Teton Valley Housing
Teton County Joint Housing Authority

October 30, 2026

City of Tetonia
Attn: Mayor, City Council, and Planning and Zoning Commission
P.O. Box 57
Tetonia, Idaho 83452

RE: Pinnacle Peak Subdivision Preliminary Plat (SUB2025-3) -- Request for Comment Response

Mayor, Council Members, and Members of the Planning and Zoning Commission:

Teton Valley Housing appreciates the opportunity to comment on the Pinnacle Peak Subdivision preliminary plat, circulated on October 15, 2026. The City of Tetonia is a founding member of Teton Valley Housing and appoints one of its seven Commissioners. These comments are limited to the proposed workforce housing component of the application. They rely on the preliminary plat, the applicant's draft Development Agreement for Phase 1, the applicant's Impact Analysis Report (TischlerBise, December 23, 2025), the Tetonia Land Use Code, the City's adopted Comprehensive Plan, Teton Valley Housing studies, and the documents of the Qualified Workforce Housing Incentive Program adopted by the City of Driggs.

Summary

The plat proposes 150 residential lots on 38.3 acres: 90 single-family lots and 60 townhome lots. The proposed workforce housing terms are in the draft Development Agreement, which the Land Use Code makes part of the preliminary plat submittal and its approval criteria (Section 9-11-04-2(B)(5) and (E)(5)). The draft provides that not less than 5% of the townhome lots, three lots, will be "Affordable Lots," defined as affordable to households earning up to 120% of the Teton County area median income (AMI), with affordability achieved by either (a) "oversight and coordination by the Teton County Housing Authority" or (b) a resale covenant on the lot, for ten years, capping resale at the prior sale price plus 3.5% a year, compounded (Sections 1.13, 1.14, and 10.3). Section 4.1 waives the water and sewer connection fees on those lots. The four points below identify where added clarity and structure are needed to ensure the commitment serves Teton Valley's workforce:

1. The 120% of AMI standard in Section 1.13 is the same benchmark the Qualified Workforce Housing Incentive Program (QWHIP) adopted by the City of Driggs, currently the only such program in Teton Valley, uses to set initial maximum sale prices. The draft,

[address redacted] [address redacted] | [phone redacted] | [email redacted]

however, does not identify a methodology or program to translate that AMI target into initial maximum sale prices. The program's Qualified Workforce Housing Guidelines (Appendix B), which Teton Valley Housing applies as Authorized Administrator for the City of Driggs, establish household size by bedroom count and set total monthly housing costs at 30% of gross household income, with 80% of that allocated to principal and interest on a 30-year mortgage at the prevailing rate plus 1% (7.37% in 2026), 20% to taxes, insurance, and dues, and a 5% down payment. Prices are recalculated each year from the HUD income limits, and the 2026 maximum for a two-bedroom home is $393,036. As written, the draft appears to commit lots rather than constructed homes and, beyond the 120% of AMI standard, does not identify which households qualify or who verifies eligibility and enforces the terms.

2. Method (a) assigns oversight and coordination to a housing authority. Teton Valley Housing, legally the Teton County Idaho Joint Housing Authority, is not currently a party to the draft agreement and has not formally agreed to the role it describes. It has no intergovernmental agreement with the City of Tetonia for an adopted program. Such an agreement would be a necessary condition for taking on oversight and administration of these homes.
3. Method (b) caps only the resale price of the lot, sets no buyer eligibility, and expires after ten years.
4. Section 27 vests the project against later City standards that would materially increase the developer's costs, with no stated term. It could be read to keep a workforce housing program the City adopts later from reaching the homes in this subdivision.

What the Workforce Can Afford

Teton Valley Housing tracks housing conditions in Teton Valley for its founding jurisdictions. The 2022 Teton Region Housing Needs Assessment found that Teton County, Idaho, needs up to 1,580 additional homes by 2027, at least 60% of which are predicted to be needed below market. The applicant's Impact Analysis Report cites the same assessment. The Housing Bridge (Exhibit 1) translates the 2026 HUD income limits for a three-person household into what that household can afford at 30% of income, all-in (rent with utilities, or ownership with mortgage, taxes, insurance, and dues), using the existing QWHIP calculation method, which a City of Tetonia program could adopt or replace with its own. Exhibit 2 gives the share of Teton County households in each income band. The table that follows summarizes both.

