

ARTICLE VIII
AFFORDABLE HOUSING

TABLE OF CONTENTS

DIVISION 1	GENERAL PROVISIONS	8-1
Section 8-101	Findings and Purpose	8-1
A.	Findings	8-1
B.	Purpose	8-1
Section 8-102	Applicability	8-2
DIVISION 2	APPLICATION AND REVIEW PROCEDURES	8-2
Section 8-201	Application Submittal Requirements	8-2
A.	Affordable Housing Plan and Agreement	8-2
Section 8-202	Review and Approval Procedures	8-3
DIVISION 3	CRITERIA FOR DEVELOPMENT OF AFFORDABLE HOUSING UNITS	8-3
Section 8-301	Computation of Number and Unit Mix of Affordable Housing Units	8-3
A.	Number of Affordable Housing Units Required	8-3
B.	Affordable Housing Unit Mix and Minimum Bedroom Requirement	8-4
Section 8-302	Pricing of Affordable Housing Units	8-4
A.	Area Median Income (AMI) Categories Required	8-4
B.	Initial Sales Price of Affordable Housing Units	8-5
Section 8-303	Execution of Deed Restriction by Applicant	8-6
Section 8-304	Permitted Capital Improvements	8-7
Section 8-305	Off-Site Affordable Housing	8-8
A.	Request for Off-Site Location of Affordable Housing Units	8-9
B.	Criteria for Off-Site Affordable Housing Development	8-9

Section 8-306 Payment-in-Lieu8-9
DIVISION 4 AFFORDABLE HOUSING GUIDELINES8-10

Section 8-401 Determination of Qualification to Purchase Affordable Housing Units8-10

- A. Requirement for Determination of Qualified Applicant.....8-10
- B. Income Earnings Used in Determination of Qualified Applicant .8-10

Section 8-402 Application and Review Procedures for Determination of Qualified Applicant8-12

- A. Material from Determination of Qualified Applicant.....8-12
- B. Review and Determination of Qualification8-12
- C. Priority of Qualified Applicant8-13

Section 8-403 Initial Sale and Resale of Affordable Housing Units...8-13

- A. Initial Sale by the Developer.....8-13
- B. Resale by the GCHA8-14
- C. Role of GCHA Staff8-14
- D. Maximum Allowed Resale Price8-15
- E. Maintenance Standards for Maximum Resale Price.....8-15
- F. Lottery Process8-16
- G. Fees8-17
- H. Memorandum of Agreement to the Deed Restriction.....8-18

Section 8-404 Other Requirements8-18

- A. Co-Ownership and Co-Signing8-18
- B. Permissible Financing8-18
- C. Renting an Affordable Housing Unit During the Listing Period ..8-18
- D. Leave of Absence for Owners of Affordable Housing Unit.....8-19
- E. Setting Rents for Allowed Leasing of Owned Units8-19
- F. Roommates8-19

Section 8-405 Grievance Procedure.....8-20

- A. File Written Complaint8-20
- B. Schedule a Hearing8-20
- C. Review of Documents8-20
- D. Hearing Process.....8-20
- E. Decision of the GCHA Board.....8-21

Section 8-406 Periodic Review of Affordable Housing Guidelines ...8-21

ARTICLE VIII AFFORDABLE HOUSING

DIVISION 1 GENERAL PROVISIONS

Section 8-101 Findings and Purpose.

A. Findings. The Board of County Commissioners finds that an adequate supply of affordable housing in the County is essential and necessary to preserve and maintain the health, welfare, safety, and quality of life for residents of Garfield County.

1. **Stability of Economy.** An adequate supply of housing that is affordable to the local labor force is necessary for the local economy to remain stable and to grow in a healthy manner.
2. **Increased Demand for Affordable Housing.** New development creates demand for workers in construction, maintenance, services and retail sales, increasing the demand for affordable housing.
3. **Mitigation of Impact by New Development.** New development shall be required to provide affordable housing which mitigates the impacts that are attributable to such development in areas designated by the County, where affordable housing has become limited and problematic for adequate workforce housing.

B. Purpose. The purpose of this Article is to ensure that the housing needs of all economic segments of the community will be met.

1. **Implementation of Comprehensive Plan Goals and Objectives.** The Housing Goals, Objectives, Policies and Programs of the Garfield County Comprehensive Plan for Study Areas 1A and ,1B, 2 and 3 shall be implemented through the affordable housing unit requirements set forth in this Article.
2. **Mitigation of Housing Impacts by New Development.** New development shall be required to contribute to the affordable housing supply in the County, as reasonable and appropriate with consideration to the development's impact on the supply of affordable housing available to the local labor force.

