

# Jackson/Teton County Housing Rules and Regulations

## SECTION 1 OWNERSHIP PROGRAMS

### SECTION 101 PURPOSE AND APPLICABILITY

- 101.1** The Jackson/Teton County Affordable Housing Department (“Housing Department”) was created by Teton County, Wyoming and the Town of Jackson, Wyoming on March 14, 2016 Town Resolution 16-04 and County Resolution 16-008. The purpose of these Housing Rules and Regulations (Guidelines) (“Housing Rules and Regulations”) is to provide comprehensive and consistent provisions that apply to Housing Units created through Housing Programs and/or administered by the Housing Department.
- 101.2** The purpose of Section 1 is to summarize the policies that are common to all housing programs covered by these Housing Rules and Regulations. Housing Units, are also subject to individual Deed Restrictions, Special Restrictions, or Ground Leases, (collectively “Restrictions”) which may have additional requirements or provisions.
- 101.3** Each Housing Program covered in these Housing Rules and Regulations is subject to provisions that are unique to that program as indicated in the Program’s section of these Housing Rules and Regulations.
- 101.4** Each Housing Unit is subject to and shall comply with all requirements or provisions of the Restrictions recorded on the property.
- 101.5** If the Housing Rules and Regulations and the Restrictions conflict, then the language, requirement, and/or provision of the Restrictions shall be applied and followed, not the Housing Rules and Regulations. The Restrictions recorded on the property supersede any inconsistency in these Housing Rules and Regulations.
- 101.6** Fair Housing and Equal Opportunity. The Housing Department recognizes that the Office of Fair Housing and Equal Opportunity administers and enforces federal laws and establishes policies that make sure all Americans have equal access to the housing of their choice. The Housing Department does business in accordance with the

Federal Fair Housing Law (The Fair Housing Amendments Act of 1988)

- A. It is illegal to discriminate against any person because of race, color, religion, sex, handicap, familial status, or national origin in the sale or rental of housing, in the financing of housing, in the provision of real estate brokerage services, or in the appraisal of housing. Blockbusting is also illegal.
  - 1. Blockbusting is the practice of illegally frightening homeowners by telling them that people who are members of a particular race, religion, or national origin are moving into their neighborhood and that they should expect a decline in the value of their property. The purpose of this scheme is to get the homeowners to sell at a deflated price.
- B. Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination: 1-800-669-9777 (Toll Free), 1-800-927-9275 (TDD)

**SECTION 102                    GENERAL POLICY GOALS**

**102.1**                    The general goal of all Housing Programs covered by these Housing Rules and Regulations is to provide and maintain housing affordable to persons and families who make a living primarily from employment in Teton County, Wyoming which includes the Affordable, Attainable, Employment-Based, Employee, and Workforce Housing Programs. This is accomplished by regulating occupancy sale, and rental of the Housing Units covered by the Housing Rules and Regulations to Qualified Households as defined herein.

**102.2**                    Certain Housing Programs also limit initial eligibility for ownership, rental or occupancy to Qualified Households that meet specific financial means criteria, which may include both Household Income and Household Net Assets. Such qualifying factors of financial means promote economic and social diversity within the Jackson Hole community.

**102.3**                    Many of the Housing Units covered by these Housing Rules and Regulations are subject to price limitations for sale, resale and/or rental. These limitations are intended to insure affordability for both the current Household occupying the Housing Unit and to ensure the long-term affordability of the Housing Unit.

- 102.4** Some Housing Programs limit the use of the Housing Unit to ensure that the Housing Unit meets the community's goals of providing housing for local workforce and does not serve as a second home.
- 102.5** These Housing Rules and Regulations are intended to provide clear, fair and consistent administration of the Housing Programs to which they apply. It is recognized that there are individual Households or Housing Units that may not fit clearly into the specific provisions of the Housing Rules and Regulations but still meet these general policy goals. For these cases, Exception, Appeal and Grievance processes have been included in Section 108.
- 102.6** **Disclaimer:** The Jackson/Teton County Affordable Housing Department ("Housing Department") expressly disclaims any and all warranties, express or implied, including without limitation fitness for a particular purpose with respect to the provision of Housing Units. The Housing Department does not represent, warrant or promise to construct, finance or otherwise produce, in whole or in part, any Housing Units pursuant to these Housing Rules and Regulations or under any other programs. No applicant may rely upon any promise implied or express that Housing Units shall be constructed, financed or otherwise produced, in whole or in part, by the Housing Department. In no event shall the Housing Department be liable to any applicant for any direct, indirect, incidental, punitive, or consequential damage of any kind whatsoever, including without limitation lost profits, lost sales, lost business, lost opportunity, lost information, lost or wasted time. None of the information contained in these Housing Rules and Regulations constitutes an offer to sell or the solicitation of an offer to buy a Housing Unit.

## SECTION 103

## HOUSEHOLD QUALIFICATION, ELIGIBILITY AND PRIORITY

**103.1** Each Housing Program described in these Housing Rules and Regulations is evaluated on three levels to determine the requirements of occupants and/or owners to purchase and/or occupy the Housing Unit in question; the three levels of evaluation are herein referred to as Qualification, Eligibility and Preference.

- A. **Qualification** is the most general and applies to all Housing Programs.
- B. **Eligibility** refers to additional requirements specific to a particular Housing Unit or Program.
- C. **Preference** refers to the rules by which applicants for particular Housing Unit(s) are prioritized for the purpose of offering the Unit(s) for sale or rent as they become available (e.g. bid, wait list or lottery procedure) and is typically applied to a particular Housing Program.

**103.2** **Qualified Household Defined:** To be considered a Qualified Household under these Housing Rules and Regulations, all of the following criteria must be met prior to the time of closing:

- A. **Employment Requirement:** At least one member of the Household must fit one of the following categories:
  - 1. Be employed in Teton County at a local business an average of at least thirty (30) hours per week or 1560 hours (full-time) in a calendar year or be under contract for full-time employment at a local business in Teton County, Wyoming, where such contract commences employment before move-in or closing on a Housing Unit.
    - a. If self-employed full-time work must be documented. Since self-employment is often unique, different methods of verification may be used. Reasonable annual income is the first method that will be reviewed. Other methods may include verification from vendors, employees, or other applicable methods.
  - 2. Be a Senior or Disabled who is not currently employed in

Teton County, but has been employed according to Section 103.2.A.1 a minimum of two (2) full years immediately prior to retiring or becoming disabled.

a. Senior Defined: A Senior is defined as an individual at least 62 years of age.

3. Caregiver. Work as a Caregiver meets the definition of employment if the following criteria is met:

- a. Full time resident of Teton County, Wyoming; Teton County, Idaho; or Lincoln County, Wyoming; and
- b. The caregiver is currently a Teton County Employee and has a previous family member who was their family member for at least two out of the last four years and was a full time Teton County, Wyoming employee at least two out of the last four years
- c. The caregiver was volunteering all or a portion of their time caring for their own children or an ailing or disabled immediate family member for a period of time during the last four years and, therefore, were unable to gain full time employment in Teton County.

B. **Citizenship**: At least one (1) member of the Household must be a U.S. Citizen or hold a valid "Green Card" as proof of his or her permanent residency in the United States in order to qualify to purchase a Housing Unit.

C. **Age**: At least one (1) member of the Household must be eighteen (18) years of age.

D. **Financial Ability**: The Household must qualify without a cosigner for a loan through an institutional lender to purchase a Housing Unit.

Any contingencies on Lender Qualification may be a cause for the Housing Department to deny qualification to the household. If a contingency requires the household to sell a home prior to the purchase of a restricted housing unit, it will be disclosed to the seller, and the seller will have the option to deny going under contract with the selected household.

Financial gifts received by the Household must be disclosed to the Housing Department and will be counted toward Household net assets.

Down payment funds that are withdrawn from retirement accounts will be counted toward Household net assets.

All liens that encumber the property must be 'Qualified Mortgages' made by a 'Qualified Mortgagee' or will not be secured by the property (See definitions).

E. **Occupancy:** The Household must occupy the Housing Unit as its primary residence and in accordance with the Restrictions recorded on the property.

1. **Leave of Absence:** If requested by the Household prior to leaving Teton County, Wyoming, and in accordance with the Restrictions, the Housing Manager of the Housing Department may grant a one (1) year Leave of Absence.

2. **Primary Residence Defined:** A primary residence is considered the Household's sole, primary residence occupied continually for ten (10) months during each calendar year or as otherwise stated in the Housing Unit's Restriction.

**103.3 General Eligibility Criteria for Purchase:** Households may be required to meet one or all of the following Eligibility Criteria to be eligible to purchase, rent and / or occupy a Housing Unit. The Restriction on the Housing Unit and / or the specific Housing Program will determine if additional eligibility requirements apply;

A. **Household Income:** Eligibility Criteria differs between units that are targeted to different Income Categories, as noted in the Section applicable to the Housing Unit. The Household Income and Asset Chart is updated annually and published on the Housing Department website. It can also be obtained from the Housing Department.

Below are the Income Categories based on percentage of Median Family Income (MFI) as calculated by the U.S. Department of Housing and Urban Development (HUD).

Affordable and Affordable Rental

Category 1 = <=80%

Category 2 = 81 – 100%

Category 3 = 101 – 120%

Category 4 = 121 – 140%

Category 5 = 141 – 175%

Category 6 = 176 - 200% Page 5 of 18 Section 1 – General Policies

Employment-based

There is no income category for Employment-based units. Income restrictions are that at least 75% of the Household's combined income must be earned from a local business. Also, at least one (1) person in the Household must be employed full-time at a local business in Teton County, Wyoming.

