

DAGGETT COUNTY REDEVELOPMENT AGENCY

Resolution No. 14-18

A RESOLUTION REPLACING DAGGETT COUNTY RESOLUTION NO. 11-12; A RESOLUTION DEFINING AFFORDABLE HOUSING, PROVIDING INCENTIVES FOR THE CONSTRUCTION ON OWNER-OCCUPIED AFFORDABLE HOUSING IN THE DUTCH JOHN AREA, AND RELATED MATTERS.

WHEREAS the Daggett County Redevelopment Agency (the “Agency”) has been created by Daggett County, Utah (the “County”) to transact the business and exercise all of the powers provided for by the Utah Community Development and Renewal Agencies Act, as amended (the “Act,” Utah Code Annotated, Title 17C); and

WHEREAS Daggett County Resolution No. 11-12 was passed to define affordable housing, provide incentives for the construction of owner-occupied housing in the Dutch John area, and for other related matters; and

WHEREAS The Agency desires now to replace Resolution No. 11-12 in order to make certain changes, namely; to include additional property that is currently, or will be owned by the Agency; and to make it easier for residents to qualify for the incentives provided and further incentivize owner-occupied affordable housing in the Dutch John area; and

WHEREAS the Agency owns or will be the owner of residential lots and/or parcels located in the Dutch John area, and the Agency finds it necessary and desirable to encourage the private sale, ownership, and construction of owner-occupied housing units on said Lots and/or parcels, and any residential lots or parcels that may be owned by the Agency in the future; and

WHEREAS under Section 17C-1-102 of the Act, the Agency is authorized to adopt a resolution defining “affordable housing” for the Agency’s purposes and the Agency desires now to adopt a definition of affordable housing; and

WHEREAS the Agency, having conducted studies regarding the development of the Dutch John area in general, finds it necessary provide certain financial incentives to encourage the construction of owner-occupied housing in the Dutch John general area; and

WHEREAS the Agency desires to establish the amount of the incentives to construct owner-occupied housing, as well as the criteria and requirements for obtaining those incentives, in relation to residential lots and/or parcels in the Dutch John general area; and

WHEREAS the Agency also desires to promote construction activity and employment in the Dutch John area.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE DAGGETT COUNTY REDEVELOPMENT AGENCY:

1. Recitals. The above recitals are incorporated herein by this reference.

2. Affordable Housing Definition. The Agency defines affordable housing within the Agency’s boundaries as any residential housing that is owned and occupied by a person and/or family whose household income, over the one year immediately preceding the date on which such person, family and/or household submits an application in connection with any affordable housing program offered by the Agency, was no more than 200% of the median annual household income for Daggett County, Utah.

3. Housing Incentive.
 - a. *Incentive Amount:* Subject to the requirements set forth below, the Agency authorizes a potential incentive (the “Housing Incentive”) in connection with the purchase of each of the lots and/or parcels in the Dutch John general area, which incentive may be provided according to the following schedule based on the income of the applicant:

1-4 Person Household		5-8 Person Household		9+ person household	
Household Income	Amount of Incentive*	Household Income	Amount of Incentive*	Household Income	Amount of Incentive*
Between 126-175% of the Daggett County median household income	Up to 20% of the lot purchase price	Between 141-190% of the Daggett County median household income	Up to 20% of the lot purchase price	Between 151-200% of the Daggett County median household income	Up to 20% of the lot purchase price
Between 106-125% of the Daggett County median household income	Up to 50% of the lot purchase price	Between 116-140% of the Daggett County median household income	Up to 50% of the lot purchase price	Between 126-150% of the Daggett County median household income	Up to 50% of the lot purchase price
Between 81-105% of the Daggett County median household income	Up to 65% of the lot purchase price	Between 91-115% of the Daggett County median	Up to 65% of the lot purchase price	Between 101-125% of the Daggett County median	Up to 65% of the lot purchase price

80% or less of the Daggett County median household income	Up to 85% of the lot purchase price	91% or less of the Daggett County median household income	Up to 85% of the lot purchase price	100% or less of the Daggett County median household income	Up to 85% of the lot purchase price
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**This table shows the maximum incentive available; all incentives are subject to specific Agency Board discretion and approval as described in further detail below*

b. *Incentive Application and Qualifications:* To qualify for a Housing Incentive, a person must first submit an application/purchase agreement to the Agency, in a form provided or approved by the Agency, demonstrating that the applicant:

- i. Is a U.S. Citizen, non-citizen national, or a qualified alien;
- ii. Pays a non-refundable application fee of \$150.00
- iii. Agrees to purchase from the Agency a residential parcel the Agency owns and agrees to sell.
- iv. Will utilize conventional on site construction of the residence, commonly called “stick built” construction within two years of purchase; or will construct a modular or manufactured style house within eight months of purchase.
- v. Commits to occupying a home on the lot as the applicant’s primary residence within the time frames stated above for at least six months out of each year;
- vi. Has a satisfactory and stable history of income;
- vii. Meets the requirements for “affordable housing” as defined by the Agency;
- viii. Demonstrates a credit history that evidences a general willingness to timely repay all financial obligations;
- ix. Explain the requested amount of the Housing Incentive;
- x. Explain the applicant’s need for the requested amount of the Housing Incentive; and
- xi. Will complete a home ownership training program prescribed by the Agency.

