

**DAGGETT COUNTY REDEVELOPMENT AGENCY**

**Resolution No. 11-13**

**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** the Agency owns or will be the owner of certain residential lots located in the Dutch John area, which lots are commonly referred to as "Block 6, Lots 1, 2, and 20-24", and the Agency finds it necessary and desirable to encourage the private sale, ownership, and construction of owner-occupied housing units on the Block 6, Lots 1, 2, and 20-24; 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 Block 6, Lots 1, 2, and 20-24 and the Dutch John area in general, finds it necessary provide certain financial incentives to encourage the construction of owner-occupied housing at Block 6, Lots 1, 2, and 20-24; 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 Block 6, Lots 1, 2, and 20-24; 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 150% of the median annual household income for Daggett County, Utah.
3. Housing Incentive.

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KERI PALLESEN, Recorder  
DAGGETT COUNTY  
For: DAGGETT COUNTY

- 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 seven lots in Block 6, Lots 1, 2, and 20-24, 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 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

\*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. Agrees to purchase from the Agency one of the seven lots in Block 6, Lots 1, 2, and 20-24;
  - iii. Will utilize conventional on site construction of the residence, commonly called "stick built" construction. The incentive herein are not available for mobile, manufactured or modular housing that is constructed elsewhere and transported on site;
  - iv. Commits to occupying a home on the lot as the applicant's primary residence within 18 months from the date of closing on the lot purchase;
  - v. Construction of the residence will be completed and a certificate of occupancy will be issued on or before December 31, 2012;
  - 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 the home ownership training program prescribed by the Agency.

The applicant shall also tender a refundable application fee of \$4,000, or in the case of an application for the maximum incentive, \$1,000. If the application/purchase agreement is accepted by the Agency, such fee 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:

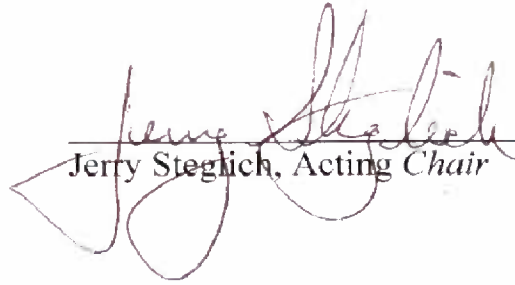
- i. All of the terms and conditions set forth in Section 3(b) above.
- ii. Promissory Note: The promissory note shall be signed by the applicant with the following terms and conditions:
  - 1. The applicant agrees to repay the full amount of the Housing Incentive, without interest; and
  - 2. The Agency 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 no later than December 31,

2012 and begin to occupy the lot as the applicant's primary residence within 18 months after closing; and

- b. For each full year that the applicant actually and consecutively occupies the lot as the applicant's primary residence, 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 of one of the Block 6, Lots 1, 2, and 20-24. 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 the Block 6, Lots 1, 2, and 20-24, to any person without any of the requirements above, as the Board may deem appropriate in its absolute discretion.
4. Construction Loan Fund. In addition to the incentives set forth herein, the Agency may establish a fund to provide construction loans to purchasers of lots in the Dutch John area. Such loans will be on terms and conditions established by the Agency and approved by resolution of the Agency Board.
5. 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.

6. 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 the seven Block 6, Lots 1, 2, and 20-24 from Daggett County to the Agency.

**ADOPTED** this 28<sup>th</sup> day of June, 2011.

  
Jerry Steglich, Acting Chair

**Attest:**

  
Vicky McKee, Board Secretary

