

# **GATEWAY COMMUNITIES: AFFORDABLE HOUSING ISSUES & PLANNING SOLUTIONS**

Prepared By: Sarah Knoebl

# Gateway Communities: Affordable Housing Issues & Planning Solutions

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COLLEGE OF ARCHITECTURE AND PLANNING

UNIVERSITY OF COLORADO **DENVER**



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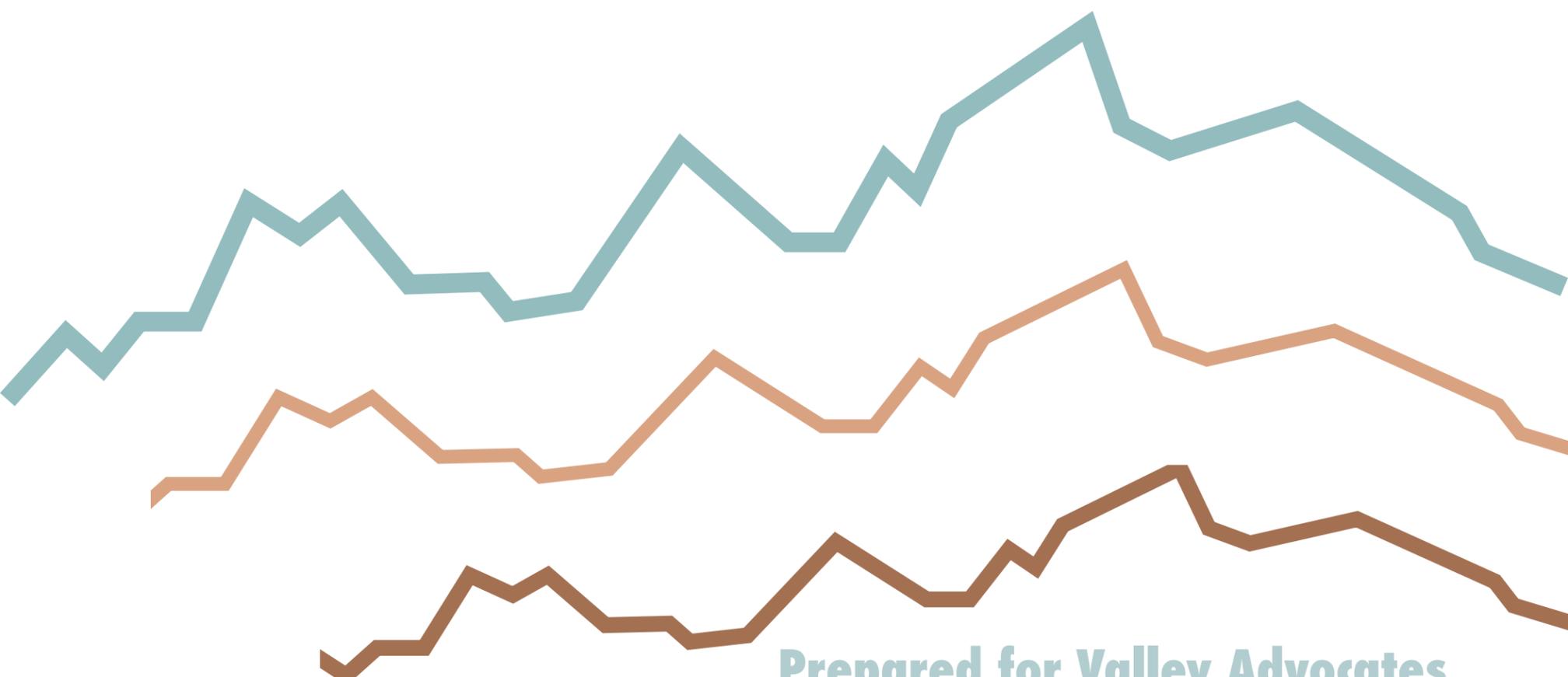
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# **GATEWAY COMMUNITIES: AFFORDABLE HOUSING ISSUES & PLANNING SOLUTIONS**

## **Executive Summary**



**Prepared for Valley Advocates  
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By Sarah Knoebl  
Spring 2022**



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# ISSUE

The Teton Valley is located on the western slope of the Teton Mountain Range, encompassing both Idaho and Wyoming’s Teton Counties. Teton Valley communities are gateways to the abundant natural and recreational opportunities within the Greater Yellowstone Ecosystem. Tourists and new residents alike flock to the Valley to experience the natural amenities Teton Valley has to offer. As more tourists and new residents come to enjoy the Valley, local residents are finding it increasingly difficult to find affordable housing options. A 2022 housing assessment found that households earning less than 120% of the regions average median income have found it very difficult to find housing in recent years. Additionally, a growing number of residents have been displaced due to property sales, rent-hikes, and short-term rentals. This project seeks to mitigate the impacts of short-term rentals and amenity migration on housing affordability and availability in Teton Valley by adopting new programs and policies.

# FINDINGS

In order to make informed policy recommendations for the Teton Valley, community context, existing regulations, and existing plans were thoroughly researched. After understanding the existing conditions academic research and case studies were consulted to identify key policies and program aspects that could be successfully implemented in the Teton Valley.

## Community Context: Housing

There is a blatant mismatch between housing price and household income in Teton Valley. In Teton County, Wyoming only 3% of the entire share of house sales are under \$500,000 and in Teton County, Idaho only 26% of the share of home sales are between \$300,000 and \$500,000. Locals are increasingly priced out of the housing market by wealthy newcomers, and often must rent units at astronomical prices.

### Per Month Housing Price Compared to Affordable Prices

	HOUSEHOLD MEDIAN INCOME	AFFORDABLE	REALITY
<b>TETON COUNTY, WYOMING</b>	\$115,600	\$2,890/month	\$3,469/month
<b>TETON COUNTY, IDAHO</b>	\$79,500	\$1,987/month	\$2,478/month

\*\* Affordable housing price based off 30% of annual household median income.

Not only are locals often overpaying for housing, they are also competing with the short-term rental market. Short-term rentals account for 13% and 10% of housing units in Teton County, Idaho and Wyoming respectively. When entire properties are used for short-term rentals, they effectively eliminate long-term housing options for locals.

## **Community Context: Regulations**

There is a large variation in short-term rental regulation across Teton Valley counties and municipalities. Teton County, Wyoming and Jackson, Wyoming have the most robust set of regulations while Teton and Victor, Idaho have no existing short-term rental regulations. In order to reduce negative impacts associated with short-term rentals, it is imperative to have enforceable regulations.

## **Research Overview:**

There are academic findings that significantly link housing unaffordability, amenity migration, and short-term rentals in both urban and gateway communities.