The applicant shall also tender a refundable down payment to the purchase contract of \$4,000.00, or in the case of an application for the maximum incentive, \$1,000. If the application/purchase agreement is accepted by the Agency, such down payment will be applied to the purchase at closing, otherwise it will be refunded to the applicant.

c. *Application Review:* The application and approval procedure for a Housing Incentive application shall be as follows:

- i. Submission of the complete application/purchase agreement at least 30 days before the anticipated date of closing on the lot;
- ii. Review of the application by Agency staff to determine whether the application/purchase agreement is complete, and if not, the Agency staff will inform the applicant of any missing information;
- iii. Substantive review of the application/purchase agreement by Agency staff to determine whether the applicant meets all of the above requirements;

- iv. Agency Board review of the completed application/purchase agreement; and
 - v. Agency Board determination of the amount of Housing Incentive, if any, that the applicant will receive;
 - vi. Agency Board approval or denial of the application/agreement, as appropriate in the Board's discretion, including the Board's right to waive any of the requirements listed above as the Board may deem appropriate on the specific application/purchase agreement; and
 - vii. The Agency Board reserves the right to review multiple applications regarding the potential purchase of the same lot, and to adjust the amount of any Housing Incentive, or to waive any of the requirements of this resolution, based on competing application/purchase agreements for the same lot.
- d. *Acceptance of Application/Purchase Agreement:* After an application/purchase agreement has been approved by the Agency as set forth above, the applicant shall complete the Housing Incentive Agreement packet which shall include a promissory note and trust deed secured by the applicable lot, under the following general terms:
- i. All of the terms and conditions set forth in Section 3(b) above.
 - ii. Promissory Note: The promissory note shall be signed by the applicant with the following terms and conditions:
 - 1. The applicant agrees to repay the full amount of the Housing Incentive, without interest; and
 - 2. The Agency will incrementally forgive the balance due under promissory note according to the following conditions:
 - a. The applicant must complete construction of the residence and receive a certificate of occupancy and begin to occupy the residence no later than two years after purchase closing for an applicant who has agreed to conventional on site construction of the residence, commonly called "stick built" construction, or within eight months after purchase closing if the applicant has agreed to construct a modular or manufactured style house; and
 - b. For each full year that the applicant actually and consecutively occupies the lot as the applicant's primary residence for at least 6 months of that year, the Agency will forgive 10% of the balance due under the promissory note, such that after ten years of occupancy, the full balance of the promissory note will have been forgiven by the Agency.
 - iii. Trust Deed: The promissory note shall be secured by a trust deed on the lot, which trust deed will provide the Agency with power of sale—under Utah Code Title 57, Chapter 1—on the lot in the event of a breach of the promissory note. The Agency will release and reconvey the trust deed after the occurrence of either of the following:
 - 1. Full repayment of the balance due under the promissory note; or
 - 2. Forgiveness by the Agency of the full balance due under the promissory note.

- e. *Subordination:* The Trust Deed of the Agency may, if approved by the Agency, be subordinate to a deed of trust of an entity or individual that is providing financing to construct the residence or provide long term financing so long as the amount of the trust deed subordinated does not exceed the reasonable cost to construct the residence.
 - f. *Incentive Payment:* After the applicant has signed the Housing Incentive Agreement, the Agency will provide the Housing Incentive by credit against the purchase price of the lot, which credit shall apply at the closing at which the applicant takes fee title to the lot.
 - g. *Broker Incentive:* The Agency shall also provide an incentive to any broker who brings to the Agency an actual purchaser any residential lot and/or parcel. The Agency shall pay such broker a brokerage commission equal to 3% of the total lot purchase price (not taking into account any applicable Housing Incentive).
 - h. *No Incentive Required.* The Agency Board reserves the right to sell any of residential lots and/or parcels in the Dutch John general area, to any person without any of the requirements above, as the Board may deem appropriate in its absolute discretion.
4. Agency Actions. Agency staff and legal counsel are authorized and directed to take such additional action as is necessary in their sole discretion to carry out the purpose and intent of the Agency as expressed or reasonably implied in this resolution.
 5. Effective Date. This resolution will take effect immediately upon the later to occur of (1) the adoption of this resolution, and (2) the recording of a deed transferring title to any residential lot and/or parcel from Daggett County to the Agency.

~~ADOPTED~~ this 31st day of July, 2014.

Daggett County
 Redevelopment Agency
 Attest:

[Signature]
 Chair

[Signature]
 Secretary

