

SUBLETTE COUNTY, WYOMING

***AN ASSESSMENT OF
CURRENT HOUSING CONDITIONS***

FEBRUARY 2008

COLLINS PLANNING

• A S S O C I A T E S •

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SUBLETTE COUNTY, WYOMING –
An Assessment of Current Housing Conditions
February 2008

Summary

Sublette County, Wyoming, is the location of some of the nation's largest natural gas fields. Development of these fields has grown rapidly during the last few years, leading to rapid growth within the county.

Gas field development (the drilling of wells and related activities) is both labor-intensive and well-paying. As a result, as the pace of gas field development has increased, Sublette County has seen its population grow sharply, and its economy create a large number of high-paying jobs.

One result of this rapid growth is concern about the cost and availability of housing. In response, the Sublette County Board of County Commissioners hired Collins Planning Associates to examine the dynamics of the county's housing market. The commissioners were particularly interested in two issues: whether there is a shortage of housing and, if so, how that shortage affects different facets of the housing market. If shortages or other problems were identified, the commissioners also asked Collins Planning Associates to suggest policy initiatives local government might take to address those problems.

Several variables affect Sublette County's housing situation and economy; several more come into play when considering that fully developing Sublette's gas fields will take another ten years or more. This analysis focuses on the following variables considered critical when analyzing Sublette County's housing conditions.

1. The number of people living in Sublette County due to gas field development-related jobs

Before the gas boom, Sublette County's population was growing slowly. This "baseline" or "natural" growth was occurring at a compounded annual rate of 1.6 percent between 1970 and 2000, a rate which produces a doubling of population about every 44 years. Beginning around 2001, however, the county has experienced a population boom directly attributable to gas field development. This more recent boom-related growth has produced a compounded annual growth rate of 4.3 percent, which in turn produces a doubling of population about every 16 years.

This "development growth" – the additional population growth of 2.7 percent each year due to gas field development – is at the heart of Sublette County's housing problem. In particular, it has meant that Sublette needed to house an additional 500 or so people in 2005 than it otherwise would have. If this rate of growth continues, the "additional population due to the gas boom" will be around 2,000 people by 2010, and around 3,000 people by 2015. Given that Sublette County's population in 2000 was fewer than 6,000 people, the additional population is a large influx for the community to absorb.

2. The number of drilling rigs currently operating in Sublette County versus the maximum number that might ever operate at one time

To the extent Sublette County's population boom is due to gas field development, the population boom will go through three phases:

- i. growth (as the number of operating drilling rigs grows);
- ii. stability (as the number of operating drilling rigs reaches and stays at its peak); and
- iii. decline (as development slows and the number of operating drilling rigs drops).

When considering Sublette County's population, it is clear the county is currently in the growth phase. Less clear is when the county will reach the peak number of rigs operating at one time. As the rig count gets closer to that maximum number, population growth will slow markedly.

3. *Time frame*

When considering housing questions, two time frames are important.

The first time frame is the difference between the time it takes for population to grow due to the “development boom,” and the time it takes for the housing market to react to the new demand for housing. The former happens rapidly; the latter lags behind by several years.

The second time frame is the lifecycle of the development boom. When gas field development finally ends, it is highly likely that Sublette County’s population will decline back to the level it would have been at due to its “natural growth rate.”

Given these time frames, the development boom creates three distinct challenges for Sublette County:

- i. The short term challenge – to adequately house the people moving to Sublette County as part of the development boom;
- ii. The medium term challenge – to insure that the county’s housing mix addresses the needs of all residents, whether they are newcomers holding gas development-related high-wage jobs or others – be they newcomers or long-term residents – whose incomes have not kept pace with development-related housing price increases.
- iii. The long term challenge – to insure a “soft landing” for Sublette’s housing market; i.e. to insure that the housing built to handle the development boom will not create a harmful housing glut once the boom is over.

This analysis will use existing data to frame these questions, as well as offer potential solutions.

In general, data suggest Sublette County has already experienced the most difficult period of housing demand exceeding housing supply, a conclusion grounded in both supply and demand:

- On the demand side, after rising sharply the last few years, the number of rigs operating in Sublette County is nearing the anticipated maximum number expected to operate in the county. By extension, Sublette has already experienced its greatest surge in population. While Sublette County’s population will continue to climb, future growth will be at a much slower pace.
- On the supply side, increasing numbers of new housing units will become available as developments conceived of during the last few years (i.e. developments planned early in the development boom) start becoming ready for occupancy.

As a result of these two factors, Sublette County has nearly reached the peak of its housing shortage. Further, thanks to new housing supplies coming to market, over the next few years Sublette’s housing shortage will likely continue to ease.

As the overall housing shortage eases, attention will turn to the medium term challenge, namely making sure that the mix of housing being proposed now and in the future meets the needs of Sublette residents, particularly those not benefitting from development-related wages. Finally, over the long term, Sublette County must look for ways to ensure that addressing boom-related housing needs does not produce far more housing than will be needed by the post-boom “natural rate” population.

Data Sources

This analysis has relied on recent data developed and collected by other sources. Two sources have been particularly important: *The Sublette Community Partnership's* Sublette County Socio-Economics website (www.sublette-se.org), and *Ecosystem Research Group's* (ERG's) November 2007 draft Sublette County Socioeconomic Impact Study.

From these sources and others (including the US Census Bureau, US Bureau of Economic Analysis, the Wyoming Housing Database Partnership, and Wyoming Department of Administration and Information's Economic Analysis Division), information was gathered about Sublette County's demographics, economics, and housing stock. Interviews with Sublette County and US government officials, senior energy company employees, energy analysts, and other knowledgeable people in Sublette and elsewhere provided additional information, context, and validation of the basic concepts in this analysis.

Overview

This report makes eight basic assertions.

1. Sublette County's population has a "natural growth rate" of around 1.6 percent (compounded annually).
2. Since the early 2000s, Sublette County's population has grown much faster than this "natural rate."
3. This population boom has been due to development of Sublette's natural gas fields. In particular, two related facts are key to driving Sublette's population growth:
 - a. The number of drilling rigs operating and wells drilled, in Sublette County has grown rapidly; and
 - b. Operating these rigs (i.e. drilling wells and other gas field development-related activity) is the most labor-intensive aspect in the life cycle of a gas field.
4. The number of rigs operating and wells drilled in an area can change significantly within a short period of time. In Sublette County, this change is closely related to the price of gas at the Opal hub. During Sublette County's recent gas boom, the average annual number of rigs operating in the county rose from 14 in 2002 to 51 in 2007.
5. In contrast, adding significant amounts of housing takes many years. As a result, Sublette County experienced a housing shortage during the first few years of the gas field development, as the number of people moving to the county to operate drilling rigs grew much more rapidly than the county's housing stock. However, this shortage is starting to be addressed as new housing first proposed a few years ago is beginning to come to market.
6. Only a limited number of drilling rigs will ever operate in Sublette County. As this peak is approached (something which is already occurring), Sublette's rapid population growth will markedly slow down.
7. Because of the rapid changes in Sublette County's economy and population – i.e. because the economy and population can change so much more rapidly than housing stock – and because it is often more profitable for developers to build higher-end homes than lower-end ones, it is not clear how well

both the product and price mix of housing currently proposed or under construction will meet the needs of Sublette County residents, both today and after the natural gas boom.

8. While it is unclear how long maximum development of Sublette County's gas fields will continue, gas field development inevitably will decline from its maximum drilling rate. Once it does, employment will drop and with it, population. When that occurs, Sublette County may have a greater supply of housing than demand for it, leading to lower housing values for those who choose to continue living in Sublette County post-development.

Below, each of these assertions is explored in greater depth.

Findings – Population Growth and Housing Demand

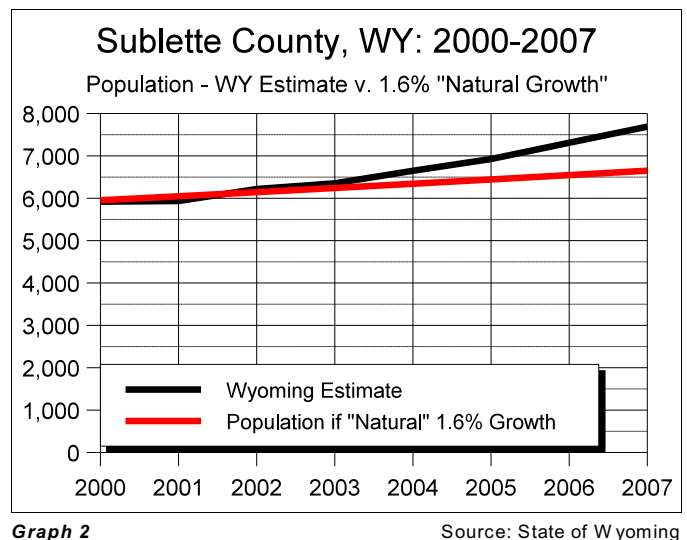
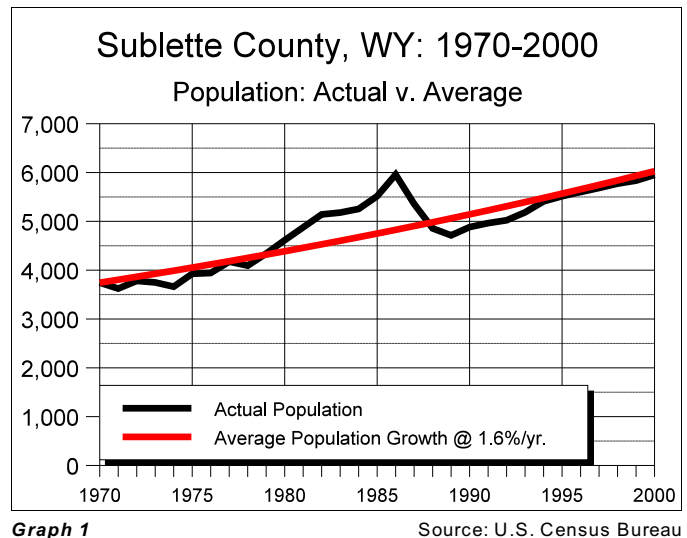
1. Natural population growth rate

The 1970 Census found Sublette County's population to be 3,744. The 2000 Census found Sublette County's population to be 5,952, a total increase of 2,208 or 59 percent. On an annual basis, this is the equivalent of a compounded rate of 1.6 percent.

