

SECTION 3 AFFORDABLE HOUSING – Ownership

SECTION 301 PURPOSE AND APPLICABILITY

301.1 **Purpose.** Teton County and the Town of Jackson, herein referred to as “County” and “Town”, have established in their Land Development Regulations, herein referred to as “LDRs”, certain requirements for developers constructing residential units to include a portion of the development as a product that is affordable to the local workforce (known herein as the “Legislation”). The Legislation establishes a minimum number of units of Affordable Housing which is to be provided by the developer concurrently with the construction of the development.

301.2 **Applicability.** This Section applies to all developments subject to Division 49400 of the County and Town LDRs and is inclusive of any voluntary affordable housing units presented to the Board of County Commissioners or Town Council in development application material.

- A. Residential Mitigation
- B. PUD-AH Units created
- C. TCHA Developments
- D. [Voluntary Ownership Units](#)
- E. Units created with Grants from TCHA / State / Feds
- F. Commercial Mitigation – ownership product

SECTION 302 PROGRAM POLICY GOALS

302.1 To provide Affordable Housing to offset the housing impacts and needs created by new development.

302.2 To inform prospective developers of property within Teton County of the standards and guidelines for construction and sale of housing as required by the Land Development Regulations.

302.3 To help TCHA in implementing policies of the Land Development Regulations in a fair and consistent manner.

302.4 To clarify expectations on the use of funds received from TCHA for the development of Affordable Housing Units.

SECTION 303 ADDITIONAL HOUSEHOLD ELIGIBILITY

The Affordable Housing Program has specific Household Eligibility requirements in addition to Household Eligibility requirements defined in Section 103.

Each Housing Unit in the Affordable Housing Program is classified as a [Category](#), which is based on the Median Family Income in Teton County, Wyoming. Please refer to Section 103.3 A and Appendix A for more details on the specific categories.

Household Eligibility is based on the assigned Category of the Housing Unit. The Category is specified in the Deed Restriction for the Housing Unit.

303.1 **Income.** To be eligible to purchase an Affordable Housing Unit, the Household must fall below maximum income levels assigned to the particular Affordable Housing Unit.

- A. [Household Income](#) is defined as the total income before taxes, per year, of all adult wage-earners that will reside in the Housing Unit.
- B. A year is calculated from date of application and projected forward 12 months. In other words, current incomes are used to calculate future earnings. This is to be consistent with lending practices.
- C. Section 104.2 explains how Household Income will be verified.

303.2 **Assets.** To qualify to purchase an Affordable Housing Unit, the Household must fall below maximum net asset levels assigned to the particular Affordable Housing Unit.

- A. Household Net Assets are defined as total [assets](#) minus total [liabilities](#).

- B. [Qualified Retirement Accounts](#) do not count toward assets, unless they are utilized to purchase the Affordable Housing Unit.
- C. Section 104.2 explains how Household Net Assets will be verified.

SECTION 304 PREFERENCE

The Affordable Housing Program utilizes the [Lottery Process](#) to select a Qualified Household with the following preferences.

- 304.1 **Four Years of Employment.** Preference is given to Households in which at least one member meets the Four Year Employment Criteria as defined in Section 103.4 B.
- 304.2 **Occupancy Preference.** Preference is given to Households that meet the Occupancy Preference as defined in Section 103.4 A.
- 304.3 **Emergency Service Worker.** Emergency Service Workers are given the same preference as those who qualify for the Four Years of Employment preference.

In the Lottery Process top preference is given if both the Four Years of Employment / Emergency Service Worker and Occupancy Preference are met. The second level of preference is based on Occupancy Preference.

SECTION 305 LOTTERY PROCESS

The Selection Process for an Affordable Housing Unit is a Lottery Process designed to give all workers in Teton County an opportunity to purchase an Affordable Housing Unit contributing to the community's goals of maintaining Social Diversity and Economic Stability, as recognized in the Comprehensive Plan.

- 305.1 **Lottery Entry Period.** The TCHA advertises Affordable Housing Units for a two-week period coinciding with the publication of the *Jackson Hole News & Guide* weekly paper. This advertising period, called the Lottery Entry Period, opens on a Wednesday and closes two weeks later on Wednesday at 4:00 p.m.

During the Lottery Entry Period available Affordable Housing Units are presented in the following manner.

- A. Newspaper Advertisement. The TCHA runs a quarter page advertisement in the "Valley Section" of the *Jackson Hole News & Guide* for the entire Lottery Entry Period.
- B. Website. The TCHA website, www.tetonwyo.org/housing, lists available homes for sale.
- C. Information Contact Sheet. After completing and submitting an Information Contact sheet, Households are notified via e-mail when an Affordable Housing Unit becomes available for sale. Information Contact Sheets are available at TCHA offices, on the TCHA website, or in Appendix G (Information Contact Sheet).