## **Amenity Migration Impacts:**

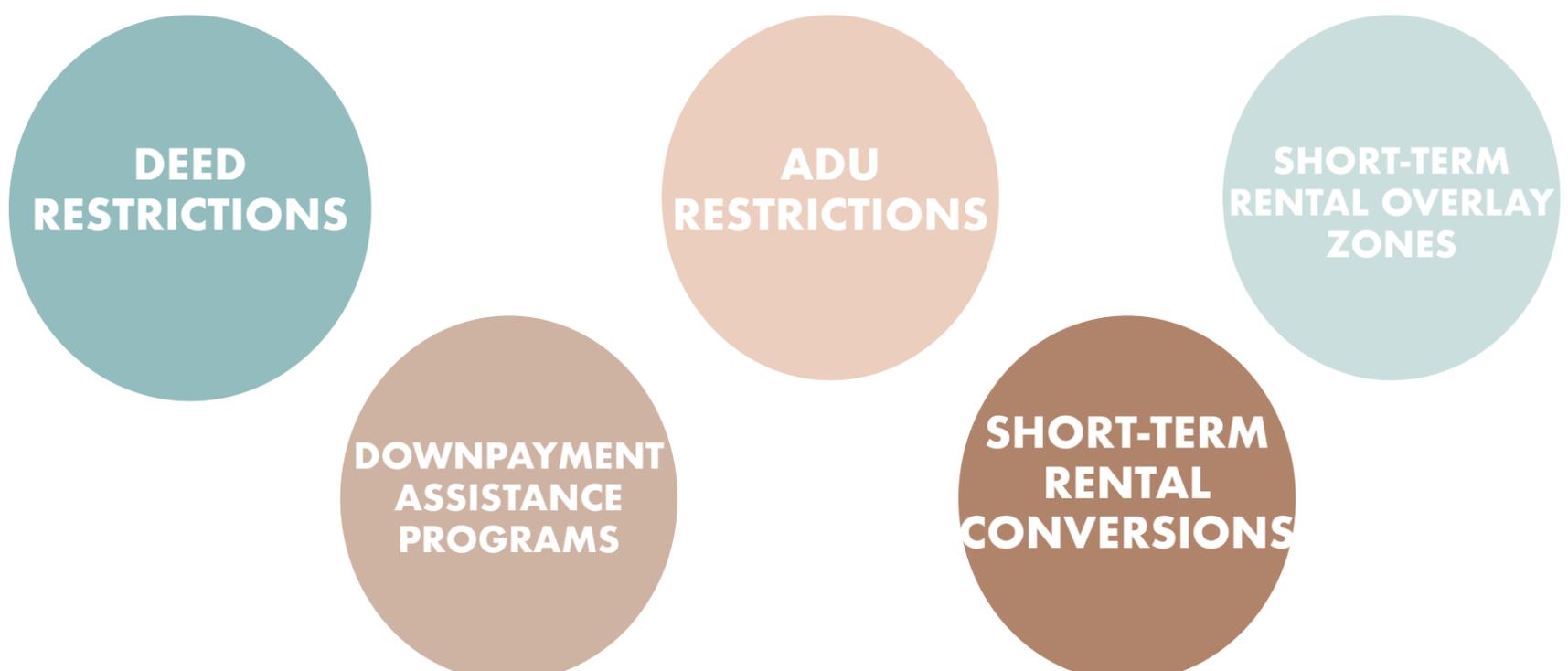
- » Defined by the in-migration of wealthy urbanites
- » Occurance of rural gentrification
- » Changes in community values and perceived local control
- » Increases in real estate & property taxes

## **Short-Term Rental:**

- » Short-term rentals eliminate long-term housing
- » High densities of short-term rentals have been found to increase long-term rental prices by up to 7%
- » Short-term rentals cause nuisance and higher traffic volumes in residential areas
- » Negative short-term rental impacts can be effectively managed through regulations

# **OPTIONS**

The following program and policy options were identified in case study research on other U.S. gateway and resort communities that are dealing with similar affordable housing struggles.



# RECOMMENDATIONS

The following recommendations are based off existing conditions including housing data, short-term rental numbers, existing policies, and community capacity. Case studies and academic research informed current best practices and successful programs and policies implemented from other gateway and resort communities. These recommendations are intended to build off of existing policies and programs already in place in Teton Valley communities. Capacity and funding were carefully considered in the creation of these recommendations. The creation of a cross-boundary affordable housing task force is highly recommended to create strong and cohesive leadership along with creative problem solving. With the approval of both local governments and residents, it is anticipated that these recommendations will aid in alleviating affordable housing challenges in Teton Valley.

	Added STR Regulations	Deed Restrictions	STR Conversions	ADU Restrictions	Overlay Districts	Down Payment Assistance
<b>Teton County, WY</b>				<b>X</b>		
<b>Jackson</b>			<b>X</b>			
<b>Teton County, ID</b>	<b>X</b>	<b>X</b>			<b>X</b>	<b>X</b>
<b>Tetonia</b>	<b>X</b>				<b>X</b>	
<b>Driggs</b>				<b>X</b>	<b>X</b>	
<b>Victor</b>	<b>X</b>				<b>X</b>	

\*\*\* Arrows illustrate programs that should be facilitated by the county.



# INTRODUCTION

## **Problem Statement:**

As part of the Master of Urban and Regional Planning Spring 2022 Capstone course, Sarah Knoebl worked to provide her client, Valley Advocates for Responsible Development and Teton Valley communities with realistic and context appropriate affordable housing solutions to address the growing housing crisis in the region.

Teton Valley is a gateway to the Greater Yellowstone Ecosystem located on the Western slope of the Teton Mountain Range. The Valley is comprised of Teton County, Idaho and Teton County, Wyoming. The area has vast open spaces, abundant wildlife, year-round recreation, and welcoming small towns. Due to the Valley's cultural and environmental appeal there has been an influx of tourists and amenity migrants moving to the Valley. Local residents are finding it increasingly difficult to find affordable and quality housing. This capstone seeks to recommend policies to protect affordable housing options for Teton Valley locals.

## **Purpose:**

According to the 2022 Teton Region Housing Needs Assessment, households earning less than 120% of the regional average median income have found it "very difficult" to find housing in recent years.<sup>1</sup> Local residents are losing the ability to live comfortably in their communities, which degrades the culture and sense of place that Teton Valley communities hold so closely.

Teton Valley is not alone in their struggle to maintain a robust stock of affordable housing; gateway communities around the West are feeling similar pressures. One of the most notable contributions to the lack of affordable housing in gateway and resort communities are the growing number of under-regulated short-term rentals. This capstone approaches Teton Valley's affordable housing crisis by first understanding the Valley's present conditions. After identifying present conditions of the Valley, current research and case studies from comparable communities will be analyzed. Through this process we will recommend appropriate policies to protect affordable housing in the Teton Valley.

The client, Valley Advocates for Responsible Development, based in Driggs, Idaho is committed to preserving and stewarding rural communities and natural resources by advocating for smart growth in Teton Valley. As a community non-profit, Valley Advocates partners with stakeholders to promote responsible development, engagement, and accountability while also serving as an equitable community resource.

## **Objectives:**

The main objectives of this report can be divided into three categories: understanding the context and policies existing within Teton Valley, understanding current research and case studies on affordable housing approaches in gateway communities, and using this insight to recommend affordable housing solutions to manage the growing demand within Teton Valley. Report objectives are outlined below:

### **Overview of Community Context & Existing Policies**

- » Community demographics, housing stock, short-term rental counts
- » Review existing housing policies & regulations
- » Review existing relevant plans

### **Overview of Current Research & Case Studies**

- » Outline amenity migration and short-term rental impact research
- » Outline current tools being used to address affordable housing

### **Recommend Policies & Approaches:**

- » Make community-specific recommendation based on community needs and capacity

## **Methodology:**

This project utilized city code and planning documents, demographic data from the 2019 American Community Survey, and housing and employment data from the the 2022 Teton Region Housing Needs Assessment. Short-term rental data was obtained from two short-term rental analytics platforms, airdna.co and alltherooms.com. These sources enabled a thorough understanding of Teton Valley's existing community and policy context.

Current research and case study methods included peer reviewed journal articles, city documents, and local news articles.