Income (AMI)	Household income	Affordable rent	Affordable price	Share of households below
80%	$85,950	$2,149	$262,000	about 43%
100%	$107,400	$2,685	$328,000	about 53%
120%	$128,880	$3,222	$393,000	about 60%
200%	$214,800	$5,370	$655,000	about 88%

Three-person household. Incomes are 2026 HUD limits (200% is twice the 100% limit and is the QWHIP eligibility cap). Rents (monthly, with utilities) and prices are maximum affordable all-in costs. The 80% rent and 120% price are QWHIP's adopted 2026 maximums, the others are computed by the same method, and prices are rounded. Shares are cumulative and rounded, and the 200% share is partly modeled.

The median home sale price in Teton County over the three months ending September 2026 was roughly $950,000 (Redfin), within reach at about 300% of AMI. The applicant's Impact Analysis Report, prepared for the overall project, says its single-family homes "will likely not be affordable for most county households simply due to current market conditions" (page 25) and describes its townhomes, manufactured homes, and apartments as the more attainable product (pages 6 and 25). Because home prices are not part of the Development Agreement and depend on market conditions, neither the City nor Teton Valley Housing can know what these homes will sell for when built, or how far their prices will move from local incomes at each resale.

Homes Affordable to Teton Valley's Workforce

If the City of Tetonia's objective is homes affordable to households who earn their incomes in Teton Valley, Teton Valley Housing recommends adopting a workforce housing program and methodology that establish initial maximum sale prices at 120% of AMI and maximum rents at 80% of AMI, filling the gap between federal housing programs and the market (Exhibit 1), and that ensure the three elements below.

- **Affordable to the workforce at the initial sale.** The initial maximum sale price is set from the income limit by household size using an adopted methodology (under QWHIP, $393,036 for a two-bedroom home at 120% of AMI in 2026). Buyers are qualified and selected under the program's criteria. The draft names 120% of AMI but not how the price is derived from it, and the subdivision chapter of the Land Use Code does not define "affordable" or "workforce."
- **Affordable over time.** A recorded permanent deed restriction with a resale formula holds a home in the local market through every future sale, and an Authorized Administrator monitors occupancy and enforces it. The draft's ten-year covenant permits the capped price to rise about 40% over its term, then returns the home to market pricing at year ten.
- **Occupied by the workforce.** Under QWHIP, eligible households include a member working at least 1,400 hours a year for a Teton Valley employer, with exceptions for

qualified retired and disabled households. Buyers are drawn by lottery: three entries for a household with a public service agency employee, two for a household with a member employed within the host city (the City of Tetonia, in a City of Tetonia program), and one for every other eligible household. The draft has no selection rule and no occupancy standard.

The Draft Development Agreement

Attachment A reviews the provisions that bear on workforce housing, with related sections for context, and Attachment B gives the QWHIP terms and 2026 figures.

Share of homes. Three of 150 lots is 2%. The plat implements the R-3 zoning the City granted in 2025, which carried no housing condition.

For the City's Consideration

1. **Stating the commitment in program terms.** The agreement would specify Qualified Workforce Housing as constructed dwellings, not lots, in a stated number; an initial maximum sale price set by the methodology the City adopts (the 120% of AMI standard, by household size); eligibility limited to the Teton Valley workforce, with buyers selected by lottery and additional entries for public service agency employees and those employed within the City of Tetonia; a permanent recorded deed restriction with a resale formula; and an Authorized Administrator.
2. **Adopting a Qualified Workforce Housing Incentive Program for the City of Tetonia.** The existing QWHIP Guidelines and Administrative Procedures could be adopted with City of Tetonia substitutions, as the City Attorney advises. A deed restriction form could then be attached to the agreement as an exhibit.
3. **Designating an Authorized Administrator by intergovernmental agreement.** Teton Valley Housing has taken on that role for the City of Driggs under such an agreement.
4. **Tying the fee waiver to the deed restriction.** The Comprehensive Plan calls, in revising the planned unit development regulations, for "development incentives … for the inclusion of affordable housing" (Manage Growth and Development, Goal 1, Objective 1, page 20). The Section 4.1 fee waiver is an incentive of that type. The City could condition it on recording the permanent deed restriction before the initial sale.

Thank you for the opportunity to comment.