305.3 **Lottery Entry Sheet.** To be entered into a Lottery for an Affordable Housing Unit, a [Lottery Entry Sheet](#) must be completed and submitted to the TCHA Office within the Lottery Entry Period. Lottery Entry Sheets are available at TCHA Offices, on the TCHA website, or in Appendix H (Lottery Entry Sheet).

- A. The Lottery Entry Sheet must be completed by all members of a Household who will occupy the Affordable Housing Unit.
- B. Property addresses or lot numbers identify the Affordable Housing Unit that Household enter into a Lottery.
- C. If leaving town, please advise TCHA staff and enter a notification number.

305.4 **Lottery Preference Form.** TCHA compiles all Lottery Entry Sheets submitted during the Lottery Entry Period for the Affordable Housing Unit. These are then entered on the [Lottery Preference Form](#).

The Lottery Preference Form is then sent to an independent legal counsel for a Lottery Drawing. The Lottery Bid Period ends on a Wednesday at 4:00 and the Lottery Preference Form is sent to legal counsel by 5:00 on Friday of the same week.

305.5 **Lottery Drawing.** Our legal counsel assigns a number, the [Assigned Number](#), to each household entered on the Lottery Preference Form. All Assigned Numbers for the first preference are entered into the drawing and selected by an assistant. The order in which the Assigned Numbers are drawn thereafter becomes the [Lottery Number](#). This same process is completed for the second preference and so on.

After all the Lottery Numbers are allocated, legal counsel sends the Lottery Preference Form back to TCHA. An affidavit confirming the Lottery Drawing is sent to TCHA.

It generally takes one week from end of the Lottery Entry Period for the Lottery Preference Form to return from legal counsel.

305.6 **Notification.** TCHA will notify the winner of the lottery by phone as soon as Lottery Preference Form is received from outside legal counsel. TCHA will also notify the other households within one week of receiving the Lottery Preference Form, or two weeks from end of Lottery Entry Period.

SECTION 306 PURCHASE PROCESS

The winner of the Lottery, potential Buyer, has five business days to submit a completed application and sign a [Purchase and Sales Contract](#) to begin the Purchase Process.

306.1 **View Affordable Housing Unit.** The Seller will allow the potential Buyer to view the Affordable Housing Unit to be sure that it meets their household needs. After signing the Purchase and Sales Contract the Buyer will have the opportunity to inspect the Affordable Housing Unit further.

306.2 **Application.** The winner of the lottery has five business days to submit a completed application, copies of which are available at TCHA offices, on the TCHA Website and in Appendix C - Application.

The Application provides additional information to help the TCHA determine that applicants qualify and allows the TCHA to verify information presented.

- A. Uniform Residential Loan Application (Form 1003). To reduce redundancy with mortgage documents, the TCHA simply requires that applicants submit a copy of the same completed and signed Uniform Residential Loan Application (Form 1003) that they submit to the lending institution.
- B. Lender's Qualification Worksheet. A completed Lender Qualification Worksheet is required to guarantee that the Household can obtain financing for the Affordable Housing Unit.
- C. Credit Report. A Credit Report that is not more than six months old is required to help TCHA determine if Household will be able to make payments on a mortgage.
- D. Authorization to Release Information. This form allows TCHA to obtain information in order to verify submitted material.
- E. Affidavit of Employment. This allows TCHA to verify employment in Teton County to ensure that employment criteria have been satisfied.
- F. Federal Tax Returns. The prior two years' Federal Tax Returns are required to verify Household Income and Assets. Three years will be requested if self-employed.
- G. Certification and Oath. TCHA will require a sworn statement of the facts contained in the application including at least the following certifications:
 - 1. that the facts contained in the application are true and correct to the best of the Applicant's knowledge;
 - 2. that the Applicant has been given the standard application information packet by TCHA Staff; and,
 - 3. that the Applicant, on the basis of the application presented, believes that the Household qualifies to occupy the Housing Unit in question according to the

Deed Restriction, these Guidelines and all other applicable procedures, rules and regulations.

This [Certification and Oath](#) is required to be signed by all applicants and notarized. There are Public Notaries available at TCHA offices.

- H. Additional Information. Additional information may be requested to determine eligibility.

306.3 **Verification.** Any material misstatement of fact or deliberate fraud by the Household in connection with any information supplied to TCHA shall be cause for immediate expulsion from the application process and/or forced sale of the Housing Unit.

All information submitted to TCHA will be verified for accuracy. A [Verification Checklist](#) is attached in Appendix J.

- A. Review Loan Application for consistency with eligibility criteria
- B. Employment Affidavits – verify current employment and number of years
- C. Debt to Income Ratio – not beyond 45%
- D. TCHA strives to complete verification within two weeks of application submittal
- E. Qualification Letter

306.4 **Purchase and Sales Contract.** Buyers must sign a [Purchase and Sales Contract](#) within five business days of being notified of winning a lottery for an Affordable Housing Unit. A template can be found in Appendix K – Agreement for Purchase and Sale of Real Property.

