



City of Ketchum

February 6, 2023

Mayor Bradshaw and City Councilors:

RECOMMENDATION TO APPROVE RENTAL DEED-RESTRICTION TEMPLATE & ADOPT BCHA'S GUIDELINES

Recommendation and Summary

Staff have researched and compared deed restriction provisions and recommend adopting the attached template for future use. The substantial, notable changes are as follows:

- a) City of Ketchum as the holder of the restriction**
- b) Clarifies and expands enforcement capabilities and associated fees**
- c) Requires that the Owner use a lease addendum with Community Housing tenants**

For such a template to be operationalized, Community Housing Policies are needed for prospective tenants and staff.

The reasons for the recommendation are as follows:

- A standardized, vetted template is more efficient and transparent for staff and developers
- The proposed template is informed by deed-restriction programs that have effectively operated for decades
- Approving BCHA's Community Housing Guidelines formalizes existing processes

"I move to approve use of the Rental Deed-Restriction Template"

"I move to approve adoption of Blaine County Housing Authority's Community Housing Guidelines"

Context

The Ketchum Housing Action Plan outlines the following related objectives:

Goal 3: Expand + Improve Services to Create Housing Stability

Action 6: Identify and support policy changes that increase access to housing, including eligibility requirements. Analyze compliance processes, inventory and deed restriction enforcement.

After reviewing BCHA's deed restrictions, staff started from scratch with a standardized template used by a national consulting firm for housing trusts and deed-restricted housing. They adjusted this template for rental housing and compared it with BCHA's, Vail's, Jackson/Teton County's, Truckee's and Rhode Island Housing Association's. They then reviewed the entire document and deed-restriction process with the Planning team and legal counsel. Once a Rental Deed-Restriction Template is approved, staff will edit and recommend adoption of an Ownership Deed-Restriction Template (which is less complex).

The most substantial changes are those that staff, BCHA, and tenants have found historically challenging:

- a) **City of Ketchum as the holder of the restriction (and it's assigned program administrator) (Article III).**
This change allows Ketchum to legally enforce deed-restrictions that result from Ketchum's programs and tools and are within Ketchum's jurisdiction. It also means that the City then has the agency to determine which entity is best to administer each deed restriction, which may vary as capacity and scope of the housing authority changes and new programs commence.
- b) **Clarifies and expands enforcement capabilities (Article VIII) and associated fees (Article IV).** Article VIII outlines what happens if the owner violates declaration terms or defaults, with remedies ranging from the right to void any contract for lease, conveyance or other transfer and money damages for the cost of acquiring a comparable dwelling unit. Article IV describes fees associated with leaving a restricted home unoccupied and renting to an ineligible renter.
- c) **Requires that the Owner use a lease addendum with Community Housing tenants (Exhibit C)** to help ensure tenant stability and clarifies expectations of both parties. Provisions include the following:
 - a. the renter is qualified as eligible;
 - b. limits rent increases and reinforces the maximum rent for that income level;
 - c. that the home must be a primary residence;
 - d. that the owner may not evict or not renew a lease except for when there is just cause (with a mediation option established by the city);
 - e. that owner improvements must not infringe on tenant's use of the home without establishing accommodations; and
 - f. that the owner must make necessary repairs during turnover.

The declaration also establishes Community Housing Policies (Article I.7.N.). As written in the template, unless otherwise adopted by the City, Blaine County Housing Authority's Community Housing Guidelines or Policies apply. City staff are working with BCHA and Housing Authority expert Sunny Shaw to thoroughly review their existing guidelines. These should be approved by the BCHA Board in the next few months.

Staff recommend adopting BCHA's current Community Housing Guidelines to formalize operations, knowing that multiple Community Housing units will soon be reviewed by Council. The current Guidelines are those that have historically applied to deed-restricted units arising from design approval by Ketchum City Council or plat Exceedance Agreement. These Guidelines were adopted by BCHA's Board in June of 2020. Once the edits of those guidelines are complete – one such edit being that they be termed Policies instead of Guidelines – staff would then recommend final Policies to Council. The recommended Policies may be identical to BCHA's.