Attainable

Category 2 = <=120%

Category 3 = <=140%

Category 4 = <=175%

**B. Calculation of Income:** Household Income is based on the current income earned by all intended adult occupants of the Housing Unit at estimated closing date and is calculated by the Housing Department using the current household income to estimate an annual (12 month) income basis. Households must use their current income and may not make changes or adjustments to earnings in order to fit into a category.

- 1. College-Aged Children.** The income of adult children who are members of the Household and who are attending college will not be counted.
- 2. Business income.** A business income is calculated using an average of the last three (3) years of income on the business' tax returns. A year to date profit and loss determination will also be used to calculate business income. If the business has not been operating for three (3) years, the Housing Department will average income over the time the business has been operating.

**C. Household Net Assets:** Total Household Net Assets shall not exceed two times the four-person Household Income for the

Income Category of the Housing Unit. See the Household Income and Asset Chart for Net Asset thresholds, which is updated annually and published on the Housing Department website or a copy may be obtained from the Housing Department. All Household members' shares of business assets, including real estate, shall be included in determination of total household net assets. Net assets of all household members shall be combined in determination of total Household Net Assets. See Definitions Section for further information.

**D. Ownership of Property:**

1. At the time of application, a Household may own other undeveloped or developed residential or commercial property. The fair market value of such property will be taken into consideration when determining Household Net Assets. A Price Opinion using a market analysis will be obtained by the Housing Department through a local real estate firm within thirty (30) days from the date of submittal of an application for a Housing Unit to determine fair market value of the other undeveloped or developed property. The owner of the property will be solely responsible to pay for the Price Opinion in conjunction with submittal of the Housing Department Application.
2. A Household will be able to maintain ownership of commercial property.
3. Mobile homes situated in a mobile home park or on other land with hook-ups to water/sewer and electricity will be considered residential property. Otherwise, mobile homes will only be considered an asset.
3. The Household must list developed residential property, located within 150 miles driving distance from the Town of Jackson, for sale at a price commensurate with the Price Opinion once under contract for a Housing Unit. If the property hasn't sold or isn't under contract after one year from the listing date, within 30 days of the year expiring, another Price Opinion will be obtained. If the Price Opinion is lower than the listed price, the owner will have 30 days from the date of the Price Opinion to lower the asking price to that of the Price Opinion. If after 24 months the property still

hasn't sold or gone under contract, the Housing Manager of the Housing Department will issue an analysis of the property with a determination of the salability of the Housing Unit along with the next steps required. A copy of the analysis will be provided to the owner, and the owner will have the opportunity to appeal the determination of the Housing Manager. The owner may be required to sell their Restricted Housing Unit if the property has not sold.

4. Rental income from any residential real estate will be counted toward Household Income and the asset will be counted toward Net Assets.

**E. Disposition of Assets:** Any member of a Household who has assigned, conveyed, transferred or otherwise disposed of property or other assets within the last two (2) years without fair consideration in order to meet the net asset limitation or the property ownership limitation shall be ineligible to purchase a Housing Unit.

**F. Readiness to Purchase.** Individuals purchasing restricted home must demonstrate readiness to purchase by showing the following:

1. Contingencies on Lender's qualification must be approved by the Housing Department prior to entering a lottery.
2. At least one individual in the household must be at least 18 years of age.
3. Individuals must be capable to legally enter into a contract.

**G. Homebuyer Education:** Completion of the Homebuyer Education course may be required to meet eligibility criteria to purchase a Housing Unit.

**103.4 Household Preference:** In order to meet the community's goals of providing Affordable, Attainable, Employment-based, and Workforce housing to our workforce, some preferences may be given in the selection process. The restriction on the Housing Unit and / or the specific Housing Program will determine if preferences apply.

**A. Occupancy Preference:** In order to ensure that the units meet the intended goals of housing our workforce and are consistent with mitigation requirements, the following occupancy preferences are.

- 1 person household = preference for 1 bedroom
- 2 person household = preference for 1 or 2 bedroom
- 3 person household = preference for 2 or 3 bedroom
- 4 person household = preference for 2, 3, or 4 bedroom

For purposes of determining household size, children must be eligible to be claimed as a dependent on the households' Tax Returns to be counted in household size.

**B. Employment Preference:** To ensure that Housing Units are utilized by families that contribute to our workforce and community, preference will be given to individuals who have worked full-time four (4) consecutive years immediately prior to applying for a home. At least one (1) member of a Household shall be required to prove employment in Teton County, Wyoming for a minimum of four (4) consecutive years at the time of submittal of an application to the Housing Department.

1. Definition of Employment. At least one member of the Household must demonstrate an average of thirty (30) hours per week or 1,560 hours in a calendar year of employment at a local business in Teton County, Wyoming.

2. Employment Exemptions:

- a. Military Service – Active deployment in the U.S. Armed Services counts as employment in Teton County, Wyoming if that member of the Household met employment criteria in Teton County, Wyoming for a minimum of two years prior to enlisting.
- b. Primary Education – Primary Education attendance in Teton County, Wyoming counts as employment in Teton County, Wyoming.
- c. Secondary Education –Secondary Education as employment in Teton County, Wyoming if other employment criteria are met in Teton County,

Wyoming at least two years immediately prior to seeking Secondary Education.

d. Caregiver – Work as a Caregiver counts as employment in Teton County (See Section 103.2.A.3)

C. **Neighborhood Preference.** An owner of a restricted Housing Unit will have top preference in a lottery for a Housing Unit located in the same neighborhood. The neighborhood will be designated by the development's name. This preference will be above the four (4) year minimum occupancy preference.

D. **Accessible Units:** Accessible units are designed specifically for those with mobility and/or hearing impairments. Units that are built with Accessible amenities will have a preference given to individuals who have mobility impairment and/or hearing impairment. Verification from a healthcare professional or other type of specialist will be required.

E. **Number of Times Applied:** A Household may receive additional preference if its members have entered a lottery in excess of three (3) times and have met all the relevant Qualification, Eligibility, and Preference criteria and have not been selected for a Housing Unit. If a Household is selected for a Housing Unit in a lottery and decides not to purchase, the number of times applied will recalculate to zero. Households will not receive additional entries in Employment-Based units. However, if a household has either 7, 6, or 5 points, their entry in the Employment-Based lottery will count toward extra entries in Affordable lotteries.

For purposes of crediting households for number of times applied, the order of lotteries will be based on unit number or letter first and address number second. When there are multiple units with lotteries on the same day, the lowest unit number will be drawn first.

F. **Special Circumstances:** The Housing Department has the authority to offer preference to households to respond to special circumstances which enable the creation of significantly more affordable housing.

G. **Critical Services Provider:** Organizations who believe their employees or volunteers meet the definition of Critical Services Provider can apply to the Housing Department to become an Approved Critical Services Provider Organization and have certain job positions deemed 'Qualified". The Teton County Board of County Commissioners and the Jackson Town Council will approve or deny Critical Services Provider Organization applications.

Employees who work in these Qualified positions for Approved Critical Services Provider Organizations can enter a lottery and receive preference:

1. For those who do not meet the four (4) year Employment Preference, Qualified Critical Services Providers will receive the four (4) year preference.
2. Those who meet the four (4) year Employment Preference will receive an extra entry in the lottery.

To receive the Critical Services Provider preference in the lottery, organizations and positions must be approved prior to the lottery deadline.

Individuals wishing to enter a lottery as a Qualified Critical Services Provider must submit a *Critical Services Provider Supervisor Questionnaire* along with their lottery entry documents. These will be held on file for a period of six months before needing to be updated.

## **SECTION 104 PURCHASE PROCESS (Ownership Units)**

**104.1 Selection Process:** A unique process applies for selecting each Qualified Household within each Housing Program. The following Sections provide specific details regarding each Housing Program. The Deed Restriction should be consulted for exact details.

A. **Lottery:** In the event that the Housing Department receives one or more Lottery Entry Sheets at the Maximum Resale Price from Qualified Households during the Lottery Entry Period, the buyer may be selected according to preferences set for that particular Housing Program.

B. **Bid Process:** In the event no Lottery Entry Sheets are received during the Lottery Entry Period, the selection process would be determined by the bid process. The Qualified Household submitting the highest bid price (not to exceed the Maximum Resale Price) during the Bid Period shall have the first right to purchase the unit. The Owner of the unit shall have the right to accept or reject the bid.

C. **Owner Selection:** If the Restriction permits, the Owner of the Housing Unit may be allowed to select the Qualified Household. Other than verifying that the Qualified Household meets the Qualification and Eligibility requirements for the Housing Unit, the Housing Department shall not have any authority to choose the buyer of the Housing Unit unless authorized by the Owner.

**104.2 Verification:** To determine that a Household desiring to purchase a Housing Unit meets all of the criteria set forth in Section 103, the Housing Department may request any or all of the following:

- A. Completed Jackson/Teton County Affordable Housing Application for Homeownership.
- B. Lender's pre-qualification worksheet and credit report for all adult household members. If a lottery is held to find a buyer for the housing unit, this is submitted with the lottery entry.
- C. Signed federal income tax returns and all attachments (including W-2s, 1099s) and schedules for the last two (2) years for all adult household members.
- D. If self-employed, three (3) years of business and personal tax returns along with a current Profit and Loss Statement and Balance Sheet.
- E. Verification of Household Net Assets through Tax returns, account statements, Verification of Deposits from Financial Institutions, and NADA or Kelly Blue Book
- F. Verification of current employment in Teton County, which includes
  1. Wage stubs
  2. Employer name, address and phone number
  3. Contract for employment

4. Release to the Housing Department signed by all adults in the Household to obtain third party employment verifications
- G. Evidence that the applicant has attended an approved Homebuyer Education course prior to purchase. This is required to be submitted at time of lottery. At least one adult in the household applying for any Housing Department Program must take the Homebuyer Education Class.
- H. Copy of Uniform Residential Loan Application submitted to lender and lenders verification.
- I. Verification form for Accessible Unit preference.
- J. Birth Certificate for children under one (1) year of age.
- K. Any other documentation that the Housing Department deems necessary to determine qualification, such as, Divorce Decrees, Social Security income, rental income, etc.