Section 8-102 Applicability. These requirements for affordable housing shall apply to land use change applications in Garfield County, 15% for five (5) or more units in Comprehensive Plan Areas thru 5. In computing this requirement, any fraction of a unit above .50 will be rounded up and any fraction of a unit less than .50 will be rounded down.

DIVISION 2 APPLICATION AND REVIEW PROCEDURES

Section 8-201 Application Submittal Requirements. The applicant shall submit the following materials in addition to submittal requirements for application and review of the proposed land use.

A. Affordable Housing Plan and Agreement. The applicant shall submit an Affordable Housing Plan that includes the following provisions.

1. The proposed location of the affordable housing units.
2. The proposed number and unit mix of residential units to satisfy the requirements for affordable housing, based upon the provisions of Section 8-301, *Computation of Number and Unit Mix of Affordable Housing Units*.
3. The proposed schedule for construction and completion of the affordable housing units in relation to the proposed construction and completion of the overall development.
4. The proposed breakdown of affordable housing units by Category, based on provisions of Section 8-303, including the proposed lot size and square footage size of each unit.
5. The proposed forms of deed restriction and any other documents necessary to comply with the requirements of this Article.
6. The proposed method of security to the County that will insure construction of the affordable housing units.
 - a. **Secured by Bond.** A bond or other security acceptable to the Board, in an amount acceptable to the Board of County Commissioners to ensure the required number of affordable housing units are constructed, and

- b. Secured by Ratios for Permit Issuance.** Provisions in the adopted Affordable Housing Agreement which require that building permits for ten (10) free-market houses may only be issued after a building permit for one affordable housing unit has been issued in Comprehensive Plan Study Areas 1 thru 5.
 - c.** Another method of securing construction of the affordable housing units acceptable to the Board of County Commissioners.
- 7.** The proposal for compliance with all provisions of the *Affordable Housing Guidelines* maintained by the GCHA or other AAHE.

Section 8-202 Review and Approval Procedures. The Affordable Housing Plan shall be reviewed by the Director and the GCHA or other AAHE. The approved plan shall become the Affordable Housing Agreement between the County, the applicant, and the GCHA or other AAHE, adopted in conjunction with final plat approval by the Board of County Commissioners.

DIVISION 3 CRITERIA FOR DEVELOPMENT OF AFFORDABLE HOUSING UNITS

Section 8-301 Computation of Number and Unit Mix of Affordable Housing Units.

A. Number of Affordable Housing Units Required. The number of affordable housing units required for a development subject to these regulations for affordable housing shall be calculated based upon the formula identified in Section 8-102.

B. Affordable Housing Unit Mix and Minimum Bedroom Requirement. The housing unit subject to these affordable housing regulations shall be based upon the following formula. The applicant shall propose the mix of housing types. The affordable housing units shall closely mirror the market rate units. The approved mix will provide the minimum number of bedrooms required:

- a.** Multiply the number of affordable housing units required by 2.6 (the average number of persons in a household) then,
- b.** Divide the result by 1.5 (the U.S. Department of Housing and Urban development criteria of person per bedroom). The

resulting number is the minimum required number of bedrooms that must be disbursed across the required affordable housing units.

- c. Any proposal for a unit with 4 or more bedrooms may be approved, but only after a special review to determine a need.
- d. Any fractional affordable housing units created by the above formulas will be rounded up to the next highest number
- e. The following minimum square footage requirements shall be met, with only finished square footage being counted, excluding garages, carports and unfinished basement space:

<u>Unit Type</u>	<u>Minimum Size</u>
Studio	500
1 Bedroom	700
2 Bedroom	950
3 Bedroom	1,200
Single Family detached	1,400

Section 8-302 Pricing of Affordable Housing Units

A. Area Median Income (AMI) Categories Required. The average price for all affordable housing units to be provided shall be dispersed over a range of the Area Median Income (AMI) levels for low and moderate income families as published annually by HUD for Garfield County. Applicants shall provide housing in the following three categories, in accordance with the distribution described below:

1. 20 percent of affordable housing units required in **Category I** – Units priced to 70% AMI, sold to 80% AMI households or less;
2. 40 percent of affordable housing units required in **Category II** – Units priced to 90% AMI, sold to 100% AMI households or less,
3. 40 percent of affordable housing units required **Category III** – Units priced to 110% AMI, sold to 120% AMI households or less.
4. **Exceptions:** If three or fewer affordable housing units are required by this Article, then the first unit required will be a Category II unit and the second unit required will be a Category III unit and the third unit will be a Category I unit. Similarly, if the number of affordable housing units required by this Article

5. results in a fraction when multiplied by 40% or 20% (see required distribution of units above), then the Applicant must provide the greatest number of affordable housing units as Category II units, followed by Category III, and lastly Category I. For example, if 16 affordable units are required, 40% of 16 results in 6.4 Category II units. The Applicant should then provide 7 Category II units, 6 Category III units and 3 Category I units.

B. Initial Sales Price of Affordable Housing Units. The initial sales price for each affordable housing unit shall be calculated by the GCHA and the Board of County Commissioners based on the following assumptions:

1. Principle, interest, mortgage insurance, taxes, homeowners insurance and homeowner association dues not to exceed 33% of gross monthly household income based on family size determined by chart below. 80% of that amount is estimated for principle and interest and 20% is estimated for mortgage insurance, taxes, homeowners insurance and homeowner association dues. If actual costs are available, they may be used in place of this 80-20 ratio.
2. A ninety-five (95) percent loan to value, 30-year mortgage based on a trailing interest rate calculated an average of the previous 18 months interest rates. The GCHA shall calculate the trailing interest rate.
4. The price shall include a landscaped lot and the unit shall be of comparable quality with similar fixtures (e.g. dishwashers, disposals, air conditioning, and energy efficient windows) to market rate units.
5. Number of persons by bedroom configuration used to establish sales price:

Number of bedrooms, Non-detached structure	AMI Household Size for Initial Sales Price Determination
Studio	1 person household
1	2 phh
2	2.5 phh
3	3 phh
4	3.5 phh

Number of bedrooms, Single-family detached	AMI Household Size for Initial Sales Price Determination
---	---

2	3 person household
3	4 phh
4	5 phh
5	6 phh

6. HOA dues for affordable housing units shall be prorated as compared to HOA dues owed by market rate unit owners. HOA dues for affordable housing units shall be prorated by either average lot size or average unit size in comparison to market rate lots and/or units, whichever results in the lower cost for the affordable units, or by a formula proposed by the applicant and approved by the GCHA and the Board of County Commissioners. If a prorated HOA is not possible, then the HOA dues for affordable housing units shall be a maximum of 75 percent of the HOA dues owed by market rate unit owners. The applicant will include these calculations in the Affordable Housing Plan.

7. The initial sales price will be calculated by GCHA 120-days from anticipated Certificate of Occupancy.

8. Example Initial Sales Price Calculation:
3-bedroom single-family unit, 4 person household,
80% AMI = \$51,200 in 2007
\$51,200 / 12 months = \$4,267 gross monthly income
33% of \$4,267 = \$1,408

80% of \$1,408 = \$1,126 (principle & interest)
20% of \$1,408 = \$282 (mortgage insurance, taxes, insurance, HOA)
18 months of trailing interest rate as calculated by GCHA = 6.37%

Loan amount = \$176,766
5% LTV = \$9,304
Sales Price = \$186,070

Section 8-303 Execution of Deed Restriction by Applicant.

A. The Deed Restriction for required commitments shall be approved by the GCHA. The approved, executed and recorded Deed Restriction shall be submitted to the GCHA.

1. **Deed Restriction.** Execute and record a Deed Restriction. Execute and record this document prior to release of the building permit in a form satisfactory to the GCHA. This ensures that the

2. Master deed restriction will run in perpetuity with the unit. At the time of Certificate of occupancy, the Deed Restriction shall be amended, if necessary, to reflect changes approved by the GCHA. The original executed and recorded Deed Restriction shall be returned to the GCHA.

3. **Memorandum of Acceptance.** Execute a Memorandum of Acceptance of the Deed Restriction when qualified buyer purchases the property and there is a transfer of the deed for the property. This ensures that the buyer is aware of the deed restriction and affordable housing guidelines. The original executed and recorded Memorandum of Acceptance shall be returned to the GCHA.

4. **Promissory Note and Deed of Trust.** Execute and record a Promissory Note between the GCHA and the buyer to enforce the County's interest in the property, and a Deed of Trust signed by the buyer. This Promissory Note shall be in subordinate position to any other promissory note required for purchase of the property. This Promissory Note and Deed of Trust shall not be recorded in first position.