- A. Earnest Money. At time of signing the Purchase and Sales Contract, \$250.00 in [Earnest Money](#) will be required. The check should be made out to the Title Company.
- B. Closing Date. The Buyer has a minimum of 30 calendar days but not more than 45 calendar days to close on the property. The [Closing Date](#) will be discussed with Buyer and Seller and

will be entered on the Purchase and Sales Contract. Closing Date will also be the [Possession Date](#).

- C. Facilitation. Pursuant to Wyoming Statute 33-28-101 through 124, the "Real Estate License Act of 1971", the Teton County Housing Authority is participating in this transaction as a Facilitator without a Wyoming real estate license and in the performance of official duties.
- D. Privy to Purchase and Sales Contract. Sellers and Buyers shall make TCHA privy to the sales contract by signing an Authorization to Release Information in favor of TCHA. All financial information shall remain confidential except as noted in Section 104.2.

306.5 **Independent Legal Counsel:** All Sellers and Buyers of Housing Units are advised to consult independent legal counsel to examine all contracts, CC&Rs, Deed Restrictions, agreements, affidavits, closing statement, title documents, etc. The retention of such counsel, or related services, shall be at Seller's and Buyer's own expense. An Affidavit will be required to be signed prior to closing acknowledging recommendation to obtain legal counsel. See Appendix D (Affidavit – Closing)

306.6 **Title Company:** TCHA advises sellers to use a title company and escrow agent located in Jackson, Wyoming to close the transaction because of their expertise with the TCHA Affordable Housing Programs and their unique and technical closing documents. Seller and Buyer shall authorize TCHA to review the Settlement Statement prior to closing.

306.7 **Lenders:** Borrowers are restricted to the following lending institutions licensed to engage in mortgage lending practices in the State of Wyoming:

- A. An "institutional lender" such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, or any combination of the foregoing,

the policies and procedures of which institutional lender are subject to direct governmental supervision; or

- B. A "community loan fund", or similar non-profit lender to housing projects for income-eligible persons (e.g. is not given to or acquired by any individual person); or
- C. A non-affiliated, legitimate, "finance company". In no event shall such finance company be an individual or any company that is affiliated with or has any affiliation with the Owner or any family member of the Owner.

306.8 **Total Debt:** Owners shall not incur debt, liens or other obligations secured by the Housing Unit that exceed the Original Purchase Price of the unit and shall notify TCHA immediately when a change in the total of these secured obligations is anticipated. No second mortgages shall encumber the Housing Unit without advance approval by TCHA.

306.9 **Co-Ownership and Cs-Signatures:** Any co-ownership arrangement other than Joint Tenancy or Tenancy-In-Common must be approved by TCHA. Co-signers shall not occupy the unit.

306.10 **Homeowners Associations:** The Housing Unit may be subject to a Homeowners Association (HOA). All Owners of Housing Units are required to pay HOA dues, if applicable, unless otherwise exempted. Please be aware that HOA dues may be substantial. Homeowners Associations frequently have interests and regulations, other than the Deed Restriction, that affect the Housing Unit. It is the Owner's responsibility to be aware of these interests and regulations.

SECTION 307 RESALE PROCESS

The Resale Process takes approximately three months to complete.

307.1 **Letter of Intent to Sell.** To begin the Resale Process on an Affordable Housing Unit, a Letter of Intent to Sell must be received from the Seller(s). Letters of Intent to Sell forms are available at the

TCHA office or website. A copy is attached in Appendix B (Letter of Intent to Sell).

307.2 **Initial Inspection.** An [Initial Inspection](#) is scheduled after the Letter of Intent to Sell is received to review cleaning/maintenance expectations at closing and to discuss steps in the Resale Process.

- A. TCHA staff will meet the Seller(s) at the Affordable Housing Unit to inspect the unit.
- B. TCHA staff will prepare a list of items to be cleaned / repaired after inspection.

307.3 **Maximum Resale Letter.** The resale price of the Housing Unit shall be calculated according to its Deed Restriction and stated in the [Maximum Resale Letter](#). A summary of the Initial Inspection and list of items to be cleaned / repaired will also be included in the Maximum Resale Letter.

- A. The Maximum Resale Letter will be e-mailed, mailed, faxed, or can be picked up at TCHA offices. The original will be mailed to the Seller(s).
- B. The Maximum Resale Price shall be the only exchange of value between parties to any sale of the Housing Unit. Any exchange of value outside the allowed sale price shall invalidate the sale.