**104.3 Jackson/Teton County Housing Authority (JTCHA) Option to Purchase.** If an Owner is determined to be in default of their Restrictions, JTCHA will have the option to purchase the property for a purchase price equal to the Maximum Resale Price, or the appraised value whichever is less, subject to the Housing Department's ability to limit appreciation and/or reduce proceeds, and on such other terms as are provided in the Restrictions.

**104.4 Limited Appreciation.** If an owner is found to be in default of their Restrictions, the Housing Department may cease the appreciation of the property when determining the Maximum Resale Value beginning on the known date the Owner began being in default.

**104.5 Privacy:** All personal and financial information provided to Housing Department Staff will be kept strictly confidential, except as follows:

- A. Any document that would customarily be a matter of public record in the public records of Teton County, Wyoming;

- B. The names, occupations, and lottery positions of all persons who have participated in any Ownership Lottery held under these Housing Rules and Regulations; and,
- C. Any other information which a court of competent jurisdiction rules or orders must be released under the Freedom of Information Act, the Wyoming Public Records Act, and/or in conjunction with discovery and/or court proceedings in a civil or criminal action.

In addition, the Housing Department may provide for access to personal and private information to any person or entity undertaking an independent audit of the records kept under these Housing Rules and Regulations provided such person or entity agrees to be subject to this confidentiality provision.

#### **104.6**

**Determination of Eligibility:** The Housing Department Housing Manager shall make the final determination as to whether a Household is eligible to purchase a Housing Unit. The Housing Department Housing Manager may determine that the Household is not eligible to purchase a Housing unit based upon any or all of the following:

- A. The Household does not meet the requirements of the Restrictions and/or these Housing Rules and Regulations.
- B. The Household has failed to provide documentation to the Housing Department required by these Housing Rules and Regulations.
- C. The Household's documentation of income or assets of the household is incomplete or inconsistent.
- D. The Household is deemed to have inadequate resources to meet the requirements of the financial obligations. The household has a debt to income ratio of 45% or higher.
- E. There are other circumstances that do not support the Household's ability to participate successfully in the Housing Program created by the Land Development Regulations, these Housing Rules and Regulations, and other policies of Teton County and/or the Town of Jackson.

No Household member or other party shall have the right to sue or bring other legal process against the JTCHA, the Housing Department, Teton County, Town of Jackson, or any person affiliated with any of them arising out of these Housing Rules and Regulations, and neither the JTCHA, the Housing Department, Teton County, or the Town of Jackson shall have any liability whatsoever to any person aggrieved by the decision of the Executive Director regarding eligibility, qualification or preference of a prospective buyer or any other matter relating to these Housing Rules and Regulations.

## **SECTION 105            SALE AND RESALE**

**105.1            General:** All Housing Units shall be sold in accordance with applicable Restrictions and/or these Housing Rules and Regulations as determined by the Housing Department, Town and/or County, which may vary depending on the specific Housing Program under which the Housing Units were created.

**105.2            Consult with Staff:** Sellers of Housing Units are required to consult with Housing Department staff prior to offering a Housing Unit for sale in order to obtain the most current information about applicable Housing Rules and Regulations, sales processes, the allowable Maximum Resale Price and other applicable provisions of the Restriction.

**105.3            Letter of Intent to Sell:** In order to begin the Resale Process, the Housing Department must receive a Letter of Intent to Sell from the owner(s) of the Housing Unit. Letters of Intent to Sell forms are available at the Housing Department office or website.

**105.4            Maximum Resale Price:** The intent of the maximum resale price is to ensure long term affordability of the Housing Unit. The Maximum Resale Price (MRP) shall be the Original Purchase Price (OPP):

A. PLUS, an increase in price of two and one half percent (2.5%) per year or as otherwise determined by the Restrictions or the Ground Lease on the property. This is calculated in the following manner:

1. Date of purchase is defined as Seller's original closing date (date Seller purchased the Housing Unit) if the closing date is on or after the 15<sup>th</sup> of the month, the month is not counted

for prorating the value. If the closing date is before the 15<sup>th</sup> of the month, the entire month is counted.

2. Three (3) months will be added to the date Letter of Intent to Sell is received and will be considered the estimated closing date.
3. If Letter of Intent to Sell is received on or before the 15<sup>th</sup> of the month, the entire month is counted. If the Letter of Intent to Sell is received after the 15<sup>th</sup> of the month, the month will not be counted.
4. Each eligible whole month will be prorated.

B. PLUS, the actual cost of capital improvements made to the Housing Unit as a result of any requirement imposed by any governmental agency.

C. PLUS, the depreciated costs of Capital Improvements, not to exceed ten percent (10%) of the OPP or as determined by the Housing Department on a project specific basis. All Capital Improvements must be pre-approved by the Housing Department and properly permitted and inspected by the Town of Jackson or Teton County Building Official. Approval/disapproval must be determined prior to actual construction to be considered at time of sale. It is the Owner's responsibility to secure any approval necessary from the Housing Unit's Homeowners Association and obtain any necessary permits prior to undertaking any Capital Improvement. Please consult Appendix E (Capital Improvements) for more details.

## **105.5 Capital Improvements**

Units that have deed restrictions or ground leases allowing for improvement credits will receive them based on the following policy:

Approved capital improvements can be added to the OPP at the time of re-sale. Capital improvements will be allowed as follows:

- A. Credit given at re-sale will be no more than 10% of the purchase price of the home except where the Housing Authority Board has determined otherwise.

- B. All capital improvements will be depreciated as applicable according to the Marshall and Swift Residential Cost Handbook or a similar resource.
- C. Owners must receive written approval from Housing Department prior to beginning the work in order to receive credit for the capital improvement. Once the improvement is complete, copies of all receipts for materials and labor must be given to the Housing Department. No credit will be given for sweat equity.
- D. All improvements must be built in a workmanlike manner, and according to Town of Jackson or Teton County building codes. All required permits and completion releases must be obtained from the Town or County. Any owner that does capital improvements without obtaining the proper permits or if it is determined at the Housing Department's sole discretion that the improvements have not been done in a workmanlike manner may be required to make repairs or remove the improvements and return the home to its original condition.

**E. Permitted Capital Improvements**

The term "Permitted Capital Improvement" shall only include the following:

1. Fixtures erected, installed or attached as permanent, functional, non-decorative improvements to real property, excluding repair, replacement and/or maintenance improvements;
2. For the benefit of seniors and/or handicapped persons;
3. Health and safety protection devices (including radon);  
Adding and/or finishing of permanent/fixed storage space;
4. Finishing of unfinished space;
5. Landscaping; Adding trees, shrubs, lawn, patio, walkways, or sprinkler systems;
6. Decks and balconies, and any extension thereto;

7. Partial credit may be given for upgrade improvements that will increase the life of the component as compared to the original product, or increase the long term affordability of the home.

**F. Improvements Not Permitted for Credit**

Permitted Capital Improvements shall not include the following:

1. Jacuzzis, saunas, steam showers and other similar items;
  2. Upgrades or addition of decorative items, including lights, window treatments and other similar items;
  3. Upgrades of appliances, plumbing and mechanical fixtures, carpets and other similar items included as part of the original construction of a unit.
- E. Improvements required in order to repair and maintain existing fixtures, appliances, plumbing and mechanical fixtures, painting, and other similar items.

If replacement, maintenance, or repairs can be shown to increase the lifespan of the component as compared to the original product, or increase the long term affordability of the home, they may be considered for capital improvement credit.

**F. Capital Improvement Defined:** A capital improvement is an expenditure that either increases the value of the property or extends its life expectancy.

**G. Repair or Maintenance Defined:** A repair or maintenance item is an expenditure that restores a property to a sound state.

H. PLUS, any other costs allowed by the Housing Department pursuant to policies in effect on the date of Household's Letter of Intent to Sell.

E. LESS, any required Maintenance Adjustment. Households are required to keep Housing Units in a properly maintained state. Housing Department staff and/or a third party inspector hired by the Housing Department will inspect the property after receiving the Letter of Intent to Sell from the Owner. The inspector will provide an inspection report to the Housing Department. The Housing

Department may require the Owner to repair or replace items on the inspection report. The buyer also has the opportunity to inspect the property and provide the Housing Department with a list of items. If required repairs, replacement, or cleaning are not made by the Owner prior to the Housing Department's final walkthrough two (2) business days before closing, the Housing Department will estimate the costs at the Housing Department's sole discretion, and an adjustment may be made to the seller's proceeds or to the maximum resale value.

**105.4.1 Annual Update of Consumer Price Index (CPI) and Northwest Wyoming Cost of Living Index:** The CPI used to calculate maximum resale prices in some Restrictions is the Denver Boulder Greeley CPI. New figures are published by the Colorado Department of Labor and Statistics twice a year, normally in March and August. In calculating the allowed maximum appreciation of a home, the latest reported figure will be averaged with the other reported figure for the year and used up to the date new figures are released. Once a Facilitation Agreement has been signed, new figures will not affect the Maximum Resale Price. If the Denver Boulder Greeley Colorado CPI ceases to exist, a comparable index will be used.

