15,971,918. Total funding for the project is estimated at \$16,019,625. JHCHT offers the Town of Jackson five Rights of First Purchase (ROFP) for Town employees. These rights will stay within the development, so if they are not all executed at the time of initial sale the Town will have an opportunity to exercise the rights as units come up for resale. (This is different from the “floating rights” the Town currently owns because they are only applicable to this development.) JHCHT proposes raising \$2,100,000 in private philanthropy, borrowing up to \$11,700,000 in debt, and requiring an additional \$1,250,000 investment from the Town of Jackson (in addition to a \$1/year ground lease for the land). The commercial space will be sold for market value, which is estimated at \$2,122,625 or \$580.59 per square foot (includes both above and below grade space). Unit pricing ranges from \$275,000 to \$517,000 and averages out at \$451.41 per square foot. Depending on household size, all of these units will serve households who earn in the 80-120% Income Range. JHCHT proposes recording its standard restriction on all 24 units, which requires that buyers earn no more than 120% of median family income (MFI) based on the Housing Trust’s formula.

Pros/Cons:

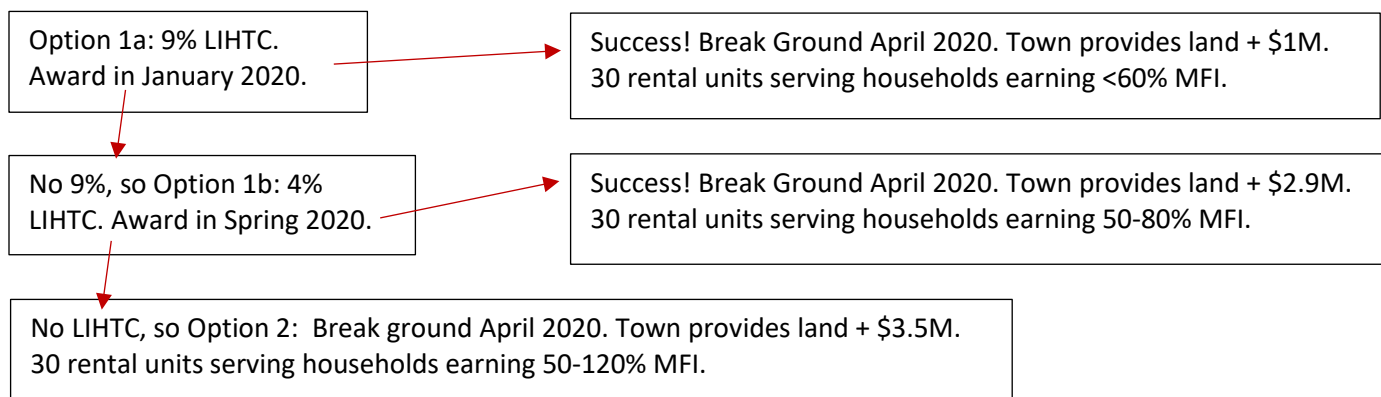
- Pros: Builder has extensive and recent experience building multifamily in Jackson.
- Cons: Risk associated with fundraising if JHCHT cannot raise at least \$2.1M in philanthropy the Town may be responsible for making up the gap in addition to the \$1.25M provided + land. And risk associated with potentially unfavorable results from a geotechnical analysis of the site, which could preclude below grade space and increase overall building costs because of poor soils, which may result in the Town providing additional funding over the \$1.25M + land.

Developer: Westmount Development

Architect: Krikor Architects

Builder: New West Builders

For this proposal, Westmount offers a mixed-use design that provides 30 rental units with 32 bedrooms and 1,920 square feet of ground floor commercial space. The total cost to build the project is estimated at \$13,509,172. Westmount proposes re-applying to the WCDA for 9% LIHTC (“Option 1a”). To strengthen their application, an additional \$1M investment from the Town may be necessary. The award date is in January 2020. If unsuccessful, Westmount would then apply for 4% LIHTC (“Option 1b”). If successful they will need an additional \$2.9M from the Town of Jackson. If unsuccessful, Westmount can still break ground on a project in Spring 2020 but will need \$3.5M from the Town of Jackson to do so (“Option 2”). Westmount offers the Town of Jackson five First Rights of Rental (FROR) for Town employees.



Pros/Cons

- Pros: Developer has completed a geotechnical analysis of the site and is not proposing below grade space, received Design Review Committee approval, has current cost estimates, has received a reduced parking requirement (1 space per unit), leverages federal resources, and addresses highest housing need in the community.
- Cons: Risk associated with applying for 9% LIHTC again after two unsuccessful attempts. If unsuccessful with 9% and 4% LIHTC, then Town will need to provide \$3.5M for the project, which is about \$1M more than what is available in the Housing Supply Program and fees in-lieu accounts.

Part Two: Key Issue Identification and Analysis

Key issues that were analyzed and used to compare the two projects are listed below. Other key components were analyzed but did not meaningfully differentiate the two projects.

1. Affordability, Type of Product
2. Timeline, Approvals, Variances Needed
3. Projects Risks
4. Town Funding Required
5. Commercial Space

Affordability, Type of Product

- Both proposals provide needed units based on product type and demand.

The August 2019 Intake Form indicates that most households looking for housing through the Housing Department programs are one or two people and earn less than 120% MFI. Over 2,200 individuals in over 1,000 households are represented in this data set (about 10% of the County population).

The highest demand right now is for units serving 1-2 person households earning <80% of median family income (MFI). These units should be primarily rental, one and two-bedrooms.

- Westmount Development Option 1 provides rental units for households earning <80% MFI.

The second highest demand is for units serving 1-2 person households earning 80-120% MFI. These units should be a blend of rental and ownership, one and two-bedroom. They could be a mix of the Affordable 80-120% Income Range and Workforce restrictions.

- The Housing Trust proposal provides 24 ownership units that qualify in the 80-120% Income Range depending on household size.
- Westmount Development Option 2 provides rental units for households earning 50-120% MFI.

Highest Demand: 0-80% Rental

- 0 units in the pipeline

634 households on Intake Form earn <80% MFI. (245 earn <50% MFI.)

Westmount options 1 fits here = 30 rental units (all studio, one- or two-bedrooms)

Westmount option 2 provides 8 of 30 units that fit here.

Second Highest Demand: 80-120% Ownership

- 44 rental units in the pipeline
- 0 ownership units in the pipeline

313 households on Intake Form earn 80-120% MFI.

JHCHT project fits here = 24 ownership units (18 one-bedroom, 2 two-bedroom, 4 three-bedroom)

Westmount option 2 fits here = 30 rental units (all studio, one- or two-bedrooms)

Timeline, Approvals, Variances Needed

- Both projects can break ground in the Spring 2020.

What	JHCHT	Westmount
Geotechnical Analysis	Still needs.	Complete.
Design Review Committee	Still needs.	Complete.
Reduced parking to 1:1	Still needs.	Complete.
Off-site parking allocation	Still needs.	N/A
LIHTC Allocation	N/A	Deadline 9/30. Award 1/2020.
Fundraising	Still needs.	N/A
Ground Lease	Still needs.	Still needs.
Development Agreement	Maybe	Maybe
Building Permit	Still needs.	Still needs.

The Westmount project is farther along in the design and approval process. In order to break ground, they must receive LIHTC allocation and/or Town funding, plus they must have an executed Ground Lease with the Town and possibly a Development Agreement, and they must receive their building permit.

JHCHT has an advanced proposal, but still needs to conduct a geotechnical analysis to finalize the design. They will also be required to receive Design Review Committee approval. They must apply for and receive approval for a parking reduction plus an off-site parking allocation of six spots for at least the winter season. They too will need an executed Ground Lease and possibly a Development Agreement. Once those pieces are complete, the developer may submit for building permit. If they cannot receive the proper planning approvals, they may be required to redesign their building (planning approval is not guaranteed with selection today).

Project Risks

- Both projects come with risks associated with dependence on outside funding (not debt) and if that funding is not received, then the Town will be required to make up the shortfall to ensure a Spring 2020 groundbreaking.

JHCHT: lower risk, lesser affordability	Westmount: higher risk, greater affordability
Risks: • Fundraising goals are not met, so sales prices are increased, reducing affordability and/or the Town is required to provide additional investment up to \$2.1M. • JHCHT still needs a geotechnical analysis. If this indicates poor soils that limit below grade space and increase construction costs, then they may need to raise the sales prices, reducing affordability and/or require increased Town investment. • Town does not have five employees to take advantage of the 5 ROFP at initial sale which would result in community working household who qualify purchasing the unit(s) that the Town cannot fill at initial sale and then as units come up for resale Town employees will have an opportunity to purchase.	Risks: • LIHTC application is denied and the Town is required to provide additional investment to build the project, plus the project goes from serving <60% MFI households to serving households earning 50-120% MFI. • Town does not have five employees who qualify to rent the units at initial lease which would result in community working households who qualify leasing the unit(s) that Town cannot fill. Then annually Town employees will have an opportunity to lease assuming they qualify.
Potential additional cost to Town: Unknown, but probably not more than \$2.1M more than the \$1.25M + land already provided.	Potential additional cost to Town: \$3.5M more than the land already provided.

How to address:

- In the Ground Lease, require JHCHT to execute a Guaranteed Maximum Price (GMP) contract with Shaw Construction by a date certain.
- In the Ground Lease, guarantee that the Town of Jackson will provide up to \$1.25M or 7.83% of the total project cost, whichever is less, in matching funds for the project based on the GMP.
- In the Ground Lease, require JHCHT to record their affordable restriction on all units, ensuring affordability (as opposed to allowing a market sale or workforce sale).
- In the Ground Lease, clearly specify what steps must be taken if philanthropy goals are not met (Town loans JHCHT funds to cover the gap, Ground Lease is revoked and JHCHT is forced to sign improvements over to the Town, Town provides the additional funds, etc.).
- Once the Ground Lease is signed, the Town can let employees know about the ROFP and encourage them to consider the opportunity.

How to address:

- The funding risk is not easily addressed aside from providing strong support for the project and assisting with infrastructure construction.
- Do not execute a Ground Lease until LIHTC allocations are announced.
- In the Ground Lease, require Westmount to execute a GMP contract with New West Builders by a date certain.
- If LIHTC are allocated, guarantee the Town's monetary contribution not to exceed the amount stated in the LIHTC application or the percentage of total estimated project cost – whichever is less.
- If LIHTC are not allocated, guarantee the Town's monetary contribution not to exceed the amounts provided as attachments to this staff report or the corollary percentage of total estimated project cost – whichever is less.
- Once the Ground Lease is signed, the Town can let employees know about the ROFR and encourage them to consider the opportunity.

The Westmount Option 1a is superior in affordability and product type based on current demand in the community. However, this option is risky because of its reliance on 9% LIHTC. Westmount has unsuccessfully applied to WCDA twice already and there has been no indication from the WCDA staff that they will grant the cost waivers necessary to approve the project. The Westmount Option 1b provides a high level of affordability and the right product type based on current demand. It also requires an allocation by WCDA of 4% LIHTC. These are easier to apply for and receive, but they also do not provide enough equity for the developer to build the project without a significant additional investment by the Town. Westmount Options 2 provides similar affordability to what JHCHT is proposing and requests over \$2M more than JHCHT to build.

The JHCHT project is less affordable than Westmount Option 1 (a & b), but it still meets a high demand in the community. However, should JHCHT experience unforeseen costs and/or fail to meet fundraising goals, the Town could be required to provide investment in addition to the \$1.25M + land it is already providing. This potential additional investment is likely not to exceed \$2.1M.

Town Funding Required

- Both projects require Town funding in addition to a long-term ground lease for the land.

What	JHCHT – 24 ownership units	Westmount – 30 rental units		
		Option 1a	Option 1b	Option 3
Project Cost (includes land value and Town cash)	\$15,971,918 (does not include parking)	\$14,074,172	\$14,074,172	\$13,639,664
Project Funding	\$16,019,625	\$14,074,172	\$14,074,172	\$13,639,664
Town Land	\$2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Town Cash	\$1,250,000	Optional \$ 1M	\$ 2,864,124	\$ 3,453,282
Off-Site Parking*	\$90,000 6 spaces at \$15,000/per	None	None	None

*Not included in Project Cost number

Westmount's overall project cost is lower than JHCHT and is based on current bids (in preparation for LIHTC allocation in July 2019). For their Option 1a, the Town can provide an additional \$1M in infrastructure improvements if needed to strengthen the LIHTC application. If the 9% LIHTC application is unsuccessful, then Westmount will apply for 4% LIHTC and if awarded the Town will need to provide \$2.9M in additional funds. (Right now, the Town has about \$2M in Housing Supply Program + fees in-lieu funds to use for this project.) If the 4% application is unsuccessful, then the Town will need to provide \$3.5M for the project, which is about \$1.5M more than what is currently available.