5. **Appreciation Cap.** Included in the deed restriction will be a limit on annual appreciation of a unit of either the West Region, Consumer Price Index, Urban Wage Earners and Clerical Workers (CPI-W) (1982-84=100), not seasonally adjusted, or 3% simple interest, whichever is greater, plus the cost of permitted capital improvements (see Section 8-304). The maximum resale price shall be no more than 5% simple interest, plus the cost of permitted capital improvements. The maximum resale price will be determined by the GCHA in accordance with this Article.

(PP) Purchase Price

(PPCPI) CPI at the date of purchase

(NMO) Number of months owned

(CCPI) Current CPI

3% Formula = $.03 \times PP / 12 \times NMO + PP = \text{BASE RESALE PRICE}$

CPI Formula = $PP / PPCPI \times CCPI = \text{BASE RESALE PRICE}$

5% Formula = $.05 \times PP / 12 \times NMO + PP = \text{BASE RESALE PRICE}$

Section 8-304 Permitted Capital Improvements Permitted Capital Improvements to Affordable Housing Units must be improvements or fixtures erected, installed or attached as permanent, functional, non-decorative

improvements to real property, excluding repair, replacement and or maintenance improvements, except as specified below.

- a. All Permitted Capital Improvement items and costs shall be approved by the GCHA prior to being added to the Maximum Resale Price as defined in this Article. Owner must show actual receipts to receive value of permitted capital improvements upon resale. Only Owner's out-of-pocket expenses will be counted toward value of permitted capital improvement.
- b. Permitted Capital Improvements shall only include the following:
 - a. Improvements or fixtures erected, installed or attached as permanent, functional, non-decorative improvements to real property, excluding repair, replacements and/or maintenance improvements;
 - b. Improvements for energy and water conservation;
 - c. Improvements for the benefit of seniors and/or handicapped persons;
 - d. Improvements for health and safety protection devices;
 - e. Improvements to add and/or finish permanent/finished storage space;
 - f. Improvements to finish unfinished space;
 - g. Garages;
 - h. The cost of adding decks and any extension thereto;
 - i. Permanent landscaping;
 - j. Repairs or replacements related to structural, major mechanical, or roofing deficiencies after any applicable warranty period is expired. Owner would need to document need to repair or replace item.
3. Permanent Capital Improvements shall not include the following:
 - a. Upgrades/replacements of appliances, plumbing and mechanical fixtures, carpets and other similar items included as

- b. part of the original construction of the unit;
- c. Improvements required to repair, replace and maintain existing fixtures, appliances, plumbing and mechanical fixtures, painting, carpeting and other similar items;
- d. Upgrades or addition of decorative items, including lights, window coverings, floor coverings and other similar items;
- e. Jacuzzis, spas, saunas, steam showers and other similar items.

Section 8-305 Off-Site Affordable Housing. In some cases, a mix of on-site and off-site affordable housing units may make sense as the desirable option, or the provision of all affordable housing units off-site.

A. Request for Off-Site Location of Affordable Housing Units. At the time of Preliminary Plan approval, the Board of County Commissioners may consider a request by the applicant for off-site location of affordable housing units if the applicant demonstrates circumstances that justify the request. The request would need to be detailed in the approved Affordable Housing Plan. The following considerations shall be applied to the applicant's request for location of affordable housing units off-site.

1. The proposed affordable housing unit development will be located substantially closer in proximity to the following facilities and amenities when compared to the project parcel: public schools, commercial or retail centers, community or public recreation parks and activities, hospital and health care facilities, professional services, and public services including fire, police and emergency services.
2. The applicant has developed a method or a procedure acceptable to the County to ensure that the proposed off-site affordable housing units are for sale *pro rata* with the sale or rental of lots contained within the project parcel.
3. Demonstrate that the AAHE has been consulted prior to submission of an application, regarding the proposed location and qualification of the off-site units for financing and sale.

B. Criteria for Off-site Affordable Housing Development. The proposed off-site development of affordable housing units shall satisfy the following criteria.

1. The proposed affordable housing unit development meets the requirements and guidelines for affordable housing set forth in this Article.
2. The proposed affordable housing units will be built or located in the same Study Area as the development.
3. The proposed affordable off-site housing will be located in an area or development acceptable to the Board of County Commissioners.
4. Existing residential units can be used as affordable housing, provided it is acceptable to the Board of County Commissioners.

Section 8-306 Payment-in-Lieu. Payment-in-lieu of affordable housing units will not be accepted.