Sustainability impact

Ability to house employees and community participants locally decreases commuter vehicular trips.

Financial Impact

Use of a template would reduce staff time needed to collaborate with developers and execute the restriction.

Attachments

Rental Deed-Restriction Template

Blaine County Housing Authority Community Housing Guidelines

Recording Requested By and
When Recorded Return to:

City of Ketchum
In-person pickup preferred (208-726-7801)
P.O. Box 2315
Ketchum, ID 83340

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DECLARATION OF RENTAL AFFORDABILITY COVENANT

This Deed Restriction is entered into between [FULL NAMES OF OWNERS], [each] an [individual, business, LLC] ([together, and] with permitted heirs, successors, and assigns the “**Owner**”) having a mailing address of [ADDRESS OF DEVELOPER/OWNER] and the City of Ketchum, a municipal corporation of the State of Idaho, including successors and assigns (the “**City**”). The Parties make this Declaration of Affordability Covenant (this “**Declaration**”) as of [Month Date], 20[Year] (the “**Effective Date**”), for the purpose of encumbering the improved real estate described on attached Exhibit A (the “**Home**”), having an address of [Street Address, City, State, Zip Code].

RECITALS

1. To satisfy a condition of approval, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Owner and the City are entering into this Covenant and Declaration.
2. The City operates a program to preserve affordable and workforce housing opportunities through the stewardship of homes whose owners, at the time of permitting, have agreed to accept certain covenants, conditions, and restrictions in exchange for an exceedance of development standards or other incentives (the "Program").
3. The purpose of this Declaration is to include the Home[s] in the Program, as per [DESCRIBE MECHANISM: design approval by Ketchum City Council or plat Exceedance Agreement] dated [Month Date], 20[Year]. Consistent with the Program, this Declaration includes terms that affect the use and rental price of the Home and are designed to ensure that the Home continues to be affordable to low- and moderate-income households over an extended period and through a succession of owners.
4. Pursuant to the terms and conditions of this Deed Covenant, Owner hereby grants to the City an interest in the Property, as more specifically set forth herein. This interest must allow the City to administer the terms and conditions of this Deed Covenant and of the Guidelines, defined below, but is not to be construed to impair the ability of a mortgagee to remedy a default or foreclose under the terms of a mortgage and/or deed of trust. Notwithstanding the City's interest in the Property set forth herein, the Owner is the sole owner of a fee simple estate in the Property.
5. Owner and the City hereby agree that the Property must be exclusively and permanently dedicated for use and occupancy by a "Qualified Renter," defined below, as outlined in the Policies and in this Deed Covenant.

Article I. Submission of Real Estate, Defined Terms

1. Submission of Real Estate. By signing this Declaration, the Owner submits the Home to the covenants, conditions, and restrictions of this Declaration for the benefit of the City. The City, including through any Program Administrator the City may appoint from time to time, will have the right to enforce this Declaration.
2. Consideration; Value Exchanged. The Owner recognizes that the Home would otherwise be market rate but the Owner is voluntarily building in exceedance of existing code requirements or receiving other detailed incentive in exchange for the inclusion of deed-restricted units in the development.
3. Any Excess Proceeds of Transfer Go to City.