JHCHT's project cost is estimated around \$2M higher than Westmount's. JHCHT requests \$1.25M (or ~8% of projected project cost) from the Town to be provided when the Ground Lease is executed. If JHCHT fails to raise \$2.1M, the Town may be required to provide the gap funding which is unlikely to be greater than \$2.1M.

ALTERNATIVES

Council chooses to work with Westmount.

Westmount applies for 9% LIHTC in the September 2019 round. WCDA announces allocations in January 2020.

- Option 1a: LIHTC are allocated in January 2020. Ground Lease and Development Agreement are executed. Westmount executes a GMP with New West Builders. Project breaks ground in April 2020. 30 rental units serving households earning <60% MFI welcome families in Fall of 2021.
 - Most affordable, least expensive for public, riskiest because of dependence on 9% LIHTC allocation that has been denied twice already. If needed, funding sources = Town Housing Supply Program (\$1M)
- Option 1b: 9% LIHTC are not allocated in January 2020. Westmount applies for 4% LIHTC and those are awarded in March 2020. Ground Lease and Development Agreement are executed. Westmount executes a GMP with New West Builders. Town provides a guarantee of \$2,864,210 or 20% of total project cost – whichever is lower – in funding to Westmount. Project breaks ground in April 2020. 30 rental units serving households earning 50-80% MFI welcome families in Fall 2021.
 - Second most affordable, more expensive for public, lower risk because 4% LIHTC are a noncompetitive funding source. Funding sources = Town Housing Supply Program fund (\$1,719,059) + Fees In-Lieu (\$273,953). Funding gap is \$871,198.
- Option 2: LIHTC are not allocated. Ground Lease and Development Agreement are executed. Westmount executes a GMP with New West Builders. Town provides a guarantee of \$3,453,282 or 25% of total project cost – whichever is less – in funding to Westmount. Project breaks ground in April 2020. 30 rental units serving households earning 50-120% MFI welcome families in Fall 2021.
 - Affordability meets highest and second highest demand, most expensive for public, low risk. Funding sources = Town Housing Supply Program fund (\$1,719,059) + Fees In-Lieu (\$273,953). Funding gap is \$1,460,270.
- Alternative Option: LIHTC are not allocated. Westmount sells their plans to JHCHT for \$200,000 and JHCHT develops property. Project cost is estimated at \$2M below what JHCHT proposes currently, revenues generated from sales will likely be reduced.
 - Funding sources are the same as above. Staff does not know what sources/uses in this scenario would be.

Council chooses to work with JHCHT.

- Ground Lease and Development Agreement are executed in Fall 2019. Town provides \$1,250,000 to JHCHT. JHCHT buys geotechnical analysis from Westmount and finalizes design. JHCHT executes a GMP with Shaw Construction. If GMP reflects a lower total project cost than previously estimated, Town reserves the right to either recoup money provided over 8% of project cost or to require JHCHT to reduce sales prices by the amount provided above 8% of project costs. JHCHT finalizes design and applies for and receives all planning and DRC approvals necessary, and then receives building permit. Project breaks ground in April 2020. 24 ownership units serving households earning 80-120% MFI welcome families in Fall 2021.
 - Affordability and unit types meet second highest demand, more expensive for the public than 9% LIHTC option, but less expensive for the public than other Westmount options, risk related to dependence on philanthropy. Funding source = Town Housing Supply Program fund (General Fund dollars). If JHCHT does not meet fundraising goals, then additional funding may need to be found outside of the Town housing budgets.

COMPREHENSIVE PLAN ALIGNMENT

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 Initiative:

- Prioritize lower-income, year-round housing. 2A
- Provide land as a public subsidy and build development partnerships. 2B
- Lead by example by housing public employees. 2C
- Allow for supply of workforce housing by removing barriers. 5A
- Incentivize the supply of restricted housing. 5B

STAKEHOLDER ANALYSIS

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

FISCAL IMPACT

The fiscal impact of various options is provided above.

STAFF IMPACT

These projects will be led by the Housing Director who will lean on several colleagues for support and guidance, including the Town Administrator, Community Development Director, Town Attorney, Town Planning Director, and Town Engineer.

LEGAL ISSUES

None right now.

ATTACHMENTS

All documents related to this item are provided online at <http://www.jhaffordablehousing.org/1577/174-N-King-Street>.

RECOMMENDATION

The Housing Supply Board met August 13 to discuss these projects. Without policy direction from the Council, the board could not make a recommendation.

While staff recognizes the immense need for low income rental housing, the costs to build that type housing at this site and the public funding realities limit Town's ability to pursue the rental options. If Westmount is unsuccessful in their 9% LIHTC application, the Town does not currently have the funds to pay for any of the other options proposed by Westmount. There has been no indication from WCDA staff that they will grant the fee waiver, even with reduced project costs and additional funding from the Town. Without secure funding and limited financial resources at the Town, staff cannot recommend moving forward with Westmount.

It is because of the limited amount of funding for housing coupled with a high demand for ownership housing serving households earning 80-120% MFI that staff recommends awarding the project to JHCHT with the requirements listed below in the suggested motion along with any other requirements Council wishes to include.

Moving forward, **the persistent demand in the community and the demand that has zero units in the pipeline is rental product for households earning <80% MFI.** These are the most expensive units to build and they are the units that serve the most marginalized in our community, including individuals, children, and extended families. To build these units we must find an additional funding source, whether it's LIHTC, Community Block Grants, Specific Purpose Excise Tax, etc. to provide the investment needed to build these homes.

SUGGESTED MOTION

I move to proceed with developing housing at 174 N. King Street with the Jackson Hole Community Housing Trust and direct staff to bring a Ground Lease to the Council for consideration at a future meeting. The Ground Lease should include the following:

- Requirement that JHCHT execute a Guaranteed Maximum Price contract with Shaw Construction by a date certain.
- Guarantee that the Town of Jackson will provide up to \$1,250,000 or 8% of the total project cost, whichever is less, in matching funds for the project based on the Guaranteed Maximum Price.
- Requirement that JHCHT record their standard affordable restriction on all units.
- Requirement that JHCHT receive all necessary approvals from the planning and building departments and that the signed Ground Lease does not remove this obligation.

174 N. King Street: Project Criteria Worksheet - 9% LIHTC Deal
OPTION 1A

Westmount

Total # of Units	30	Gross Workers Housed	44.6
Total # of Bedrooms	32	Net Workers Housed	41.46
Date Complete	Fall 2021	Total People Housed	53.5

Unit Summary - All Residential & Nonresidential													
	# Units	Beds	SF	Residential Rent, Sales Price for Commercial	Rent/SF, Sales Price/SF	Utilities	Total Monthly*	Total/SF	Annual Income**	Income Range: 1-person	Income Range: 2-person	Income Range: 3-person	Income Range: 4-person
Unit Type A	5	Studio	591	\$ 437.00	\$ 0.74	\$ 41.00	\$ 478.00	\$ 0.81	\$ 19,120.00	0-50	0-50	-	-
Unit Type B	10	Studio	591	\$ 661.00	\$ 1.12	\$ 41.00	\$ 702.00	\$ 1.19	\$ 28,080.00	0-50	0-50	-	-
Unit Type C	5	Studio	591	\$ 816.00	\$ 1.38	\$ 41.00	\$ 857.00	\$ 1.45	\$ 34,280.00	0-50	0-50	-	-
Unit Type D	5	1	784	\$ 872.00	\$ 1.11	\$ 51.00	\$ 923.00	\$ 1.18	\$ 36,920.00	50-80	0-50	-	-
Unit Type E	3	1	784	\$ 1,057.00	\$ 1.35	\$ 51.00	\$ 1,108.00	\$ 1.41	\$ 44,320.00	50-80	50-80	-	-
Unit Type F	2	2	1065	\$ 1,269.00	\$ 1.19	\$ 61.00	\$ 1,330.00	\$ 1.25	\$ 53,200.00	50-80	50-80	50-80	50-80
Total Residential	30	32	20222	\$ 22,944.00	\$ 1.13		\$ 24,294.00	\$ 1.20					
Commercial***	1	n/a	1920	\$ 1,344,000.00	\$ 700.00								
Total			22142	\$ 1,366,944.00	\$ 61.74								

*Total Monthly Payment includes monthly payment plus utilities

**HUD states that families paying more than 30% of their gross income on housing are considered cost burdened and may have difficulty affording food, clothing, medical care, etc. The Annual Income is the minimum a household needs to earn to meet the 30% standard (monthly payment of A x 12 months / 30% = annual income).

***Mitigation Requirement is 0.927 of a 2-bedroom unit that serves households earning <120% MFI. This requirement is being met.

People Housed				Comments
Unit Type	# Units	Worker Multiplier	People Multiplier	
Studio	20	1.45	1.75	Based on LDRs
1 bed	8	1.45	1.75	Based on LDRs
2 bed	2	2	2.25	Based on LDRs
Total	10	44.6	53.5	

Employees Generated				
Use	Total SF	Worker Multiplier	Total Workers	
Restaurant		3.956	0	Workers per 1,000 SF, Based on LDRs
Office		1.643	0	Workers per 1,000 SF, Based on LDRs
Retail		1.247	0	Workers per 1,000 SF, Based on LDRs
Institutional	1920	1.633	3.13536	Workers per 1,000 SF, Based on LDRs
Total	1920		3.13536	
Net Workers Housed			41.46464	

Total Funding		\$14,074,172	
Public Funds			Comments
	General Fund	\$0	Optional \$1mm in town subsidy. Would reduce eq by \$1mm
	Land	\$2,000,000	Owned by Town of Jackson
	Total Public Funds	\$2,000,000	

Partner Funds			
	Debt	\$1,820,000	
	Equity	\$10,254,172	LIHTC, HOME, NHTF, Town
	Town Subsidy Option	\$0	Optional \$1mm in town subsidy. Would reduce eq by \$1mm
	Commercial Sales Proceeds		
	Rent Proceeds		

Total Project Cost	\$14,074,172	Comments
Land Cost	\$2,000,000	Owned by Town of Jackson
Permitting and Design	\$755,000	
Developer Fee	\$1,000,000	Portion will be deferred with new WCDA application
Construction including infrastructure	\$7,794,101	Includes commercial space
Contingency	\$1,163,561	\$800k construction, \$363,561 escalation
Other Costs	\$1,361,510	Financing, Syndication, Soft Costs, Reserves
Total	\$14,074,172	

Total Cost Per		Comments	
	Residential Square Foot	\$696	
	Unit	\$469,139	
	Bedroom	\$439,818	
	Person	\$263,069	
	Gross Worker	\$315,564	
	Net Worker	\$339,426	

Public \$ Per		Comments	
	Residential Square Foot	\$99	
	Unit	\$200,000	
	Bedroom	\$62,500	
	Person	\$37,383	
	Gross Worker	\$44,843	
	Net Worker	\$48,234	

Timing (duration - # calendar days)		Comments	
Groundbreaking		Apr-20	
Completion Date		Fall 2021	

174 N. King Street: Project Criteria Worksheet - 4% LIHTC Deal

OPTION 1B

Westmont

Total # of Units	30	Gross Workers Housed	44.6
Total # of Bedrooms	32	Net Workers Housed	41.46
Date Complete	Fall 2021	Total People Housed	53.5

Unit Summary - All Residential & Nonresidential													
	# Units	Beds	SF	Residential Rent, Sales Price for Commercial	Rent/SF, Sales Price/SF	Utilities	Total Monthly*	Total/SF	Annual Income**	Income Range: 1- person	Income Range: 2- person	Income Range: 3- person	Income Range: 4- person
Unit Type A	20	Studio	591	\$ 1,033.00	\$ 1.75	\$ 41.00	\$ 1,074.00	\$ 1.82	\$ 42,960.00	50-80	50-80	-	-
Unit Type D	8	1	784	\$ 1,099.00	\$ 1.40	\$ 51.00	\$ 1,150.00	\$ 1.47	\$ 46,000.00	50-80	50-80	-	-
Unit Type F	2	2	1065	\$ 1,319.00	\$ 1.24	\$ 61.00	\$ 1,380.00	\$ 1.30	\$ 55,200.00	50-80	50-80	50-80	50-80
Total Residential	30	32	20222	\$ 32,090.00	\$ 1.59		\$ 33,440.00	\$ 1.65					
Commercial***	1	n/a	1920	\$ 1,344,000.00	\$ 700.00								
Total			22142	\$ 1,376,090.00									

*Total Monthly Payment includes monthly payment plus utilities

**HUD states that families paying more than 30% of their gross income on housing are considered cost burdened and may have difficulty affording food, clothing, medical care, etc. The Annual Income is the minimum a household needs to earn to meet the 30% standard (monthly payment of A x 12 months / 30% = annual income).

***Mitigation Requirement is 0.927 of a 2-bedroom unit that serves households earning <120% MFI. This requirement is being met.