DIVISION 4 AFFORDABLE HOUSING GUIDELINES

Section 8-401 Determination of Qualification to Purchase Affordable Housing Units. The following considerations shall be applied to qualify an applicant for affordable housing.

A. Requirements for Determination of Qualified Applicant.

1. **Non Discrimination.** Determination of qualification for an affordable housing unit shall be made without regard to race, color, creed, religion, sex, handicap, disability, national origin, familial status or marital status.
2. **Resident Qualification.** The applicant is a full-time resident of Garfield County. To qualify as a full-time resident, the applicant shall live at least nine (9) months a year in the County.
3. **Employment Qualification.** The applicant is employed full-time by a Garfield County based employment source, which is a business whose business address is located within Garfield County, whose business employs employees within Garfield County, who work in Garfield County, and whose business taxes are paid in Garfield County. If an employer is not physically based in Garfield County, an employee must be able to verify that they work in Garfield County a minimum of 1664 hours (min 32 hours/week) per calendar year for individuals, businesses or institutional operations located in

Garfield County. To qualify as a full-time employee, the following criteria shall apply.

- a. A person who works or will work at least 32 hours per week for a Garfield County based employment source.
 - b. A person who has been recruited to work at least 32 hours per week for a Garfield County based employment source.
 - c. The applicant is a retiree and was employed full-time at least 32 hours per week for a Garfield County Based employment source for the four (4) years prior to the date of application.
 - d. The applicant is disabled and was employed full-time at least 32 hours per week for a Garfield County Based employment source for the two (2) years prior to the date of application.
4. **Financial Qualification.** The applicant has a cumulative net worth, minus qualified retirement assets (as determined by the IRS), not in excess of \$100,000 and satisfies the income criteria set forth in this Article.
 5. **Occupancy Qualification.** The applicant will occupy the affordable housing unit as a primary residence upon purchase.
 6. **Family Qualification.** Intended family compositions include: foster children, live-in attendants, and dependants under the age of 23 who are away at college, family members on military leave or out-of-town on business or multiple adults cohabiting. Total family income will be considered as part of the income eligibility described in this Article.
 7. All adult family members are legally residing in the United States.

B. Income or Earnings Used in Determination of Qualified Applicant. In determining the financial qualification of an applicant, consideration shall include but not be limited to the following sources of income.

1. Earned income such as salaries, wages, overtime pay, commissions, bonuses, tips and payments received as an independent contractor for labor or services.
2. Severance pay.

3. Royalties, rents, trust income.
4. Annuities, dividends, capital gains, taxable distributions from corporations or partnerships.
5. Pensions, retirement benefits, social security benefits, disability benefits.
6. Gambling proceeds.
7. Money drawn by a self-employed individual for personal use.
8. Workman's compensation benefits, disability insurance benefits, funds payable from any health insurance benefits or casualty insurance to the extent that such insurance replaces wages or provides income in lieu of wage.
9. Monetary gifts, prizes.
10. Alimony. An individual who is separated but not divorced may exclude spousal income if the couple intends to live separate and apart.
11. Divorced parent who has less than 180 days parenting time may not claim a household size which includes the children.

Section 8-402 Application and Review Procedures for Determination of Qualified Applicant

A. Materials for Determination of Qualified Applicant. Application shall be made to the GCHA. The following materials shall be required for proof of residency, income, assets and employment by all family members. The GCHA may require additional materials as appropriate.

1. Federal Tax returns for last 2 years.
2. Current income statements in a form approved by the GCHA.
3. Current financial statements in a form approved by the GCHA.
4. If current income is less than the previous tax return by twenty (20) percent or greater, the income will be averaged based on the current income and previous tax return to establish an income category.

5. Verification of employment or offer of employment by a Garfield County based employment source.
6. Evidence of legal residency (landlord verification, Colorado Drivers License, phone service, vehicle registration, voter registration).
7. Divorce or Support Decree.
8. A signed release for the GCHA to access the loan application submitted to the Lender.

B. Review and Determination of Qualification. The GCHA shall be responsible for application review and determination of qualified applicants.

1. **Determination of Qualification or Non-Qualification.** The GCHA shall determine whether the family is a qualified applicant for affordable housing units developed in compliance with this Article.
2. **Notice of Determination.** The GCHA shall provide written notification of a Determination of Qualified Applicant.
3. **Determination of Non-Qualification.** The GCHA shall provide written notification of a Determination of Non-Qualified Applicant. The written notice shall contain the following information.
 - a. A statement of the reason(s) for the decision.
 - b. A statement that the applicant may request a review of the decision by following the grievance procedures described in this Article.