- A. The Owner recognizes that it would be contrary to the purposes of this Declaration if the Owner could receive more than the as-is restricted and encumbered value of the property (“Maximum Sale Price”) as the result of an eminent domain proceeding or foreclosure. It would also be contrary to the purposes of this Declaration if the Owner could receive financial benefit by violating Article II.2 (“Home may not be leased, Short-term Rented, Encumbered, Sold, or Transferred”). Therefore, the Owner hereby irrevocably assigns to City any net proceeds of eminent domain proceeding or foreclosure, that would otherwise have been payable to the Owner after satisfaction of all Mortgages, if applicable, and that exceed the amount of proceeds that the Owner would have received if the property had been sold only for the Maximum Sale Price or used only in accordance with this Article (I.3 “Any Excess Proceeds of Transfer Go To City”). For the avoidance of doubt, the Owner authorizes and instructs any party conducting any eminent domain proceeding or foreclosure to pay such Excess Proceeds directly to City. If, for any other reason, Excess Proceeds are paid to Owner, Owner hereby agrees to promptly pay such amount to City.
- B. The City must have, and the Owner hereby grants and consents to, a lien upon the Home for any Excess Proceeds. Such lien will be prior to all other liens and encumbrances on the Home except (i) liens and encumbrances recorded before the recording of this Declaration and (ii) liens for real property taxes and other governmental assessments or charges against the Home.

4. Term of Declaration.

- A. This Declaration will remain in effect for sixty-five (65) years after the Effective Date (the “Term”), unless terminated earlier by recordation of a new Declaration upon transfer of the Home to a new Owner in accordance with Article VII; or (ii) foreclosure and expiration of the Purchase Option under Article VI.
- B. Upon expiration of the full Term, the Owner will have the option either to (i) record an amendment to this Declaration encumbering the Home for an additional term; or (ii) pay to the City the Excess Proceeds that would be received by the Owner if the Owner, upon expiration of the Term, were to sell the Home unencumbered by this Declaration to a third party in a bona fide arm’s length transaction. If the Owner does not elect option (i) by recording an amendment before expiration of the Term, the Owner will be deemed to have elected option (ii). Excess Proceeds will be calculated and paid under option (ii) as follows:
 - i. The City, at its sole cost and expense, will obtain an Appraisal of the Home to include the Maximum Sale Price (as-is restricted and encumbered value of the property) and the fair market, unencumbered value;
 - ii. The City will calculate Excess Proceeds by subtracting the Maximum Resale Price from the fair market value of the Home, as determined by the Appraisal; and

- 1) If the calculation in this subparagraph (ii) results in a negative number (in other words, if the Maximum Resale Price is higher than the fair market value), the Owner will not owe any Excess Proceeds, and the City will promptly record a release of this Declaration; or
 - 2) If the calculation in this subparagraph (ii) results in a positive number (in other words, if the Maximum Resale Price is lower than the fair market value), the Owner must pay the Excess Proceeds to the City within 90 days after receiving the City's calculation, and the City will then promptly record a release of this Declaration.
5. Covenants to Run with the Land. The Owner intends, declares, and covenants (a) that this Declaration, including all restrictions, rights and covenants contained herein, are covenants running with the land, encumbering the Home for the Term, and are binding upon the Owner and the Owner's successors in title and assigns, (b) are not merely personal covenants of the Owner, and (c) inure to the benefit of and be enforceable by the City and its Program Administrator, successors and assigns, for the Term. Because the Declaration runs with the land, it encumbers the Home for the Term and is binding upon the Owner's successors in title and assigns regardless of whether such successors in title and assigns agree in writing to be bound by the Declaration or execute a new Declaration at the time of resale, as provided in Article VIII.
6. Local Laws Applicable to Program Apply. This Declaration, including all restrictions, rights and covenants contained herein, implements certain features of exceeding the Development Standards established under Ketchum Code Section 17. In addition to the Declaration, the Home is subject to the Code and the Program Guidelines, as administered by the City, including any amendments thereto if the amendments do not have a materially adverse effect on the interests of the Owner.
7. Defined Terms. Owner and City agree on the following definitions of key terms used in this Declaration.
 - A. **"Appraisal"**: Fair market valuations of the Home performed by a duly licensed appraiser, conducted by analysis and comparison of comparable properties, (a) disregarding all of the restrictions of this Declaration and (b) the as-is, restricted value based on restrictions in this Declaration.
 - C. **"BCHA"**: Blaine County Housing Authority, its successors and assigns, is an Idaho independent public body corporate and politic.
 - D. **"Maximum Rent"**: The Maximum Rent corresponds with the Area Median Income level outlined in I.7(E) "Qualified Renter", as determined by BCHA. Maximum Rent includes all essential utilities (electricity, gas, water, sewer, trash, and any other fees including HOA fees).
 - E. **"Qualified Renter"**: A person or group of persons