During these 30 years, Sublette County's population has not grown consistently, but instead fluctuated, in large measure due to its last energy boom. In particular, between 1978 and 1986, Sublette County saw its population jump by approximately two-thirds (from around 4,000 to around 6,000, a compounded annual rate of 4.8 percent). Conversely, during the bust which occurred in the following three years (1986 - 1989), Sublette County lost around 20 percent of its population in just three years, a compounded annual rate of -7.5 percent. By 1994, Sublette's population had returned to where it would have been under a constant annual growth rate of 1.6 percent, and continued to grow at that pace for the rest of the 1990s. (*Graph 1*)

2. Sublette's faster growth rate since 2003

Between 2000 and 2003, Sublette County's population grew at around its natural rate of 1.6 percent. Between 2003 and 2007, however, Sublette's population has grown substantially faster, at an estimated rate of around 4.9 percent. This rate is virtually identical to Sublette's growth rate during the 1978 - 1986 boom. (*Graph 2*)

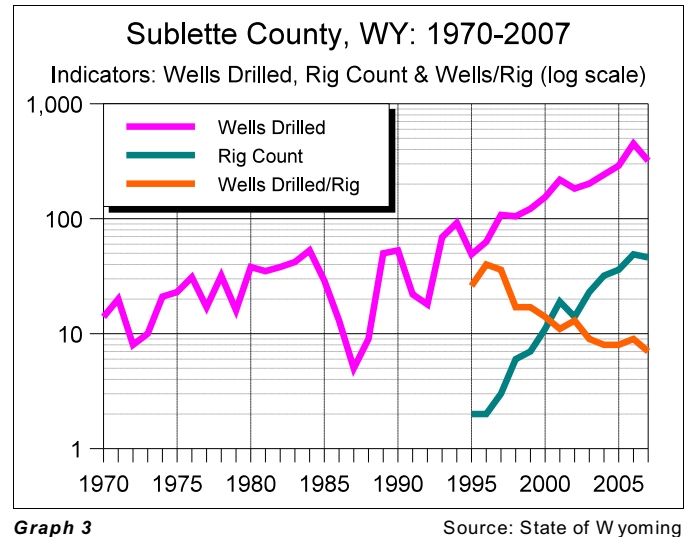


3. Gas field development and population growth

3a. Rapid growth in drilling rigs and wells drilled

Since at least 1970, oil and gas well drilling has occurred in Sublette County. However, not until 1997 were more than 100 wells drilled in any one year. Since 2003, there have been at least 200 wells drilled annually. (Graph 3)

Similarly, while drilling rigs have consistently operated in Sublette, the average annual count of operating rigs did not reach 10 until 2000. Since 2003, the annual operating rig count has averaged over 30 per year; in the 2006 and 2007, it has been 49 and 46 respectively.



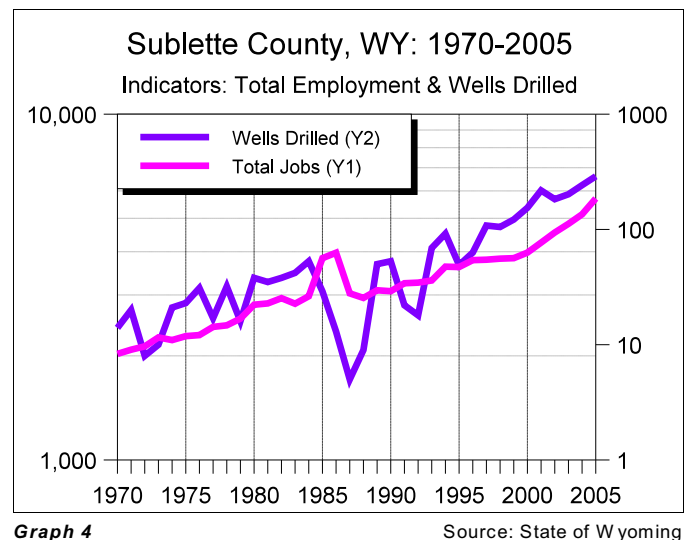
Since these rig counts are annual figures, they are a mixture of summer and winter counts. Traditionally, winter counts have been much lower than summer counts. However, for the first time in Sublette's history, the average rig count during the winter of 2006 - 2007 (46) was virtually identical to that of the summer of 2007 (47).

The fact that the average number of wells drilled per rig is declining may suggest that areas being drilled are more challenging, that the increase in winter operations is hurting overall efficiency, and/or that great improvement in average efficiency will be seen as the new rigs and crews gain experience.

3b. Gas field development and employment

Gas field development is a labor-intensive job. As noted on the Sublette County Socioeconomics website, "At any given time, each drilling rig requires a direct workforce of about 22 people, the vast majority of whom are "non-residents" of the area. When the weekly rotations of the workforce are tallied, about 44 different individuals are dedicated to each rig. Scores of additional workers are also needed to provide support and services to the rigs."

Historically, there has been a rough correlation between the drilling activity in Sublette and the county's employment levels. This correlation has become especially noticeable since 2000: between 2000 and 2005, the average number of rigs operating annually climbed 223 percent (11 to 36); the number of wells drilled annually went up 88 percent (154 to 289); and the number of jobs grew by 43 percent (3,977 to 5,733). Using the Sublette Community Partnership's figure of 22 new workers per rig, between 2000 and 2005, just the 550 new jobs created by the 25 new rigs accounted for roughly one-third of Sublette County's gain in employment during that time. (Graph 4)



4. Drilling activity is linked to Opal prices

The number of rigs operating in Sublette County at any one time can change very quickly; so too can the number of wells being drilled. Both activities are closely linked to the price of gas, especially at the Opal hub.

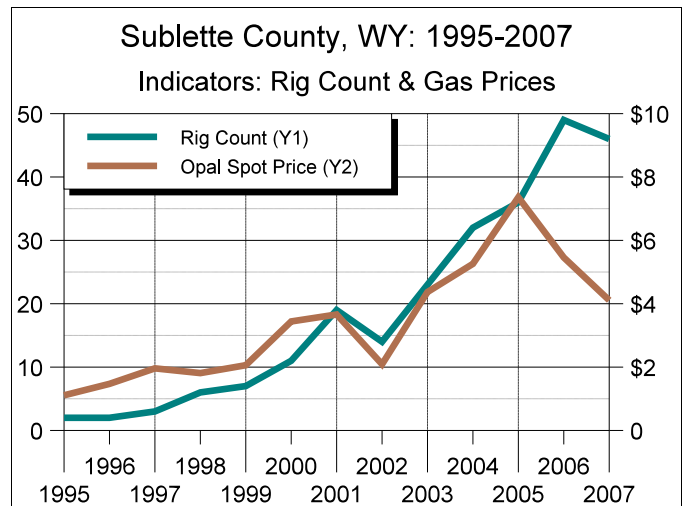
During the last two years, the supply of gas being received at the Opal hub has greatly exceeded the capacity of the existing natural gas pipelines used to ship the gas out of state. As a result, gas prices have been depressed, especially versus the average national price. With this decline in prices has come a decline in both Sublette's rig counts and its drilling activity. (Graphs 5 & 6).

In early 2008, the new Rocky Mountain Express pipeline (REX) should come into service, allowing more gas to be shipped out of state. With that should come an increase in prices, rig counts, and drilling activity. A further boost should come in 2009, when REX 2 comes into service. The cautionary note, however, is that just as quickly as activity has come up, it can go down.

5. The timing disconnect between housing and drilling activity

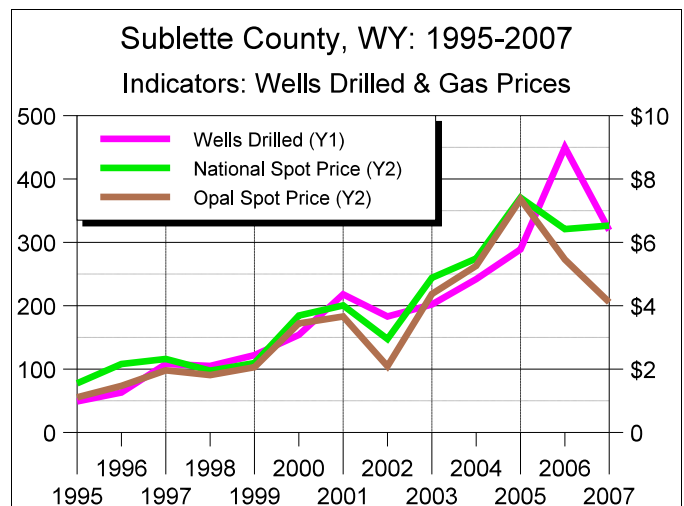
Before committing to build a housing project, a developer must be confident that a market will exist for the homes that are proposed. The housing development process – from property acquisition through plan creation, approval and occupancy – takes far longer than the quick changes possible with drilling activity. Because of this timing difference, once the decision is made to develop a housing project, it will take at least 1-2 years before the homes become available for occupancy.