The NWCLI figure used to calculate maximum resale values in some Ground Leases is obtained from the Wyoming State Division of Economic Analysis, and is calculated with All Items minus Housing. It is updated quarterly and released generally in June for the First (1<sup>st</sup>) Quarter, October for the Second (2<sup>nd</sup>) Quarter, December for the Third (3<sup>rd</sup>) Quarter and March for the Fourth (4<sup>th</sup>) Quarter. The latest reported figure will be averaged with the other reported Quarters of the year and will be used up to the date the new figures are released. Once a Facilitation Agreement has been signed, new figures will not affect the Maximum Resale Price. If the NWCLI ceases to exist, a comparable index will be used.

**105.5 Selection of Qualified Household:** Selection of the Qualified Household is determined by the Housing Program under which the Housing Unit falls. Specific Sections describe the resale process for each Housing Program.

**105.6 Verification of Qualified Household:** The Housing Department verifies that each Household selected to purchase a Housing Unit meets the Qualification, Eligibility and Preference requirements specific

to the Housing Unit. Specific Sections describe in more detail the verification process for each Housing Program.

- A. **Application Submitted:** Each Household selected to purchase a Housing Unit is required to submit a completed Application. Along with completing the application, a certification page will be signed by the applicant and notarized. In addition, an Authorization to Release Information is signed by the applicant, which allows the Housing Department to obtain banking information, etc. A copy of the application can be obtained from the Housing Department or the Housing Department's website.
- B. **Verified by the Housing Department:** To protect the interests of the community that has invested in the creation of Housing Units, the Housing Department verifies that information submitted on the Application is true and correct and may request documents outlined in Section 104.2 to assist in this process.
- C. **Qualification Letter:** Once the Housing Department verifies that the Household meets the Qualification, Eligibility and Preference criterion for the particular Housing Unit, it will issue a Qualification Letter to the Buyer, a copy of which will be provided to the Title Company.

**105.7**      **Privy to Purchase and Sales Agreement:** Sellers and Buyers shall provide a copy of the Purchase and Sale Agreement to the Housing Department. All financial information shall remain confidential except as noted in Section 104.3.

**105.8**      **Independent Legal Counsel:** All Sellers and Buyers of Housing Units are advised to consult independent legal counsel to examine all contracts, CC&Rs, 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 Buyer's Acknowledgement will be required to be signed prior to closing acknowledging recommendation to obtain legal counsel. The Buyer's Acknowledgement form will be provided to the buyer for review prior to closing.

**105.9**      **Title Company:** The Housing Department advises sellers to use a title company and escrow agent located in Jackson, Wyoming to close the transaction because of their expertise with the Housing Department

Housing Programs and their unique and technical closing documents. Seller and Buyer shall authorize the Housing Department to review the Settlement Statement prior to closing.

**105.10**      **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.
- D. The Housing Department requires that all buyers have at least 3.5% down payment on a purchase, and no refinance or second mortgage obtained after the original purchase is allowed to be higher than 95% Loan to Value.
- E. Lenders may submit a Qualifying Mortgage Form to the Housing Department to have the mortgage deemed a "Qualifying Mortgage". When submitting, a copy of the title commitment and the Transmittal Summary (HUD Form 1008) or other documentation containing the same information is required to be attached. The Qualifying Mortgage form can be obtained from the Housing Department or from the Housing Department's website.

For homes that do not have a measured appreciation, an appraisal recognizing the Restriction on the property is required.

**105.11**      **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 the Housing Department 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 the Housing Department.

**105.12 Co-Ownership:** Any co-ownership arrangement other than Joint Tenancy or Tenancy-In-Common must be approved by the Housing Department. If an exception to the “no co-signors” rule is granted, co-signors shall not occupy the unit. All adults occupying the unit with the exception of children attending college, must be on the title of the Housing Unit.

**105.13 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 Restriction, that affects the Housing Unit. It is the Owner’s responsibility to be aware of these interests and regulations.

**105.14 Homeowner’s Hazard Insurance:** Owners are required to keep hazard insurance on their homes for 100% replacement cost. Since the homes are subsidized, this amount could be more than the price of the home. Often times Homeowner’s Associations provide insurance. Depending on how much coverage the HOA provides, the Owner may be required to provide additional insurance to guarantee complete replacement of the home. Ground Lease properties are required to name the Jackson/Teton County Housing Authority as additionally insured.

## **SECTION 106 RESALE AND TRANSFER LIMITATIONS**

**106.1 Transfer of Title:** Transfer of title is not allowed unless approved by the Housing Department. To apply for approval, owners need to complete the Housing Departments Request for Transfer of Ownership (Title) form and submit it to the Housing Department along with a \$100.00 fee, which covers legal and recording fees. In some cases, a complete application will be required to be submitted for qualifying purposes.

A. Divorce: In the event of the divorce of an owner, the Housing Department may consent to the transfer of the Residential Unit to a

spouse of an owner, which spouse may not otherwise qualify as a Qualified Household, only upon receipt of an order issued by a Court of competent jurisdiction ordering such transfer.

- B. **Death:** In the event of the death of an owner, the Housing Department may consent to the transfer of the Residential Unit to an heir or devisee of such deceased owner, which heir or devisee may not otherwise qualify as a Qualified Household only upon receipt of an order issued by a Court of competent jurisdiction ordering such transfer.
- C. **Nonqualified Transferee:** If title to the Residential Unit vests in a Nonqualified Transferee, as defined in these Housing Rules and Regulations Section 103.3, the Residential Unit shall immediately be listed for sale in accordance with the Restrictions and the Housing Rules and Regulations. The following shall apply when the Housing Department determines there is a Nonqualified Transferee:
1. A Nonqualified Transferee shall cooperate with the Housing Department to effect the sale, conveyance or transfer of the Residential Unit to a Qualified Household (or the Jackson/Teton County Housing Authority in the event of its exercise of its option to purchase) and shall execute any and all documents necessary to such sale conveyance or transfer
  2. A Nonqualified Transferee shall comply with the Restrictions, the Housing Rules and Regulations, and all other covenants regulations, ordinances, statutes, laws, or rules governing the ownership, occupancy, use, development or transfer of the Residential Unit, and further may only occupy the Residential Unit with the prior written consent of the Housing Department.
- D. **Trusts.** Restricted Housing Units may not be put into any type of a trust. This is the equivalent of transferring ownership, and Trusts are not qualified to be the owner of a Restricted Unit.
- E. **Nontestamentary Transfer on Death.** A Nontestamentary Transfer on Death Deed is allowed to be recorded on Restricted homes, and must include the following:

1. It conveys an interest in real property to a beneficiary designated by the owner and states the deed is effective upon the death of the owner.
2. It must be subject to all other encumbrances on the property to which the owner was subject to during their lifetime, including the Restrictions on the property.

Upon Transfer, the Housing Department will determine if the transferee is a qualified transferee (See Section 106.1.B)

- F. **Title.** All adults who occupy the Housing Unit for more than 30 accumulative days in a calendar year, with the exception of children attending college must be on the title to the Housing Unit. Additions and removal of names on the title constitute a Transfer of Title. The Housing Department must approve all Transfers of Title.

## **SECTION 107 RENTAL PROCEDURES**

- 107.1** In cases where rental of a Housing Unit is approved by the Housing Department under the applicable Housing Program, the following general policies shall apply:
- A. Approvals for Requests to Rent are given at the sole discretion of the Housing Department's Housing Manager.
  - B. Approvals to rent will only be given for a maximum period of one (1) year. Requests for extensions to the one (1) year approval to rent period will be considered on a case by case basis, but can only be approved in unique exigent circumstances.
  - C. Tenants shall be a Qualified Household according to the general Qualification and Eligibility Criteria contained in the recorded Restriction.
  - D Tenants shall meet the Eligibility Criteria with respect to Income and Assets that apply to the particular Housing Unit in question at time of initial occupancy.
  - E. Qualification and Eligibility shall be recertified by Owner of the Housing Unit at any time there is a change in occupancy of the Housing Unit or renewal of lease agreement.

- F. Rental of such Housing Units must be by a written Lease provided by the Housing Department. The Housing Department will retain a copy of the fully executed lease
- G. Prior to signing a lease for or occupancy of a Housing unit, Owner must provide the Housing Department with proof of the tenant's qualification under the Housing Unit's specific program prior to occupancy.
- H. Rent charged will be limited to Fair Market Rents as published by HUD or total housing costs (mortgage payment, taxes, insurance, Ground Lease Fees and HOA dues), whichever is less.
- I. After the Housing Unit is rented for nine (9) months, Owner will be required to notify the Housing Department in writing of either, (a) their intention to move back to the home upon expiration of the lease and/or the rent approval period; or (b) provide the Housing Department with a Letter of Intent of Sell, which will begin the selling process of the Housing Unit.
- J. If the Owner chooses to sell the home instead of returning when the lease expires, there will be no accrual of appreciation during the term of the rental (this does not apply to medical emergencies).
- K. Medical emergencies will require documentation using the Housing Department Medical Emergency Leave Form to substantiate the need to leave the area.
- L. A fee of \$100,00 will be charged for a Request to Rent.

## **SECTION 108 COMPLIANCE**

It is the goal of the Housing Department to ensure that all Owners of Restricted Housing Units are in compliance with their respective restrictions and these Housing Rules and Regulations.

- A. Default: When an owner is found to be in violation (default) of the Restrictions or Ground Lease on their property and/or these Housing Rules and Regulations, a Notice of Default will be mailed to the owner via certified mail which will give the owner 15 days from

the date of the letter to cure the violation, request a hearing of the Jackson/Teton County Housing Authority Board, or sell their home.