People Housed				Comments
Unit Type	# Units	Worker Multiplier	People Multiplier	
Studio	20	1.45	1.75	Based on LDRs
1 bed	8	1.45	1.75	Based on LDRs
2 bed	2	2	2.25	Based on LDRs
Total	10	44.6	53.5	

Employees Generated

Use	Total SF	Worker Multiplier	Total Workers	
Restaurant		3.956	0	Workers per 1,000 SF, Based on LDRs
Office		1.643	0	Workers per 1,000 SF, Based on LDRs
Retail		1.247	0	Workers per 1,000 SF, Based on LDRs
Institutional	1920	1.633	3.13536	Workers per 1,000 SF, Based on LDRs
Total	1920		3.13536	
Net Workers Housed			41.46464	

Total Funding		\$14,074,172	
Public Funds			Comments
	General Fund	\$2,864,124	Optional town subsidy
	Land	\$2,000,000	Owned by Town of Jackson
	Total Public Funds	\$4,864,124	
Partner Funds			Comments
	Debt	\$4,000,000	
	Equity	\$5,210,048	LIHTC, HOME, NHTF
	Town Subsidy	\$2,864,124	Optional town subsidy
	Commercial Sales Proceeds		
	Rent Proceeds		

Total Project Cost	\$14,074,172		
Land Cost	\$2,000,000	Owned by Town of Jackson	
Permitting and Design	\$755,000		
Developer Fee	\$1,000,000	Will be deferred with new WCDA application	
Construction including infrastructure	\$7,794,101	Includes commercial space	
Contingency	\$1,163,561	\$800k construction, \$363,561 escalation	
Other Costs	\$1,361,510	Financing, Syndication, Soft Costs, Reserves	
Total	\$14,074,172		

Total Cost Per	Comments		
Residential Square Foot	\$696		
Unit	\$469,139		
Bedroom	\$439,818		
Person	\$263,069		
Gross Worker	\$315,564		
Net Worker	\$339,426		

Public \$ Per	Comments		
Residential Square Foot	\$241		
Unit	\$486,412		
Bedroom	\$152,004		
Person	\$90,918		
Gross Worker	\$109,061		
Net Worker	\$117,308		

Timing (duration - # calendar days)	Comments		
Groundbreaking	Apr-20		
Completion Date	Fall 2021		

Total # of Units	30	Gross Workers Housed	44.6
Total # of Bedrooms	32	Net Workers Housed	41.46
Date Complete	Fall 2021	Total People Housed	53.5

Unit Summary - All Residential & Nonresidential													
	# Units	Beds	SF	Residential Rent, Sales Price for Commercial	Rent/SF, Sales Price/SF	Utilities	Total Monthly*	Total/SF	Annual Income**	Income Range: 1-person	Income Range: 2-person	Income Range: 3-person	Income Range: 4-person
Unit Type A	1	Studio	591	\$ 895.00	\$ 1.51	\$ 41.00	\$ 936.00	\$ 1.58	\$ 37,440.00	0-50	0-50	-	-
Unit Type B	5	Studio	591	\$ 1,432.00	\$ 2.42	\$ 41.00	\$ 1,473.00	\$ 2.49	\$ 58,920.00	80-120	50-80	-	-
Unit Type C	7	Studio	591	\$ 1,790.00	\$ 3.03	\$ 41.00	\$ 1,831.00	\$ 3.10	\$ 73,240.00	80-120	80-120	-	-
Unit Type D	7	Studio	591	\$ 2,148.00	\$ 3.63	\$ 41.00	\$ 2,189.00	\$ 3.70	\$ 87,560.00	>120	80-120		
Unit Type E	1	1	784	\$ 1,022.00	\$ 1.30	\$ 51.00	\$ 1,073.00	\$ 1.37	\$ 42,920.00	50-80	50-80	-	-
Unit Type F	2	1	784	\$ 1,636.00	\$ 2.09	\$ 51.00	\$ 1,687.00	\$ 2.15	\$ 67,480.00	80-120	80-120	-	-
Unit Type G	2	1	784	\$ 2,045.00	\$ 2.61	\$ 51.00	\$ 2,096.00	\$ 2.67	\$ 83,840.00	80-120	80-120	-	-
Unit Type H	3	1	784	\$ 2,454.00	\$ 3.13	\$ 51.00	\$ 2,505.00	\$ 3.20	\$ 100,200.00	>120	>120	-	-
Unit Type I	1	2	1065	\$ 1,150.00	\$ 1.08	\$ 61.00	\$ 1,211.00	\$ 1.14	\$ 48,440.00	-	50-80	50-80	0-50
Unit Type J	1	2	1065	\$ 2,760.00	\$ 2.59	\$ 61.00	\$ 2,821.00	\$ 2.65	\$ 112,840.00	-	>120	>120	80-120
Total Residential	30	32	20222	\$ 27,639.00	\$ 1.37		\$ 28,386.00	\$ 1.40					
Commercial***	1	n/a	1920	\$ 1,344,000.00	\$ 700.00								
Total			22142	\$ 1,371,639.00	\$ 61.95								

*Total Monthly Payment includes monthly payment plus utilities

**HUD states that families paying more than 30% of their gross income on housing are considered cost burdened and may have difficulty affording food, clothing, medical care, etc. The Annual Income is the minimum a household needs to earn to meet the 30% standard (monthly payment of A x 12 months / 30% = annual income).

***Mitigation Requirement is 0.927 of a 2-bedroom unit that serves households earning <120% MFI. This requirement is being met.

People Housed					Comments
Unit Type	# Units	Worker Multiplier	People Multiplier		
Studio	20	1.45	1.75		Based on LDRs
1 bed	8	1.45	1.75		Based on LDRs
2 bed	2	2	2.25		Based on LDRs
Total	10	44.6	53.5		

Employees Generated				
Use	Total SF	Worker Multiplier	Total Workers	
Restaurant		3.956	0	Workers per 1,000 SF, Based on LDRs
Office		1.643	0	Workers per 1,000 SF, Based on LDRs
Retail		1.247	0	Workers per 1,000 SF, Based on LDRs
Institutional	1920	1.633	3.13536	Workers per 1,000 SF, Based on LDRs
Total	1920		3.13536	
Net Workers Housed			41.46464	

Total Funding			\$13,639,664	Comments
Public Funds				
	General Fund	\$3,453,282		
	Land	\$2,000,000		Owned by Town of Jackson
	Total Public Funds	\$5,453,282		
Partner Funds				
	Debt	\$6,342,382		
	Equity	\$3,453,282		Town Subsidy
	Def Dev Fee	\$500,000		Def Developer Fee
	Commercial Sales Proceeds	\$1,344,000		
	Rent Proceeds			

Total Project Cost			\$13,639,664	Comments
Land Cost		\$2,000,000		Owned by Town of Jackson
Permitting and Design		\$755,000		
Developer Fee		\$500,000		
Construction including infrastructure		\$7,794,101		Includes commercial space
Contingency		\$1,163,561		\$800k construction, \$363,561 escalation
Other Costs		\$1,427,002		Financing, Soft Costs, Reserves
Total		\$13,639,664		
Total Cost Per				
	Residential Square Foot	\$674		
	Unit	\$454,655		
	Bedroom	\$426,240		
	Person	\$254,947		
	Gross Worker	\$305,822		
	Net Worker	\$328,947		
Public \$ Per				
	Residential Square Foot	\$270		
	Unit	\$545,328		
	Bedroom	\$170,415		
	Person	\$101,931		
	Gross Worker	\$122,271		
	Net Worker	\$131,516		

Timing (duration - # calendar days)		Comments
Groundbreaking	Apr-20	
Completion Date	Fall 2021	



August 16, 2019

TO: Mayor Muldoon, Members of the Jackson Hole Town Council, and Staff

FROM: Westmount Development Group, LLC

RE: 174 N. King Street Affordable Housing

Mayor Muldoon and Members of the Town Council,

Thank you for your continued support of affordable housing at 174 N. King Street. Westmount Development Group remains committed to bringing a development made up of 100% affordable rental units priced for the most underserved segment of the Jackson population.

As you know, despite being the highest scoring application in the state for Low Income Housing Tax Credits twice, the high cost of developing in Jackson has precluded us from receiving subsidies from Wyoming Community Development Authority. It is our opinion that the Council should continue to pursue tax credits and expend all possible opportunities before deciding to spend millions of dollars of local tax payer money. In both of the funding rounds, WCDA elected to withhold more money than they allocated which has caused their coffers to swell. Along with a further refined application and more aggressive lobbying, we feel re-applying is prudent while pursuing a locally subsidized development plan to execute should the tax credit application be unsuccessful.

In an attempt to find the best way forward to develop the site, we present three possible development options:

1. Re-apply for 9% Tax Credits:

- a. The deadline for the upcoming 2020 round of tax credits from WCDA is September 30, 2019. The award announcement will be in January, 2020, which would allow us to break ground in the upcoming spring of 2020.
- b. It isn't unusual for a tax credit deal to have to apply multiple times before receiving an allocation of funding. With each application, we have learned the WCDA hot button issues and can tailor our application to meet their needs.
- c. Because we have the application previously prepared, it doesn't require much effort to re-apply and no time is lost doing so.
- d. We feel a combination of reduced construction costs, reduced tax credit syndication costs, higher tax credit pricing, further refined soft costs, increased familiarity with the

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- e. project, improved lobbying, along with yet another increase in total funds available at WCDA provides a reasonable chance for success.
- f. This financing method will deliver the least expensive rents in Jackson, fulfilling the greatest need. See below table for rent structure:

- i. Studio

5 units at	\$437/mo. (28% of AMI)
10 units at	\$661/mo. (41% of AMI)
5 units at	\$816/mo. (50% of AMI)

- ii. One Bedroom

5 units at	\$872/mo. (50% of AMI)
3 units at	\$1,057/mo. (50% of AMI)

- iii. Two Bedroom

2 units at	\$1,269/mo. (60% of AMI)
------------	--------------------------

- iv. Total Units = 30

- g. Sources are the following:

- i. Sources:

Tax Credits	\$ 8,710,086
HOME Funds	\$ 1,044,086
National Housing Trust Funds	\$ 500,000
Debt	\$ 1,820,000
<u>Jackson Public Subsidy</u>	<u>\$ 0.00</u>
Total:	\$12,074,172

2. Apply for 4% Tax Credits:

- a. 4% tax credits are a non-competitive source of funding for affordable housing. They are often used when acquiring and rehabilitating existing developments, but can be used with new construction.
- b. The application process for 4% tax credits is rolling and therefore works on our schedule and a deal can be ready to break ground in the upcoming spring of 2020.
- c. The 4% and 9% applications are the same therefore the application is already complete. It isn't unusual for a deal to apply for 4% credits if a 9% application is unsuccessful.



d. If successful, rents for the 4% application can be set at 60% of AMI or below, for example:

- i. Studio
20 units at \$1,033/mo. (60% of AMI)
- ii. One Bedroom
8 units at \$1,099/mo. (60% of AMI)
- iii. Two Bedroom
2 units at \$1,319/mo. (60% of AMI)
- iv. Total = 30 units

e. Sources are the following:

Tax Credits	\$ 3,665,962
HOME Funds	\$ 1,044,086
National Housing Trust Funds	\$ 500,000
Debt	\$ 4,000,000
Jackson Public Subsidy	<u>\$ 2,864,210</u>
Total:	\$12,074,172

3. Non WCDA Subsidized Development:

- a. In this scenario, the use of state subsidy through the WCDA would not apply.
- b. The deal can break ground in the upcoming spring of 2020.
- c. Rents can be set at various levels, below are two examples:

Example 1:

- i. Studio
 - 1. 1 unit at \$895/mo. (50% of AMI)
 - 2. 5 units at \$1,432/mo. (80% of AMI)
 - 3. 7 units at \$1,790/mo. (100% of AMI)
 - 4. 7 units at \$2,148/mo. (120% of AMI)
- ii. One Bedroom
 - 1. 1 unit at \$1,022/mo. (50% of AMI)
 - 2. 2 units at \$1,636/mo. (80% of AMI)
 - 3. 2 units at \$2,045/mo. (100% of AMI)
 - 4. 3 units at \$2,454/mo. (120% of AMI)
- iii. Two Bedroom
 - 1. 1 unit at \$1,150/mo. (50% of AMI)
 - 2. 1 unit at \$2,760/mo. (120% of AMI)
- iv. Total = 30 units

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d. Sources are the following:

Debt	\$ 6,342,382
Commercial Space Sale	\$ 1,344,000
Deferred Developer Fee	\$ 500,000
Jackson Public Subsidy	<u>\$ 3,453,282</u>
Total:	\$11,639,664

Example 2:

- i. Studio
20 units at \$1,790/mo. (100% of AMI)
- ii. One Bedroom
8 units at \$2,045/mo. (100% of AMI)
- iii. Two Bedroom
2 unit at \$2,300/mo. (100% of AMI)
- iv. Total = 30 units

e. Sources are the following:

Debt	\$ 6,573,045
Commercial Space Sale	\$ 1,344,000
Deferred Developer Fee	\$ 500,000
Jackson Public Subsidy	<u>\$ 3,222,619</u>
Total:	\$11,639,664

Note: Rents above do not include a utility allowance as projected in the tax credit rent mix. The total development cost is lower due to the elimination of certain costs associated with a tax credit development. Rents under option 3 can be set at any level desired and the above mix are only examples.