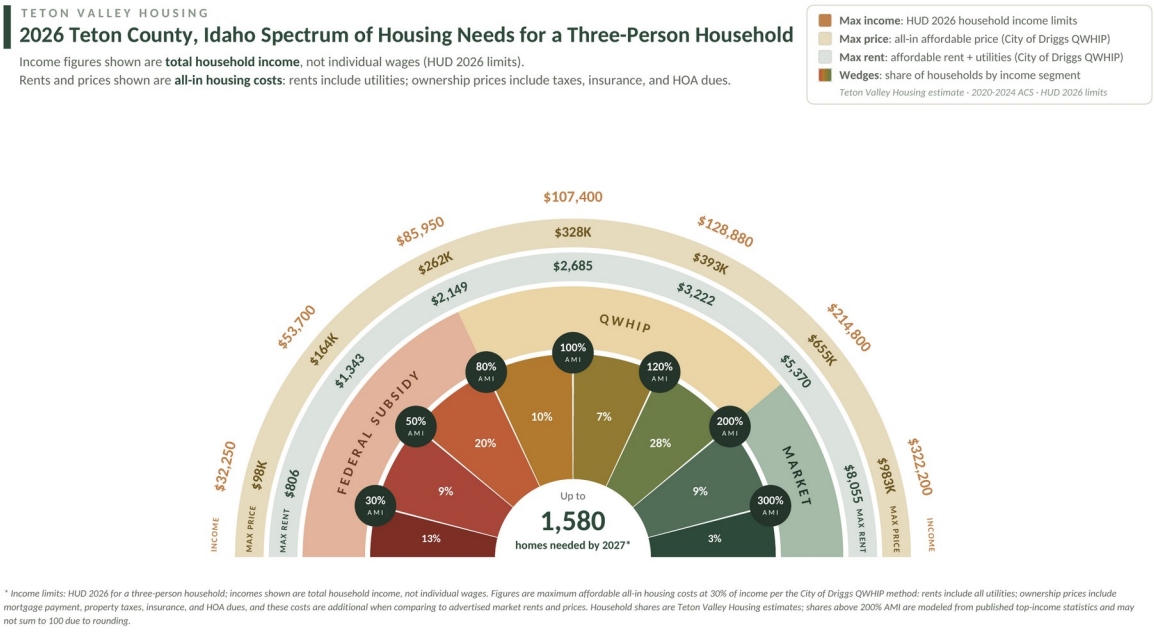
Sincerely,



Jerod Pfeffer
Executive Director, Teton Valley Housing

[address redacted] [address redacted] | [phone redacted] | [email redacted]

Exhibits



* Income limits: HUD 2026 for a three-person household; incomes shown are total household income, not individual wages. Figures are maximum affordable all-in housing costs at 30% of income per the City of Driggs QWHIP method: rents include all utilities; ownership prices include mortgage payment, property taxes, insurance, and HOA dues, and these costs are additional when comparing to advertised market rents and prices. Household shares are Teton Valley Housing estimates; shares above 200% AMI are modeled from published top-income statistics and may not sum to 100 due to rounding.

Exhibit 1. The Housing Bridge: 2026 Teton County, Idaho, Spectrum of Housing Needs for a three-person household (Teton Valley Housing; HUD 2026 income limits; QWHIP method for prices and rents; household shares from the 2020-2024 American Community Survey; need figure from the 2022 Teton Region Housing Needs Assessment). "QWHIP" is the Qualified Workforce Housing Incentive Program adopted by the City of Driggs. The band labels show program ranges, not price thresholds.