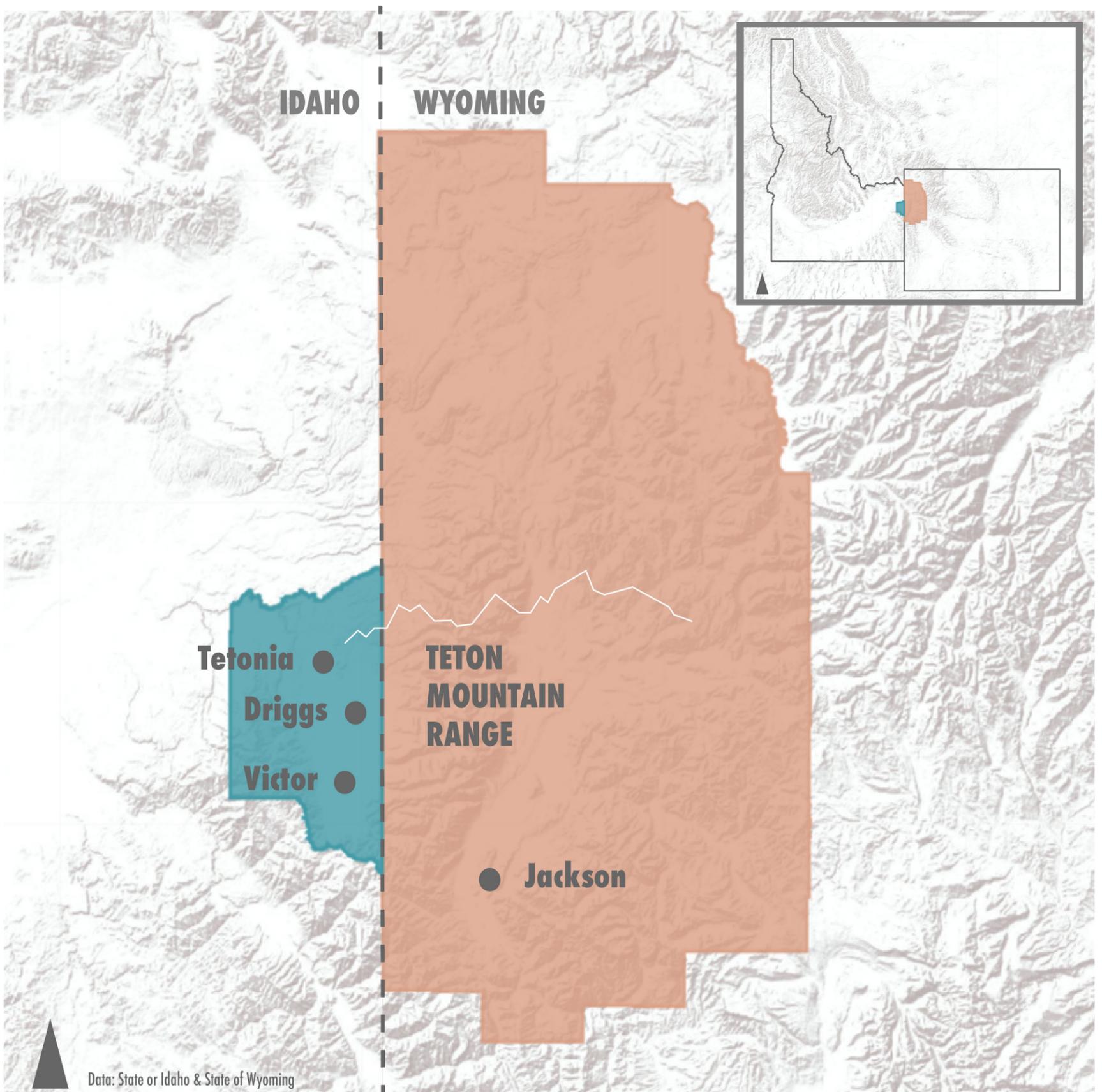


# **Community Context & Existing Policies**

# TETON VALLEY

Teton Valley is located on the western slope of the Teton Mountain Range. The study area of this report includes both Idaho and Wyoming's Teton Counties and the municipalities of, Teton, Driggs, Victor (ID), and Jackson (WY), the area encompasses 4,667 square miles and is home to around 34,961 residents. The Valley boasts vast natural resources including Grand Teton National Park, National Elk Refuge, and surrounding national forest land. The region is also home to world-class skiing at Grand Targhee Resort and Jackson Hole Mountain Resort, making it a year-round recreation destination. In 2021 almost 3.5 million visitors visited Grand Teton National Park.

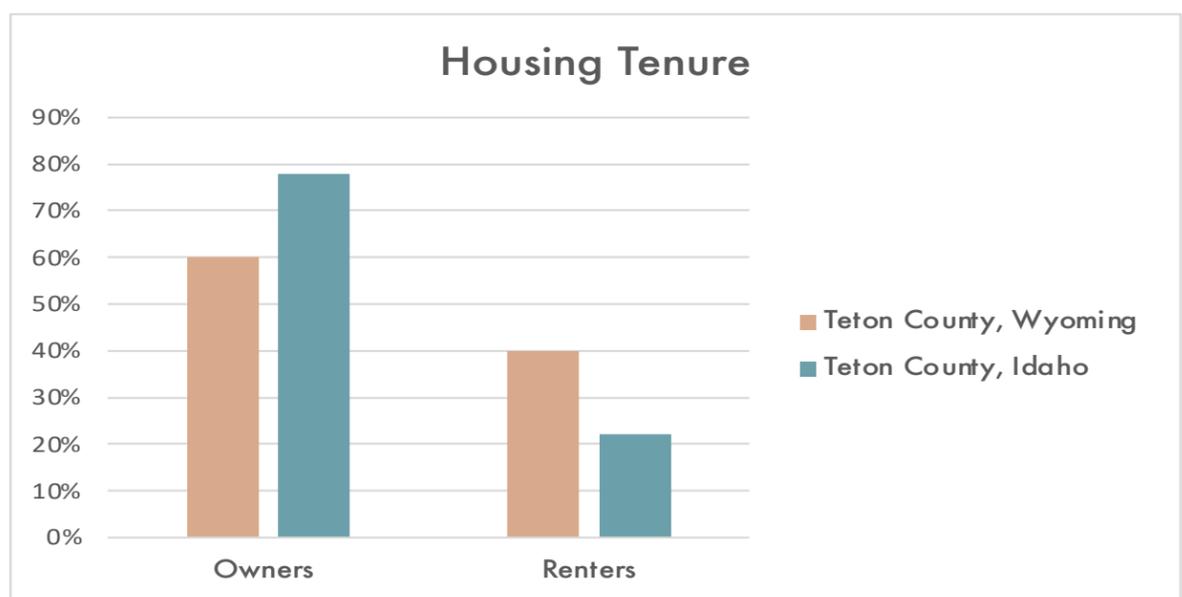
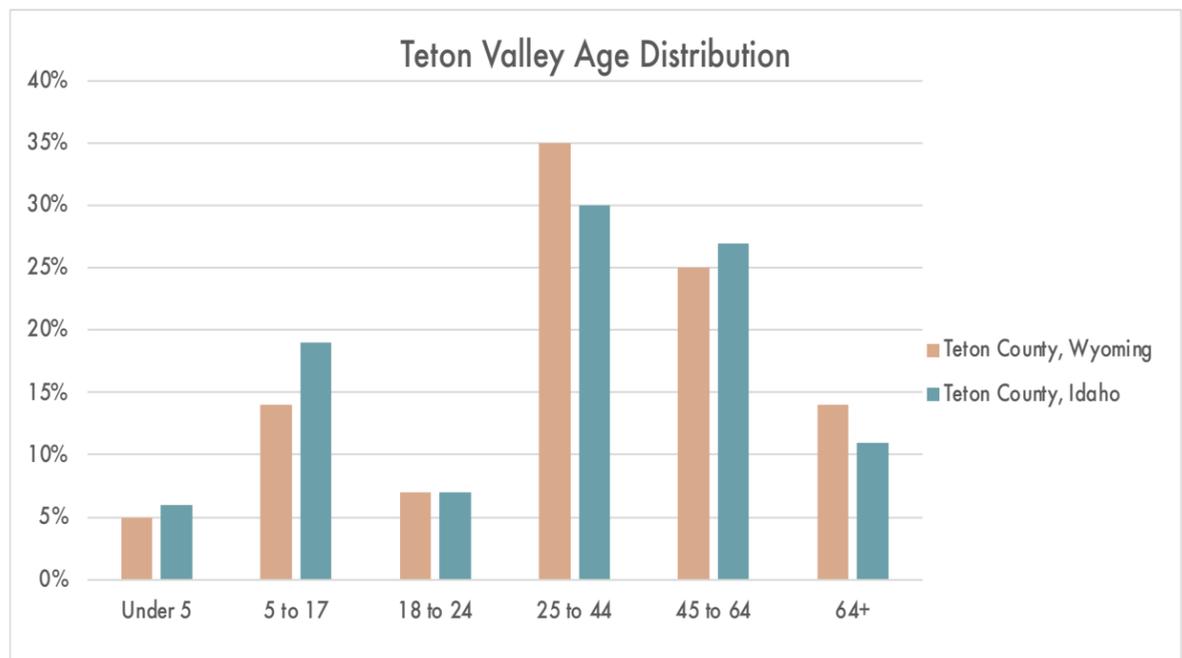
This chapter will illustrate the current demographics, housing statistics, and local policy that will guide recommendations made later in this report.