After the boom and bust of the 1980s, Sublette County returned to its natural rate of population growth during the 1990s. During this time, the housing market kept pace with population growth. However, when the Sublette gas boom started in the early 2000s, the housing market reacted much more slowly. As a result, starting in 2002, population began to shoot up much more rapidly than the housing stock. This "temporal disconnect" is at the root of the short-term Sublette County housing challenge: demand for housing has risen much more rapidly than the market's ability to produce new housing, leading to sharp price increases. (Graph 7)



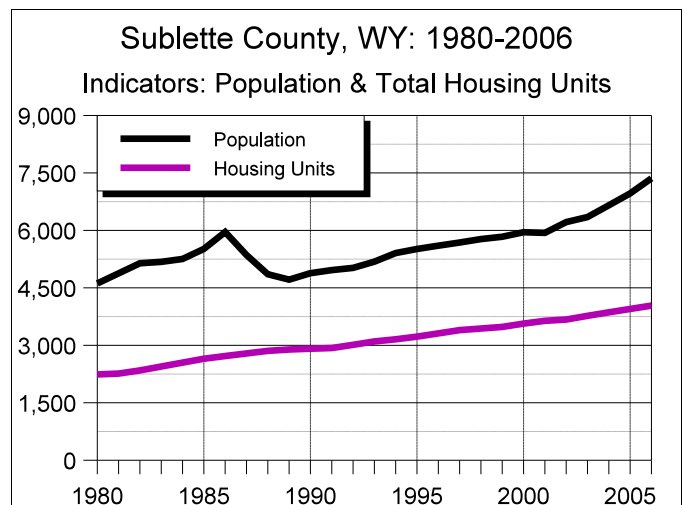
Graph 5

Source: State of Wyoming



Graph 6

Source: State of Wyoming



Graph 7

Source: State of Wyoming

However, market forces have begun to respond to the increase in demand. In particular, in 2005, more residential units were permitted than in the previous two years combined; in 2006, building permits were issued for over 200 new dwelling units, the first time in Sublette’s history the 200 mark had ever been exceeded. (Graph 8)

As a result, assuming development continues at recent rates, it seems likely that market forces will begin to more aggressively address Sublette County’s current housing shortage. The question remains, however, how well these new housing units will meet the entire range of Sublette’s long-term housing needs.

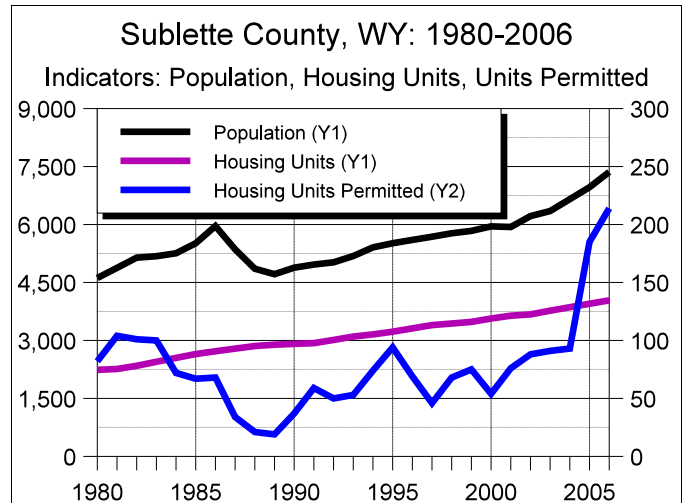
6. Population and the peak number of rigs

There are clear links between Sublette County’s drilling activity and its number of jobs, and its number of jobs and its population: as drilling activity goes up, the total number of jobs goes up; and as the number of jobs increases, population increases (Graphs 4 & 9).

Sublette County’s current period of rapid population growth began in 2002, and between 2002 and 2007, the county’s population has grown by about one-quarter (from roughly 6,200 to roughly 7,700, around 1,500 people). To put this growth in perspective, during the 20 years between 1980 and 2000, Sublette County’s population grew by around 1,350, fewer people than have moved to Sublette during the past five years.

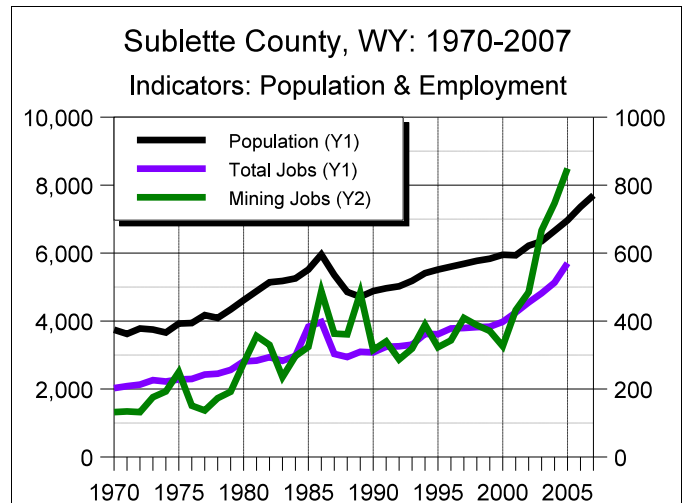
During this same period of rapid population growth, Sublette County’s annual average rig count has more than tripled, from 14 in 2002 to 46 in 2005.

In its Environmental Impact Statements for the Jonah and Pinedale Anticline gas fields, the Bureau of Land Management’s (BLM’s) “Preferred Alternatives” estimate that, at peak drilling in 2011, 71 drill rigs will be active in Sublette County. This means that, in 2002, Sublette housed only 20 percent of the peak number of drilling rigs it will see between 2000- 2024. However, because of the rapid growth in gas field development, by 2006, Sublette housed roughly 70 percent of the peak number of drilling rigs. (For “peak rigs,” both of these calculations use the one year – 2011 – when an estimated 71 rigs will be in service. If the longer-term peak of 68 rigs is used, then 29 percent of the peak was reached in 2002, and 72 percent in 2006). (Graphs 10 & 11)



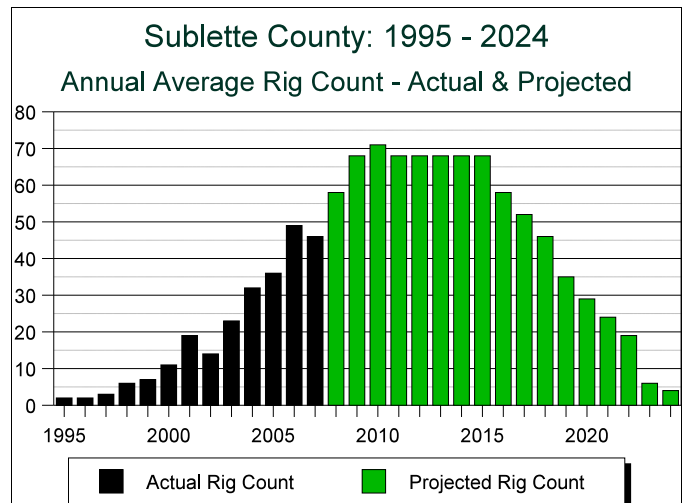
Graph 8

Source: State of Wyoming



Graph 9

Source: State of Wyoming



Graph 10

Source: Bureau of Land Management

The larger point is that since Sublette County has already experienced much of the growth it will see in the number of drilling rigs planned to operate in the county, it has likely also seen the largest and most rapid short-term jump in both jobs and population it can expect to see. As a result, it seems unlikely that Sublette County's current gas boom will again produce the type of short-term housing challenge the county has experienced the past few years. (*Graph 12*)

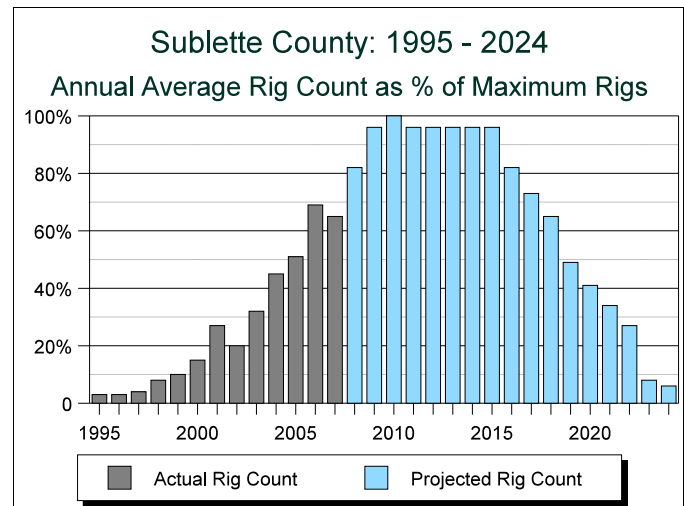
7. *Medium-term challenge: current and proposed housing mix*

Two fundamental housing-related concerns arise from the current energy boom. As discussed above, the short-term concern is the simple quantity of housing, a concern market forces are beginning to address. The medium-term concern is price; in particular, that an increasing number of Sublette residents are finding they cannot afford the housing which is available.

As discussed above, starting around 2002, Sublette County's population growth began to race well ahead of its growth in housing. Due to supply and demand, prices and rents shot up for Sublette's increasingly-scarce housing.