- B. If the Owner of the Housing Unit that received a Notice of Default from the Housing Department wishes to request a hearing, they will use the Housing Department Request for Hearing form, which can be obtained from the Housing Department or from the Housing Department's website.
- C. A fee of \$100.00 will be charged by the Housing Department for a Request for Hearing.
- D. The hearing process will be as set forth in Section 109 of these Rules and Regulations.

## **SECTION 109 EXCEPTIONS, APPEALS AND GRIEVANCES**

### **109.1 Definitions:**

- A. **Exceptions:** Except as otherwise set forth herein, a request for an exception to the standards and requirements of the Housing Rules and Regulations may be appropriate when the applicant understands and acknowledges the criteria and believes there is a legitimate and compelling reason why the applicant should be exempt from such criteria or allowed a modification of the criteria. Exceptions may be granted to the Housing Rules and Regulations on a case-by-case basis, provided that the Housing Department finds such exception will promote the provision of the Housing Department's Housing Programs.
- B. **Appeals:** An appeal is appropriate when the applicant understands and acknowledges the criteria and believes that the criteria have been applied incorrectly to the applicant.
- C. **Grievances:** A grievance is any dispute that Seller, Buyer, or Owner may have with the Housing Department with respect to an action or failure to act in accordance with the individual's rights, duties, welfare, or status. A grievance may be presented to the Housing Department under the procedures below.

### **109.2 Exception Procedure:**

- A. A Request for Exception must be presented in writing to the Housing Department on the Request for Exception Form and include:
1. The particular ground(s) upon which it is based;
  2. The action or remedy requested;
  3. The name, address, telephone number of the complainant and similar information of complainant's representative, if any;
  4. Proof of notification of Exception request to the Housing Unit's Home Owners Association, if applicable; and,
  5. Exception fee of \$25.00.

Request for Exception forms are available from the Housing Department.

- B. Process: Housing Department Housing Manager will review All Requests for Exceptions.
1. The Housing Department Staff shall prepare a written letter summarizing its decision regarding the requested exception within 30 days.
  2. The Housing Department Staff shall distribute a copy of the decision to the Applicant requesting the exception, and if applicable, the Homeowner's Association.
  3. If the decision is a Denial or less than a complete Approval, Applicant may appeal to the Jackson/Teton County Housing Authority Board pursuant the Appeals Section, below.

### **109.3 Appeal Procedure:**

- A. Any appeal must be presented in writing to the Housing Department on the Request for Appeal Form and include:
1. The particular ground(s) upon which it is based;
  2. The action or remedy requested;
  3. The name, address, telephone number of the complainant and similar information of complainant's representative, if any;
  4. Proof of notification of Appeal request to the Housing Unit's Home Owners Association, if applicable; and
  5. Appeal fee of \$25.00.

Appeals must be submitted to the Housing Department within 30 days of the Housing Department's perspective decision.

Appeal forms are available from the Housing Department or the Housing Department's website.

- B. Process: All appeals will be reviewed by Housing Department Staff for completeness and forwarded with a recommendation for action to the Housing Authority Board within thirty (30) days.
1. The Housing Authority Board shall address the appeal at the regular board meeting following receipt of the Request for Appeal provided that the appeal is submitted to the Housing Department in sufficient time for advertising for the next board meeting. Applicant shall be entitled to present evidence in support of the appeal.
  2. Based on the hearing, the Housing Authority Board will provide a final determination.
  3. Binding Determination: The final determination of the Housing Authority Board shall be binding and the Housing Department shall take all actions necessary to carry out the decision.

#### **109.4 Grievance Procedure**

- A. Any grievance must be presented in writing to the Housing Department on the Request for Grievance Form and include:
1. The particular ground(s) upon which it is based;
  2. The action or remedy requested;
  3. The name, address, telephone number of the complainant and similar information of complainant's representative, if any; and
  4. Grievance fee of \$25.00.

Request for Grievance forms are available from the Housing Department or on the Housing Department website.

- B. Process: The Housing Department Housing Manager will review All Requests for Grievances.

1. The Housing Manager shall prepare a written letter summarizing its decision regarding the requested exception within thirty (30) days of receipt of the Request for Grievance.
2. The Housing Department Staff shall distribute a copy of the decision to the Applicant requesting the Grievance,
3. If the decision is not acceptable to the applicant, the applicant may appeal to the Jackson/Teton County Housing Authority Board pursuant the Appeals Section 109.3 of these Rules and Regulations.

## **109.5 Hearing Process**

When an applicant requests an Appeal to the Housing Authority Board, the following hearing process shall be followed:

- A. The complainant shall be afforded a fair hearing providing the basic safeguards of due process, including notice and an opportunity to be heard in a timely and reasonable manner. The Housing Authority Board may continue the hearing.
  1. Complainant has the right to be represented by counsel. The Housing Department shall retain an attorney to represent its interest and to assist in record keeping and procedural requirements.
  2. The complainant and Housing Department Staff shall have the opportunity to examine all documents, records and regulations of the Housing Department that are relevant to the hearing. Complainant shall be responsible for all photocopying expenses. Any document not made available after written request may not be relied upon at the hearing.
  3. If the complainant fails to appear at the hearing, the Housing Authority Board may make a determination to postpone the hearing or make a determination based upon the evidence submitted.
  4. The hearing shall be conducted by a designated member of the Housing Authority Board as the "Hearing Officer" or the Housing Authority Board may appoint a "Hearing Officer". The hearing shall be recorded.
  5. All evidence at the hearing conducted by the Hearing Officer shall be under oath, and both parties shall be permitted to cross-examine witnesses.

6. The burden of showing that the decision of the Housing Manager's decision was incorrect shall be on the complainant.

C. Based on the records of the hearing, the Housing Authority Board will provide a written decision with findings to support the determination. The decision shall be binding and the Housing Department shall take all actions necessary to carry out the decision.

## **109.6 Hearing Procedure**

When a hearing before the Housing Authority Board takes place, the following hearing procedure will be followed:

- A. The Housing Authority Hearing Officer will give an introduction and recognize all who are present for the record including but not limited to the Board Members, the Housing Manager, Housing Staff (if applicable), the Complainant, and Complainant's attorney (if applicable).
- B. The Hearing Officer will state the reason behind the hearing, and give both parties an opportunity to object to any evidence that has been submitted. All evidence submitted will be admitted and incorporated as part of the written record. Any objections will be noted.
- C. Oaths will be administered for all persons who will be testifying in the hearing.
- D. The Hearing Officer will call upon the Complainant. The Complainant or Complainant's Attorney will have 15 minutes to present evidence. The Housing Authority Board will have 10 minutes to ask questions of the Complainant.
- E. The Hearing Officer will call upon the Housing Department through the Housing Manager. The Housing Manager or Housing Department Attorney will have 15 minutes to present the summary of the facts and evidence. The Board will have 10 minutes to ask questions of the Housing Manager and/or Housing Department Staff and/or the Housing Department's Attorney.

- F. The Hearing Officer will give both parties 5 minutes for closing summary statements with the Housing Department going first.
- G. The Hearing Officer will close the evidentiary hearing and the Housing Authority Board will deliberate in public and issue their decision.
- H. The Housing Department and/or the Housing Department's Attorney will draft written findings of fact and conclusions of law to be distributed to the Housing Authority Board, the complainant and/or the Complainant's Attorney.

**SECTION 110 AFFORDABLE AND EMPLOYMENT-BASED HOUSING – OWNERSHIP**

**110.1 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.

**110.2 Applicability.**

This Section applies to all developments subject to Article 7.4 of the County and Town LDRs and is inclusive of any voluntary Affordable or Employment-based housing units presented to the Board of County Commissioners or Town Council in development application material.

- A. Residential Mitigation
- B. PUD Units created
- C. Housing Authority Development
- D. Voluntary Ownership Units
- E. Units created with Grants from the Housing Authority/State/Feds/Town/County
- F. Commercial Mitigation – ownership product.

**110.3 PROGRAM POLICY GOALS**

- A. To provide Affordable and/or Employment-based Housing to offset the housing impacts and needs created by new development.

- B. 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.
- C. To help the Housing Department in implementing policies of the Land Development Regulations and these Rules and Regulations in a fair and consistent manner.
- D. To clarify expectations on the use of funds received from the Housing Authority, Teton County, and the Town of Jackson for the development of Affordable Housing Units.

#### **110.4 ADDITIONAL HOUSEHOLD ELIGIBILITY**

The Affordable and Employment-based Housing Programs have 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. Employment-based units are not classified by Category only by type.

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

##### **A. Income.**

To be eligible to purchase an Affordable Housing Unit, the Household must fall within minimum and maximum income levels assigned to the particular Category of Housing Unit. The Income Chart showing Categories and Incomes can be obtained from the Housing Department or on the Housing Department's website.

To be eligible to purchase an Employment-based Housing Unit, there is not an income limit. However the Household must earn at least seventy-five percent (75%) of its income from a local business and continue to do so while they own the home.

1. Household Income is defined as the total income before taxes, per year, of all adult wage-earners that will reside in the Housing Unit.
2. A year is calculated from the date of application and projected forward 12 months. In other words, current incomes are used to calculate future earnings. A Household may not intentionally change or adjust their earnings in order to fit into a Category for a Housing Unit.
3. Temporary inconsistent gaps in work will not be recognized. An example is maternity leave or leaves of absence.
4. Only consistent bonuses and /or commissions will be counted. Consistent bonuses and/or commissions are earnings received for at least three (3) years in a row or earnings that the employer states are an annual or consistent event.
5. Refer to Section 104.2 for how Household Income will be verified.

#### **B. Net 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.

To qualify to purchase an Employment-based Housing Unit, there is not a limit to the value of net assets a household has. However, the household may never own any residential real estate within 150 driving miles of Teton County. If residential real estate is owned by a household purchasing an Employment-based home, the residential real estate must be sold in accordance with section 103.3.D.