- iii. whose household income at lease-up and the following six (6) months does not exceed the amount listed in Exhibit B, as calculated and adjusted for household size from time to time by the BCHA (the “**AMI Eligibility Threshold**”);
- iv. whose household size is appropriate for the Home;
- v. whose assets at lease-up do not exceed value listed in Exhibit B, as calculated and adjusted for household size from time to time by the BCHA;
- vi. meets BCHA’s eligibility and screening criteria, is qualified by BCHA, and is on BCHA’s waitlist or with the City’s approval, on an alternative waitlist;
- vii. Occupies the home as their primary residence at least nine (9) months per year.

A household size is “appropriate for the Home” if the household size does not exceed two persons per bedroom, plus one, and is not less than one person per bedroom.

If, when the Qualified Renter annually certifies program compliance, City determines that the Qualified Renter’s income or assets have since exceeded the income category above their initial qualification category (for example, was category 4 and is now category 6), City will work with the Qualified Renter to determine whether alternative housing is available and viable.

- F. “**Event of Default**”: Any violation of the terms of this Declaration unless the violation has been corrected (“**cured**”) by the Owner in the period of time specified in a written Notice of Default has been given by the City. See Article VIII. Enforcement.
- G. “**Ineligible Renter**”: A person or group of persons, or a person and their spouse, not meeting the requirements to be eligible as a Qualified Renter and not approved by the City at lease-up.
- H. “**Intent-to-Sell Notice**”: Owner’s notification to the City and City that the Owner wishes to sell the Home with Owner’s current phone and email information.
- I. “**Mortgage**”: A loan secured by a lien or security interest in the Home, together with any modifications, which may be made from time to time, by agreement between the Owner and the Mortgagee.
- J. “**Mortgagee**”: The lender shown on the security instrument securing a Mortgage, its assignees and the owner of such Mortgage.
- K. “**Out of Compliance Renter**” A renter who does not adhere to the Program Guidelines and has not cured being out of compliance, per the City’s requirements and Program Policies.
- L. “**Program Administrator**”: The entity designated by the City to administer and manage compliance with this deed restriction. Program Administrator has the same enforcement rights as the City.
- M. “**Purchase Option**”: As described more fully in Article VII, City’s option to purchase the Site at the Mortgage obligation, which is triggered by (i) City’s receipt of notice of a Foreclosure Action under Article VI, (ii) any sale or transfer resulting from a Foreclosure

Action under Article VI, and/or (ii) an Event of Default under Article VIII (any of the foregoing, an “**Option Trigger Event**”).

- N. “**Program Policies**” are those certain Community Housing Policies, or its identified substitute, adopted by City Council and in effect as of the applicable date for reference to such Guidelines. The Council may amend the Guidelines at any time in its sole and exclusive discretion, provided, however, any such amendments must either be neutral or for the benefit of the Owner or be approved in writing by the Owner and become an amendment to this Deed Covenant. Without limiting the foregoing, the most current Guidelines or Policies were adopted by the Ketchum City Council in Blaine County, Idaho on [INSERT DATE]. If no such policies have been adopted by Ketchum City Council, then Blaine County Housing Authority’s Community Housing Guidelines or Policies will be adhered to.