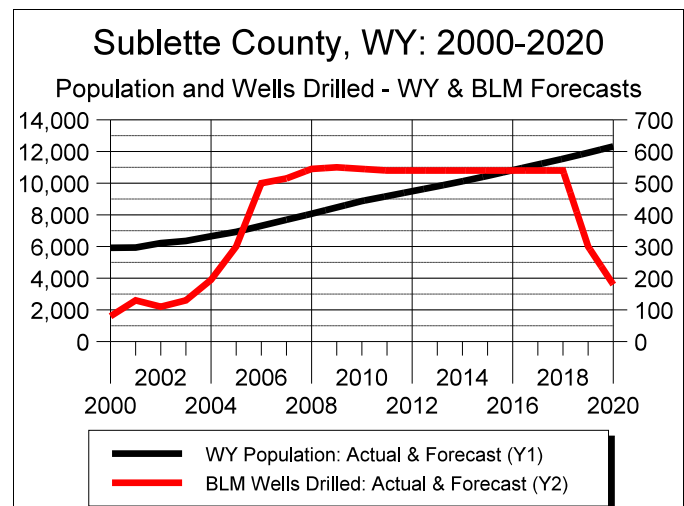
Those best able to afford those ever-increasing home prices and rents have been those working in well-paying gas field development-related jobs. As shown in *Graph 9*, starting in 2000 there was a sharp spike in mining jobs (the category used by the government to classify energy development-related jobs); as shown in *Graph 13*, starting about that same time, mining wages started increasing far more rapidly than those of the typical Sublette County job.

As a result, those in the mining (i.e. gas) industry were much better able to afford Sublette County's increasingly scarce housing stock than were people in other industries. Because most people working in the mining industry were moving to Sublette from other locales, this meant that local residents depending on local, non-mining wages found themselves at a competitive disadvantage for buying or renting homes in Sublette County. Anecdotal evidence suggests this situation continues today.



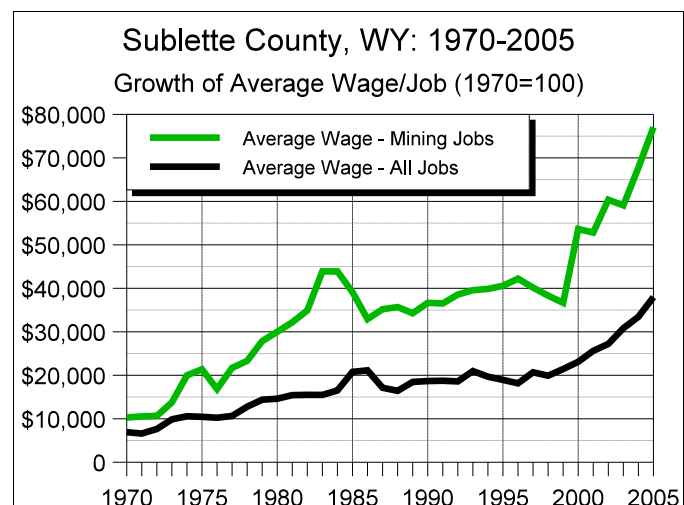
Graph 11

Source: Bureau of Land Management



Graph 12

Source: State of WY; Bureau of Land Management



Graph 13

Source: Bureau of Economic Analysis

As discussed above, developers have started to plan and build new housing projects. However, because it is often more profitable to build more expensive (rather than less expensive) homes, it is likely that the additional supply coming to market will focus more narrowly on the more affluent energy industry workers, and in so doing not adequately address the needs of those who are working in the lower-paying jobs more typical of Sublette County's economy before the gas boom.

As a result, at a minimum there is a need to better understand the dynamics of the entire Sublette County housing market, in particular to analyze how well the needs of those not working in Sublette County's energy economy matches the housing currently available and being developed.

8. *Long-term challenge: post-boom soft landing*

While it is clear Sublette County's gas development boom will eventually end, it is not at all clear exactly when that end will come. Because drilling and related activities are the most labor-intensive aspects of gas field development and operations, it is likely that, when exploration begins to slow, Sublette County will experience a decline in population. Eventually, when drilling returns to its pre-boom levels, Sublette County's population is expected to approximate the level its "natural growth rate" would have produced.

Given this analysis, the key questions then become: "When will the decline begin?" and "How precipitous will be the drop?" In its Environmental Impact Statements, the BLM anticipates that drilling will start to decline around 2018. However, that date could be reached sooner (if more rigs are put into operation and/or if drilling becomes more efficient and/or if operators are given permission to drill year-round). It could also be reached later, especially if additional reserves and/or new fields are found. Making things even more uncertain is the price of energy: while current predictions suggest prices will remain high (and therefore a significant amount of drilling will occur), the simple fact is that, as with any commodity, energy prices have traditionally undergone wild fluctuations. As they do, history suggests that Sublette County will be susceptible to the consequences. (*Graphs 5 and 6*)

As a result, it is impossible to precisely estimate when Sublette's gas boom will start to wane, nor how sharp the decline will be. However, decision makers can benefit from understanding the relationships between the critical elements that will affect the post-boom future.

Three basic factors underlie any analysis of Sublette County's housing market:

- How many people live in Sublette County?
- What is the size of the average Sublette County household?
- What proportion of the total housing stock is primary-occupancy, and what proportion is second homes?

As described above, between 1970 and 2000, Sublette County's population experienced a compounded annual average growth rate of 1.6 percent. During that same period, its housing stock grew nearly twice as fast, at a compounded annual average rate of 2.8 percent. As a result, the typical occupied household grew smaller, and the proportion of second homes grew greater. However, between 1980 and 2000, Sublette County's proportion of primary-occupancy homes stabilized at around 2/3.

If these "natural" population and household size rates are extended into the future, between 2000 and 2025 Sublette County's population will grow from 5,952 to 8,759, a total of 47 percent. Based on State of Wyoming projections that the typical household size will shrink from 2.47 to 1.83 during this same period, by 2025 Sublette County's occupied housing stock will grow from 2,378 to 4,798, a total of 102 percent.

In its efforts to help plan for growth, the state of Wyoming creates several population forecasts for every county through 2025. For Sublette County, the state's "moderate" growth estimated for 2000-2025 predicts Sublette will grow from 5,952 to 14,803, a total of 149 percent. Comparing Sublette's "natural" growth to the Wyoming "moderate" forecast, the latter estimates Sublette will have over 6,000 additional residents, a difference of nearly 70 percent.

Applying Sublette's "natural" growth rate in household size to the State of Wyoming's "moderate growth" scenario for 2000-2025, Sublette County's occupied housing stock will grow from 2,378 to 8,108, a total of 241 percent. Comparing the two housing stock forecasts, the "moderate growth" scenario would result in 3,311 more homes than the "natural" growth scenario, a difference of 69 percent. (Graph 14)

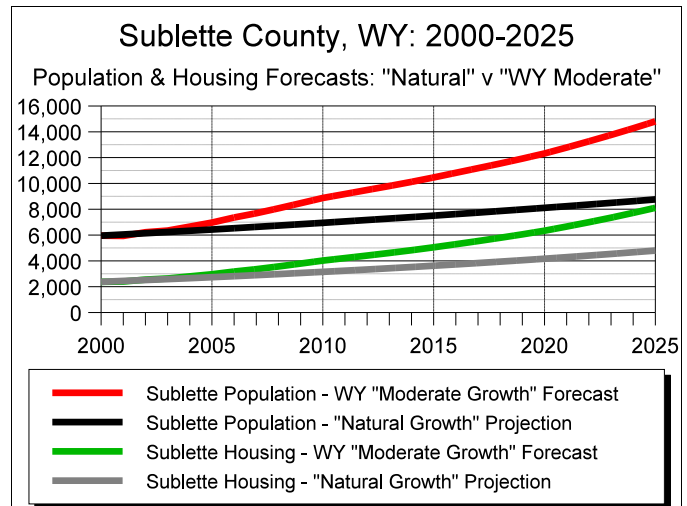
The critical issue, however, is the difference in how many housing units will exist in Sublette County at the time the gas boom comes to an end. The difference between this "high water mark" and the "natural" growth level will be the amount of excess housing the Sublette market will have to absorb before growth can begin again.

If the BLM's estimate is correct, drilling in Sublette will continue to be very active during most of the 2010s, but begin to decline in 2019. In that year, Wyoming's "moderate growth" forecast estimates that Sublette County's population will be 11,540. In contrast, the "natural" growth scenario suggests Sublette's population should be 7,861, a difference of 3,679 (47 percent). If these figures prove accurate, under its "natural" growth rate, Sublette County will not see a population of 11,540 again until the year 2043, 25 years later.

Similar calculations show that, in 2018, under the "moderate growth" scenario, Sublette County will have 5,787 homes serving as primary residences. Under the "natural" growth scenario, the total would be 3,942, a difference of 1,845 (also 47 percent).