1. Household Net Assets are defined as total assets minus total liabilities (debt).
2. Qualified Retirement Accounts do not count toward assets unless they are utilized to purchase the Affordable Housing Unit.

3. Business assets will be counted toward Net Assets.

4. Refer to Section 104.2 for how Household Net Assets will be verified.

C. **Debt to Income Ratio.** A Household who has a debt to income ratio higher than 45% will not be eligible to purchase an Affordable or Employment-based Housing Unit.

## **110.5 LOTTERY PREFERENCES**

The Affordable and Employment-based Housing Programs utilize the Lottery Process to select a Qualified Household with the following preferences:

### **A. Affordable Preferences**

1. **Four Years of Employment.** Preference is given to Households in which at least one adult member meets the Four Year Employment Criteria as defined in Section 103.4.B.
2. **Occupancy Preference.** Preference is given to Households that meet the Occupancy Preference as defined in Section 103.4.A.
3. **Critical Service Provider.** Critical Service Providers are given the same preference as those who qualify for the Four Years of Employment preference if they do not have four years of employment in Teton County. If a Critical Service Provider does have four years of employment in Teton County, the Household will be entered into the lottery an additional time.
4. **Accessible Preference.** For Accessible Units, first preference will be given to Households in which at least one member is Mobility Impaired or Hearing Impaired. All other preferences apply to the Accessible Preference.

In the Lottery Process for Affordable homes, top preference is given if both the Four Years of Employment and Occupancy Preferences are met. The second level of preference is based on Occupancy Preference. The preference groups work as follows:

<b>1 Bedroom</b>	<b>Preference Group</b>
4 Years	1
No Preference	2
Not Eligible *	

<b>2 Bedroom</b>	
4 Years/ 2 or more person Household	1
	2
2 or more Person Household	
4 Years 1 Person Household	3
No Preference	4
Not Eligible*	

<b>3 Bedroom</b>	
4 Years/3 or more person Household	1
	2
3 or more person Household	
4 Years/2 person Household	3
	4
2 person Household	
4 Years/1 person Household	5
No Preference	6
Not Eligible*	

<b>4 Bedroom</b>	
4 Years 4 or more person Household	1

4 or more person Household	2
4 Years 3 person Household	3
3 person Household	4
4 Years 2 person Household	5
2 person Household	6
4 Years 1 person Household	7
No Preference	8
Not Eligible*	

**Accessible 1 Bedroom**

Mobility or Hearing Impaired 4 Years	1
Mobility or Hearing Impaired	2
4 Years	3
No Preference	4
Not Eligible*	

**Accessible 2 Bedroom**

Mobility or Hearing Impaired/4 Years 2 or more person Household	1
Mobility or Hearing Impaired 2 or more person Household	2
4 Years 2 or more person Household	3
2 or more person Household	4

4 Years Mobility or Hearing Impaired 1 person Household	5
4 Years 1 person Household	6
No Preference	7
Not Eligible*	

**Accessible 3 Bedroom**

Mobility or Hearing Impaired/4 Years 3 or more person Household	1
Mobility or Hearing Impaired 3 or more person Household	2
4 Years 3 or more person Household	3
3 or more person Household	4
4 Years Mobility or Hearing Impaired 2 person Household	5
4 Years 2 person Household	6
4 Years Mobility or Hearing Impaired 1 person Household	7
4 Years 1 person Household	8
No Preference	9
Not Eligible*	

**Accessible 4 Bedroom**

Mobility or Hearing Impaired 4 Years 4 or more person Household	1
Mobility or Hearing Impaired 4 or more person Household	2
4 Years 4 or more person Household	3

4 or more person Household	4
4 Years Mobility or Hearing Impaired 3 person Household	5
Mobility or Hearing Impaired 3 person Household	6
4 Years 3 person Household	7
3 person Household	8
4 Years Mobility or Hearing Impaired 2 person Household	9
Mobility or Hearing Impaired 2 person Household	10
4 Years 2 person Household	11
2 person Household	12
4 years Mobility or Hearing Impaired 1 person Household	13
4 years 1 person Household	14
No preference	15
Not Eligible*	

\*If a lottery entry is received and the household is not eligible, the household will be noted in the lottery as Not Eligible.

### **B. Employment-based Preference**

Employment-based preference is founded on a point system. The maximum points per household is nine (9) points or nine (9) preference groups for an Accessible Unit and seven (7) points or seven (7) preference groups for a Non-Accessible Unit. The most points received by a household(s) in a lottery will be the top preference group for that lottery.

- 1. Employment.** One point is given in the lottery for each year that at least one person in the household has worked full-

time in Teton County up to five (5) years or a maximum of five (5) Employment points. At least one person in the household must have worked consecutive years to receive the points. Points cannot be divided between household members.

2. **Occupancy Preference.** Preference is given to Households that meet the Occupancy Preference as defined in Section 103.4.A.
3. **Qualified Critical Service Provider.** Critical Service Providers will receive one point per Critical Service Provider in the Household for a maximum of two (2) points per Household.
4. **Accessible Preference.** For Accessible Units, individuals who are hearing or mobility impaired will receive one (1) point for a two (2) point maximum per Household.

## 110.6 LOTTERY PROCESS

The Selection Process for an Affordable or Employment-based Housing Unit is a Lottery designed to give all employees working full-time (average of at least 30 hours per week) in Teton County an opportunity to purchase an Affordable or Employment-based Housing Unit contributing to the community's goals of maintaining Social Diversity and Economic Stability as recognized in the Jackson/Teton County Comprehensive Plan.

The Selection Process for Employment-based homes is more heavily weighted to Critical Services Providers contributing to the community's goal of having Critical Services Providers living locally in order to respond quickly to emergencies.

- A. **Lottery Entry Period.** The Housing Department advertises Affordable and Employment-based Housing Units for a two-week period coinciding with the publication of the *Jackson Hole News & Guide* weekly paper (If the *Jackson Hole News and Guide* ceases to exist, another comparable form of advertising will be utilized). This

advertising period, called the Lottery Entry Period, opens on a Wednesday and closes two weeks later on Tuesday at 4:00 p.m.

During the Lottery Entry Period available Affordable and/or Employment-based Housing Units are presented in the following manner:

1. **Newspaper Advertisement.** The Housing Department runs a two consecutive quarter page advertisements in the weekly published *Jackson Hole News & Guide*.
2. **Website.** The Housing Department's website [www.tetonwyo.org/house](http://www.tetonwyo.org/house) lists available homes for sale during the Lottery Entry Period.
3. **Information Contact Sheet.** After completing and submitting an Information Contact sheet, Households are notified via email when an Affordable Housing Unit becomes available for sale. Information Contact Sheets are available from the Housing Department or from the Housing Department's website.

**B. Lottery Entry Sheet.** To be entered into a Lottery for an Affordable or Employment-based Housing Unit, a Lottery Entry Sheet must be completed and submitted to the Housing Department within the Lottery Entry Period. No incomplete or late Lottery Entry Sheets will be eligible to be entered into a Lottery. The following must also be submitted with the Lottery Entry Sheet:

1. A Lender's Qualification Worksheet completed by a lender and dated within one year of the Lottery deadline date. Any outstanding conditions on the Lender's Qualification Worksheet must be approved by the Housing Department before being entered into a Lottery.
2. A full credit report dated within one year of the Lottery deadline date.
3. A Homebuyer Education Certificate certifying that at least one adult in the household has completed the Homebuyer Education Course sponsored by Wyoming Housing Network (If the Wyoming Housing Network course ceases to exist,

another comparable course will be utilized by the Housing Department. Homebuyer Education Certificates do not expire.

- a. The Lottery Entry Sheet must be completed and signed by all adult members of a Household who will occupy the Affordable Housing Unit. It must also list all minor members of the Household who will occupy the unit.
- b. Property addresses or lot numbers must be noted on the Lottery Entry Sheet to identify the Affordable Housing Unit's Lottery that the Household is entering.
- c. If leaving town, Households must advise Housing Authority Staff and note a method of notification on the Lottery Entry Sheet. If Housing Department Staff are unable to reach a Household that has been selected within five (5) business days of the first attempt to reach the Household, the Household will be passed over and the next Household selected in the lottery will be given the opportunity to purchase.
- d. Households entering a Lottery for an Affordable Housing Unit must fit within the income range for the Category of Home being Sold in the Lottery Process. Households shall not enter into Lotteries for which they do not qualify under the Categories income and asset limits. Households will be required to verify income if they have been selected.

**C. Lottery Preference Form.** The Housing Department will compile all Lottery Entry Sheets submitted during the Lottery Entry Period for the Affordable and/or Employment-based Housing Unit. These are then entered on the Lottery Preference Form according to the preference group that each Household fits in.

The Lottery Preference Form is then sent to an independent legal counsel for a Lottery Drawing. The Lottery Bid Period ends on a Tuesday at 4:00 and the Lottery Preference Form is sent to legal counsel within five (5) business days of the Lottery Entry Deadline.

D. **Lottery Drawing.** The legal counsel hired by the Housing Department to draw the lotteries will assign each Household entered on the Lottery Preference Form a number, the Assigned Number. All Assigned Numbers for the first preference group are entered into the drawing and selected by legal counsel. The order in which the Assigned Numbers are drawn thereafter becomes the Lottery Number. This same process is completed for the second preference group and all of the remaining preference groups in the order of their preference group number.

E. **Notification.** The Housing Department will notify the winner of the Lottery by phone as soon as the Lottery Preference Form is received back from legal counsel. The Housing Department will also notify the other households in the Lottery within one (1) week of receiving the Lottery Preference Form back from legal counsel or two (2) weeks from the end of the Lottery Entry Period.