It is our recommendation that re-applying for tax credits while pursuing one of the non WCDA subsidized examples would be a good option. No time is lost in pursuing both concurrently as any option will break ground in the upcoming spring of 2020. Pursuing both will provide the Town with the greatest possible flexibility and ensure the delivery of affordable rental units at 174 N. King Street.

Thank you again for the opportunity. If you have any questions, please feel free to call me any time. I can be reached at 203-687-2033, or rick@westmountmgmt.com.

Sincerely,

Rick Ross

Westmount Development Group, LLC • Westmount Management, Inc.



KING STREET RENDERING VIEW #1

174 King Street: Project Criteria Worksheet

Housing Trust

Total # of Units	24	Gross Workers Housed	38.5
Total # of Bedrooms	34	Net Workers Housed	32.53
Date Complete	Fall 2021	Total People Housed	48

Unit Summary - All Residential & Nonresidential																
	# Units	Bedroom s	Unit Sq. Ft.	Sales Price	Price/SF	Down Payment	Monthly Payment*	Monthly Utilities	Total Monthly Payment**	Monthly/S F	Annual Income***	Income Range: 1- person HH	Income Range: 2- person HH	Income Range 3- person HH	Income Range: 4- person HH	Income Range: 5- person HH
Unit Type A	2	1	620	\$ 275,000.00	\$ 443.55	\$ 13,750.00	\$ 1,706.00	\$ 41.00	\$ 1,747.00	\$ 2.82	\$ 69,880.00	80-120	80-120	-	-	-
Unit Type B	2	1	620	\$ 302,500.00	\$ 487.90	\$ 15,125.00	\$ 1,842.00	\$ 41.00	\$ 1,883.00	\$ 3.04	\$ 75,320.00	80-120	80-120	-	-	-
Unit Type C	2	1	660	\$ 295,000.00	\$ 446.97	\$ 14,750.00	\$ 1,805.00	\$ 41.00	\$ 1,846.00	\$ 2.80	\$ 73,840.00	80-120	80-120	-	-	-
Unit Type D	2	1	660	\$ 324,500.00	\$ 491.67	\$ 16,225.00	\$ 1,950.00	\$ 41.00	\$ 1,991.00	\$ 3.02	\$ 79,640.00	80-120	80-120	-	-	-
Unit Type E	1	1	688	\$ 305,000.00	\$ 443.31	\$ 15,250.00	\$ 1,865.00	\$ 41.00	\$ 1,906.00	\$ 2.77	\$ 76,240.00	80-120	80-120	-	-	-
Unit Type F	1	1	688	\$ 335,500.00	\$ 487.65	\$ 16,775.00	\$ 2,013.00	\$ 41.00	\$ 2,054.00	\$ 2.99	\$ 82,160.00	80-120	80-120	-	-	-
Unit Type G	3	1	695	\$ 315,000.00	\$ 453.24	\$ 15,750.00	\$ 1,913.00	\$ 41.00	\$ 1,954.00	\$ 2.81	\$ 78,160.00	80-120	80-120	-	-	-
Unit Type H	3	1	695	\$ 346,500.00	\$ 498.56	\$ 17,325.00	\$ 2,068.00	\$ 41.00	\$ 2,109.00	\$ 3.03	\$ 84,360.00	80-120	80-120	-	-	-
Unit Type I	1	1	730	\$ 325,000.00	\$ 445.21	\$ 16,250.00	\$ 1,962.00	\$ 41.00	\$ 2,003.00	\$ 2.74	\$ 80,120.00	80-120	80-120	-	-	-
Unit Type J	1	1	730	\$ 357,500.00	\$ 489.73	\$ 17,875.00	\$ 2,122.00	\$ 41.00	\$ 2,163.00	\$ 2.96	\$ 86,520.00	>120	80-120	-	-	-
Unit Type K	1	2	985	\$ 425,000.00	\$ 431.47	\$ 21,250.00	\$ 2,531.00	\$ 51.00	\$ 2,582.00	\$ 2.62	\$ 103,280.00	>120	>120	80-120	80-120	-
Unit Type L	1	2	985	\$ 467,500.00	\$ 474.62	\$ 23,375.00	\$ 2,739.00	\$ 51.00	\$ 2,790.00	\$ 2.83	\$ 111,600.00	>120	>120	>120	80-120	-
Unit Type M	1	3	1141	\$ 460,000.00	\$ 403.16	\$ 23,000.00	\$ 2,708.00	\$ 61.00	\$ 2,769.00	\$ 2.43	\$ 110,760.00	>120	>120	>120	80-120	80-120
Unit Type N	1	3	1141	\$ 506,000.00	\$ 443.47	\$ 25,300.00	\$ 2,934.00	\$ 61.00	\$ 2,995.00	\$ 2.62	\$ 119,800.00	>120	>120	>120	80-120	80-120
Unit Type O	1	3	1278	\$ 470,000.00	\$ 367.76	\$ 23,500.00	\$ 2,757.00	\$ 61.00	\$ 2,818.00	\$ 2.21	\$ 112,720.00	>120	>120	>120	80-120	80-120
Unit Type P	1	3	1278	\$ 517,000.00	\$ 404.54	\$ 25,850.00	\$ 3,059.00	\$ 61.00	\$ 3,120.00	\$ 2.44	\$ 124,800.00	>120	>120	>120	>120	80-120
Tota Residential	24	34	18934	\$ 8,547,000.00	\$ 451.41		\$ 51,239.00	\$ 1,084.00	\$ 52,323.00	\$ 2.76						
Commercial****	1	n/a	3656	\$ 2,122,625.00	\$ 580.59											
Total		3	20075	\$ 10,669,625.00	\$ 531.49											

*Monthly Payment assumes 30-yr mortgage at 3.875% mortgage rate, 5% downpayment, \$259-\$326 HOA dues.
**Total Monthly Payment includes monthly payment plus utilities
***HUD states that families paying more than 30% of their gross income on housing are considered cost burdened and may have difficulty affording food, clothing, medical care, etc. The Annual Income is the minimum a household needs to earn to meet the 30% standard (monthly payment of A x 12 months / 30% = annual income).
****Mitigation Requirement is 1.804 units based on office use, which equals one 2-bedroom unit priced no higher than \$282,000 (<120% MFI Income Range), plus 0.804 of a 1-bedroom unit priced no higher than \$74,000 (<50% MFI Income Range) or a Fee In-Lieu of \$252,669.11. The proposal meets the 2-bedroom requirement, but does not meet the 0.804 requirement. If the commercial space is used for an exempt purpose, then there will be no mitigation requirement. If not, JHCHT will either need to pay the fee or reduce the price on one of their 1-bedroom units.

People Housed				Comments
Unit Type	# Units	Worker Multiplier	People Multiplier	
1 bed	18	1.45	1.75	Based on LDRs
2 bed	2	2	2.25	Based on LDRs
3 bed	4	2.1	3	Based on LDRs
Total	24	38.5	48	

Employees Generated			
Use	Total SF	Worker Multiplier	Total Workers
Restaurant		3.956	0
Office		1.643	0
Retail		1.247	0
Institutional	3656	1.633	5.970248
Total	3656		5.970248
Net Workers Housed			32.529752

Total Funding			\$16,019,625
Public Funds			
	General Fund	\$1,250,000	
	Land	\$2,000,000	Owned by Town of Jackson
	Total Public Funds	\$3,250,000	
Partner Funds			
	Debt		
	Equity		
	Philanthropy	\$2,100,000	
	Commercial Sales Proceeds	\$2,122,625	
	Sales Proceeds	\$8,547,000	

Total Project Cost		\$15,971,918	Comments
Land Cost		\$2,000,000	Owned by Town of Jackson
Permitting and Design		\$1,992,427	
Developer Fee		\$0	
Construction including infrastructure		\$10,624,695	
Contingency		\$1,526,254	
Sales Tax Savings		-\$171,458	
Total		\$15,971,918	
Total Cost Per			
	Residential Square Foot	\$844	
	Unit	\$665,497	
	Bedroom	\$469,762	
	Person	\$332,748	
	Gross Worker	\$414,855	
	Net Worker	\$490,994	
Public \$ Per			
	Residential Square Foot	\$172	
	Unit	\$135,417	
	Bedroom	\$95,588	
	Person	\$67,708	
	Gross Worker	\$84,416	
	Net Worker	\$99,909	

Timing (duration - # calendar days)		Comments
Groundbreaking	Apr-20	
Completion Date	Fall 2021	



JACKSON HOLE COMMUNITY

Housing Trust

August 15, 2019

Re: 174 King Street

Mayor and Members of the Jackson Town Council,

In 2018, the Jackson Hole Community Housing Trust presented the Town Council with an opportunity to develop 8 affordable ownership units, 13 workforce restricted units, 3 free market residential units and community benefit commercial on King Street.

In light of the continued demand for affordable housing in our community, we would like to present you with an opportunity for your consideration.

Attached to this letter you will find an overview of our King Street proposal with updated sources and uses. In addition to updating the costs to construct, we have updated the projected revenue in accordance with 2018/2019 condominium comps in Teton County, Wyoming. With an additional subsidy of \$3,350,000, we can deliver the same mix of units presented in 2018.

If the Town Council would like to get housing in the ground next Spring, a ground lease agreement would need to be executed this August/early September to ensure adequate time exists to complete the requisite design work, secure competitive pricing from subcontractors and close on construction financing by the end of March 2020.

In keeping with our commitment to the Town in 2018, we believe an opportunity exists to leverage your contribution with an equally impactful philanthropic commitment so that we can maximize the number of permanently **affordable** units on the property. We believe that through a combination of private sector options, grants and private philanthropy, in two years' time it will be possible to match your \$2,000,000 contribution of land.

Included in the project overview is a letter of intent from the Bank of Jackson Hole to assure you we have access to financing necessary to move forward with design work which will allow us to competitively bid the project in November/December, refine our costs to construct in January and close on construction financing no later than March so that ground breaking can happen in April.

If the Town is interested in working quickly to get housing in the ground we are confident, given our very recent execution of a Ground Lease Agreement at Redmond Street Rentals, that it would be straightforward to enter into a very similar ground lease agreement at King Street—a step in the process that is necessary for the Housing Trust to invest in the design work required to accelerate planning for the project.

If you have questions about this potential partnership, we would be happy to discuss at your earliest convenience.

Sincerely,

Anne Cresswell

Lynne Wagner, Chair

KING STREET 2019

JACKSON, WY

174
KING STREET



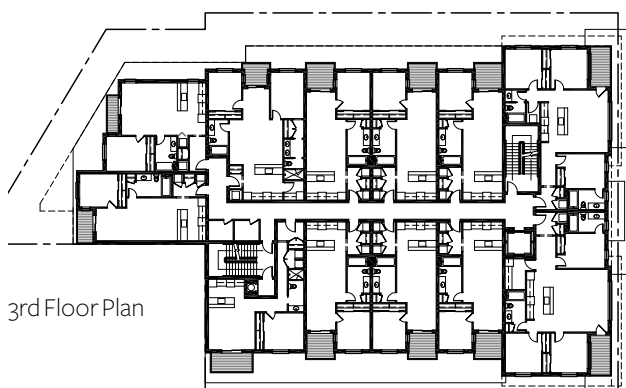
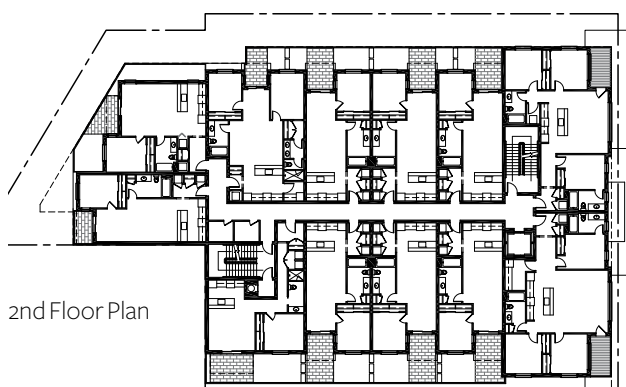
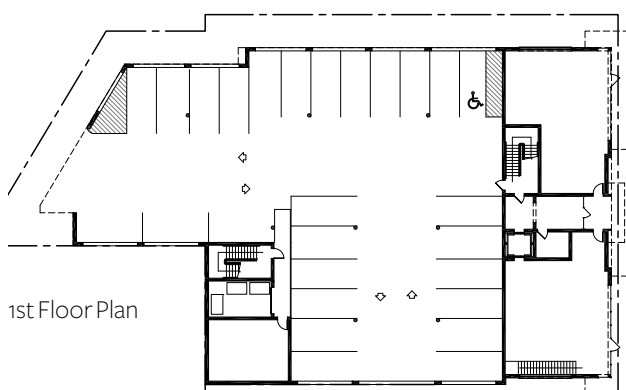
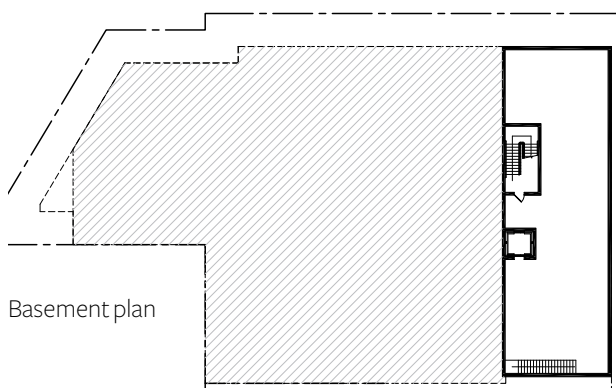
JACKSON HOLE COMMUNITY
Housing Trust

NORTHWORKS

SHAW
CONSTRUCTION

AUGUST 15, 2019

Project Overview



This mixed use proposal prioritizes community housing and engages the streetscape with two commercial spaces on the ground floor.