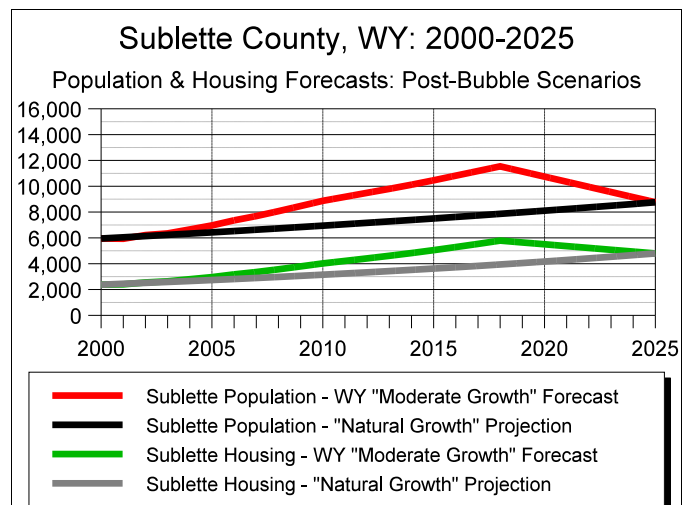
If these figures prove accurate, under its "natural" growth rate, Sublette County would not need 5,787 primary-occupancy homes until 2032, fourteen years after the gas bubble started to deflate. This means that, for 14 years, there will be excess housing inventory in Sublette County, which in turn will likely prove a drag on both economic growth and property values. Coincidentally, after the mid-1980s bubble burst, it took Sublette County's population about fourteen years to return to its 1986 peak. (Graph 15)

Thanks to the combination of Sublette County's quality of life and changes in the national economy, it is possible that some people who move to Sublette to work in gas field development will choose to stay in the county after development declines, and in so doing mitigate some portion of the post-boom decline. These numbers, however, are not expected to be significant.



Graph 14

Source: State of Wyoming



Graph 15

Source: State of Wyoming

The longer Sublette's gas development boom continues, the longer it will take for the County's housing market to recover from its effects. Minimizing the consequences of a post-boom decline in housing values and working toward a balanced housing market as the boom continues are the two primary challenges facing Sublette's policy makers

Findings – Housing Supply

In response to the gas development boom, since 2004 Sublette County has experience unprecedented levels of housing growth: More units were produced in 2006 than in any year previously, and it's likely 2007's figure topped 2006's. While these new homes will help relieve the immediate pressures caused by Sublette's rapidly-growing population, they also threaten to create a post-boom over-supply. Why? Because while gas workers are expected to remain in the County for about ten more years, housing developed to meet their needs will be permanent. This analysis considers the impact that an over- supply of housing may have on the County's market following the current boom.

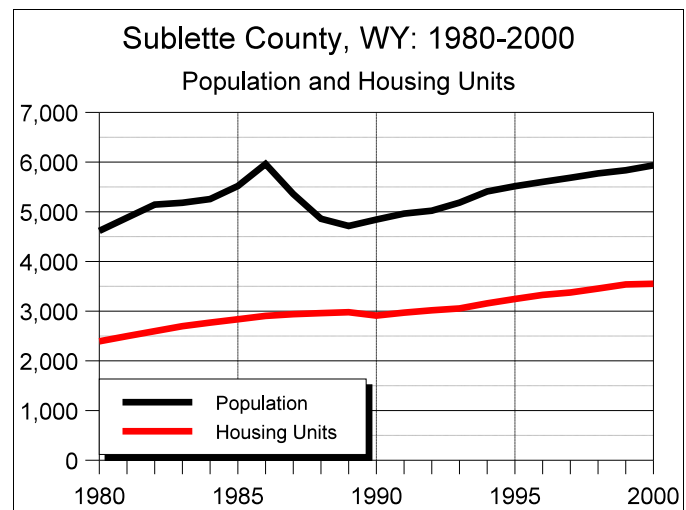
The recent trend in housing production is a major departure from the moderate growth that has defined the County's housing market since 1980. Between 1980 and 2004, Sublette County's housing stock and population more-or-less grew in sync. Starting in 2004, however, the rate of housing production began to respond to the influx of workers who began arriving in 2001, and new housing production has continued to grow exponentially ever since. The strong increase in housing production has occurred during a time when prices also have risen, reflecting the higher wages of gas field development workers. These higher wages have served to drive housing prices beyond the reach of many Sublette County residents.

This section reviews the housing market response to the recent surge in population and compares it to the long-term housing needs of the community. Analysis suggests that, in the short- and medium-terms, the current increased rate of housing production is welcomed to meet current demand and stem rising prices. However, if the current level of housing production continues for too long, it will lead to an oversupply of housing in the years following the gas boom. This oversupply could destabilize the housing market and lead to housing price deflation. A heightened awareness of the current trend and long-term needs provides the community an opportunity to create a "soft landing" in the years immediately following the boom.

1. History of moderate housing production

Historically Sublette County's housing market has been remarkably stable and healthy. The market has steadily produced the number and types of housing units that residents required, and the composition of the housing inventory changed very little. In the 20 years since 1980 the overall increase in the number of units was steady. (Graph 16) During the same time period the ratio of owner-occupied to renter-occupied housing varied slightly and the percentages of single-family, multi-family, and second homes in the market remained constant.

The one period that challenged the equilibrium of the local housing market occurred in the 1980's when the County experienced the previous, and much smaller, gas boom: Population rapidly shot up then declined, moving faster than the housing market could respond. As a result, housing production remained relatively consistent during that period, and continued to grow in tandem with the long-term housing needs of the County's permanent population.



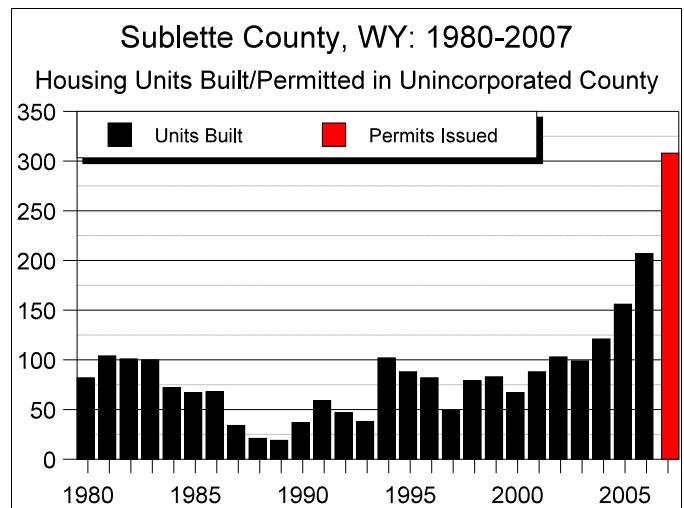
Graph 16

Source: US Census Bureau; Sublette County Assessor

2. *Housing currently being produced at unparalleled levels*

The substantially larger and more extended population boom now underway has produced marked changes in the housing market. As gas-related workers arrived in the county in record numbers they readily drove up the demand for housing. The market's most immediate response was that traditional single-family ownership housing was converted to rental use. This quickly increased prices and decreased housing availability for the long-term residents.

Because it takes at least one to two years for a new home to be planned and built, growth in new housing units has lagged behind growth in population. However, since the gas field development boom began, enough time has passed to overcome this lag period, and the housing market now is responding, at an extraordinary level, to the increased demand for housing. The average of 58 new homes produced per year between 1980 and 2000 has more than doubled to an average of 129 homes per year from 2001 through 2006, and over 200 per year in 2006 and 2007.. Building permits issued by Sublette County through the Fall of 2007 suggest new production will continue to grow at unprecedented levels – in particular, ten percent more homes were permitted in Sublette County in 2007 than were built in 1997, 1998, 1999, and 2000 combined. (*Graph 17*)



Graph 17

Source: Sublette County Assessor

Viewed against the County's historic production rates, new construction has escalated beyond any previous period of growth. In 2006 housing production reached an all time high of 207 units, twice the 1981 spike of 104 which accompanied the beginning of the previous boom. Since 2003 the numbers of new units each year increased steadily. The number of new units increased by 22 percent from 2003 to 2004; by 29 percent from 2004 to 2005; and by 33 percent from 2005 to 2006. Building permits issued by Sublette County through the fall of 2007 suggest a 49% increase over 2006.

3. *Gas-related demands present substantial but interim housing problem*

A continued high level of housing production will help relieve pressure on the market, but it also could result in an over supply of housing when the current gas exploration period is completed. Maintaining the stability of the Sublette County housing market and addressing the long-term, permanent housing needs of citizens should stand as a County-wide goal.

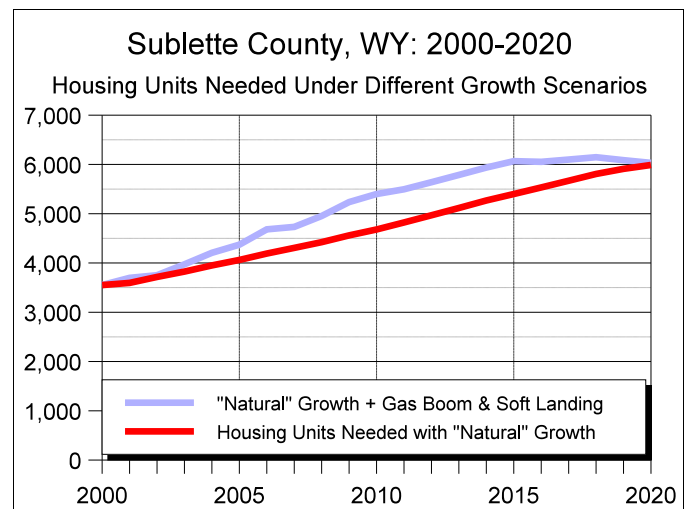
What might the gap be between the long-term, post-boom permanent housing needs of Sublette County residents and the shorter-term need for housing gas field development workers? As a starting point, this study assumes Sublette County's population will continue to grow into the future at its "natural" rate of 1.6 percent. It then factors in the state projections of shrinking household size, from 2.47 people/household in 2000 to 2.27 in 2020. Combined, the two yield an estimate of the "natural" population's need for housing after the current boom declines in 2020, a total of roughly 5,550 permanent housing units (up from roughly 3,550 in 2000).