Article II. Use of Home

1. Owner must rent the Home for use as a primary residence to a Qualified Renter.
 - A. The Qualified Renter may use the Home only for residential purposes and any activities related to residential use that are permitted by local zoning law, except for short-term rental. Additional criteria are in Program Policies. A lease is required for a minimum of a twelve (12) month term.
 - B. If the Home remains unoccupied by a Qualified Renter for more than two months and the City has fulfilled their role outlined in Article III, then the City reserves the right to charge a fee as specified in Article IV and, without cure, default as described in Article VIII.3.
2. Home May Not be Leased, Short-term Rented, Encumbered, Sold, or Transferred Except as Provided in Articles VI and VII. No interest in the Home, including without limitation a fee simple interest, tenancy in common, joint tenancy, community property, tenancy by the entirety, life estate, limited estate, leasehold estate, tenancy, easement, mortgage, deed, lien, security interest, or other encumbrance, whether voluntary or involuntary, may be granted, sold, assigned, conveyed, or transferred except in accordance with Articles VI (“Financing and Foreclosure”) and VIII (“Transfer and Turnover of Home”) of this Declaration.
3. Owner Rent Increases are Limited. For any given Qualified Renter, the Owner cannot increase the rent by more than the greater of 4% of current rent every twelve (12) months at lease renewal, without pre-approval of the City. The Owner is obligated to first give the City thirty (30) days written notice of intent to raise above the allowable amount and respond in a timely manner to the City’s requests for documentation that justifies such an increase. Then, if approved, the Owner must give the Qualified Renter at least ninety (90) days written notice.

4. Owner cannot charge above the Maximum Rent. Owner is obligated to ensure that no more than the Maximum Rent is charged, including essential utilities.
5. Owner Must Work with City to Lease-Up. Owner must notify the City (i) simultaneously with sending Qualified Renter a notice of default, noncompliance, eviction, or lease renewal (which adheres to Exhibit C, Tenant Rights); (ii) within three (3) days of receipt of notice from Qualified Renter of intent to vacate or not renew lease.
6. Owner Must Maintain the Home Responsibly and in Compliance with the Law and Other Recorded Documents. The Owner must maintain all parts of the Home in good working order, in a safe, sound and habitable condition, and in full compliance with all laws and regulations. Owner must comply, and cause the Home and all occupants to comply, with all declarations, easements, and other documentation recorded against the Home in the local real estate records. If the requirements of any recorded documents are inconsistent with the requirements of this Declaration, the Owner must comply and must cause the Home and all occupants to comply, with the stricter requirement. Qualified Renters have the right to inspect the home before executing a lease.

Article III. Role of City

1. City Has a Right to Conduct Annual Meetings with the Owner and Qualified Renter. The City may conduct annual meetings with the Owner in the offices of the City or in the Home or some other mutually convenient location (or via mutually convenient electronic means) for purposes of obtaining occupancy certifications and addressing any other Program requirements. Meetings with Owner and Tenant may be conducted separately. The Owner will cooperate with the City in scheduling and attending these meetings and will provide City with the requested information. The City may opt to request such information from the Owner by phone, mail, email, or some other method instead of conducting an in-person (or electronically facilitated) meeting, and the Owner will then promptly provide the City with the requested information using the alternative method.
2. City Has a Right to Inspect the Home. The City may inspect any part of the Home on an annual basis at any reasonable time, to be scheduled with the Qualified Renter or, if vacant, the Owner. If occupied, the City must notify the Owner at least three (3) days before carrying out such inspection. The Owner will cooperate with the City's efforts to schedule and conduct the inspection, and if negative property conditions are identified, the City has the right to re-inspect until they are resolved. The inspection will include a review that the Home is decent, safe, and sanitary and in good repair and in conformance with local code.
3. City has Right to Review Lease. The City has the right to review the lease at lease-up before execution and at any point thereafter. City may also discuss lease terms with the Qualified Tenant.

4. City Will Identify Prospective Qualified Renters. At initial and any following lease-up, the City will refer Qualified Renters to the Owner. The City will work with the Owner as provided in Article II and VIII, as applicable.
5. City's Administrator, Successors, and Assigns. The City may designate a Program Administrator, a successor or assign to its rights and obligations under this Declaration, provided that such Program Administrator, successor or assign is a governmental body, governmental agency, or entity (non-profit or for-profit) with a purpose consistent with the Program.
6. Nonliability of City for Negligence, Loss or Damage. The Owner understands and agrees that the relationship between Owner and City is solely that of an Owner and a program administrator. The City does not owe a duty of care to protect the Owner against negligent, faulty, inadequate, or defective building or construction or any condition of the Home. Owner agrees that neither Owner nor Owner's heirs, successors or assigns must ever claim, have, or assert any right or action against the City for any loss, damage, or other matter arising out of or resulting from any condition of the Home and will hold the City harmless from any liability, loss, or damage for these things.