- Gross Square Footage: 41,645
- Maximum Height: 42 feet
- 24 residential units:
 - 21 permanently restricted
 - 8 Affordable ownership
 - 13 Workforce
 - 3 Free Market ownership
- Commercial:
 - First Floor 2,290 SF
 - Basement 1,366 SF
- Parking:
 - 27 parking spaces on-site
 - 12 parking spaces needed off-site
 - 5 on-street spaces for commercial tenants
- Building amenities:
 - Package room
 - On-site recycling
 - Bike storage
 - Storage lockers
 - Trash chute

Project Budget

COSTS AND REVENUES - The construction market in Jackson is unique and the extensive local experience of the Housing Trust, SHAW Construction and Northworks Architects is the foundation for reasonable and achievable financial projections.

HARD COSTS - The construction costs proposed are based on a combination of subcontractor bids, detailed quantity take-offs, and historical costs on similar projects and were prepared in January 2018 to support the February 2018 submittal. For the most expensive and potentially variable trades (concrete, structural, steel, mechanical systems, windows, and storefront glass), conceptual plans were provided to local subcontractors to develop accurate bids. An iterative process of repricing and redesigning was then undertaken between the design and construction teams to maximize utility while minimizing costs. For more generic trades, Shaw quantified each element of the construction (square footage of roofing, kitchen sinks, etc.) and used unit costs from a half-dozen recently bid or completed projects to estimate total costs. General conditions costs (supervision, logistics, Shaw equipment, etc.) are based on our project-specific construction schedule and site logistics plan. Hard costs have been updated after the buyout was completed on the final building of Hidden Hollow to support this August 2019 proposal and assume escalation for an April 2020 start date.

SOFT COSTS - Soft costs include conservative estimates for design, engineering, pre-construction services, legal, accounting, insurance, financing, permitting, and infrastructure fees based on recently completed and under construction project budgets developed by the Project Team.

REVENUES - There are four pricing strategies in this building (affordable, workforce, free market residential and commercial). Projected prices for the residential units have been based on 61 condominium comps in Teton County, Wyoming that have closed since January 1, 2018. The Housing Trust is committed to securing private philanthropy to maximize the number of affordable units serving our community. Cost savings (realized through value engineering or a reduction in contingency) will be used to convert Free Market units to Workforce units. Our ultimate goal is that all residential units will serve the workforce.

Project Costs

Hard Costs	\$10,624,695
Soft Costs	\$2,032,510
Contingency*	\$1,526,254
Sales Tax Savings	-\$171,458
TOTAL Costs	\$14,012,001

*includes contingency on all hard and softs costs and a 2% escalation contingency

Project Revenues

Residential Sales	\$8,565,000
Commercial Sales	\$2,122,625
TOTAL Revenues	\$10,687,625

Subsidy Required **\$3,350,000**

Unit Pricing

PRICING POLICY

Our objective is to price units so that households dedicate no more than 35% of their gross annual household salary to their housing expenses, which has historically allowed us to maximize donor and public investments in our community's affordable housing efforts while still pricing homes within the financial reach of our workforce.

Affordable units

As you can see in the chart below, the affordable units have been priced to serve households earning between 67% and 105% AMI, depending on whether the unit is sold to a single- or dual-income household. The one-bedroom units are specifically priced to be affordable to either a single- or dual-income household in order to serve a variety of buyers in this community. The two-bedroom unit is designed to serve a couple or a small family and is priced accordingly.

PRICING ASSUMPTIONS

The affordability calculation for all restricted units assumes the following:

- 5% down payment
- 30-year fixed-rate mortgage
- 3.875% interest rate
- Includes estimated expenses for HOA dues and property taxes
- HOA Maintenance, Operations And Reserves: Included in the calculation of affordability for all units is an estimated HOA fee. Staff explored budgets from comparable local buildings to understand the maintenance and operations costs of this type of mixed-use building (sprinklers, elevator, etc.). Staff also worked with the project team to understand building systems and material take offs required to forecast a reserve budget that will maintain the essential building components. The gross HOA expenses for the building have been allocated to units on a per square foot basis.

1-Bedroom	Area SF	Affordable Price	Monthly Payment	% MFI 1-person	% MFI 2-person	Corresponding Annual Income
2 units	620	\$250,000	\$1,583	77%	67%	\$55,086
2 units	660	\$275,000	\$1,706	82%	72%	\$58,663
3 units	695	\$295,000	\$1,814	87%	76%	\$62,240
2-Bedroom				% MFI 2-person	% MFI 3-person	
1 unit	985	\$410,000	\$2,826	105%	93%	\$85,848

Unit Pricing (continued)

WORKFORCE UNITS

The Workforce units have been priced to serve households that live and work in Teton County but, in many cases, exceed the income limits established for the affordable program. The Workforce units are priced to serve households earning between 76%-113% AMI, depending on whether the unit is sold to a single- or dual-income household. The chart below demonstrates how the pricing of the Workforce units interfaces with area median income.

1-Bedroom	Area SF	Workforce Price	Monthly Payment	% MFI 1-person	% MFI 2-person	Corresponding Annual Income
2 units	620	\$295,000	\$1,807	87%	76%	\$62,240
2 units	660	\$310,000	\$1,878	90%	79%	\$64,386
2 units	688	\$317,500	\$1,923	93%	81%	\$66,532
3 units	695	\$325,000	\$1,962	94%	82%	\$67,248
2 units	730	\$332,500	\$1,999	96%	84%	\$68,678
2-Bedroom				% MFI 2-person	% MFI 3-person	
1 unit	985	\$447,500	\$2,641	111%	99%	\$90,754
3-Bedroom				% MFI 3-person	% MFI 4-person	
1 unit	1141	\$512,500	\$3,036	113%	102%	\$103,937

MARKET UNITS

Cost savings (realized through value engineering or a reduction in contingency) will be used to convert Free Market units to Workforce Units. Alternatively, public subsidy could be dedicated for this buy down. Private philanthropy will be used to buy down Workforce Units to Affordable Price Points.

3-Bedroom				% MFI 3-person	% MFI 4-person	Corresponding Annual Income
1 unit	1141	\$585,000	\$3,402	127%	114%	\$116,815
2 units	1278	\$595,000	\$3,453	129%	116%	\$118,654

Note: Also pending is a \$460,000 Wells Fargo Priority Markets Grant. If awarded this grant in October 2019 the funds would be used to buy down six affordable units to a price point that would be affordable to low income households in our community.

COMMERCIAL PRICING

The pricing for the commercial component was determined by an appraisal provided by Rocky Mountain Appraisals.

Financing Structure

DEVELOPER FINANCING

The design and construction of this project will be funded with a single construction loan. The Housing Trust will originate the loan in March 2020. Once the project is complete, sale proceeds will be used to repay the loan in its entirety. The letter below, from Bank of Jackson Hole, details the loan amount and terms.



August 14, 2019

Jackson Hole Community Housing Trust
Attn: Anne Creswell - Executive Director
PO Box 4498
Jackson, WY 83001

Anne –

On behalf of Bank of Jackson Hole, I am pleased to express our letter of interest in providing the construction financing for the affordable housing project to be constructed at 174 N. King Street, Jackson, WY. Bank of Jackson Hole has maintained a positive relationship with the Housing Trust since 2013. The Bank has funded four loans to the Housing Trust. All accounts have been handled as agreed. Therefore, the Bank has continued interest in working with the Housing Trust where appropriate to meet the community's affordable housing needs.

Note this is not a commitment to lend funds, but an outline of possible terms and conditions subject to receipt of additional information, a satisfactory appraisal, and approval by our Bank's Board of Directors. We appreciate the opportunity to consider this lending opportunity. The proposal is as follows:

- Borrower:** Jackson Hole Community Housing Trust.
- Amount:** Up to \$11.7 million (not to exceed 75% of the projects appraised value).
- Security:** 1st position Leasehold Mortgage on the property located at 174 N. King Street, Jackson, WY. 1st position deed of trust on all improvements located thereon and an Assignment of Rents (if applicable).
- Maturity:** 24 months. A 6-month extension will be considered if at least 50% of the units within the subject development have sold and the proceeds applied against the Loan.
- Repayment:** Interest payments are due monthly based on the outstanding balance. All principal and unpaid interest are due by maturity. The Bank will require satisfactory net proceeds from the sale of collateral units to pay down the loan balance. The final release considerations shall be determined prior to closing.
- Rate and Fee:** TBD