Although the boom will eventually decline, its effects will continue to be felt through the presence of the 450 production workers expected to remain in Sublette County to work ensure the gas fields produce as they should. These workers and their households add a demand for an additional 450 housing units beyond the "natural" number, for a total

of right around 6,000 units. Put another way, assuming the gas field development boom is over by 2020, Sublette County will need a total of around 6,000 housing units, an increase of roughly 2,500 (70 percent) over 2000's levels.

To put this figure in perspective, this means that Sublette County needs to average around 125 new housing units/year for the 20 years between 2000 and 2020. Between 2000 and 2004, the county averaged around 100 new units a year, a little shy of its needs but about in line with its natural population growth rate. Between 2005 and 2007, however, the county averaged around 225 new units per year, putting it on pace to reach its 2020 target by around 2016. However, if building continues at the 2007 pace – when over 300 units were permitted – Sublette's 2020 "natural" housing target will be reached around 2012, meaning any additional units built between 2012 and 2020 will be more than the county will need in 2020. If the pace of new home building escalates still further, the goal will be reached even sooner.

Why is the pace of home building increasing so rapidly? To meet the housing demand created by natural gas development workers, both those directly and indirectly involved in gas field development. In particular, in addition to the 22 direct employees needed for each drill rig, this analysis uses the assumption that one additional indirect employee is also in Sublette County working in a supporting job. These workers – who are driving the "development growth rate" – will continue to live in Sublette County until the gas fields are fully developed, which this analysis assumes will occur around 2020. Comparing the County's "natural growth rate" to its "development growth rate" shows the added pressure gas field development is placing on the housing market. (Graph 18)



Graph 18 Source: US Census Bureau; Collins Planning Associates

4. Gas field development and the demand for conventional housing

The number of direct and indirect employees estimated to be in the County in 2007 represents 41% of the permanent workforce. But not all of these workers are vying for conventional housing.

A majority of the gas field development workers live in various types of non-traditional housing. A 2006 survey completed for the Sublette Socioeconomic Task Group estimated that on average employees of the gas industry included 500 who were housed in man camps, 300 in occupied motel rooms, and another 200 in RVs. Since the survey, the "Haliburton Hotel" has added another 100 motel rooms exclusively for its workers, and EnCana plans to increase its man camp to house an additional 120. For 2007, when workers living in non-traditional housing are removed from the total number of interim workers (i.e. those workers filling gas field development jobs, but will likely leave Sublette when those jobs end), the remaining 1,280 are competing with long-term residents for conventional housing in the local market.

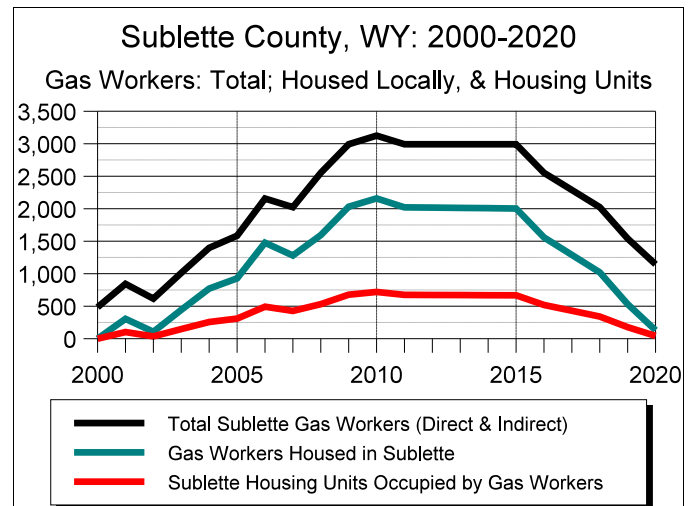
The interim demand for conventional housing fluctuates as the number of drilling rigs rises and falls, and is projected to peak in 2010 when rig count is expected to be at the highest. This demand is estimated to remain at the peak level until 2015, before declining and disappearing at the conclusion of the boom in 2020. *Graph 19* depicts the number of interim workers per year, the portion of them estimated to be in the local housing market, and the number of conventional housing units they are projected to occupy.

5. *Meeting interim demand results in excess housing supply after gas exploration*

As discussed above, if the housing market produces enough units to meet both the County's natural growth and the full interim demand for conventional housing, there would be more units on the market in 2020 than the natural population growth would require. At the peak in 2010, the number of housing units needed to meet the interim demand will exceed the number of units needed for the County's natural growth by approximately 720 units. If housing production were to cease at this point, while the natural population growth continued at 1.6 percent per year, the supply of housing will exceed demand in 2020 by about 250 units. This excess supply equals more than four years of production when compared to the average level of construction between 1980 and 2000.

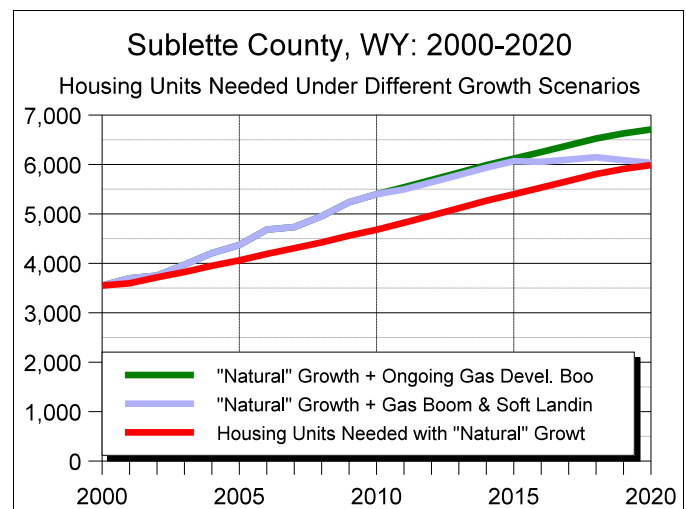
But if the production of new housing continues beyond the 2010 peak demand, the excess supply would be greater following the boom. More specifically, if housing production after the 2010 peak continued at a level matching the natural population growth rate, there will be an excess supply of 720 housing units in 2020, an 18% surplus. Such a surplus would equal 12 years of production when compared to the average between 1980 and 2000. (*Graph 20*)

As described above, the local housing market produced on average 59 units per year between 1980 and 2000, the "natural housing growth rate" for Sublette County, and a rate which has been a good match for the "natural population growth rate." However, as indicated above, in calculating a "natural" population for Sublette County in 2020, the figure has to be increased by the 450 gas production workers who will settle in the community. With these jobs included, the natural demand for housing between 2001 and 2004 rises from 59 to 84 units per year, a number which represents three years of "natural housing" demand. In comparison, the anticipated over supply of 720 units represents over eight years of "natural housing" demand.



Graph 19

Source: Collins Planning Associates



Graph 20

Source: US Census Bureau; Collins Planning Associates

6. Oil and gas wages fuel higher housing prices

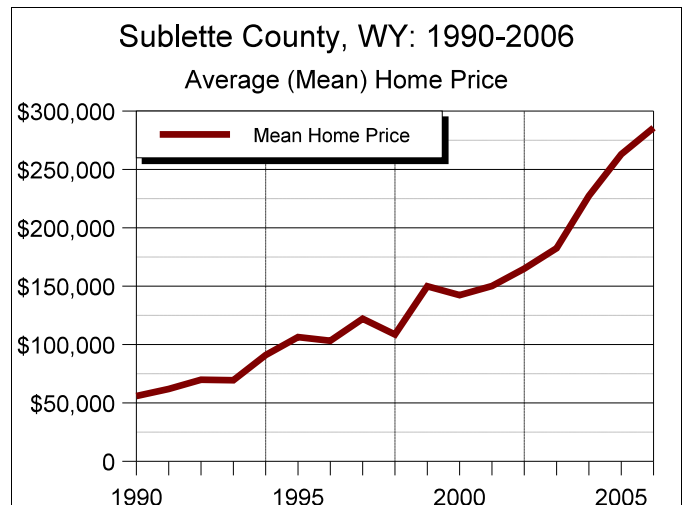
Addressing the gas field development-driven interim housing situation is the fact that the energy companies pay far higher wages than do most Sublette County employers, allowing gas field production workers to pay more for housing than most non-gas workers. Table 1 illustrates the financial advantage oil and gas workers have in Sublette County, where their wages are two to three times higher than other local wages.

The table also compares housing prices to local annual incomes. A standard measure of housing affordability suggests that housing is affordable when it costs three times the annual income of the buyer. Sublette County housing has been affordable to oil and gas workers until 2004, when the average housing price began exceeding the affordable ratio for even the oil and gas workers. The average housing price in 2006 was nine and one-half times the non-gas income, exceeding the affordability ratio by more than three times.

Table 1 Weekly and Annual Wages for Private Employment: Oil and Gas and Non-Oil and Gas <i>Source: U.S. Bureau of Economic Analysis</i>							
	2000	2001	2002	2003	2004	2005	2006
Weekly Oil and Gas Wages	\$1,121	\$1,021	\$1,176	\$1,270	\$1,397	\$1,558	\$1,643
Weekly Non-Oil and Gas Wages	\$419	\$431	\$461	\$517	\$557	\$590	\$577
Annual O&G Wages	\$58,280	\$53,076	\$61,175	\$66,035	\$72,654	\$81,001	\$85,432
Annual Non O&G Wages	\$21,766	\$22,396	\$23,968	\$26,871	\$28,984	\$30,679	\$30,006
Oil & Gas Wages/Non-Oil & Gas Wages	2.7	2.4	2.6	2.5	2.5	2.6	2.9
Mean Housing Prices	\$142,338	\$150,134	\$165,020	\$182,496	\$227,358	\$262,994	\$285,667
Mean Housing Prices/O&G Annual Wages	2.4	2.8	2.7	2.8	3.1	3.3	3.3
Mean Housing Prices/Non- O&G Wages	6.5	6.7	6.9	6.8	7.8	8.6	9.5

Recent increases in the cost of housing contrast sharply with Sublette County's long-term trends. Historically, Sublette's housing prices have grown in parallel with incomes – between 1980 and 2000 mean home prices grew 4.6% compounded annually while median income grew 4.3%. However, since 2000 the compounded annual increase in the average cost of a home has nearly tripled to 12.3%, while median incomes have increased only 6.6% per year.