# POPULATION DEMOGRAPHICS



Both counties have high populations of residents between 25 - 44 years old, with a collective average age of 38.<sup>2</sup>



Lower housing costs in Teton County, Idaho has enabled more residents to purchase homes compared to residents of Teton County, Wyoming. Within Teton County, Idaho 78% of residents rent or own a single-family home compared to Teton County, Wyoming where 49% of residents occupy single-family homes.<sup>1</sup>



## Household Median Income<sup>1</sup>:

Teton County, Wyoming: \$115,600

Teton County, Idaho: \$79,500

# HOUSING STOCK & VALUE

## Teton County, Wyoming Housing Stock (2021):

Total Units: **13,156**

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Single Family:	52%
Condo/Townhome:	14%
Apartment:	14%
Accessory Dwelling:	8%
Mobile Home:	3%
Short-Term Rental:	10%

## Teton County, Wyoming Housing Prices & Availability (2021):

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- » Median Listing Price: **\$4.4 million**
- » Only 3% of share of sales is under \$500,000
- » To meet 2027 housing need Teton County needs **3,200 units<sup>1</sup>**

## Teton County, Idaho Housing Stock (2021):

Total Units: 5,333

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Single Family:	76%
Condo/Townhome:	2%
Multi Family:	12%
Mobile Home:	10%

## Teton County, Wyoming Housing Prices & Availability (2021):

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- » Median Sales Price (single-family): **\$750,000**
- » Only 26% of the share of sales are between \$300,000 to \$500,000
- » To meet 2027 housing need Teton County needs **1,560 units<sup>1</sup>**

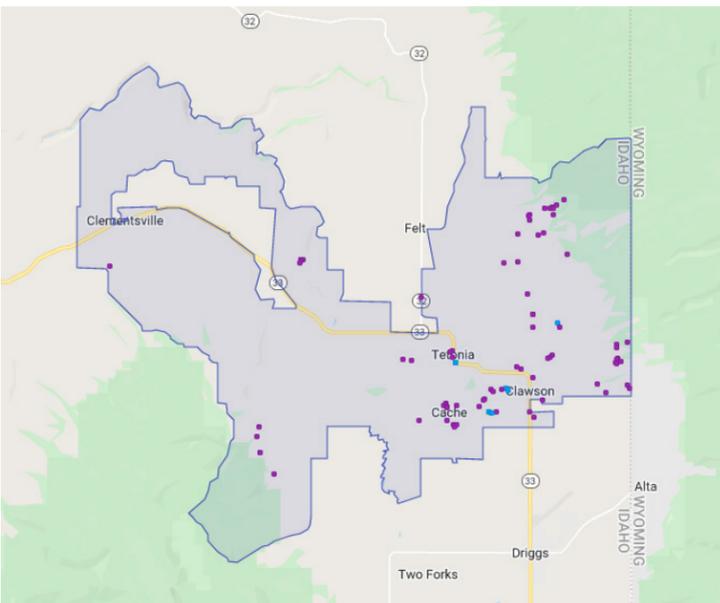
# SHORT-TERM RENTALS

## Counts & Distributions<sup>3</sup>

TOTAL STUDY AREA LISTINGS (April 2022): **1,271**

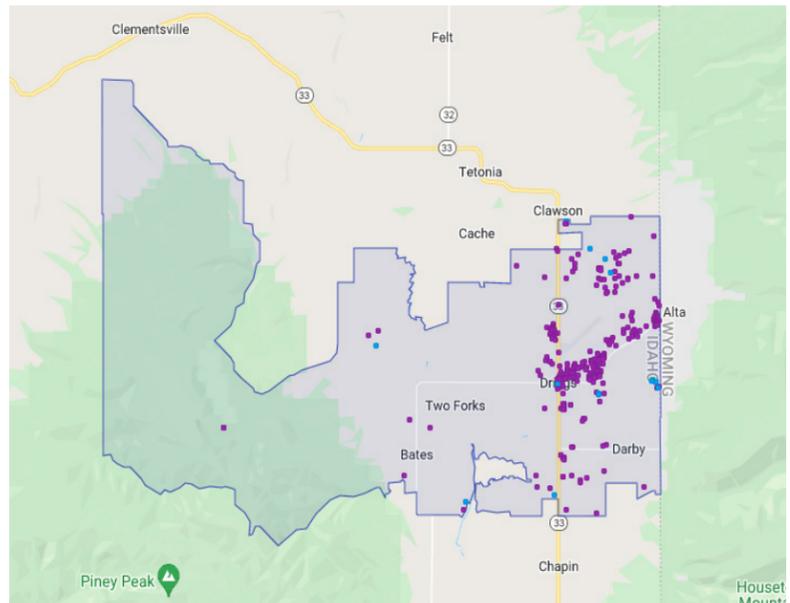
### Tetonia, Idaho

Current Listings: **70**



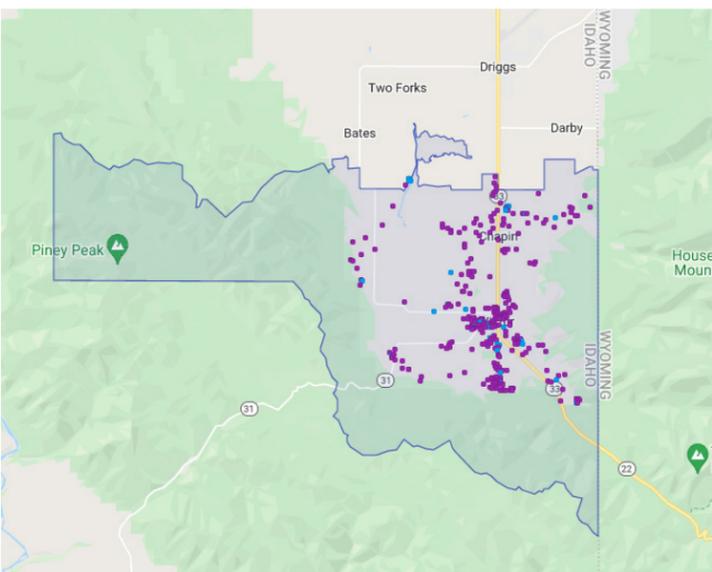
### Driggs, Idaho

Current Listings: **299**



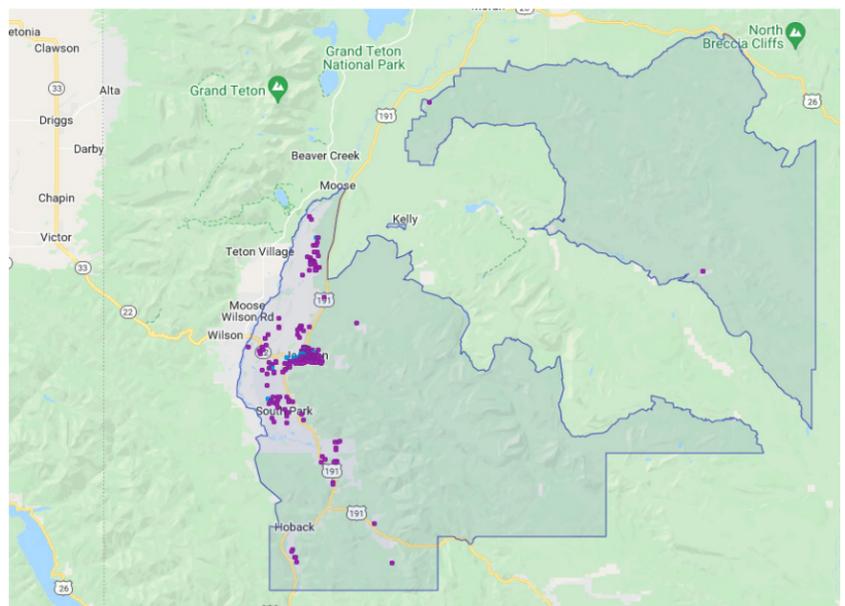
### Victor, Idaho

Current Listings: **369**



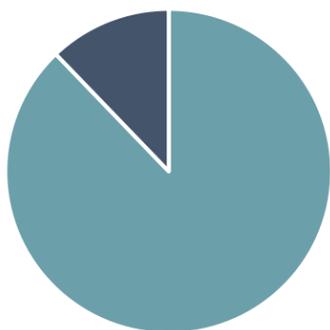
### Jackson, Wyoming

Current Listings: **533**



Share of Short-Term Rental Units in Teton County, Idaho

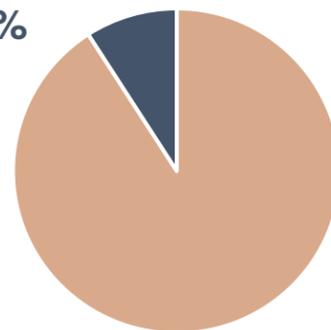
**13%**



■ Total Units ■ Short-term Rental

Share of Short-Term Rental Units in Teton County, Wyoming

**10%**



■ Total Units ■ Short-term Rental

# SHORT-TERM RENTAL REGULATIONS

## **Teton County, Wyoming:**

Short-term rentals are defined as: *rental of all or a portion of a residential unit such that occupancy is limited to less than 31 days.*<sup>4</sup>