Proposed Concept Renderings



Conceptual Street View Looking South



Conceptual Street View Looking North

Proposed Concept Renderings



Typical One Bedroom Unit - Interior View



Typical One Bedroom Unit - Interior View

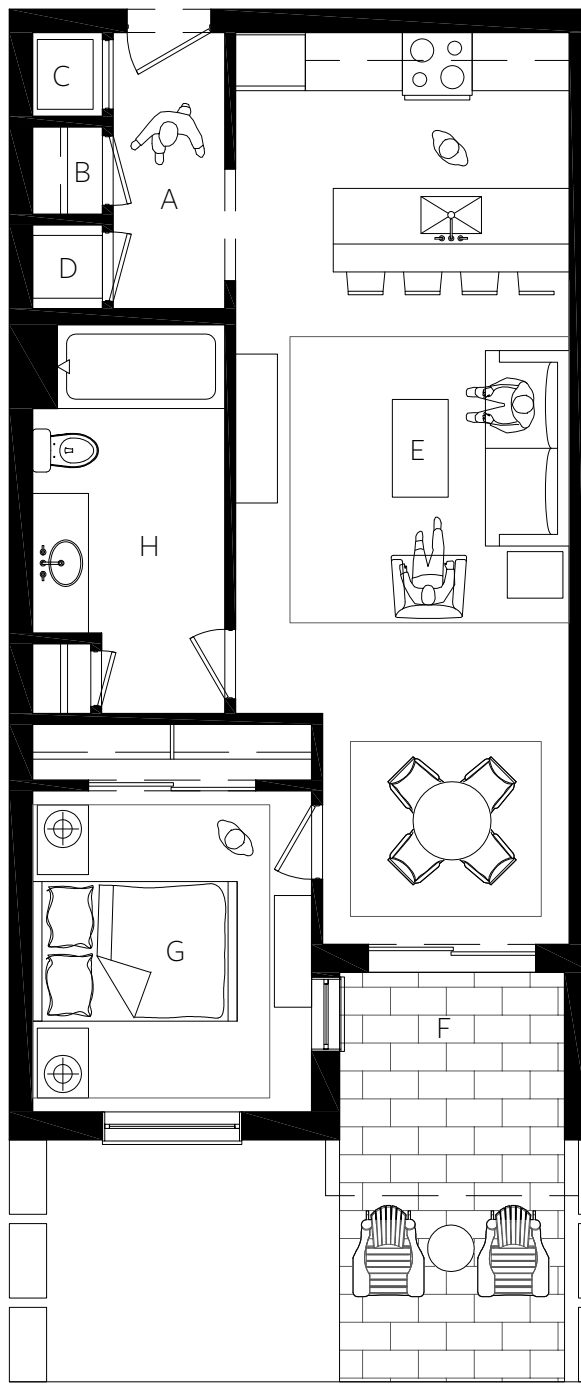


Typical Three Bedroom Unit - Interior View

TYPICAL ONE-BEDROOM UNIT PLAN - 676 SF Average

KEY

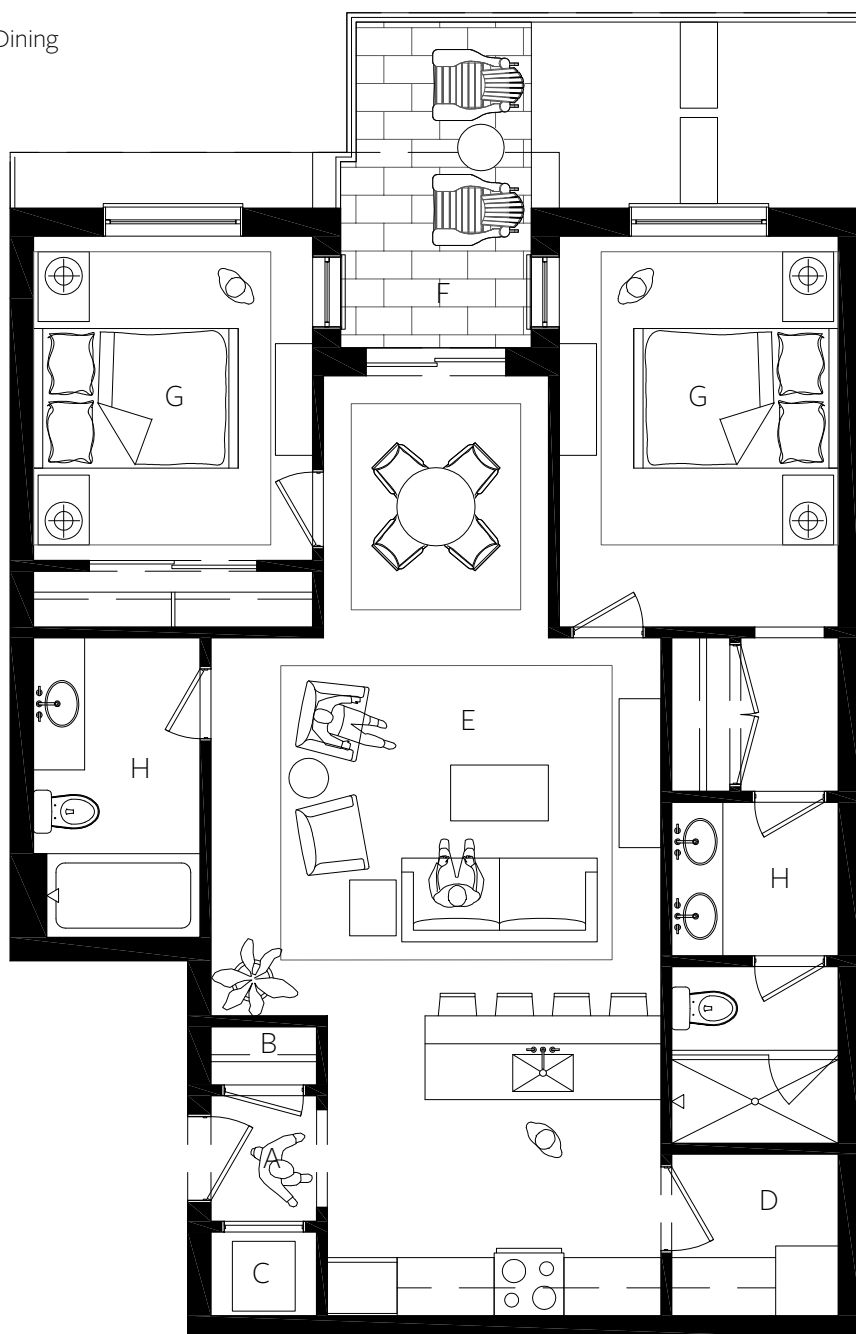
- A Entry
- B Coat Closet
- C HVAC
- D Laundry
- E Living, Kitchen & Dining
- F Balcony/Patio
- G Bedroom
- H Bath



TYPICAL TWO-BEDROOM UNIT PLAN - 985SF Average

KEY

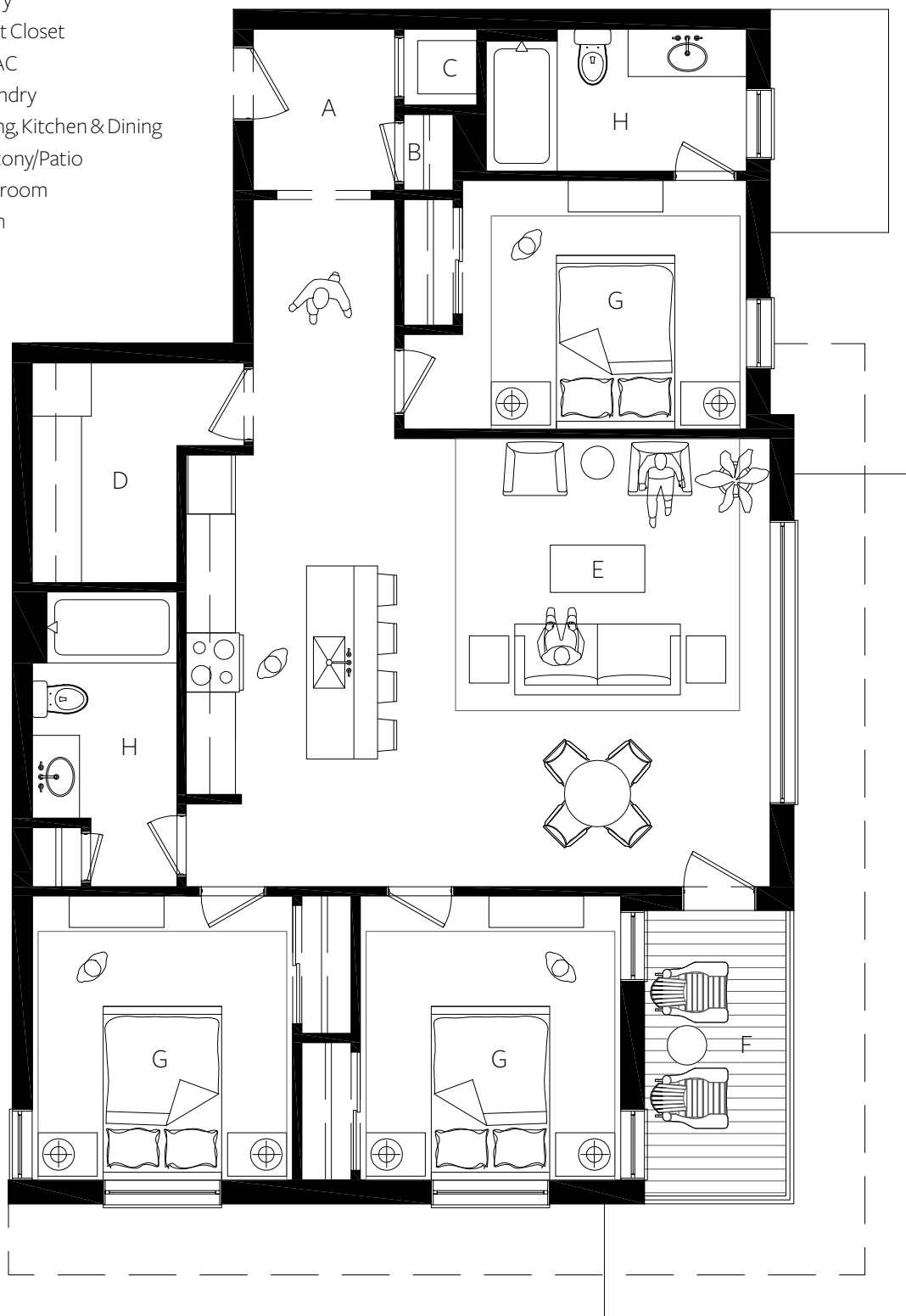
- A Entry
- B Coat Closet
- C HVAC
- D Laundry
- E Living, Kitchen & Dining
- F Balcony/Patio
- G Bedroom
- H Bath



TYPICAL THREE-BEDROOM UNIT PLAN - 1,214 SF Average

KEY

- A Entry
- B Coat Closet
- C HVAC
- D Laundry
- E Living Kitchen & Dining
- F Balcony/Patio
- G Bedroom
- H Bath



Sustainable Development

The Housing Trust has a track record of environmentally friendly design and construction: in 2009, the Housing Trust was the first in the state of Wyoming to receive LEED for Homes Certification. Each of the 15 homes at Glory View received Gold LEED Certification. As a workforce housing developer, the Housing Trust is committed to maximizing the financial, social, economic, and environmental benefits of each project for the residents of that project and for our community at large. We recognize that affordability and the true long-term cost of homeownership extends past the day a home is sold.

This proposal specifically advances the following sustainability objectives of the Town and County:

- MINIMIZE ENERGY CONSUMPTION - The mechanical system specified for this project relies on an air source heat pump to generate the heating and cooling required for the building. This will provide efficient heat for 95% of the heating season before relying on electric back-up. This system is designed to be 66%-75% more efficient than a conventional forced-air or baseboard heat system. Fresh air is provided to each residential unit and distributed through the individual spaces by the ducted system, providing superior efficiency.

In addition to the mechanical system, all commercial and residential lighting fixtures will be fitted with LED bulbs to ensure they use as little electricity as possible (Comp Plan Principle 2).

- WATER CONSERVATION - All bathroom and kitchen fixtures will be fitted with low-flow features, helping to reduce water use, which keeps costs down for the residents and lessens the burden on the water and sewer infrastructure of the Town (Comp Plan Principle 2.5). For residential spaces this will include 1.28 GPF water closets (these are as efficient as dual flush units and less likely to clog, saving more water in the long run), 1.0 PMP max lavatory sink faucets, 1.5 GPM shower heads, 1.5 GMP kitchen sink faucets.
- WASTE MANAGEMENT - The trash room includes dedicated space for recycling. The operations budget of the HOA includes an allowance for weekly pick-ups from Curbside Recycling.

If awarded the opportunity to redevelop 174 King Street, we would be happy to work with the Town, Energy Conservation Works and/or Beyond Efficiency throughout the design process to explore additional opportunities to ensure the project's design advances the sustainability goals of the Town.

Schedule

If awarded the opportunity to partner with the Jackson Town Council to redevelop 174 King Street, the Housing Trust, Northworks and SHAW Construction are committed to breaking ground (weather permitting) in April 2020. Our team is ready to hit the ground running without any scheduling or real estate contingencies.

The architectural plans prepared to date are well into schematic design (roughly 50% complete) and provide an excellent basis for the final project design and entitlement process. The financing proposal from the Bank of Jackson Hole also demonstrates our capacity to get this project in the ground as soon as possible.

An advantageous spring start will position the project for an efficient 14 month construction schedule and units will be ready for occupancy by June 2021. The following essential project milestones and the schedule on which they are overlaid are realistic and attainable for this experienced, local project team:

- 2 September 2019: Ground Lease Execution
- September-November: Construction Documentation
- December: Subcontractor bidding
- January: Appraisal and Finalize Project Budget
- February – March: Financing
- 1 April 2020: Ground Breaking



August 21, 2019

Re: 174 King Street

Mayor and members of the Jackson Town Council,

Thank you for an interesting discussion on Monday and for your persistent attempts to get housing in the ground. To simplify the discussion and process moving forward, we would like to present the following.

In consideration for a 99-year Ground Lease and \$1.25M from the Town, the Jackson Hole Community Housing Trust will ensure that **all 24 units are affordable to households earning between 72% and 115% AMI** (71% of all units have been priced to serve households earning less than 100% AMI; 29% of all units are priced to serve households earning 100%-120% AMI) (units please see revised pricing schedule attached). As part of our commitment to the Town, we are pleased to guarantee that the quality of construction will meet or exceed the quality of construction at Redmond Street Rentals.

We are confident that this deliverable can be detailed in a Ground Lease Agreement thereby streamlining the process and ensuring time exists to complete the designs and break ground next April.

At any point in the process, up until the point where sales prices are fixed in the spring of 2021, an additional \$400,000 subsidy from the Town would allow the Trust to price 33% of all units to serve households earning less than 80% AMI; 42% of all units would be priced to serve households earning 80%-120% AMI and 25% would be priced to serve households earning 100%-115% AMI.

The following sources and uses illustrate how this partnership would work:

Project Uses

Land	\$2,000,000
Hard Costs	\$10,624,695
Soft Costs	\$1,992,427
Contingency	\$1,526,254
Sales Tax Savings	(\$171,458)
Total Uses	\$15,971,917

Project Sources

Land Contribution	\$2,000,000
Residential Sales	\$8,547,000
Commercial Sales	\$2,122,625
TOJ Subsidy	\$1,250,000
JHCHT Subsidy	\$2,100,000
Total Sources	\$15,971,917

We look forward to continuing the conversation and we are available to discuss any questions you might have.