Since gas field development began in earnest, demand for housing has so outstripped supply that, even with the high levels of home building in the last few years, Sublette home prices have reached record highs. In particular, between 2003 and 2006, the County's housing stock grew 13%, while average sales price jumped 57%. (Graph 21) Local lenders indicate that an estimated 85% of all mortgages originated in the past two years have been to gas-related workers, with typical prices between \$200,000 and \$250,000 in Boulder, LaBarge and similar areas, and \$325,000 to \$350,000 in Pinedale.



Graph 21

Source: Sublette County Assessor

Area rents have increased along with purchase prices. In many cases, single-family homes have become investor properties – homes purchased specifically to use as rentals in the high-cost rental market. Not only do such uses remove homes from the ownership pool, because such homes are often occupied by many well-paid gas-related workers, landlords can charge historically-high rents. In particular, property management representatives in Sublette County report that 45% of their rentals, comprised mostly of single-family homes, are occupied by gas-related workers, and that a typical 3 bedroom/2 bath rental is currently leased for \$1,800 per month. As with sales prices, rents too have seen unparalleled escalation. Since 2003 average area rents have risen by nearly 57%.

Table 2										
Changes in Average Rents and Rental Vacancy Rates										
<i>Source: Wyoming Housing Database Partnership</i>										
Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rent	\$502	\$514	\$530	\$529	\$568	\$674	\$777	\$848	\$988	\$1,216
Yearly Change	N/A	2.4%	3.1%	-0.1%	7.3%	18.6%	15.4%	9.1%	16.5%	23.1%

7. *Housing costs out of line with income of long-term population*

As noted, housing prices have responded to the higher paying natural gas workers, and the average purchase price now exceeds the affordable level for even such well-paid buyers. (*Table 1*) In coming years, as new supply floods the market and the rate of population growth as the county approaches its maximum rig count, *increases* in housing prices should begin to lessen. However, a slowdown in price increases is not the same as a decline in housing prices; indeed, as long as rig counts remain high (which should be through at least 2015), *housing prices* should also remain high. Once the rig count starts to drop, however, a significant price correction can be expected, a phenomenon that should last for at least as long as it takes for the rig count to taper off (i.e. through 2020).

If a soft landing is to occur in 2020 housing prices will need to reflect the incomes of the long-term population. To help evaluate those needs, the Wyoming Housing Database Partnership (WHDP) creates basic income categories – based on the percentage of median income local households earn – and projects the percentage of future households that will fall into each of these income categories. It similarly projects the number of owners and renters who will fall within these income groups.

The numbers of households through 2020 has been calculated by applying these projections for owners, renters and incomes to the County's natural growth rate of 1.6%. These household numbers also include the 450 production workers and their families who will be added to the County's population and will remain in the community after the current exploration phase. These figures should help guide new growth toward an appropriate mix of housing types and prices for the long-term permanent population.

The projected number of households in each income category is shown in Tables 3 and 4 below. Tables 5 and 6 present the sales prices and rental rates that were affordable in 2007 dollars.

Table 3 Projected Households by Income – 2000 to 2020 Owner-Occupied – Natural Growth Rate <i>Source: WHDP 2007 Housing Needs Assessment</i> <i>(Note: income percentages and household sizes applied to natural population growth rate)</i>					
	2000	2005	2010	2015	2020
Under 50% of Median	496	574	654	757	839
51 to 95% of Median	595	688	783	908	1,006
96% and above Median	646	746	850	985	1,092
Total Homeowners	1,737	2,008	2,287	2,650	2,937

Table 4 Projected Households by Income – 2000 to 2020 Renter-Occupied – Natural Growth Rate <i>Source: WHDP 2007 Housing Needs Assessment</i> <i>(Note: income percentages and household sizes applied to natural population growth rate)</i>					
	2000	2005	2010	2015	2020
Under 50% of Median	146	145	151	151	153
96% and above Median	549	546	569	568	575
Total Renters	950	944	984	982	993

Table 5 Home Affordability in 2007 for Income Categories <i>Source: 2007 U.S. HUD</i> <i>(Note: median incomes multiplied by 3 for ownership affordability)</i>			
Under 50% of Median	could afford a monthly rent up to	\$90,450	
51 to 95% of Median	could afford a monthly rent between	\$90,451	\$171,855
96% and above Median	could afford a monthly rent over	\$171,856	

Table 6 Rental Affordability in 2007 for Income Categories <i>Source: U.S. HUD</i> <i>(Note: 2007 median incomes at 30% of income divided by 12 months rent)</i>			
Under 50% of Median	could afford a monthly rent up to	\$754	
51 to 95% of Median	could afford a monthly rent between	\$755	\$1,432
96% and above Median	could afford a monthly rent over	\$1,433	

8. *Market needs increased housing diversity*

Currently, Sublette County's housing stock is dominated by single-family, detached units. Very little housing is multi-family, leaving the community with few alternatives to single-family detached homes. In particular, in 2000 only 4.2% of the county's housing stock was in multi-unit structures, roughly one-quarter the statewide figure of 15.2%. Since 2000, only 46 apartments and 66 multi-family units have been added; less than 2.7% and 3.7% respectively of the county's housing stock. While a notable increase for the County, these numbers are still well below the statewide average, and may be lower than appropriate in a changing local housing market.

Products which are less costly to build – and therefore rent or sell for lower prices – create a diverse housing supply and can be developed more densely near existing population centers serviced by infrastructure. Multi-family properties which address both rental and ownership needs would make important inroads into resolving the current housing squeeze and helping to create alternatives for the long-term population.

Observations and Recommendations

The Basic Housing Challenges

The housing challenge facing Sublette County consists of three basic parts:

- i. Managing the interim surge in housing demand resulting from the current natural gas boom;
- ii. Anticipating the post-boom years; and
- iii. Increasing the diversity of housing types and striving for housing affordable to the local population.

These challenges are more interrelated than separate, and responses to any one of them affect the other two.

In the most basic terms Sublette County is facing the choice between relieving short-term housing problems caused by the interim population or minimizing the potential post-boom problems that can result from overbuilding. If the recent production levels are encouraged to continue, the additional housing units will lead to lower prices in the short-run but will create an over supply of housing for the years following the current boom. Alternatively, reducing the current level of construction will soften the landing after the boom and lower the potential of housing value deflation, but will not provide the same short-term relief from the high prices. Either choice has consequences.

Sublette County's housing market is already acting to address the short-term demand for housing with levels of home production unprecedented in the County's history. The question facing County leaders is whether to simply observe the market forces and hope for the best, or attempt to steer the market toward a desired outcome. If a pro-active role is selected, approaches must be adopted that would realistically be effective in guiding this growth.

A secondary housing issue involves the mix of multi-family and single-family housing in the local market. Sublette County housing overwhelmingly consists of single-family detached units, the most expensive housing to produce. The limited numbers of multi-family units typically have been duplexes and triplexes rather than more conventional apartment buildings, condominiums or townhouses. Promoting more multi-family units would lead to increased housing choices and a more affordable product for the local populations. However, the preferred locations for this type of housing likely would be in the Town of Pinedale or at least require town infrastructure, calling for a coordinated effort between Town and County officials.

Finally, housing affordability in the future will depend on incomes being in sync with housing costs. Historically, incomes in Sublette County have grown at about 4.3% per year. Trended forward, the median income in 2020 would be about \$104,000, making a home affordable at \$312,000, three times the income. Current housing prices are approaching this level now (the 2007 average home price is \$286,000), and home price appreciation would have to slow substantially for housing to be affordable to the 2020 population. Although overbuilding in the short-term and subsequent deflation in the long-term could achieve affordability, such a solution would cause great disruption to the community and harm many residents who made home purchases while prices were unnaturally inflated.

Establish Goals

Establishing and clearly communicating goals is very helpful to both public policy makers and the private market place. The power of clear and well documented goals is often under-estimated. When making private decisions, many individuals – both private citizens and business owners – take into account the community's goals and the information that substantiate them. Goals inform all participants of the desired outcomes and provide important information about the reasoning that frames them. Numerous examples exist in which private investment has followed public initiative.

In response to the challenges facing Sublette County, it is recommended that the County adopt the following two-part housing goal.

1. Create a soft landing for the housing market in the post-boom years while mitigating the peak interim demand for housing. The production that occurs in the interim should be in an amount that relieves some of the housing pressures that are expected to peak during the period 2010 - 2015, but does not exceed the projected needs for 2020 created by the natural growth rate.
2. Strive to provide greater housing affordability and more housing choices by increasing the diversity of housing types that are available in the community.

These recommendations are based on several points of reasoning.