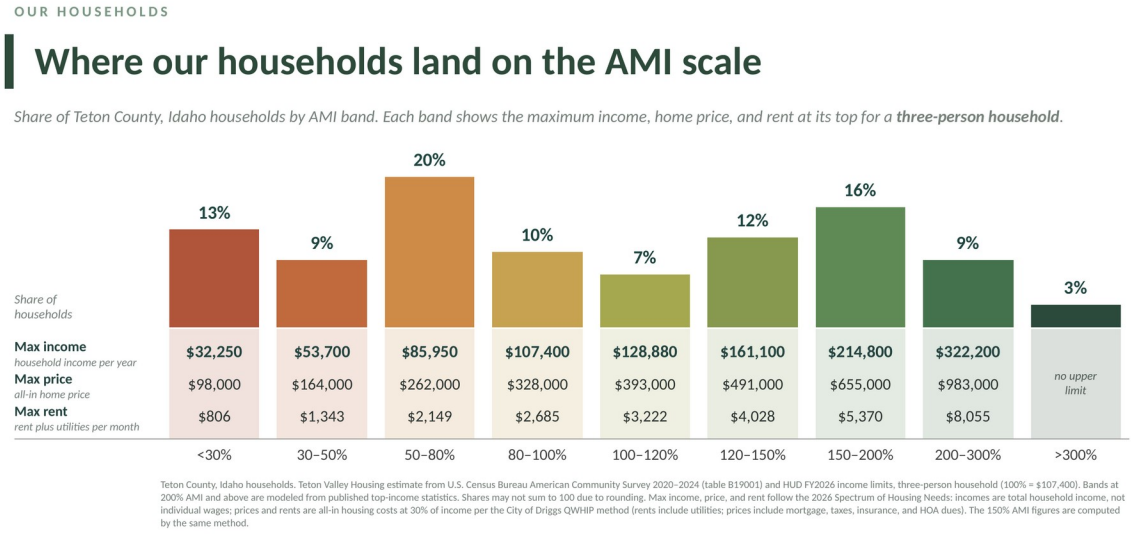


Exhibit 2. Share of Teton County, Idaho, households by area median income band, all households grouped by the three-person income limits (Teton Valley Housing estimate from the 2020-2024 American Community Survey and HUD 2026 income limits).

[address redacted] [address redacted] | [phone redacted] | [email redacted]

Attachment A: Draft Development Agreement Provisions

Sections are cited from the applicant's draft Development Agreement for Phase 1 of Pinnacle Peak Subdivision and the preliminary plat (Eagle Rock Engineering, sheets 1 to 4). QWHIP references are to the City of Driggs Land Development Code, Article 14.14, and the Qualified Workforce Housing Guidelines. QWHIP terms are in Attachment B.

Section	What the draft says	Observation	For the City's consideration
1.13 Affordable (definition)	Affordable means "affordable to households earning up to 120% of the Teton County Area Median Income (AMI), as adjusted annually," achieved by either (a) "oversight and coordination by the Teton County Housing Authority" or (b) a resale covenant recorded against the lot and running with the land for ten years, capping resale at the prior sale price plus 3.5% a year, compounded. "Either method shall satisfy the 120% AMI affordability requirement."	The draft does not specify Teton County, Idaho, or a HUD source. It states no household size, so the income figure is undefined (the 2026 limit is $100,320 for one person and $143,160 for four). It identifies no methodology for turning the 120% standard into an initial maximum sale price. Method (a) states no standard. Method (b) caps resale against the prior sale price of the lot, does not say how a home built on the lot is priced at its initial sale, and expires after ten years. The subdivision chapter of the Land Use Code does not define "affordable" or "workforce."	Consider replacing the definition with program terms: Qualified Workforce Housing, sold at an initial maximum sale price set by the methodology the City adopts (120% of AMI, by household size) to a qualified household selected under the City's eligibility process, subject to a permanent recorded deed restriction with a resale formula, administered by the City's Authorized Administrator. The QWHIP method sets total monthly housing costs at 30% of gross household income, with 80% of that allocated to principal and interest on a 30-year mortgage at the prevailing rate plus 1%, 20% to taxes, insurance, and dues, and a 5% down payment.
1.14 Affordable Lots; 10.3	Townhome lots designated by the developer: "If the total number of Buildable Lots platted for townhomes is sixty (60)," not less than 5% of them, "i.e., three (3) townhome lots."	As drafted, the count is stated conditionally ("if" sixty townhome lots are platted) rather than as a fixed figure. Three of 150 lots is 2%. The developer chooses which lots. The 2025 rezone from Transitional Agriculture to R-3 carried no housing condition (Notice of Decision ZX2025-1, December 9, 2025).	Consider stating the number of constructed dwellings to be produced as a fixed figure, and identifying the designated lots on the final plat. The share itself is the applicant's offer on a plat that implements existing zoning.
4.1 Connection; 4.2(b) Hook-Up Fee Credit	No sewer or water tap, connection, or hook-up fees charged to the developer for the Affordable Lots; separately, a credit of 75% of each unit's water and sewer connection, tap, hook-up, capacity, buy-in, and impact fees, until the developer's Recoverable Infrastructure Costs are recovered, "in addition to" the Section 4.1 treatment.	The waiver is a City contribution to the Affordable Lots, an incentive of the type the Comprehensive Plan describes (Manage Growth and Development, Goal 1, Objective 1, page 20). What it secures depends on Section 1.13.	Consider conditioning the waiver on recording the permanent deed restriction on each home before the initial sale.