Article IV. Fees, Taxes, and Assessments

1. Owner Must Pay a Fee for Unoccupied Home. Owners must lease vacated unit within 30 days of vacation to a Qualified Renter. If City provided owner with Qualified Renter(s) in a timely manner (after receiving required notice in II.5) and determines that the Owner is not, in good faith, proceeding with signing a lease and moving in new tenants, the City may determine that the Owner is in violation of Article II. Any owner in violation Article II must pay monetary damages to the City that equal the Maximum Rent for the duration of the known violation. Property vacant for more than three months or ninety (90) days constitutes default.
2. Owner Must Pay a Fee for Renting to Ineligible Renter. If City is notified that the Owner may be leasing to an Ineligible Renter, the City will notify the Owner and request documentation and clarification. If the City confirms occupation by an Ineligible Renter, monetary damages must be paid to the City that equal the difference between the Maximum Rent and (i) the monthly rent charged, confirmed by bank statements, a signed lease, a signed tenant statement, or other documentation accepted by the City for the duration of the violation or if (ii) is unavailable then Market Rent, as determined by BCHA (Median Advertised Rent per bedroom size and location), for the number of months in violation. Upon that determination, the Owner must work with the City on transitioning out the current Ineligible Renter to a Qualified Renter. In addition,
 - A. Owner must provide Ineligible Renter at least a ninety (90) day eviction notice;

- B. Owner must pay Ineligible Renter relocation expenses in an amount equal to six times the tenant's monthly rent paid by the Owner;
3. Owner Is Responsible for Paying all Fees, Taxes and Assessments. Owner must pay directly, when due, all fees, taxes, governmental and Owner association assessments that relate to the Home, unless such taxes and assessments are to be escrowed and paid by a Owner, in which case payment must be made as directed by that Owner.
 4. City Can Collect Unpaid Amounts When Home Is Sold. In the event that any amounts due under this Declaration remain unpaid when the Home is sold, including without limitation amounts due to City under this Article IV and any enforcement fees under Section 9.03(e), the outstanding amount, including any interest (the "Unpaid Amounts"), must be paid to the City out of any proceeds from the sale that would otherwise be due to the Owner.

Article V. Insurance, Damage or Destruction, Taking for Public Use

1. Owner Must Insure the Home Against Loss. The Owner must, at the Owner's expense, keep the Home continuously insured against accidental direct physical loss with a coverage limit equal to the estimated full replacement cost of the Home, that is, the amount necessary to rebuild the Home as opposed to the Home's market value. The insurance policy must satisfy all requirements of any Mortgage of record, and certificates of insurance must be delivered to City upon request.
2. What Happens if Home Is Damaged or Destroyed. In the event of fire or other damage to the Home, the Owner must take all steps necessary to assure the repair of such damage and the restoration of the Home to its condition immediately prior to the damage. All such repairs and restoration must be completed as promptly as possible. Owner must also promptly take all steps necessary to assure that the damaged Home does not constitute a danger to persons or property. For clarity, the obligations of the Owner to repair and restore the Home are the same in a case of insufficient insurance proceeds as in a case of excess insurance proceeds; in either case the Owner must still repair and restore the Home, obtaining additional funds (in the case of insufficient insurance proceeds) or, if permitted by the terms of the policy and the terms of any Mortgage, retaining excess funds (in the case of excess insurance proceeds). In a case where repair and restoration are not feasible (for example, in the case of sinkhole or other condition that materially adversely impacts and precludes restoration of the structure of the Home), the Owner must provide reasonably acceptable documentation of such circumstance to City, and in such case will be excused from repairing and restoring the Home, provided that the Owner uses available insurance proceeds to pay off any lien on the Home and the Owner provides the City with Excess Proceeds as applicable.
3. What Happens if Some or All of the Home Is Taken for Public Use.