Anne Cresswell

HOUSING TRUST -- 174 King Street

8/21/2019

ALL AFFORDABLE SALES

Unit Pricing

71% of units affordable to people earning 100% MFI or less

29% of units affordable to people earning between 101% and 115%

1-Bedroom	Area SF	Affordable Price	Monthly Payment*	% MFI 1-person	% MFI 2-person	Corresponding Annual Income
1st FL 2 units	620	\$275,000	\$1,706	82%	72%	\$58,663
2nd FL 2 units	620	\$302,500	\$1,842	89%	78%	\$63,671
1st FL 2 units	660	\$295,000	\$1,805	87%	76%	\$62,240
2nd FL 2 units	660	\$324,500	\$1,950	94%	82%	\$67,248
1st FL 1 unit	688	\$305,000	\$1,865	90%	79%	\$64,386
2nd FL 1 unit	688	\$335,500	\$2,013	97%	85%	\$69,394
1st FL 3 units	695	\$315,000	\$1,913	92%	81%	\$65,817
2nd FL 3 units	695	\$346,500	\$2,068	100%	88%	\$71,540
1st FL 1 unit	730	\$325,000	\$1,962	94%	82%	\$67,248
2nd FL 1 unit	730	\$357,500	\$2,122	102%	89%	\$72,971
2-Bedroom				% MFI 2-person	% MFI 3-person	
1st FL 1 unit	985	\$425,000	\$2,531	107%	95%	\$87,483
2nd FL 1 unit	985	\$467,500	\$2,739	115%	102%	\$94,024
3-Bedroom				% MFI 3-person	% MFI 4-person	
1st FL 1 unit	1141	\$460,000	\$2,708	101%	91%	\$92,900
2nd FL 1 unit	1141	\$506,000	\$2,934	110%	99%	\$101,178
1st FL 1 unit	1278	\$470,000	\$2,100	103%	93%	\$94,739
2nd FL 1 unit	1278	\$517,000	\$3,059	114%	103%	\$104,857

Affordability Assumptions:

*30 year mortgage, 5% down payment, 3.875% mortgage rate

*HOA dues \$259 - \$326/month included, property tax and condo insurance included



TOWN OF JACKSON WORKSHOP DOCUMENTATION

SUBMITTING DEPARTMENT: Community Development

PRESENTERS: Tyler Sinclair & Larry Pardee

WORKSHOP DATE: September 3, 2019

SUBJECT: 2019 Council Priorities – Predictable Funding of Local Government Framework – C19-001

Staff notes that the following staff report is an update to the August 19, Town Council Workshop staff report, staff has retained all the previous information and added in “Council Update” new information since the previous meeting. In this report staff has summarized discussion that has occurred since the August Workshop for Council consideration and direction at this meeting.

PURPOSE OF WORKSHOP ITEM

The purpose of this item is for Council to give direction on a framework for moving forward with the Council Priority #3 - Predictable Funding of Local Government.

DESIRED OUTCOME

The desired outcome is for the Council to have discussion, provide feedback, and give direction on a Predictable Funding of Local Government Framework.

BACKGROUND/ALTERNATIVES

At the 2019 Town Council Retreat, Council identified nine (9) areas of priority for the upcoming 2 years. Subsequently staff and Council have worked to provide an individual goal for each priority, strategies related to each goal and some tactics or options for moving forward. The goal for each priority was to be the desired outcome of that priority – what do we want to achieve. Strategies were to deal more with the ‘how’ of an issue. Tactics or options were to deal more with the ‘who’ will do ‘what’ by ‘when.’

At the July 15, 2019, regular Town Council meeting, staff and Council reviewed progress on the nine (9) Council Priorities to date. Discussion focused on and a motion was made to direct staff to begin working on Priority #3 now that Priority #1 Strategic Implementation and Engagement Capacity has been addressed and Priority #2 Housing is ongoing. Council also discussed how to ensure there was time set aside for Council to address Strategic planning.

Below staff has provided for Council consideration a draft framework for addressing Priority #3. In order to assist Council in preparation for this discussion and to assist in facilitation at the meeting staff have identified “**Discussion Points**” throughout this report. The purpose of this item is to provide “initial” direction, staff anticipates additional discussion at future meetings with revised more detailed drafts concluding with a final agreed upon framework.

Goal and Desired Outcomes

To begin staff has provided below the goal developed by staff and Council for this priority. As a first step staff requests that Council review the goal to ensure it encompasses the desired outcome(s) of the priority or said another way “what do we want to achieve” or what is the description of our destination. Specifically, staff has provided a variety of discussion points for Council consideration to ensure there is a clear common understanding of the Goal for the project at the outset critical to the success of the project.

Current Goal: To diversify, increase, and develop sustainable funding for the Town of Jackson.

Discussion Point: At the workshop staff will ask for Council discussion of the goal and desired outcomes of this priority to ensure there is a clear common understanding of the task to be completed. More specifically, Council should consider the following:

- Why does the Town wish to diversify Town funding? What will it achieve, what will be the outcome? What is the difference between diversify and sustainable?
- Is the goal to increase revenue or could the goal be achieved in other ways including but not limited to reallocating existing revenue, shifting expenditures to other agencies, reducing level of service, eliminating expenditures, etc.
- How will success be measured?

Council Update: Since the August Workshop staff has met individually with the Mayor and Council to discuss what the desired goal and outcomes of this effort should be. There was much discussion about the difference between “sustainable” and “diversity” which based upon this discussion for the purpose of this effort can be defined as follows:

- Sustainable: Funding that is reliable over a long-term period of time, recurring
- Diversify: Different or various funding sources, not dependent on each other

The word “increase” used in the original goal statement was also discussed, with a conscious decision to remove it, as the goal of the effort is to determine whether increased funding will be needed to address our future expenditure needs. In addition, it was discussed that there are alternative ways of meeting future expenditure needs with increasing funding just being one of them as discussed above.

A common term that was mentioned often was alignment, in terms of aligning our future expenditure priorities with appropriate funding types. Regarding funding, it was often noted that our current funding sources have not changed in decades and may not be aligned with the economy and community priorities of the 21st Century. Based upon the discussion staff has provided the following revised goal statement for Council consideration.

Revised Goal: To establish a framework for the future funding of local government with diversified, and sustainable funding sources, aligned with the desired community core services (potholes) and priorities (programs and potential) identified in the Comprehensive Plan in order to meet the changing needs of the community, and the economy of the 21st Century.

Related to clarifying the goal and framing this effort correctly there was discussion of what the title of this effort should be. Based upon this discussion staff is recommending:

- Future Funding and Expenditure Framework

Framework

Staff has identified a four-phase framework for moving forward with this effort as follows:

Phase 1 – Identification, Review and Evaluation of all Available and Possible Funding Sources

Phase 2 – Identification, Review and Evaluation of Current and Desired Expenditures

Phase 3 – Identification/Matching of Funding Sources with Expenditures

Phase 4 – Implementation Action Steps

Discussion Point: Does Council have any suggestions on additional phases or topics that should be addressed?

Council Update: Council discussion and direction at the previous meeting was to consider combining phases 1 and 2 into a single phase and to consider beginning with expenditures rather than funding. There was also discussion around framing the discussion around the three foundational principles of strategic planning:

1. Where are we at? Current

2. *Where do we want to be? Future*
3. *How do we get there? How*

Staff is supportive of this change and will incorporate it in the overall process as the effort moves forward.

Phase 1 – Funding

During Phase 1 staff and Council will identify and evaluate all current, available and possible future funding sources for the Town. Staff would prepare an initial list for consideration and ask for Council and the public to add to it. Once a comprehensive list has been identified a common evaluation of each would be completed. Staff has identified the following criteria for initial consideration in this evaluation:

- Is the source currently allowed?
 - If not, what would need to occur to make it possible
- How much revenue could it generate?
- Is the source reoccurring or one time? What is it dependent on? How consistent has it been in the past?
- Who needs to authorize the source? Residents, Council, County, Joint, State, etc.
- What are risks or likely downsides of reliance on each funding source?
- Equity impact – Who is paying? Property Owners, Visitors, Residents, Users etc.
 - Is it regressive/progressive?
- Does it achieve an alternate goal (i.e. parking revenue and TDM)
- Does it grow the overall revenue pie or rob peter to pay paul?
- What can it be used for? Limitations of use? i.e. Lodging Tax
- Review historic data trends? Anticipate future trends? i.e. increasing, decreasing, stable
- What are possible unintended consequences of each funding source? i.e. impact on other agencies, other communities, etc.
- Pros\Cons
- SWOT – Strength, Weakness, Opportunity, Threats
- Etc.

Discussion Point: Does Council have additional criteria for inclusion in the Funding evaluation?

Council Update: *Council discussion around funding consistently mentioned breaking this discussion into three parts:*

1. *Current: what are the current sources of funding we are using; i.e. 4 cents of sales tax*
2. *Possible: what are possible sources of funding that are allowed that we are not using; i.e. Town property tax*
3. *Future: what are future sources of funding that are not allowed but should be considered in the future; i.e. real estate transfer tax*

Council discussion included addressing this topic from a short (1-2 years), medium (2-5 years) and long term (5 plus years) perspective where a roadmap/implementation strategy could be developed for each of the 3 timeframes.

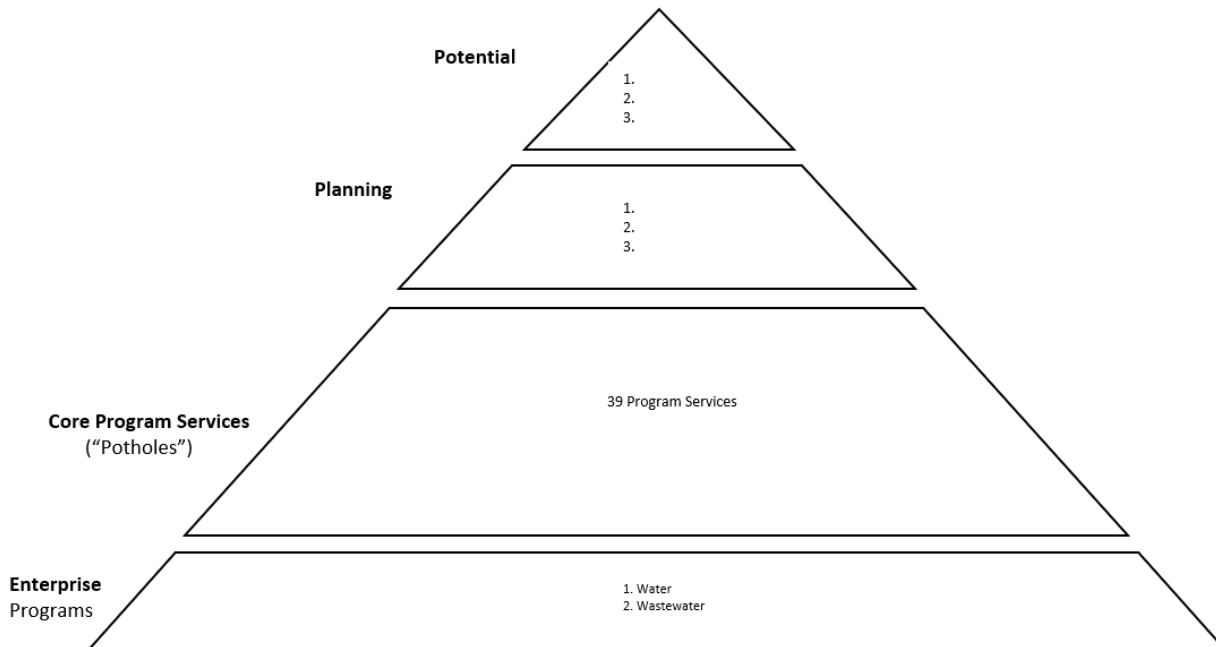
Phase 2 – Expenditures

Staff proposes this phase be broken into two (2) steps the first looking at current expenditures and the second looking at future expenditures. During both steps all types of expenditures would be identified including services, programs, capital, contracts for service (social service), utilities, etc. During both steps, expenditures would be considered through the following lens:

- Where does it fall in the Potential, Planning and Potholes paradigm?
 - Is it a core service (Town must provide) or an additional service (not required by the Town to provide)
- Where does it fall in the Comprehensive Plan chapters?

- How does the effect that changing the level of service (increase or decrease) have on the expenditure. For example, the level of service for police and fire response time will have a direct correlation to the expenditure.

Potential – Planning – Pothole - Overview



In step 1 staff and Council would first review where the Town is currently expending resources including historic expenditure trends and expenditure distribution through the two-lens discussed above. Second, we would identify the current source(s) of funding for each category. The purpose of this would be to understand where and how all Town expenditures are currently being met.