- While developers and land owners are free to take risks and speculate on the housing market, a significant oversupply of housing raises public policy issues for the community. Avoiding wide fluctuations in property values and the disruption to local residents brought on by deflating housing values should be governmental goals.
- The priority for the community should be protecting the long-term stability of the housing market and meeting the needs of the permanent population. This will create affordable housing difficulties for many residents in the short-term but a long-term perspective is recommended.
- The County has already progressed through the worst part of the short term difficulties. Over 70 percent of the projected maximum number of drill rigs are already in place, meaning that the majority of the interim population has already located in the community. The additional population increase yet to occur during gas field development will be much smaller than that which the community has already experienced, and while the current housing squeeze will continue for several more years it should not worsen.
- The market place is already providing more housing units that will off-set some of the increased demand, thereby softening the affordability problems. Housing prices have begun to ebb in recent months.
- Multi-family housing provides options more affordable to both temporary workers and the permanent population, eases the demand on single-family housing for rentals for gas workers, and leaves the community with the range of housing choices needed in its permanent market.

Working Toward a Soft Landing

Share Information

Governmental policies can help inform private decisions. If the County expressed concern about over building during the interim population increase, emphasized the goal of a soft landing, and provided information on the magnitude of recent deviations from the long-term housing trends, many developers would weigh these considerations in formulating their proposals. The information contained in this and other reports can be regularly updated and improved for dissemination to the community, helping developers and landowners to make the most informed decisions possible.

Raise the Bar on Development Approvals

A reasonable approach to avoid overbuilding is to exercise greater discretion in reviewing new residential developments, in particular by raising the bar that must be cleared to gain approvals. This can be accomplished by ensuring that, to receive needed permits, proposed projects meet the full range of community goals. Housing solutions are not independent of other community goals, and residential developments should be reviewed in a comprehensive context that includes other governmental concerns such as the cost of governmental services, transportation demand, location of infrastructure, desired land use patterns, and the protection of natural resources and amenities.

One example of raising the bar for residential development is to limit approvals of rezoning applications and rural subdivisions in scattered locations. These rural subdivisions do not produce affordable housing because of their low density. Due to their dispersed locations, they also increase the cost of governmental services, create transportation issues, and lead to an undesirable land use pattern.

Creating Greater Diversity in Housing Types

Multi-family Housing

Governmental policy can help encourage a greater mix of housing types. While the market place has successfully generated many units over the years, very little diversity exists in the housing stock. Apartments and townhouses have yet to arrive in the community despite the presence of many low wage service workers who are in need of lower-cost housing. Whether rental or ownership housing, lower-income residents can benefit from the less expensive alternative that can be achieved with multi-family housing.

In addition to being less costly to build, multi-family housing can also create desirable living units and architecturally pleasing developments. Because the market frequently is hesitant to provide a new type of housing, local government can work with a developer to facilitate a multi-family demonstration project that serves as an example and standard for future projects.

Mixed Use Buildings

Another housing type that can add diversity and a low-cost alternative are residential units in mixed-use buildings. Living units provided as part of commercial buildings can piggyback on a commercial development and avoid the need for additional land or infrastructure. Ensuring the town and county zoning ordinances allow mixed-use buildings and accessory residential units can lead to economical housing. In addition to expanding the inventory of housing, these units provide financial support to existing businesses and add vitality to the downtown area.

Senior Housing

Past housing studies have identified the senior population as the fastest growing segment in Sublette County, and among the least capable of meeting rising housing prices. Recent proposals for senior housing can provide much needed opportunities for the County's older population to live in homes more suited to their specialized needs and in close proximity of support services. The inclusion of senior residences in the County's housing mix will serve both immediate and future needs. Although these proposals almost certainly involve County financial support, it is unlikely that any non-profit proposal which helps serve the low-income needs of area seniors will be achieved without a subsidy, and it may be appropriate to support these initiatives while the County benefits from gas revenues.

Temporary Solutions with Second Generation Lives

Another response to the County's short-term/long-term housing needs is to provide temporary housing solutions that can later be converted to permanent conventional housing. Man camp properties, RV parks and mobile home parks all provide viable short-term housing during the gas boom, but their usefulness is largely exhausted when the boom comes to an end. The land they occupy, however, is a valuable resource for the long-term needs of the County.

Whether existing or proposed, such properties that are well-located and serviced by infrastructure can be adapted to more permanent housing developments. RV and mobile home parks can be designed and infrastructure installed to accommodate future redevelopment as single-family or multi-family subdivisions. The pads can be consolidated to form housing sites that make use of the previously installed infrastructure in servicing new permanent housing development.

Capitalizing on Existing Opportunities

Bloomfield Project

The Bloomfield project currently proposed adjacent to the Town of Pinedale serves as a good example of a private sector response that, with some guidance from the community, can provide many of the solutions to the community's housing challenges. While the proposal has not been reviewed in detail as part of this analysis, many features of the development provide reason for encouragement.

- This development is occurring at a time when both temporary and low-cost housing are in demand, and the early concept for the project includes a diversity of housing products, along with RV and mobile home pads that can meet the demand for lower-cost housing.
- There are good reasons for the location of the development as it is a logical expansion of town, near existing services, and avoids leapfrog development.
- The developer appears to be proposing a long-term multi-phase project than can build out gradually over time in concert with changing market needs.

This development should be seen as an opportunity for the community to work with a developer to match proposed plans with community housing needs. At a minimum, the community can identify several housing goals (i.e., a multi-family demonstration project, short-term temporary housing that can be converted to long-term housing sites, housing prices targeted for certain income categories) and communicate them to the developer. Town and County officials can work together with the developer to incorporate into his plans elements that achieve the community's overall goals.

While the Bloomfield project provides opportunities to help the community, it also is a very large development for Sublette County and requires discretionary approvals from the Town. The developer needs annexation, connections to water and sewer systems and rezoning to make the project viable. Incorporating elements into the proposed plan that meet the community's needs should be a requirement for these discretionary approvals. Upon reaching agreements on the details of the plan, Town officials could ensure the promises are delivered and the potential benefits realized by incorporating the agreements into the binding documents that will govern the development as it is built. An annexation agreement can establish the detailed conditions and agreements for the Pinedale to expand its boundaries to include the Bloomfield development. Also, the relatively large expansion of town proposed by this development could require a development agreement that specifies details of the plan and any conditions of approval. Either or both of these agreements can be relied upon to memorialize the agreements between the community and the developer.

EnCana Man Camp

EnCana's goal to increase man camp capacity would relieve pressure from the local housing market and place employees near their job sites in the gas fields. Whether the facility is sited on public or private lands is a source of local debate. Regardless of the location, however, increasing their capacity from 240 to 350 will relieve pressures on local rental housing and should be supported.

County – Town Joint Solutions

The Bloomfield proposal is an example of the need for Town and County cooperation on housing opportunities. Although this development is before the Town of Pinedale, it addresses county-wide issues. This is because neither the housing market nor housing problems or solutions are limited by jurisdictional boundaries. Acknowledging this reality, Town and County officials should cooperatively identify community-wide housing challenges and work toward shared solutions that serve the Town and County jointly. Many of the preferred locations for housing will be near town infrastructure and already populated centers. This underscores the importance of Town and County governments joining forces to identify and address the housing challenges that confront all of Sublette's residents.

Establish a Housing Advocacy Team

Goals are seldom achieved without someone being responsible for progress toward meeting them. Housing in particular needs constant attention because changes in community needs and the market occur in subtle ways that are not readily apparent. It is recommended that a team be formed to monitor housing data and proposed developments, and work toward solutions aimed at meeting community needs. Members selected from the Town and County elected boards, Planning and Zoning Commissions and staff can make up the membership of such a committee. Drawing from the membership of existing boards and staff can tap into their substantial knowledge while avoiding the creation of a new entity. The joint membership of town and county officials also creates the environment in which community-wide issues and solutions can be discussed for the optimal benefit of the entire community. The continued focus on housing data, issues and solutions can raise the level of awareness of the challenges that the community confronts and encourage support for the opportunities to meet them.

Examples of specific tasks that can be assigned to the Housing Team are:

- Form a partnership with the Wyoming Housing Network, a statewide non-profit corporation that can bring technical assistance and knowledge of special housing programs;
- Investigate housing loan and grant opportunities from the U.S. Department of Housing and Urban Development, Wyoming Community Development Authority (WCDA), and other sources;

- Perform a systematic review of local zoning and development options for detailed amendments that can remove obstacles or create incentives for affordable housing units (WCDA and the Wyoming Business Council have grant programs to fund the review and amendment of local ordinances for the purpose of promoting affordable housing); and
- Work with developers to incorporate into their projects elements that meet community housing needs.

Mandatory Housing Requirements

Many communities facing affordable housing problems adopt mandatory requirements that call for new development to provide a certain amount of affordable housing. The adoption of mandatory requirements is based upon an analysis that demonstrates a rational nexus between new development and the need for affordable housing. The affordability problems facing Sublette County are derived from the natural gas boom rather than new development and it is doubtful that a nexus can be demonstrated between new subdivisions or commercial development and the need for affordable housing.

The Sublette County housing market, however, has a long history of providing sufficient housing to meet the community's demand, and except during the natural gas boom, housing has been affordable to the local population. While the current affordability problems are real, they appear to be a result of a rapid and temporary population increase and do not reflect permanent elements of the market.

Requirements that developers provide a certain amount of affordable housing through "inclusionary zoning" or "linkage requirements" are legitimate responses when a housing market demonstrates extraordinary and permanent constraints that prevent housing from remaining affordable to the population. Because the long-term history of a stable and affordable market in Sublette County and the short-term nature of the current housing trend do not support mandatory housing requirements, it is not recommended that affordable housing requirements be considered.