- A. If all of the Home is taken by eminent domain or otherwise for public purposes, or if so much of the Home is taken that the Home is lost or damaged beyond repair, this Declaration will terminate as of the date when Owner is required to give up possession of the Home, provided, however, that any Excess Proceeds (defined in Article I) arising from eminent domain or other public use proceedings will be paid to City.
- B. In the event of a taking of a portion of the Home that results in damage to the Home that can reasonably be restored to a residential use consistent with this Declaration, then this Declaration will remain in full force and effect and the damage must be treated as damage is treated in Article V.2 above.

Article VI. Financing and Foreclosure

1. By Signing Declaration, City Gives Permission for Original Mortgage. By signing this Declaration, the City gives written permission for the first and second priority mortgage or deed of trust signed by the Owner and financing the Owner's purchase and development of the residential portion of the site ("the Site").
2. Survival of Declaration Upon Exercise of Remedies by Mortgagees.
 - A. If the Mortgagee, deed of trust, or other encumbrance on the Site conducts a foreclosure sale, accepts a deed in lieu of foreclosure, or exercises any other right or remedy that results in the Owner no longer having title to the Site (any such right or remedy, a "Foreclosure Action"), this Declaration must run with the land pursuant to Article I.4 above and will continue to encumber the Home as follows:
 - B. The Owner expressly authorizes any Mortgagee to provide City with any information requested by City with respect to the obligations secured by a mortgage, deed of trust, or other security instrument encumbering the Site, including without limitation, the original or maximum principal amount of the loan, the interest rate and other terms governing repayment, payment history, including any history of delinquent payments, current payments of principal, interest, and late fees due or delinquent, and the amount of total obligations currently secured by the Mortgage.
 - C. The Owner understands and agrees that nothing in this Declaration (i) in any way constitutes a promise or guarantee by the City that the Mortgagee will actually receive the Mortgage Satisfaction Amount or any other price for the Site, or (ii) impairs the rights and remedies of the Mortgagee in the event of a deficiency.
3. If Potential Foreclosure, the City Has an Option to Purchase the Site.
 - A. At least 60 days prior to any potential Foreclosure Action, the Owner must notify the City of (i) the name of the lender on the note triggering the potential foreclosure activity; (ii) the original amount and date of the note, the existing balance, and the annual debt cost; (iii) the position of the note relative to other liabilities on the property; (iv) a detailed description of the circumstances that have prevented timely

payment of interest on the note; (v) a detailed description of efforts between the owner and the holder of the note to reach an agreement to modify the terms of the note to prevent foreclosure; and (vi) any relationship between the holder of the note and the owner of the property by familial relationships, common principals, owners or employees.