C. Priority of Qualified Applicants. The GCHA shall assign all qualified applicants one of two priorities. Those who qualify for both priorities will fall within Priority Category One.

1. **Priority Category One.** Applicants that are employed by a Garfield County based employment source as defined in Article 8-401(3)(a-c.).
2. **Priority Category Two.** Applicants that are full-time residents of Garfield County.

Section 8-403 Initial Sale and Resale of Affordable Housing Units

A. Initial Sale by Developer. The initial sale of an affordable housing unit shall be the responsibility of the developer or the applicant who is subject to Article VIII requirements.

1. The developer must work in cooperation with the GCHA to complete the initial sale(s) to a Qualified Applicant(s). The developer is urged to make available his/her real estate agent to act as a transaction broker for the sale of the Affordable Housing Units. The GCHA may choose to contract with a licensed real estate broker, but is not required to provide this service.
2. The developer is required to provide the GCHA with a marketing packet at least 120 days prior to the estimated completion of the affordable housing unit(s). The packet shall include unit descriptions, spec information, estimated HOA dues, copies of all Covenants, Conditions and Restrictions (CCRs) if applicable, Homeowner Association provisions, and other applicable documents.
3. The developer is required to hold at least one open house during the application prior to the lottery.

B. Resale by GCHA . Unless otherwise required in the Deed Restriction, listing for resale of an affordable housing unit shall be with the GCHA.

1. GCHA will advertise the affordable housing unit for sale and establish reasonable timeframes for the advertising period, lottery, and estimated sale for each resale.
2. GCHA will administer the sale according to provisions of this Article in effect at the time of sale.
3. There shall be minimum 3-month listing period before adjusting the sale price. The sale price will be set at the date of listing when the Owner notifies the GCHA in writing of his/her desire to sell. The owner shall have the option to change the price after three (3) months, after consulting with the GCHA staff.
4. The Owner shall be responsible for any costs associated with termination of listing, including payment of administrative and advertising costs. These fees are included in Section 8-402 G.

C. Role of GCHA Staff. GCHA Staff shall be acting on behalf of the GCHA. It should be clearly understood by and between parties to a sales transaction that the staff members are not acting as licensed brokers to the transaction, but as representatives of the GCHA and its interests.

1. All purchasers and sellers are advised to consult legal counsel regarding examination of the title and all of the contracts, agreements, and title documents.
 - a. The retention of counsel, licensed real estate brokers, or such related services shall be at the purchaser's and seller's own expense. The fees paid to GCHA are to be paid regardless of any actions or services that the purchaser or seller may undertake or acquire.
2. All purchasers and all sellers will be treated fairly and impartially. Questions will be answered and help will be provided equally to any potential purchasers or sellers in accordance with the current Affordable Housing Guidelines. Staff shall prepare listings, sales contracts, extensions to contracts, and closing documents, and undertake all actions necessary to consummate the sale or contact with a licensed real estate broker to complete these actions.
3. GCHA staff shall attempt to help both parties to consummate a fair and equitable sale in compliance with the current Affordable Housing Guidelines.

D. Maximum Allowed Resale Price.

1. Affordable housing units shall have a Deed Restriction carried with the title, which restricts future sale of the affordable housing unit to individuals qualified by the GCHA as an owner for affordable housing.
2. Subsequent resale of affordable housing units shall begin with a meeting between the seller and the GCHA to go over deed restrictions and determine allowed price. The resale price shall be fixed at the time notification in writing by the Owner of his/her desire to sell.
3. The maximum resale price of affordable housing units will be determined by the GCHA utilizing a formula defined in Section 8-305 (5.).

E. Maintenance Standards for Maximum Resale Price It is the responsibility of the Owner to maintain the Affordable Housing unit in good condition. The following are minimum standards to receive full value upon resale. If GCHA determines that the Owner has failed to meet these standards, the GCHA may deduct these repair costs from the sale proceeds.

1. Clean unit.
2. Carpets steam-cleaned two or three days prior to closing.
3. All scratches, holes, burned marks repaired in floors, walls, and counter tops, etc.
4. No broken or foggy windows.
5. All screens in windows, if originally provided.
6. All windows and doors in working order with no holes.
7. All locks on windows and doors in working order.
8. All keys provided, e.g. door, mail box, garage.
9. All mechanical systems shall be in working order.
10. Walls paint ready, e.g. all holes patched, all nails removed.
11. No leaks from plumbing fixtures.
12. No roof leaks.
13. Any safety hazards remedied prior to closing.
14. All light fixtures shall be in working order.