Within unincorporated Teton County there are eight approved short-term rental developments:

- » The Aspens
- » Teton Shadows
- » Teton Village I & II
- » Golf Creek
- » Jackson Hole Racquet Club Resort
- » Spring Creek Ranch
- » Crescent H "Fish Lodges"

All operators of a short-term rental must collect 5% Wyoming lodging tax.

## **Jackson, Wyoming:**

- Short-term rental operators must:
01. Obtain short-term rental license & pay \$100 associated fee, must be renewed annually
  02. Give notice to neighbors within 300 ft of residence.
  03. Show valid permit number in all advertisements of residence.
  04. Collect 5% Wyoming lodging tax.
  05. Comply with building and fire codes.

## **Teton County, Idaho:**

- Short-term rental operators must:
01. Obtain permit & pay \$150 fee
  02. Give notice to neighbors within 200 ft.
  03. Post 2x2 ft. sign with contact information
  04. Contain all guest parking on site

## **Tetonia, Idaho:**

- Tetonia has no specific short-term rental regulations in place although, short-term rental operators must:
01. Obtain business licence
  02. Pay associated \$25 fee, renew every two years

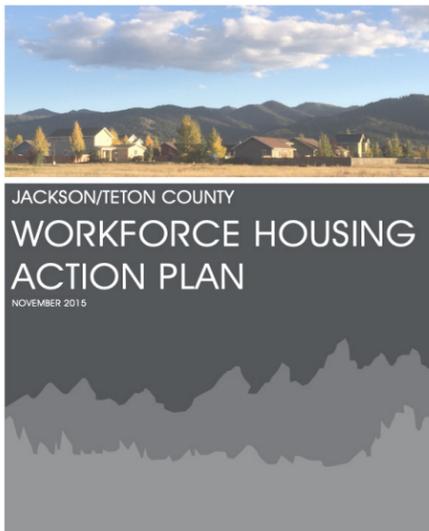
## **Driggs, Idaho:**

- Short-term rental operators must:
01. Obtain short-term rental permit
  02. Pay \$80 permit fee then \$50 annually
  03. Collect states sales tax (6%), Driggs lodging tax (3%) and state lodging tax (2%)
  04. Submit annual reports
  05. Have local representative within 20 miles

## **Victor, Idaho:**

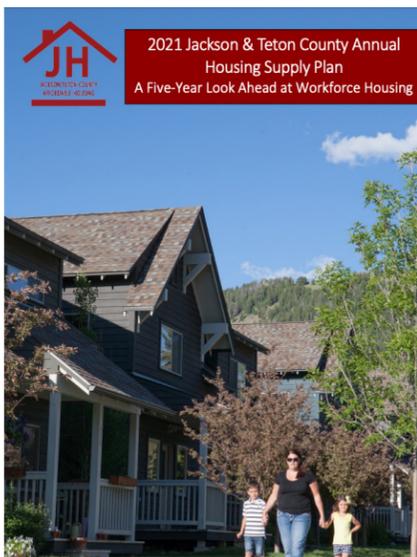
- Short-term rental operators must:
01. Obtain business registration
  02. Pay \$100 processing fee, \$50 annually
  03. Collect state sales tax (6%), Victor resort tax (3%), state lodging tax (2%)

# EXISTING PLANS



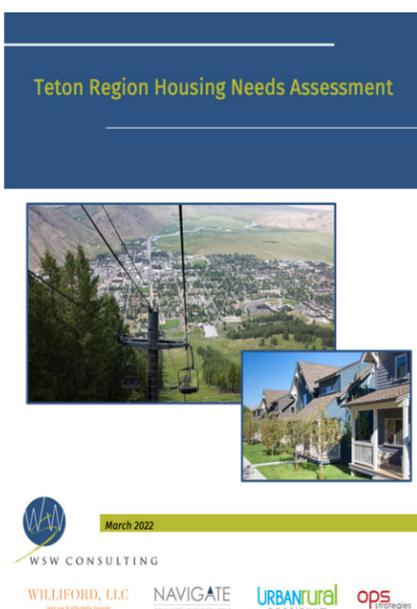
## Wyoming

The key goal of the 2015 Jackson/Teton County Workforce Action Plan is to house **65%** of the workforce locally. This plan was a goal within the Jackson/Teton County Comprehensive Plan. The plan focuses on developing the affordable housing program's organizational structure, housing supply plan, housing management, funding plan, zoning for workforce housing, and action plan timeline. Progress updates will be published annually.<sup>5</sup>



## Wyoming

The 2021 Jackson/Teton County Annual Housing Supply Plan serves as an annual update on workforce housing. At the time of publishing, Jackson/Teton County has the capability of housing **59%** of the workforce locally. As of 2020, 83 deed-restricted units had been added to the community's housing stock. This update reports that of the Housing Action Plan action items, 70% of the items are complete/complete and ongoing, 23% started/not completed and only 5% not complete or failed.<sup>6</sup>



## Teton Region

The 2022 Teton Region Housing Needs Assessment addresses housing needs, impacts, and projections for the Teton Region. The plan overviews a wide range of topics including demographics, housing tenure, workforce, commute, and housing prices. The plan outlines community specific needs and adds recommendations and partnership opportunities.<sup>7</sup>

# GROUPS & PARTNERS

Local partnerships are incredibly important for outreach, funding, and implementation of affordable housing. There are many actively involved groups and organizations within the Teton Valley region collaborating to protect and create affordable housing opportunities.

The **Teton County Joint Housing Authority** was formed to increase and guide affordable housing within Teton County, Idaho. The authority board consists of representatives from the towns of Teton, Driggs, and Victor. **The Community Resource Center of Teton Valley** helps to fill the gaps within Teton Valley, providing housing assistance, financial assistance, food assistance, and supportive services. The Resource Center maintains a long-term rental inventory, connecting residents to long-term affordable housing. **Habitat for Humanity of the Greater Teton Area's** homeownership program helps build affordable housing for eligible families throughout the region. In Spring of 2022, Habitat for Humanity and Teton County, Wyoming are partnering to build 18 affordable homes for local residents. **ShelterJH** is an independent, membership based housing advocacy organization in Jackson, Wyoming. The group challenges current housing policy to ensure locals have a place within the community. **Jackson Hole Community Housing Trust** is a private, non-profit affordable housing developer in Jackson, Wyoming. To date, Jackson Hole Community Housing Trust has developed 181 affordable homes for local residents. Currently, the Trust is in the process of building affordable workforce housing that will house 55 individuals by winter of 2022.





# **CURRENT RESEARCH & CASE STUDIES**

# GATEWAY COMMUNITIES & AMENITY MIGRATION:

Teton Valley towns are gateway communities to the vast neighboring natural beauty of the Teton Region. Gateway communities are defined as small rural towns or cities located at key access points to public land, national parks, or other prominent natural resources.<sup>8</sup> These communities draw tourists and households seeking to live in proximity to these places. Due to the draw of cultural amenities and natural resources, these towns are prime locations for amenity migrants to relocate.<sup>9</sup> Amenity migration is a contributing factor to the growing affordable housing crisis in the Teton Valley and many other gateway communities. Amenity migrants are typically individuals from urban areas seeking a lifestyle change.<sup>10</sup> Amenity migrants tend to have higher levels of wealth compared to the local population and have income coming from outside of the community.