307.4 **Facilitation Agreement.** The TCHA facilitates the sales of Affordable Housing Units to accomplish the sale according to the instructions of the Ground Lease / Deed Restriction and to provide a transfer to a Qualified Household. A copy of the Facilitation Agreement Template can be found in Appendix K.

- A. 2% Facilitation Fee. At the closing of the sale, Seller will pay to TCHA a fee equal to 2% of the sales price for facilitation services. TCHA may instruct the title company to pay such fees out of the funds held for the seller at closing. TCHA may also waive the fee, or a portion thereof, in its sole discretion, to promote affordable housing.

- B. Seller Covenants. The Seller(s) must complete the Seller Covenants as TCHA has no information on these items.
- C. Advertising. The Seller(s) must execute the Facilitation Agreement before the Affordable Housing Unit can be advertised for sale. The deadline is Friday at 3:00 for advertising to begin the following Wednesday.
- D. Showing. The Seller is required to make the Affordable Housing Unit available with reasonable notice on a minimum of two (2) occasions to show the property to the selected Qualified Household.
- E. Back Out. If Seller decides not to sell the Affordable Housing Unit at any point before closing, the Seller will be responsible for all advertising costs associated with listing the unit for sale.
- F. Bridge Loan. If Seller is purchasing another Affordable Housing Unit, a bridge loan may be required to prevent a delay in selling their Affordable Housing Unit.

307.5 **Advertising**. After receiving an executed Facilitation Agreement, the TCHA advertises the Affordable Housing Unit for a two week period that coincides with the publication of the weekly *Jackson Hole News & Guide* paper. This advertising period is called the Lottery Entry Period and opens on a Wednesday and closes two weeks later on a Wednesday at 4:00.

During the Lottery Entry Period the Affordable Housing Unit is announced in the following manner.

- A. Newspaper Advertisement. The TCHA runs a quarter page advertisement in the "Valley" section of the *Jackson Hole News and Guide* for the entire Lottery Entry Period.
- B. Website. Homes are listed on the TCHA website, www.tetonwyo.org/housing.

- C. Information Contact Sheet. Households on the TCHA database are e-mailed notification of the Affordable Housing Unit for sale.

307.6. **Lottery**. Please refer to Section 305 - Lottery Process for details.

307.7 **Contract**. The Qualified Household selected in the Lottery Process will have five business days to sign a Purchase and Sale Contract to be presented to the Seller(s). A standard template can be found in Appendix K – Agreement for Purchase and Sale of Real Property.

- A. Closing Date. The Buyer has a minimum of 30 calendar days but not more than 45 calendar days to close on the property. The Closing Date will be discussed with Buyer and Seller and will be entered on the Purchase and Sales Contract. Closing Date will also be the Possession Date.
- B. Inspections. The Buyer has 15 calendar days to perform inspections of the Affordable Housing Unit. Seller shall make the Affordable Housing Unit available for inspections.
- C. Facilitation. Pursuant to Wyoming Statute 33-28-101 through 124, the “Real Estate License Act of 1971”, the Teton County Housing Authority is participating in this transaction as a Facilitator without a Wyoming real estate license and in the performance of official duties.
- D. Privy to Purchase and Sales Contract. Sellers and Buyers shall make TCHA privy to the sales contract by signing an Authorization to Release Information in favor of TCHA. All financial information shall remain confidential except as noted in Section 104.2.

SECTION 308 USE

Affordable Housing Units are made available to working families of Teton County, Wyoming to further community goals of social diversity and economic stability. The Affordable Housing Units provide housing opportunities that are would not otherwise be available because of the high price of market housing. In addition to Qualification, Eligibility and Preference to purchase an Affordable Housing

Unit, there are use restrictions to ensure the intent of the Affordable Housing Program is maintained.

- 308.1 **Primary Residence.** Owners of Affordable Housing Units shall maintain the home as their [Primary Residence](#).
- A. Households shall occupy their home at least 10 months out of the year.
 - B. A one year exception may be granted in cases of illness, short-term leaves of absence for education or training purposes, or other exigent circumstances with the advance written approval of TCHA.
- 308.2 **Rental.** Affordable Housing Units are priced to be affordable to the household purchasing. To maintain the character of neighborhoods and respect the nature of the community, Affordable Housing Units are not allowed to be rented without prior approval from TCHA. This includes renting any portion of the dwelling, any room within the dwelling or the garage.
- 308.3 **Business Activity.** Household shall not engage in any business activity in such dwelling, other than any home occupation use permitted in that zoning district and as permitted in the Declaration of Covenants, Conditions and Restrictions
- 308.4 **Guests.** Household shall not permit any adult guests over the age of 18 for periods in excess of 30 days at a time;
- 308.5 **Homeowners Association (HOA).** Household shall occupy the Affordable Housing Unit in full compliance with any and all Rules and Regulations of the Homeowners Association.
- 308.3 **Capital Improvements.**
- (Reserved)