The second step would be to identify where Council and the community would like to expend resources in the future and if additional funding is needed and if so for what and why. Council would be asked to identify what existing and more importantly what additional areas the Town seeks to fund through the two-lens described above. This may include expansion of existing programs (Potholes), the identification of how programs identified in the Comprehensive Plan currently unfunded should be funded (Planning) and how programs not yet identified (Potential) should be funded. For example, the Comprehensive Plan (Planning) calls for identifying a dedicated funding source for Housing, Transportation and Open Space. Council would determine if these 3 programs should be further funded and at what level during this phase.

This phase would be a continuation of the work that began during the Priority Driven budget discussions but at a much higher level and should be closely tied to the overall goal discussed above (what are we trying to achieve?).

Discussion Point: Are there any additional lens upon which expenditures should be categorized?
At what level of detail does Council desire to review the current level of expenditures?
To what degree should level of service enter into the discussion at this time?

Council Update: There has been much discussion around the topic of expenditures, with a clear desire to first understand where we have been historically and where we are at currently. Staff has discussed an outline to best provide this information as follows:

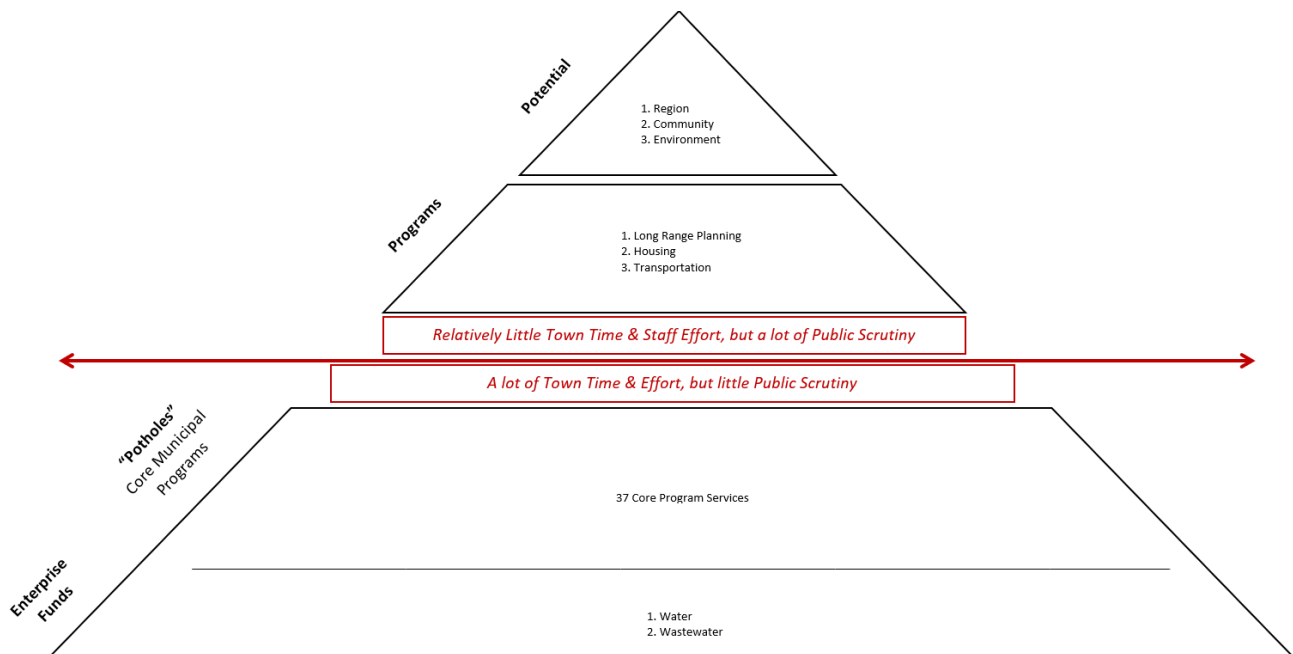
- **Expenditures – Operations and Capital**

- Historic Trend 2006-2018
- Explanation of changes (5 things you need to know) including, change in level of services, added programs, change in requirements, etc.
- Is it required or not
- Full-time Equivalents (FTEs)
- Funding Sources
- Key Functions
- Decision Maker
- Pothole, Program or Potential
- Etc.

In addition, as part of current expenditures it was identified that the cost (expenditure) of ongoing maintenance and replacement of our current capital assets should be considered. In addition, there was discussion around taking care of our “needs” (required to do) including maintenance of what we have (capital) before discussing our “wants” what we want to do in the future.

Furthermore, an area raised for discussion is “who is” and “who should be” the decision maker related to future funding and expenditures. This topic was proposed for consideration as a way of addressing efficiency and improved functionality of local government, for example joint departments.

As discussed at the previous workshop there was direction to revise the proposed expenditure paradigm as follows:



Council discussion also included addressing this expenditure from a short (1-2 years), medium (2-5 years) and long term (5 plus years) perspective where a roadmap/implementation strategy could be developed for each of the timeframe.

Phase 3 – Identification/Matching of Funding Sources with Expenditures

During this phase the outcome of Phase 1 – Funding and the Phase 2 – Expenditures would be combined to identify the available and most appropriate type of funding for all desired expenditures. The criteria and evaluation completed during phase 1 would be utilized to match the most appropriate funding sources with the desired expenditure

Discussion Point: Should any additional criteria be added during this phase above and beyond those identified during phase 1 and 2?

Council Update: *There was not significant additional discussion of this topic as it appears that there is clear understanding of what is to be completed and achieved through this phase. It was noted multiple times that it will be key to complete the previously described phases first get a clear understanding of where we are at and where we want to go before completing this phase. This phase is often referred to as completing a gap analysis during discussion.*

Council discussion included addressing this topic from a short (1-2 years), medium (2-5 years) and long term (5 plus years) perspective where a roadmap/implementation strategy could be developed for each of the timelines. In addition, it was identified that multiple frameworks could be developed and discussed before determining a preferred option.

Phase 4 – Implementation Action Steps

During this phase based upon the outcome of the previous work, implementation action steps, an associated timeline and responsible party would be created to ensure implementation.

Schedule

Depending on the pace and level of public involvement the Council chooses for this effort the schedule would be set accordingly. Below staff has estimated the number of meetings with each meeting representing 1-2 hours of time, needed to complete each phase of the project.

Phase 1 – Funding Sources (2-3 meetings)

Phase 2 – Expenditures (2-3 meetings)

Phase 3 – Identification/Matching of Funding Sources with Expenditures (1-2 meetings)

Phase 4 – Implementation Action Steps (1-2 meetings)

In order to complete this project prior to initiating next year's budget session staff would recommend a 6-month timeframe, with completion by February 1, 2021. Based upon this staff has identified the following meeting options for consideration:

1. Utilize an hour from each monthly Town Council workshop to discuss
2. Add an hour (start at 2:00) to each monthly workshop to discuss
 - This option would only be utilized when the regular agenda (3:00 to 5:00) is full
3. Schedule Special Meetings, on multiple days over a period of time (6 months)
4. Schedule a focused Retreat over a specific period of time (3 days) for individual phases of the project
5. Etc.

Staff anticipates some combination of the above meeting options may be necessary to complete the project in a timely manner.

Discussion Point: Is the proposed 6-month timeline for completion of the project realistic/desirable?
What is the appropriate type(s) of meetings and schedule to ensure the desired goal of the project is achieved?

Council Update: *Staff has met and determined that it will take between 4-6 weeks to produce all the information needed to begin discussion with Council. As discussed, it will be important to take the necessary time to complete a thorough compilation of all information needed and to develop a common understanding of the information first by staff then with Council before beginning this effort.*

Regarding the type of meetings preferred staff is recommending that special meetings (half, full or multiple days) be scheduled to complete this effort. It was identified that by utilizing this approach would allow Council to not have to revisit information or discussion had at previous meetings and that by focusing on this effort in blocks of time Council could make progress in a more consistent and efficient manner. Regarding the overall timing of the effort there continues to be a desire to complete, it before the end of the year if possible.

Based upon the above discussion the Council portion of this effort would begin in mid-October or early November. Staff notes that there will need to be coordination with many other efforts going on during this time period including special meetings regarding the Growth Management Plan and District 1: Town Square and Historic Preservation projects.

It was also suggested that the final framework could be memorialized in a Resolution to guide the effort into the future.

Public Involvement

Consideration of when and what level of public involvement is desired for this project may also influence the schedule discussed above. Options for public involvement could include:

- Public Comment taken during each phase of the process, minimum four times
- Public comment taken during phase 4 only, treating the phases up until that point as a Council work session, with comment coming at the end when some direction has been determined
- Create a Blue Ribbon taskforce to work concurrently with or parallel to Council
- Etc.

Discussion Point: What is the appropriate type of public involvement to ensure the desired goal of the project is achieved?

Council Update: Discussion to date has been to focus on Council first, with Council completing the overall framework discussion then inviting public input at the conclusion. Staff did contact Heather Bergman with PEAK Facilitation regarding this overall effort. Specific to this topic she recommended possibly allowing some public involvement through polling to assist in identification of priorities to be funded into the future. There was also discussion about utilizing the public engagement from the Growth Management Plan update currently underway to influence this effort.

An idea was also identified to develop an exercise where residents could “build their own budget” allocating and identifying funding as they choose, then matching their identified funding with their desired expenditures using the potholes, programs and potential paradigm. This would be a way to engage and educate the public on the challenges of funding local government and providing Council feedback on implementation.

Professional Services

Staff has considered whether any and what type of professional services may be beneficial in completing this project. Consideration was given to whether some level of consultant services to assist in the evaluation of funding options during phase 1 is needed but staff is not recommending this at this time. A second area of consideration could be around market research to determine what type funding may or may not be supported by the community and projected trends for collections. Staff is not recommending this at this time, but this may be identified as a possible next step during phase 4, potentially taking the form of a Blue Ribbon committee. On area were staff does possibly see a need for some limited professional services is in the area of agenda creation and discussion facilitation. Staff anticipates using some professional services funding to retain outside assistance to design and structure a comprehensive yet efficient process for completion of this project.

Discussion Point: What, if any professional services involvement is necessary to ensure the desired goal of the project is achieved?

Council Update: *As mentioned above, staff did contact and discuss this effort with Heather Bergman with PEAK Facilitation. Ms. Bergman provided some great insight into how to structure the process and conversation to best ensure the desired outcome. Ms. Bergman's involvement moving forward could take two forms: 1) Assisting staff with process and meeting development or 2) Assisting staff with process and meeting development and assisting in meeting facilitation and documentation.*

Council discussion regarding a Blue Ribbon committee identified that the use of such a group may be best after this effort has been concluded and Council has provided direction.

COMPREHENSIVE PLAN ALIGNMENT

In order to successfully implement the Comprehensive Plan, the Council needs to set priorities, be strategic and be disciplined. A critical component to that is prioritizing and identifying the necessary level of funding to address the desired goal, principle, policy or strategy and as a result this project is critical to the successful implementation of the Comprehensive Plan. Specifically, dedicated funding sources are identified for open space, transportation and housing. In addition, many of the programs and strategies called for in the Plan come at an additional cost to the community that current funding levels cannot accommodate. Furthermore, Chapter 8 Quality Community Service Provision calls for the *"Timely, efficiently and safely deliver quality services and facilities in a fiscally responsible and coordinated manner."* Specifically, Chapter 8 asks the community through their elected officials to:

Principle 8.1— Maintain current, coordinated service delivery

The Town and County will coordinate and collaborate with independent service providers to ensure desired life-safety, educational, social, recreational, and cultural service levels are maintained consistent with the community's Common Values. Barriers to service delivery objectives will be, identified, and the Town and County will budget sufficiently to meet desired service delivery objectives.

Principle 8.2—Coordinate the provision of infrastructure and facilities needed for service delivery

The Town and County will coordinate the development of a communitywide Major Capital Project List. This will ensure that the community can adequately maintain existing capital facilities and provide needed future facilities, consistent with the Common Values of the community. Coordinated planning for capital projects will also allow the Town and County to ensure that new development pays its fair share of the costs of providing new facilities to maintain service levels.

STAKEHOLDER ANALYSIS

The stakeholders involved in this issue include the Town Council in wanting to pursue their highest priorities, Town of Jackson staff in their purpose of carrying out the will of the Council to the best of their abilities, and the residents and guests of our community that will benefit from and may be required to financially contribute to actions taken that moves our community forward in a positive way for the future.

FISCAL IMPACT

None at this time, above and beyond the Community Development Professional Services budget.

STAFF IMPACT

The staff resources have been added through the adoption of the FY21 Budget adding a Public Engagement Specialist, Community Development Director and reorganized the Town Manager, Assistant Town Manager and Planning Director job descriptions.

LEGAL ISSUES

Not applicable at this time.

ATTACHMENTS

N/A

RECOMMENDATION

To direct staff to proceed with the Predictable Funding of Local Government Framework as described in this staff report.

SUGGESTED MOTION

I move to direct staff to proceed with the Predictable Funding of Local Government Framework as described in this staff report based upon the direction provided by Council at this meeting.