As amenity migrants enter a gateway community, they also bring expectations from their previous home. These expectations can result in changes or stress to traditional local values. These changes may be accompanied by perceived or real loss of local control, and increased taxes, rent, and property due to investment from amenity migrants. It is also typical for amenity migrants to live in a gateway community part-time which can have socio-cultural effects due to impermanence of part of the population.<sup>11</sup>

A 2021 study of 22 gateway communities found that small-town character and authenticity were an extremely important value to all towns surveyed. The study also found that affordable housing was the top concern for the 22 gateway communities.<sup>8</sup> It is extremely important for gateway communities experiencing amenity migration to support and advocate the needs and values of locals.



# SHORT-TERM RENTAL IMPACTS

Short-term rentals are an incredibly new and fast growing lodging choice. The world's most prominent short-term rental company, Airbnb, began in 2015 as a way to earn money by renting out spare bedrooms. Today, travelers using Airbnb or VRBO can choose from private rooms, shared rooms, and entire properties. Short-term rentals can be found almost anywhere in the world, making it a popular choice for travelers seeking an authentic cultural experience or more so today, those traveling in large groups. Short-term rentals help meet lodging demand that hotels alone cannot in some towns. Although short-term rentals are in towns and cities around the globe, they have become most prominent and often troublesome in resort and gateway communities.

When an entire long-term rental unit is used as a short-term rental it essentially becomes a hotel room, and thus removes the unit from housing inventory. As short-term rentals grew in popularity over the past seven years, very little was done by towns and cities to address and prepare for the impacts of these rentals. Short-term rental impacts range from nuisance, trash, and long-term housing availability. Short-term rentals tend to be located in residential neighborhoods, due to the nature of lodging there are constant flows of new people entering residential areas. Neighbors of short-term rentals often complain about noise, trash, parking, and overall safety.

In communities with high rates of short-term rentals, it has been found that housing prices for locals are often elevated. In Barcelona, Spain it was found that when long-term rental units were exclusively converted to short-term rentals, the overall long-term rental stock fell significantly. In areas of the city with highest densities of short-term rentals, monthly rent prices of long-term units increased up to 7%.<sup>12</sup> In France it was found that Airbnb rentals did not raise long-term rents overall, but found that short-term rental units with 120 reservations per year resulted in a 1% increase in long-term rent prices in Paris.<sup>13</sup> Although the findings in Europe are compelling, more U.S. based research is needed to understand the unique effects in western gateway communities. Specifically for small gateway communities, it is crucial to compile short-term rental data to track and understand what changes are occurring.<sup>14</sup>

# SHORT-TERM RENTAL REGULATIONS

Gateway communities and major cities alike are tightening short-term rental regulations in an attempt to reduce impacts of short-term rentals on communities and create more long-term, affordable housing options for locals. There are various ways for municipalities and counties to regulate short-term rental, but it is imperative to implement regulations that best fit community goals and capacity. Nieuwland & van Melik (2020) lay out four short-term rental regulation methods cities can utilize to reduce associated negative impacts on communities:

**Quantitative Restrictions:** Restrict overall number of short-term rentals permitted in a jurisdiction.

Examples: Limiting short-term rentals to a certain percentage of total housing stock

**Locational Restrictions:** Restricts short-term rentals to certain areas or zones.

Examples: Lodging or Short-term rental overlay zones

**Density Restrictions:** Restrict amount of short-term rentals in specific neighborhoods or zones.

**Qualitative Restrictions:** Restricts the type or use of short-term rentals

Examples: Limit on amount of nights per year rented, banning an entire home from being listed as a short-term rental, or restricting any short-term rental of accessory dwelling units.

Preliminary home-sharing ordinance assessments in Los Angeles County found that ordinances have a significant effect on the number of short-term rental and was found to reduce housing prices and rental price of long-term rentals by 2%.<sup>15</sup>

# CASE STUDIES



The following case studies illustrate successful methods that protect existing housing units for affordable housing use. There is no one-size-fits-all approach to creating sustainable affordable opportunities, especially in gateway communities. Although more units could simply be built as a way to create more affordable options, this project seeks to recommend policies and programs that protect existing units. It is important to remember that Teton Valley communities pride themselves on small town character and community values. Preserving existing units and ensuring they are available to locals, not only helps maintain a sense of place but allows residents to live where they want and how they want. Policies and programs highlighted in this chapter, paired with development of new units have the potential to balance Teton Valley housing needs.

# DEED RESTRICTIONS

Deed restriction is a widespread tool used throughout the real estate industry that add restrictions to real property. An increasing number of gateway communities around the country are turning to deed restrictions as a way to protect and add affordable housing units. Deed restrictions in gateway communities typically limit the use of a property, such as forbidding it to be used as a short-term rental. Deed restriction may also be used to restrict to who can rent or buy deed restricted homes, such as income and asset limits.

In all case studies, buyers and renters seeking to live in a restricted unit must work full-time in the community the unit is located in, or must make a certain percentage of income in the community or county. By utilizing deed restrictions gateway communities can protect existing affordable housing, and ensure affordable options in new developments by limiting who rents or buy those properties.

## Location: Crested Butte, CO

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Crested Butte, Colorado currently has around 305 deed-restricted properties, encompassing more than 25% of the town's housing stock. In 2020, 80% of Crested Butte's accessory dwelling units were deed restricted, while only 4% of single family homes were deed restricted. According to the town's five year work plan, the town will allocate \$50,000 to the InDeed program yearly to increase the number of deed restricted properties.<sup>16</sup>

### Eligibility:

- Must be a full-time resident
- Must work full-time in Gunnison County
- Meet income & asset requirements

## Location: Vail, CO

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Vail, Colorado adopted InDEED program in 2017 to meet the goal of 1,000 deed-restricted properties by 2027 set forth by the town's 2027 Housing Strategic Plan. The program provides monetary incentives to property owners for deed restricting their properties. As of 2020, 153 units were converted to deed restrictions. Currently, around 40% of deed restricted units are owner occupied and 60% renter occupied.<sup>17</sup> A 2019 economic study found that Vail's InDEED program created a 5% annual return on investment to the town of Vail.<sup>18</sup>

### Eligibility:

- Work at least 30hr/Week at an Eagle County business

# SHORT-TERM RENTAL CONVERSION

Conversion of short-term rental unit to long-term rental units is an emerging tool in gateway communities. Short-term rental conversions give incentives to property owners that convert housing units to long-term rental options. By turning short-term rentals into long-term options, communities can increase housing stock for year-round residents.

## **Organization: Landing Locals**

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Landing Locals, a Truckee, California based start-up works with communities including Summit County, Colorado and South Lake Tahoe, California to incentivize conversions of short-term rental units.<sup>19</sup> In South Lake Tahoe owners can earn up to \$10,000 for converting their property to a 12 month lease. In unincorporated Summit County and Breckenridge, owners can earn up to \$24,000 for 12 month leases. Since the conception of the Summit County Program in late 2021, 30 units have been converted creating long-term housing for 57 members of the Summit County workforce.<sup>20</sup>

A program of this type would be viable for communities with high numbers of short-term rentals. Communities seeking this option must have a robust funding mechanism in order to create meaningful incentives.

## **Summit County Eligibility:**

- Must work at least 30 hours per week in Summit County to rent a property through locals landing.



# DOWN PAYMENT ASSISTANCE

Down payment assistance programs offer eligible households loans that are used for the down payment of a home. Eligibility can be dictated by tenure in a community, income and assets, and employment. Loan amounts are based on a predetermined percentage of a property's total price and typically have 0% interest rates. Down payment programs help locals purchase homes that they may not have access to without the upfront money.