F. Lottery Process. The GCHA will conduct a lottery for each affordable housing unit or group of units as they become available, both for initial sales and resales.

1. **Prospective Purchasers**
 - a. No waiting list shall be maintained. New and separate applications must be submitted for each newly available affordable housing unit or groups of units.

- b. Prospective purchasers shall register by application at the GCHA office.
 - c. All applications will be reviewed for completeness and information verified.
 - d. GCHA shall make a Determination of Qualification consistent with this Article.
 - e. Prospective purchasers are encouraged to investigate sources of financing prior to submitting an offer for purchase of an affordable housing unit and can obtain names of lenders from the GCHA. GCHA may require a pre-qualification or pre-approval letter from a lender with the application.
2. **Conduct of Lottery.** GCHA shall conduct lotteries for available affordable housing units as follows:
- a. All applications by Qualified Applicants for the specific affordable housing unit sale, that have been determined complete and accepted by the GCHA, shall be included.
 - b. Priority One applications shall be included in Lottery Round One. Each application, upon being drawn by random selection, shall be assigned a numerical position based on order drawn.
 - c. A separate Lottery Round Two for Priority Two applications shall be conducted. Each application, upon being drawn by random selection, shall be assigned a numerical position based on order drawn.
 - d. The affordable housing unit choice will be offered to applications in the order drawn in Round One.
 - e. Remaining affordable housing units, if any, will be offered to Round Two.
 - f. The GCHA shall designate the length of time an offer shall be available to a qualified owner before the offer is considered withdrawn or void.
 - g. If an offer is deemed withdrawn or void, an offer to the next sequential Qualified Applicant shall be made.

G. Fees. Unless otherwise required by the deed restriction, fee structure and payment shall be as follows.

1. Seller will pay GCHA a sales fee equal to 2% of sales price paid as follows:
 - a. 1% paid at determination of the sales price by the GCHA credited toward the 2% total requirement. GCHA reserves the right to waive the immediate collection of 1% and to collect the full 2% of the sales price at closing.
 - (1) This portion of the fee will not be refunded if seller fails to perform in compliance with the listing contract, refuses to accept full price offers in cash or equivalent, or withdraws listing after advertising commences.
 - (2) Administrative costs incurred by GCHA will be deducted from fee and the balance refunded if seller withdraws due to failure of bids at maximum price and reasonable terms.
 - b. Balance paid at closing through Title Company.

H. Memorandum of Agreement to the Deed Restriction. The purchaser must record a document acknowledging the purchaser's agreement to be bound by the recorded Deed Restriction. This documentation must be filed with the County Clerk concurrent with closing the affordable housing unit sale. The form of the document shall be acceptable to GCHA and the County Clerk. The original recorded document will be held by the GCHA.

Section 8-404 Other Requirements

A. Co-Ownership and Co-Signing

1. Any co-ownership interest other than joint tenancy or tenancy in common must be approved by GCHA.
2. Co-signers may be approved for ownership of the affordable housing unit but shall not occupy the unit unless qualified by GCHA.

B. Permissible Financing Any Qualified Applicant who is selected to purchase an Affordable Housing unit is responsible for selection of their preferred financing option(s). However, the GCHA or County may require that financing be obtained from an institutional lender, or a bank, savings and loan association, or any other lender which is licensed to engage in the business of providing purchase money mortgage financing on residential real property. In addition, any financing used to purchase an Affordable Housing unit must be a conventional or portfolio program that offers fixed or intermediate variable rate terms designed for entry-level buyers. Sub-prime and non-conforming products are not permitted. The GCHA shall be permitted to request financing documents for verification purposes and to withdraw Qualified Applicant status if financing is contrary to these guidelines.

C. Renting an Affordable Housing Unit During a Listing Period. If the affordable housing unit is listed for sale and the owner cannot occupy the unit, the affordable housing unit may be leased with approval of GCHA.

1. Unit owner must submit a letter to GCHA requesting permission to lease the listed unit.
2. The tenant must be a Qualified Renter certified by GCHA using the sale criteria as applied to the purchaser of the unit.
3. The unit must be rented in compliance with requirements of this Article, the Deed Restriction, and Home Owner's Association documents. The renter must acknowledge that he/she has received, read, understand and will abide by the requirements for tenancy.
4. There must be a written lease with minimum rental term of 6 months and a maximum rental period of two years. There will be a 30-day move out clause from closing in event the affordable housing unit is sold.
5. The Home Owner Association must receive notice of intent to rent and have reasonable opportunity to comment.