## 110.7

### **PURCHASE PROCESS**

The Household selected first in the Lottery, potential Buyer, will have the first opportunity to purchase the Affordable or Employment-based Housing Unit.

A. **View Affordable Housing Unit.** The Seller of the Housing Unit will allow the potential Buyer to view the Affordable Housing Unit to see that it meets their Household's needs. If the Household decides to purchase the Housing Unit, they will have the opportunity to inspect the Housing Unit further once it is under contract.

B. **Application.** The potential Buyer, will have five (5) business days to submit a complete application. The Application Checklist and Application are available from the Housing Department or from the Housing Department website.

The Application provides additional information to help the Housing Department determine that the Household qualifies for the Affordable Housing Unit and allows the Housing Department to verify information presented.

#### **1. Jackson/Teton County Affordable Housing Application for Homeownership.** The Housing Department Application

for Homeownership is a three (3) page form with an additional two (2) pages made up of a Certification and Oath that will need to be signed by all applicants and notarized as well as an Authorization to Release Information (see below)

2. **Lender's Qualification Worksheet.** A completed Lender Qualification Worksheet is required to inform the Housing Department that the Household can obtain financing for the Affordable Housing Unit. This form is submitted at Lottery Entry.
3. **Credit Report.** A Credit Report that is not more than one (1) year old is required to help Housing Department Staff determine if the Household is financially healthy and able to make payments on a mortgage. The credit report also helps determine debt to income ratios.
4. **Authorization to Release Information.** This form allows the Housing Department to obtain information from outside organizations such as banks and employers to verify submitted material.
5. **Affidavit of Employment.** This form is completed by current and former employers. If the form is submitted by the applicant, the employer's signature must be notarized. If the employer submits it to the Housing Department directly, it does not need to be notarized. The Affidavit is used to verify current employment as well as employment history to ensure that employment criteria have been satisfied.
6. **Federal Tax Returns.** The prior two (2) years' Federal Tax Returns are required to be submitted. If there is self-employment, three (3) years will be required. The Housing Department uses tax returns to verify several different aspects of qualification such as but not limited to income, assets, residential home ownership, and sources of income.
7. **Certification and Oath.** A sworn statement of the facts contained in the application will be required including at least the following certifications:

- a. that the facts contained in the application are true and correct to the best ;of the Applicant’s knowledge;
- b. that the Applicant has been given the standard application information packet by Housing Department Staff; and
- c. that the Applicant, on the basis of the application presented, believes the Household qualifies to occupy the Housing Unit in question according to the Restriction, these Rules and Regulations and all other applicable<sup>3</sup> procedures.

This Certification and Oath is required to be signed by all applicants and notarized. There are Public Notaries available at the Housing Department.

**8. Additional Information.** Additional information may be requested to determine eligibility or qualification status.

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

All information submitted to the Housing Department will be verified for accuracy. The Housing Department strives to complete verification within two (2) weeks of application submittal.

**D. Purchase and Sale Agreement.** Buyers must sign a Purchase and Sale Agreement within five (5) business days of being notified of being selected in a lottery for an Affordable Housing Unit. Buyers will be given the five (5) business days to review the Purchase and Sale Agreement, and are encouraged to get legal advice.

1. **Earnest Money.** At time of signing the Purchase and Sale Agreement, One Thousand Dollars (\$1,000.00) in Earnest Money will be required. The check is made out to the title company called out in the Purchase and Sale Agreement.
2. **Closing Date.** In most cases, the Buyer has fifty (50) days to close on the property. The Closing Date will be agreed upon between Buyer and Seller and will be included in the Purchase and Sale Agreement. The Closing Date will be the

date the buyer takes possession of the Affordable Housing Unit.

3. Inspections. The Buyer may perform inspections on the Housing Unit commencing on the effective date of the contract until closing. However, Buyer will have 30 days from the effective date of the contract to notify the Housing Department of any objections to items found during inspections. Seller shall make the Affordable Housing Unit available for inspections. If seller refuses to remedy the objection, the Housing Department will notify the Buyer and the Buyer will have three (3) business days to give notice to the Housing Department of their intention of i. waiving the objection and proceeding to closing, or ii. Terminating the Purchase and Sale Agreement.
4. Facilitation. Pursuant to Wyoming Statute 33-28-101 through 124, the "Real Estate License Act of 1971", the Housing Department is participating in the transaction as a Facilitator without a Wyoming real estate license and in the performance of official duties.
5. Privity to Purchase and Sale Agreement. Sellers and Buyers shall make the Housing Department privy to the Purchase and Sale Agreement. All financial information shall remain confidential except as noted in Section 104.3.

**E. Independent Legal Counsel:** All Sellers and Buyers of Housing Units are advised to consult independent legal counsel to examine all contracts, CC&Rs, Restrictions, agreements, affidavits, closing statements, title documents, etc. The retention of such counsel, or related services, shall be at Seller's and/or Buyer's own expense. An Affidavit will be required to be signed prior to closing acknowledging that the Housing Department recommended obtaining legal counsel.

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

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

1. 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
2. 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
3. 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.

**F. Total Debt:** Owners shall not incur debt, liens or other obligations secured by the Housing Unit that exceed 95% of the Maximum Resale Value of the Housing Unit. No second mortgages shall encumber the Housing Unit without advance approval by the Housing Department.

**G. Co-Ownership and Co-Signatures:** Any co-ownership arrangement other than Joint Tenancy or Tenancy-In-Common must be approved by the Housing Department. Co-signers are not allowed.

**H. 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. Owners who do not pay HOA dues will be in default of their Restrictions and may be required to sell their Housing Unit. Please be aware that HOA dues may be substantial. Homeowners Associations frequently have interests and regulations, other than the Restriction, that affect the Housing unit. It is the Owner's responsibility to be aware of these interests and regulations.

## **110.8 RESALE PROCESS**

The Resale Process takes approximately three (3) months to complete.

A. **Letter of Intent to Sell.** To begin the Resale Process on an Affordable or Employment-based Housing Unit, a Letter of Intent to sell must be submitted to the Housing Department by the Seller(s)

B. **Inspection.** The Housing Department will hire a third party inspector to inspect the unit for deferred maintenance and needed repairs.

C. **Maximum Resale Letter.** The resale price of the Housing Unit shall be calculated according to its 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. Maximum resale prices will be rounded to the nearest dollar.

1. The Maximum Resale Letter will be e-mailed, mailed, faxed, or can be picked up at the Housing Department. The original will be mailed to the Seller(s).

2. 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.

D. **Facilitation Agreement.** The Housing Department 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.

1. **2% Facilitation Fee.** At the closing of the sale, Seller will pay to the Housing Department a fee equal to 2% of the sales price for facilitation services. The Housing Department may instruct the title company to pay such fees out of the funds held for the seller at closing. The Housing Department may also waive the fee, or a portion thereof, in its sole discretion, to promote affordable housing.

2. **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.

3. **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.

4. **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.

5. **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.

E. **Advertising.** After receiving an executed Facilitation Agreement, the Housing Department advertises the Affordable or Employment-based Housing Unit according to section 110.6.A

F. **Contract.** The Qualified Household selected in the Lottery Process will have five business days to review and sign a Purchase and Sale Contract Please see Section 110.7.D

## 110.9 USE

Affordable and Employment-based 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 would not otherwise be available because of the high price of market housing. In addition to Qualification, Eligibility and Preference to purchase an Affordable or Employment-based Housing Unit, there are use restrictions to ensure the intent of the Housing Program is maintained.

A. **Primary Residence.** Owners of Affordable Housing Units shall maintain the home as their Primary Residence.

1. Households shall occupy their home full time at least 10 months out of each calendar year.

2. 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 the Housing Department.

**B. Rental.** Affordable and Employment-based Housing Units are priced to be affordable to the household purchasing. To maintain the character of neighborhoods and respect the nature of the community, Ownership Housing Units are not allowed to be rented without prior approval from the Housing Department. This includes renting any portion of the dwelling, any room within the dwelling or the garage.

**C. Business Activity.** Households who own an Affordable or Employment-based Housing Unit 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.

**D. Guests.** Households who own an Affordable or Employment-based Housing Unit shall not permit any adult guests over the age of 18 for periods in excess of thirty (30) cumulative days per calendar year.

**E. Homeowners Association (HOA).** Households who own an Affordable or Employment-based Housing Unit shall occupy the Housing Unit in full compliance with any and all Rules and Regulations of the Homeowners Association. Failure to comply with the HOA Rules and Regulations or Covenants, Conditions, and Restrictions will be in default of the Housing Department Restrictions.

**F. Capital Improvements.** See Section 105.4.C

## **SECTION 111 ATTAINABLE HOUSING – OWNERSHIP**

### **111.1 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”). At the time Attainable lots were created, these LDRs were not yet adopted. However, due to the shortage of housing affordable to the workforce in Teton County, it was the desire of the Town and County to require new development to provide housing affordable to the workforce. The developers of the Attainable lots proposed the lots as restricted vacant land as part of their development applications. The applications were approved, and the lots were sold to working households who then built their restricted homes on the lots.

### **111.2 Applicability**

This Section applies to all development approved by the Town and County elected officials for residential mitigation and restricted as Attainable Housing.

### **111.3 Program Policy Goals**

- A. To provide Attainable Housing to offset the housing impacts and needs of residential development.
- B. To inform the public of the Rules and Regulations placed on Attainable Housing Units.
- C. To assist the Housing Department in implementing the Restrictions, Rules and Regulations in a fair and consistent manner.