Section	What the draft says	Observation	For the City's consideration
13 Financial Security Guarantee; 24 Default and Lien; 26 Remedies	Improvements are secured at 125% of projected construction cost for each subphase (Section 13). On an uncured default, the City may complete or correct the Improvements and place a lien (Section 24). Remedies are limited to the specific default, with penalties capped at the cost of the outstanding work (Section 26).	As drafted, nothing secures the Affordable Lots or gives the City a remedy specific to them if the homes are not built: Section 13 security covers the Improvements in the Improvement Plans and Exhibits F to H, Section 1.6 excludes residential structures from Private Improvements, and Sections 24 and 26 do not address the Affordable Lots.	Consider what recourse the City has if the deed-restricted homes are not built.
27 Vesting of Development Rights; 33 Amendments or Alterations	Development rights vest under the regulations in effect on the Agreement Date. Later amendments to City ordinances, codes, or standards that would, among other things, "materially increase Developer's costs" do not apply, except those required by state or federal law and health and safety regulations. Changes to the agreement must be in writing and signed by both parties (Section 33).	As drafted, Section 27 could be read to keep a workforce housing program adopted by the City after this agreement from reaching these 150 lots.	Consider settling the housing terms in this agreement and, on Section 27, stating whether a future workforce housing program is excluded, who determines whether a later ordinance materially increases the developer's costs, and a term for the vesting.
Exhibits C and D (Findings; Conditions of Approval)	To be attached. One stated purpose of the agreement is to ensure compliance with them.	The Conditions of Approval are the City's instrument for the plat, and the agreement implements them.	Consider placing the workforce housing commitment in the Conditions of Approval and attaching the adopted standards and a deed restriction form to the agreement as an exhibit.

Attachment B: QWHIP Terms and 2026 Figures

This attachment summarizes how a home works under QWHIP as adopted by the City of Driggs. The terms are a baseline that the City of Tetonia could adapt, including substituting itself in the lottery preference.

Topic	City of Driggs standard
Governing documents	City of Driggs Land Development Code, Article 14.14 (Qualified Workforce Housing Incentive Program); Administrative Procedures and Qualified Workforce Housing Guidelines adopted by City Council Resolution 433-25 (November 4, 2025), the Guidelines amended by Resolution 466-26 (June 16, 2026); 2026 Annual Update from the Authorized Administrator (June 1, 2026).
The homes	Homes are permanently deed-restricted as Qualified Workforce Housing. The deed restriction is recorded against the property and applies to each later sale and rental of the home.
Pricing	Initial maximum sale prices are set for households at 120% of area median income. Maximum rents are set for households at 80% (rent and utilities together). Both are recalculated each year from the HUD income limits and adopted by Driggs City Council resolution. Resale prices follow the resale formula below, not the income limits.
Eligibility	At least one household member works for a Teton Valley employer (Teton County, Idaho, and Alta, Wyoming) at least 1,400 hours a year, with exceptions for qualified retired households (62 and over, with a history of verifiable employment in Teton Valley) and qualified disabled households; household income up to 200% of area median income (the Guidelines apply the three-person figure, $214,800 in 2026); the home is the primary residence; no other residential real estate in Teton County, Idaho, or adjacent counties.
Selection	Lottery run by the Authorized Administrator: one entry for every qualified household, two for a household with a member employed within the City of Driggs (the City of Tetonia could substitute itself), three for a household with a public service agency employee (an employee of a Teton Valley employer eligible to contribute to the Public Employee Retirement System of Idaho, including schools, hospitals, law enforcement agencies, and municipalities). Entries are not cumulative.
Resale	Original purchase price plus 3% of that price per year (prorated by month, not compounded), plus any non-transferable special improvement district assessments paid and approved capital improvements up to 10% of the original price (Guidelines Section 1101.2).
Administration	An Authorized Administrator designated by the City of Driggs by intergovernmental agreement qualifies households, runs the lottery, monitors compliance, and prepares the annual update of income limits, rents, and sale prices. Teton Valley Housing serves in that role for the City of Driggs.

2026 HUD income limits, Teton County, Idaho (effective May 1, 2026; the 200% column is twice the 100% limit; the program applies the three-person 200% figure as its income ceiling).

Household size	80% AMI	100% AMI	120% AMI	200% AMI
1 person	$66,850	$83,600	$100,320	$167,200
2 persons	$76,350	$95,400	$114,480	$190,800
3 persons	$85,950	$107,400	$128,880	$214,800
4 persons	$95,450	$119,300	$143,160	$238,600

2026 maximum rents and initial sale prices under the City of Driggs program (maximums, not market prices; rents include utilities; the two-bedroom figures use the three-person income and the three-bedroom figures the four-person income).

Home size	Maximum monthly rent (80% AMI)	Initial maximum sale price (120% AMI)
Studio	$1,671	$305,939
1 bedroom	$1,790	$327,530
2 bedrooms	$2,149	$393,036
3 bedrooms	$2,386	$436,585