## **Location: Pitkin County, CO**

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The Pitkin County, Colorado down payment program offers 15 year loans that are up to 15% of the purchase price or up to \$50,000 to eligible households. The funds from this program may be used for down payment, closing costs, and pre-paid items related to the primary loan.<sup>21</sup>

### **Eligibility:**

- Must be employed 1,500 hours per year in Pitkin County
- Home must be used as primary residence
- May not own any other property

## **Location: Big Sky, MT**

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Big Sky Community Housing Trust located in Big Sky, Montana has developed Meadow View Condos as affordable homeownership opportunities for the local work force. All 52 units are deed restricted for local workers earning 60% to 120% average median income. Big Sky Community Housing Trust also provides down payment assistance for those seeking to purchase a Meadow View unit. Loan amounts range from \$10,000 to \$55,000 with 0% interest or payment until time of sale.<sup>22</sup>

### **Eligibility:**

- Earn between 60% to 120% AMI
- Unit must be primary residence
- Must have at least a 12 month domicile in Gallatin or Madison Counties

# SHORT-TERM RENTAL OVERLAY DISTRICTS

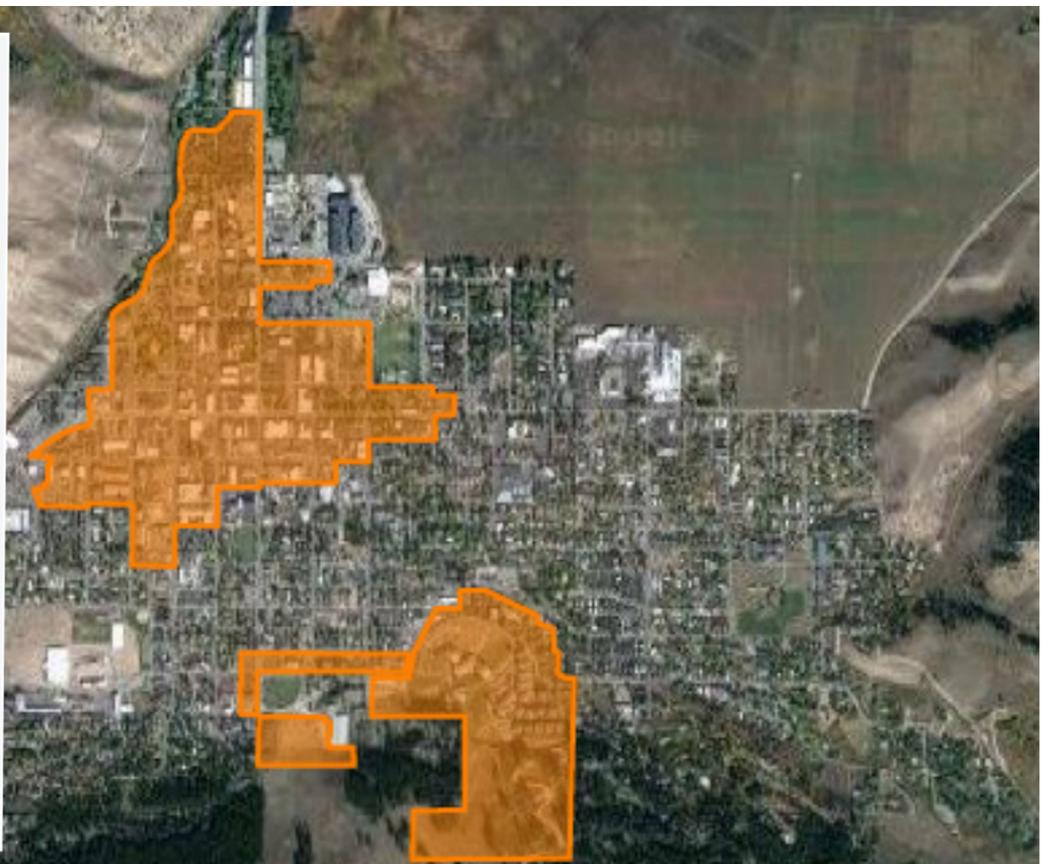
Short-term rental overlay districts are used to designate specific areas where short-term rentals are most desirable and cohesive within a community. Overlay districts help keep neighborhoods intact for local residents and limit the nuisances associated with short-term rentals to certain areas.

## Short-term Rental Overlays, Summit County, Colorado.<sup>23</sup>

Overlay Zone	Nights Available	Assumed Impact	Occupancy	Fee
Resort	Unlimited	Low	2 per bedroom + 4	\$265/Year
Neighborhood Type I	Unlimited bedroom, 60 entire unit	Low	2 per bedroom + 2	\$215/Year
Neighborhood Type II	Max 135	Medium	2 per bedroom + 2	\$320/Year
Neighborhood Type III	Unlimited	Medium	2 per bedroom +2	\$105/Year + CUPFee

### Lodging Overlay, Jackson, Wyoming

Jackson, Wyoming enacted a lodging overlay zone that regulates where lodging and short-term rental activities are appropriate. Lodging includes resort hotels, large hotels, boutique hotels, bed & breakfasts, and short-term rentals.<sup>24</sup>



# ADU RESTRICTIONS

Accessory dwelling units have the ability to add subtle density in Teton Valley communities. If used as long-term rentals, accessory dwelling units can create critical housing for valley locals. Accessory dwellings are small units that have all the amenities of a typical home. Along with providing locals with housing, accessory dwelling units can also create income for property owners.

## Location: Denver, CO

The West Denver Renaissance Collaborative is leading collaboration between the City of Denver and Habitat for Humanity to assist in the design, finance, and build of accessory dwelling units on Denver's West Side. The goal of the program is to provide affordable and long-term rentals for community members and provide income producing opportunities for property owners.<sup>25</sup>

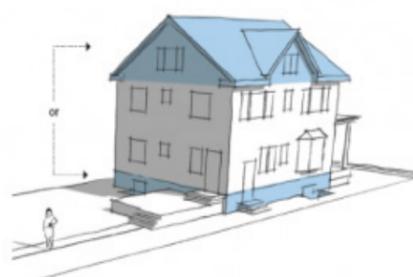
### Requirements:

- Must be used for residential purposes
- Rent must be less than or equal to 80% of Denver's average median income.
- Cannot be used as a short-term rental

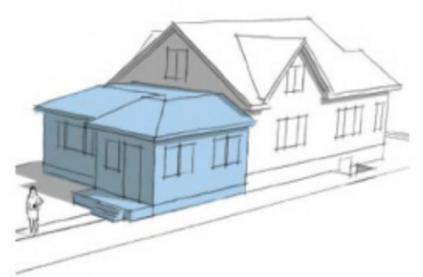
## Location: Boulder, CO

The City of Boulder has restricted the use of any accessory dwelling units as short-term rentals. Any property owner seeking to build an accessory dwelling unit must forfeit any short-term rental permit on their primary dwelling.

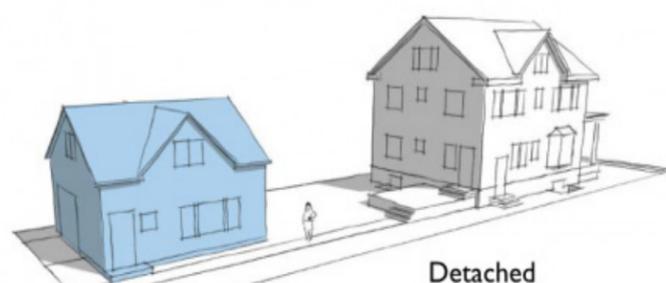
Along with restricting accessory dwelling units short-term rentals, Boulder has incentivized owners that rent accessory dwelling units below 75% average median income. Incentives include waving parking requirements and permitting larger accessory dwelling unit footprints.<sup>26</sup>



Internal



Attached



Detached

# RESEARCH CONCLUSIONS

## Journal Studies:

Gateway communities are facing challenges induced by amenity migration. Housing, taxes, community character and values are at risk of being altered. As more “outsiders” move to this type of community, it is imperative that towns recognize their unique values and stay committed to the needs of local residents.