### **111.4 HOUSEHOLD ELIGIBILITY**

See Section 103.3

### **111.5 PURCHASE AND SALE PROCESS**

Attainable Housing Units are not sold with a Lottery Process. When an Owner wishes to sell a unit, they can either list the home with a realtor or for sale by owner.

A. **Letter of Intent to Sell.** The owner of the unit is required to submit a Letter of Intent to Sell to the Housing Department before listing or advertising the unit for sale.

B. **Advertising.** The owners will be responsible for advertising their

Attainable Housing Unit for sale with the exception that the Housing Department will advertise the unit on their website at no cost to the Owner.

- C. **Selling price.** There is not a maximum resale price for Attainable Housing Units. The owner will set the price with the understanding that the household who buys the unit will need to qualify under income, asset, and employment criteria. The price may be negotiated before entering into an agreement to purchase.
- D. **Purchase and Sale Agreement.** The buyer will be responsible for providing the Purchase and Sale Agreement at the time of making an offer to purchase an Attainable Housing Unit. The seller may make a counter offer that includes changes to the Purchase and Sale Agreement. The Attainable Housing Unit is under contract when an offer and/or a counter offer is accepted and both the Buyer and Seller have signed it. The Purchase and Sale Agreement should contain a contingency that the Housing Department has deemed the Buyer "Qualified" to purchase the Housing Unit.
- E. **Housing Department Privy to Purchase and Sale Agreement.** A full copy of the fully executed Purchase and Sale Agreement shall be provided to the Housing Department. All financial information shall remain confidential except as noted in Section 104.3
- F. **Application.**
  - 1. **Application Contents.** See Section 110.7.B
    - a. In addition to the items listed in Section 110.7.B, the application must also include a copy of the fully executed Purchase and Sale Agreement.
  - 2. **Time of Submittal.** The Attainable Housing Unit must be under contract before the buyer provides an application to the Housing Department. The
  - 3. **Time to Process.** If the Application is complete and thorough, The Housing Department will have a determination of Qualification within five (5) business days of receiving the Application. It may take longer if the Housing Department has to request further information from the

applicant.

4. **Qualified Buyer Letter.** Once the household is deemed to be “Qualified” to purchase the Attainable Housing Unit, the Housing Department will provide a Qualified Buyer Letter to the applicant. This letter will be used to verify to the Seller and the Title Company that the Household is Qualified to purchase the unit.
5. **Lenders.** See Section 110.7.E
6. **Closing.** The closing date and time is set between the Sellers, Buyers, Financial Institution, the Title Company, and the Housing Department.
  - a. The Buyers will be required to sign a “Buyer’s Acknowledgement” at Closing. This document will certify that the Buyers acknowledge receiving a copy of the Restrictions as well as agreeing to allow the Housing Department to release the sales price of the home, and also agreeing to the Housing Authority’s right of first option to purchase the unit in case of default.

## **SECTION 112 BUSINESS OPTION**

The Business Option is a mechanism approved specific to a developer’s Housing Mitigation Plan that allows a business to identify a proposed purchaser from their employees or someone who has a material nexus to the business that would allow the household to have the first option to purchase a restricted home without using a lottery process.

**112.1 Purpose.** The intent of the Business Option Program is to help Qualified Businesses house their employees by providing the employees first option to purchase. This program furthers the Jackson/Teton County Comprehensive Plan’s goal of housing 65% of the workforce locally and its transportation goals.

**112.2 Applicability.** This Section applies to Housing Department Program Homes that have been approved by the Board of County Commissioners or Town Council for the Option Program.

**112.3 Program Policy Goals.**

- A. To further the community's goal of housing 65% of the workforce locally as articulated in the Jackson/Teton County Comprehensive Plan.
- B. To support local businesses located near the Units so that they have the ability to house their employees close to their place of employment.
- C. To further the community's transportation goals as articulated in the Jackson/Teton County Comprehensive Plan by housing employees closer to their place of work.
- D. To help the Housing Department in implementing policies of the Business Option Units in a fair and consistent manner.

**112.4 Additional Household Eligibility.** Except for the Business Option, the Housing Department Program Units follow the Housing Rules and Regulations for the applicable program, Employment-based or Affordable Units.

**112.5 Qualified Business.** A qualified business is a non-profit entity, governmental entity, charitable foundation, or for profit business which meets the definition of a qualified business according to the Special Restrictions on the property and/or these Housing Rules and Regulations.

**112.6 Qualified Business Application.** The business completes a Qualified Business Application, which can be obtained from the Declarant, or from the Housing Department, and submits it to the Housing Department. If the business has affiliates, it must be indicated on the application.

**112.7 Verification.** The Housing Department verifies that the business meets the criteria of a Qualified Business with the following documentation. The Housing Department may ask for additional documentation.

- A. Verification. The Housing Department verifies that the business meets the definition of Qualified Business as outlined in the Option Agreement.
- B. Qualified Business Letter. The Housing Department will provide a Qualified Business Letter once the verification process is complete and the business is approved to be a Qualified Business. When the Qualified Business Letter has been issued, the Housing Manager will sign the Option Agreement.
- C. Not Qualified. If the business is not deemed to be a Qualified Business, the Housing Department will inform the business with a written letter and copy the Declarant or Option Holder. The business will not be allowed to obtain an Option if it is not approved as Qualified by the Housing Manager at his/her sole discretion.

Any material misstatement of fact or deliberate fraud by a business in connection with any information supplied to the Housing Department shall be cause for immediate expulsion from the application process and/or for obtaining or keeping an option.

**112.8** **Obtaining an Option.** Options are available from a Declarant or from another Option holder. A Declarant can choose to provide an Option if the business is a Qualified Business (see Sections 404.1 - 404.3), and does so by recording an Option Agreement signed by the Declarant, the Housing Department, and the Qualified Business. An Option Holder may provide an Option to a Qualified Business by Assigning the Option (see Section 404.8).

**112.9** **Notice of Right to Exercise or Waive Option (“Option Notice”).** The Housing Department will immediately send a notice to the business holding the Option (Optionor) upon the following three events:

- A. The Housing Department’s receipt of a Notice to Sell by the owner of the property.
- B. The Housing Department’s exercise of its Default Option as set forth in the Special Restrictions and/or these Housing Rules and Regulations.

C. The occurrence of a Default and forced sale as set forth in the Special Restrictions and/or these Housing Rules and Regulations.

The date of the Notice of Right to Exercise or Waive Option triggers the time frame the Optionor has to identify a proposed purchaser as outlined in the Option Agreement.

**112.10 Exercise of Option.** An Optionor shall have a time frame as outlined in the Option Agreement to exercise the Option. The time frame will begin on the date of the Option Notice. To exercise the Option an Optionor must notify the Housing Department on or before the expiration of the time frame that they have identified a proposed purchaser for the home. Additionally, the proposed purchaser must submit a complete application as outlined in 110.7.B of the Housing Rules and Regulations on or before the expiration of the time frame. The Housing Department will take approximately five business days to determine whether the proposed purchaser is:

- A. Qualified under the Option Agreement.
- B. Qualified under terms of Special Restrictions and/or these Housing Rules and Regulations.

The Housing Department will verify that the business continues to be a Qualified Business each time the Option is exercised (see Section 112.7).

**112.11 Qualified Purchaser.** The Housing Department will determine whether a household is qualified to purchase based on the following criteria:

- A. Letter of Certification. The purchaser will be qualified by the Housing Department only if they have a material nexus to the Optionor as approved by the Housing Manager at his/her sole discretion. A Letter of Certification Form demonstrating the material nexus the proposed purchaser has with the Optionor must be completed by the Optionor. The Letter of Certification Form is available from the Housing Department. The Optionor must deliver documentation satisfactory to the Housing Department that verifies (1) that the proposed buyer is a fulltime employee of

Optionor; or (2) that the identified purchaser otherwise has a material nexus to Optionor.

1. Qualified Household. A household will be qualified by the Housing Department using the Application and Verification process outlined in Sections 110.7.B and 110.7.C of the Housing Rules and Regulations.

a. Non-Qualified Household. If the identified purchaser does not qualify because of not meeting the Housing Rules and Regulations, Special Restrictions, or Option Agreement, and the time frame has not expired, the Optionor may identify another proposed purchaser.

b. Affidavit of Exercise. When the Housing Department determines the household meets qualifying criteria of the Option Agreement, the Housing Rules and Regulations, and the Special Restrictions, the Housing Manager will sign an *Affidavit of Exercise of Option Right* indicating the household is qualified. The Optionor will also sign the *Affidavit of Exercise of Option Right* indicating they are exercising the Option Right. The Affidavit will be recorded with the Teton County Clerk's land records.

**112.12** **Waiver of Option**. If the Optionor does not wish to exercise the Option, they can sign the *Affidavit of Waiver* indicating they are waiving the Option. This Affidavit will be recorded with the Teton County Clerk's Office.

If the Optionor does not identify a proposed purchaser on or before the expiration of the time frame, the Optionor will automatically have waived their Option.

In the case where an Option is waived, the Housing Department will find a buyer using the process outlined in Section 104 of these Housing Rules and Regulations.

**112.13**

**Assignment.** An Optionor can assign its Option to another Qualified Business. This is done using the following process:

- A. Written Notice The Optionor provides the Housing Department with written notice that they wish to Assign their Option.
- B. Application The business that is being assigned the option submits an application to TCHA to become a Qualified Business (see Sections 112.6 and 112.7).
- C. Housing Department Approval If the business qualifies, the Housing Department will provide a Qualified Business Letter to the business and the Housing Manager will sign the Option Agreement.
- D. Consideration With the exception of consideration required to make the Assignment legal, consideration is prohibited.

If at any time the Business holding the option ceases to be a Qualified Business, the Qualified Business holding the option must assign the Option.