D. Leave of Absence for Owners of Affordable Housing Unit. If an Owner must leave the area for a limited period of time and wishes to lease the unit, a leave of absence may be granted by the GCHA.

1. The owner of the affordable housing unit must submit a letter to the GCHA at least thirty (30) days prior to leaving the area.

2. The letter shall document the reason for leave of absence and commitment to return.
3. The maximum initial term of absence is one (1) year.
4. An extension may be granted for one (1) additional year, but in no event can absence exceed two (2) years. Extension shall be granted only if rental of the affordable dwelling unit complies with requirements of the Deed Restriction and this Article.

E. Setting Rents for Allowed Leasing of Owned Units. Unless otherwise provided by the Deed Restriction, the rent shall be determined based upon the following considerations:

1. The Owner's Cost which includes:
 - a. Loan principle and interest and mortgage insurance
 - b. Home Owner's Association fees
 - c. Utilities remaining in Owner's name
 - d. Property taxes and homeowners insurance
2. Rental applicants must be approved by the GCHA and must meet the income restrictions set forth in Section 8-302.

F. Roommates. A Qualified Owner may rent a room in the affordable housing unit under the following conditions.

1. The Owner continues to reside in the affordable housing unit and the unit is their sole and exclusive place of residence.
2. The Deed Restriction or Home Owner Association documents do not prohibit leasing to roommates.

Section 8-406 Grievance Procedures. Any person aggrieved by a decision of the GCHA may file a written complaint with GCHA Board. The grievance must be received by the GCHA within 10 days of the date of the alleged action complained about.

A. File Written Complaint. The complaint shall contain the following information.

1. Grounds for complaint.
2. Action requested.
3. Name, address and phone number of complainant and similar information for any authorized representative.

B. Schedule Hearing. A hearing before the GCHA Board shall be scheduled for next regularly scheduled board meeting. The hearing may be continued at Board's discretion.

C. Review of Documents. The GCHA Board and the complainant shall have sufficient opportunity before the hearing, and at the expense of the complainant, to examine documents, records and regulations that are relevant to the complaint. Documents that have not been requested and made available prior to the hearing may not be relied on during the hearing.

D. Hearing Process The complainant shall be entitled to a fair hearing that provides the basic safeguards of due process, including notice of hearing and an opportunity to be heard in a timely reasonable manner.

1. **Conduct of Hearing.**
 - a. If complainant fails to appear at scheduled hearing, the GCHA Board may make a determination to postpone the hearing, or to review and act upon the complaint based upon the written documentation and evidence submitted.
 - b. Review of oral or documentary evidence shall not require strict compliance with the rules of evidence applicable to judicial hearings. However, the complainant may not present documents at a hearing concerning eligibility which have not been previously submitted and considered by the GCHA in reaching its decision of ineligibility.
 - c. The right to cross-examination shall be at the discretion of the GCHA Board and may be regulated by the GCHA Board as it deems necessary for a fair hearing.
3. **Hearing Record.** The following documents shall constitute the Hearing Record.
 - a. Written complaint.

- b. Written documentation and evidence considered at the hearing.
 - c. Minutes of the meeting and record of decision.
- E. Decision of the GCHA Board.** The GCHA Board shall provide a written decision that includes the reasons for its determination. The decision of the Board shall be binding on the GCHA, which shall take all actions necessary to carry out the decision.
- 1. If a determination is made of ineligibility for a lottery, and the hearing of a grievance cannot be scheduled before the lottery takes place, the complainant's name may be placed in the appropriate category of the lottery. If the complainant's name is chosen, then the closing will be postponed until the GCHA Board can make a decision on the eligibility of the complainant.
 - 1. All persons submitting an application for eligibility to purchase an affordable housing unit will sign an agreement stating that if they are found ineligible and the decision is later overturned either by administrative or court action, their sole remedy will be applied for in the lottery for the next available unit in the event that unit originally applied for has been sold.

Section 8-407 Periodic Review of Affordable Housing Guidelines. The Affordable Housing Guidelines set forth in this Division 4 shall be reviewed periodically by the GCHA. Revisions to the Guidelines shall be approved by resolution of the Board.