Within gateway communities, short-term rentals are common due to high visitation of surrounding natural features. Short-term rentals have been found to not only elevate housing prices, but also reduced housing stock in certain areas.<sup>12</sup> As towns begin to see how short-term rentals are affecting their communities, more of these communities will seek ways to control and limit negative impacts. Going forward it is important to create regulations proactively. There are various regulatory methods that can be used to limit short-term rentals to the least amount of negative impact. Best practices that should be considered when approaching short-term rental regulations:

- » Make short-term rental data collection a requirement.<sup>14</sup>
- » Conduct community outreach to determine concerns
- » Determine whether there are areas within the community that make sense for short-term rentals

## Case Studies:

The previous case studies illustrate the variation in approaching affordable housing in resort and gateway communities. Many of the tools highlighted throughout the section require community investment and partnerships, it is imperative for communities to budget for these types of programs. Overall, there are a large range of tools that can successfully protect and create affordable housing opportunities for local residents. Considerations for affordable housing strategy implementation:

- » Identify program recipients
- » Create eligibility requirements
- » Ensure ample capacity & funding for programs
- » Create strong partnerships



# Recommendations

The following recommendations are tailored to each specific community based on findings from existing conditions research, academic literature, and case studies reviewed throughout this report. These policy recommendations are intended to guide the protection of affordable housing opportunities within the Teton Valley region. Before any policy can change it is imperative that community leaders engage with residents, community groups, and allies in their respective municipalities.

### **Study Area Wide:**

The entire Teton Valley study area is an interconnected group of communities that all serve as gateways to the Greater Yellowstone Ecosystem. Although spread across two different counties, the whole area is struggling with the same issue and similar consequences. The first recommendation is to create a **regional task force** committed to addressing the Teton Valley housing crisis in a collaborative and cohesive manner.

### **Teton County, Wyoming**

Teton County has made progress in limiting short-term rentals and expanding affordable housing options. Lodging overlay districts have limited short-term rentals to eight approved developments within unincorporated Teton County. Teton County along with the town of Jackson have made, and continues to make impressive progress on workforce housing, these recommendations are to build off current policies that are in place.

#### **1. ADU Restrictions:**

Teton County is anticipating the need of 3,200 additional housing units in by 2027.<sup>1</sup> Restricting the rental of accessory dwelling units to local workforce or 100% AMI and below households could play a key role in adding valuable affordable housing. According to the 2022 Teton Region Housing Needs Assessment, most renters are one to two person households which made accessory dwelling units a reasonable choice. Property owners who choose to deed restrict their accessory dwelling units could be eligible for incentives.

### **Jackson, Wyoming**

As previously mentioned, the Town of Jackson has taken aggressive steps to limit short-term rental impacts and increase affordable housing opportunities. In 2018 the Town of Jackson enacted lodging overlay districts limiting short-term rentals to key commercial, resort, and high tourist areas. Jackson is currently in the process of updating the lodging overlay districts to better align with the Comprehensive Plan.

#### **1. Short-term rental Conversion:**

In addition to the lodging overlay district, it is recommended to implement a short-term rental conversion program to create additional housing for locals. The Town of Jackson can partner with organization, Locals Landing. Locals landing has proven successful in other gateway communities such as Summit County, Colorado and South Lake Tahoe, California. By implementing a program of this type, Jackson can be better able to meet the growing demand of affordable housing.

## **Teton County, Idaho**

Teton County has taken steps to increase affordable housing opportunities. The Teton County Joint Housing Authority has allowed for collaboration between Teton County communities to actively guide affordable housing development and policy. By 2027, Teton County will need an additional 1,650 homes so it is imperative to implement policy supporting responsible housing growth.<sup>1</sup>

### **1. Short-term Rental Overlay Zones:**

Teton County, Idaho can benefit from the creation of short-term rental overlay zones. Overlay zones would limit where short-term rentals are appropriate, while still serving the tourism economy of the area. Short-term rental overlay zones can emulate Summit County, Colorado's model by creating different zones by anticipated impact to the surrounding neighborhood or area.

### **2. Deed Restriction Program:**

Implementing a deed restriction program in the County would ensure that homes remain attainable for local residents. Deed restricted units can be limited by AMI range, domicile period, and employment status.

### **3. Downpayment Assistance Program:**

Downpayment assistance programs enable households with limited upfront funds an opportunity to purchase homes. Downpayment assistance can be used for downpayments and other associated closing costs. Due to high home prices in the Valley, many local residents are unable to become homeowners which leads to higher rates of displacement. Creating eligibility requirements such as AMI range, domicile period, and employment status will help ensure local recipients. A downpayment assistance program would be most beneficial being facilitated by the county.

## **Tetonia, Idaho:**

Although Tetonia has the fewest short-term rental listings at the time of this report, it is critical to implement regulations proactively to avoid future community impacts.

### **1. Create Short-Term Rental Regulations:**

Currently Tetonia has no short-term rental regulations on the books, the only requirement for short-term rental operators is to obtain a business license from the Town.

Recommended regulations include:

- » Short-term rental overlay: Proactively identify where short-term rentals are appropriate based on the Comprehensive plan and public feedback.
- » Short-term rental Permit: Require permits that must be renewed after 3 years, annual tracking requirements, and local representation in the event the owner/operator is not in the area. According to current best-practices, tracking short-term rental data is one of the most valuable steps small communities can take to manage short-term rental impacts.

## **Driggs, Idaho**

Out of all three Idaho towns reviewed in this report, Driggs has the most robust regulatory management of short-term rentals, these recommendation will build off of existing policies.

### **1. ADU Program:**

To increase affordable housing opportunities in Driggs it is recommended to implement an accessory dwelling unit program. By partnering with Habitat for Humanity or other housing organizations, the town can create both housing and income opportunities for local residents. These accessory dwelling units can be deed restricted to ensure they support lower income residents.

### **2. Short-Term Rental Overlay District:**

Thoughtfully identify where short-term rentals are appropriate based on the Comprehensive plan, existing lodging, commercial centers, and public feedback. Overlay districts would help mitigate overwhelming short-term rental infiltration in residential neighborhoods.

## **Victor, Idaho**

Victor has 369 current short-term rental listings, the highest of any town reviewed in Idaho.<sup>3</sup> Like Tetonia, Victor is lacking effective short-term rental regulations.

### **1. Create Short-Term Rental Regulations:**

- » Short-term rental overlay: identify now where short-term rentals are appropriate based on the Comprehensive plan and public input.
- » Short-term rental Permit: Require permit that must be renewed after 2 years, annual tracking requirements, and local representation.

# TETON VALLEY AFFORDABLE HOUSING RECOMMENDATIONS



	Added STR Regulations	Deed Restrictions	STR Conversions	ADU Restrictions	Overlay Districts	Down Payment Assistance
<b>Teton County, WY</b>				<b>X</b>		
<b>Jackson</b>			<b>X</b>			
<b>Teton County, ID</b>	<b>X</b>	<b>X</b>			<b>X</b>	<b>X</b>
<b>Tetonia</b>	<b>X</b>				<b>X</b>	
<b>Driggs</b>				<b>X</b>	<b>X</b>	
<b>Victor</b>	<b>X</b>				<b>X</b>	

\*\*\* Arrows illustrate programs that should be facilitated by the county.

# CONCLUSION:

In the Teton Valley, local residents are what make their communities vibrant and authentic places tourists travel to visit. Local residents are the same individuals feeling the crushing effects of an expanding housing crisis. Teton Valley and other gateway communities around the country are witnessing the negative effects of amenity migration and the ever growing impacts of short-term rental market on housing availability and affordability.

It is time for communities to address the current housing crisis through regulatory action and policy changes. Short-term rental regulations are a proven way to reduce negative impacts on local communities. As the short-term rental market continues to expand into residential areas, it is critical for governments and residents to decide where this type of lodging is desired and appropriate based on public input and comprehensive planning. By regulating short-term rentals more effectively, Teton Valley communities can reduce associated externalities and improve housing availability.

Along with regulating short-term rentals, supporting policies and partnerships that protect and create affordable housing is necessary to house locals now and in the future. As illustrated in the case study review, there are countless different ways communities can address affordable housing. The recommendations made in this report intend to protect existing housing, which can be paired with the development of additional housing units.

Recommendations made in this report take into consideration demographics, short-term rental listings, existing policies, and housing availability and affordability to best address community needs. Recommendations in this report should be reviewed by local officials and the public for additional input. Overall, it is apparent that more short-term rental regulations are needed in Teton County, Idaho communities. In Teton County, Wyoming creative partnerships and policies are recommended to build off of existing regulations and policy efforts. Through the adoption of these recommendation, communities can anticipate an increase in affordable housing options for local residents and a reduction short-term rental impacts on neighborhoods and communities.



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