- B. Upon (i) City's receipt of notice of a Foreclosure Action under Article VI; (ii) any sale or transfer resulting from a Foreclosure Action under Article VI; and/or (iii) an Event of Default under Article VIII (any of the foregoing, an "Option Trigger Event"), the City will have the option to purchase the Site at the amount of such total obligations under the Mortgage (the "Purchase Option"). For purposes of subparagraph (iii), (A) the amount of total obligations owed to the Mortgagee must be calculated as of the date the sale to the City closes, and (B) no Option Trigger Event occurring after a sale or transfer resulting from a Foreclosure Action must trigger an additional Purchase Option (rather, the City must be limited to the single Purchase Option initially triggered by the sale or transfer resulting from the Foreclosure Action). The Purchase Option is designed to further the purpose of preserving the affordability of the Home for succeeding Qualified Renters while taking fair account of the investment by the Owner.
 - C. If the City elects to purchase the Home, the City will exercise the Purchase Option by notifying the current Owner and any Mortgagee in writing of such election (the "Notice of Exercise of Option") within 180 days after the Option Trigger Event, or the Option may expire. Having given such notice, the City may (i) proceed to purchase the Site directly or (ii) assign the Purchase Option to another entity that would maintain a similar deed restriction program.
 - D. The purchase (by City or City's assignee) will be completed within 90 days after the City's Notice of Exercise of Option, or the Purchase Option will be of no further force and effect with respect to such Option Trigger Event. Except in the case of a Foreclosure Action, the Purchase Option will remain in effect with respect to Option Trigger Events occurring after the subject Option Trigger Event. The time permitted for the completion of the purchase may be extended by mutual agreement of the City or its assignee and the Owner and, if applicable, the Mortgagee undertaking the Foreclosure Action.
4. Distribution of Sales Proceeds. In the event that the City does not exercise the Purchase Option, the proceeds of any sale conducted in accordance with this Article VI must be distributed as follows: first to satisfy Mortgages in order of priority, second to pay the City's Unpaid Amounts and Excess Proceeds, third to pay taxes, Owner association assessments, and any statutory or municipal fees currently due and payable, fourth to pay amounts owed to any other secured lien holders.

Article VII. Transfer and Turnover of the Home

1. At transfer or sale of the Home, new Owner is subject to the same terms. Any new Owner will take title subject to all the terms and conditions of this Declaration, including the Term, and must execute and record such documents as the City may require and/or approve.

Before proceeding with a sale, the Owner must give the City at least 30 days prior written notice and must promptly provide the City with related documentation requested by the City.

2. Repairs and Turnover Procedures. The Owner is required to make necessary repairs when the Home is turned over as follows:
 - A. The Owner will provide an Inspection Checklist in the lease that the Qualified Renter must, prior to signing the lease, use (i) with an inspector at their sole expense or (ii) to self-inspect and the City has the option of inspecting. The inspection is to ensure that the Home is in decent, safe, and sanitary condition and identify any additional needed repairs. The Owner must cooperate fully with the inspection.
 - B. The Owner will repair specific reported defects or conditions necessary to bring the Home into full compliance with the checklist and deed restriction prior to transferring the Home.
 - C. The Owner will bear the full cost of the necessary repairs and replacements.

Article VIII. Enforcement

1. What Happens if Owner Violates Other (Nonmonetary) Terms of the Declaration. It will be an event of default if the Owner fails to abide by any other requirement or restriction stated in this Declaration and/or any other document of record encumbering the Home, and such failure is not cured by the Owner or a Mortgagee within 60 days after notice of such failure is given by the City to the Owner and any Mortgagee. Notwithstanding the foregoing, the Owner will not be entitled to a cure period for any violation of the construction or statutory lien provisions in Article V, the financing provisions in Article VI, the transfer provisions in Article VII and Article II, or the provisions of Article VIII below, and the City will be entitled to exercise the rights and remedies under Article VIII.4 for any such violation immediately upon notice of such violation being given by the City to the Owner and any Mortgagee.
2. What Happens if Owner Defaults as a Result of Judicial Process. It is an event of default if the Home is taken on execution or by other process of law, or if any assignment is made of the Home for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of the Home by a court of competent jurisdiction, or if a petition is filed for the reorganization of Owner under any provisions of the Bankruptcy Act now or hereafter enacted, or if Owner files a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.
3. City-approved correction of Out of Compliance Renter. Owner may be required to lease to a new tenant, if the City determines that the current lease is with an Out of Compliance Renter.

4. Default (Uncured Violation) Gives City the Right to Exercise Rights and Remedies. Upon the occurrence of an event of default that continues beyond any applicable cure period, the City will have, in addition to all other rights and remedies provided at law or in equity, the right, at the City's option, without further notice or demand of any kind, to take any one or more of the following actions:
- A. The right to enforce this Declaration independently by appropriate legal proceedings and to obtain injunctive and other appropriate relief on account of any violations including without limitation relief requiring restoration of the Home to the condition, affordability or occupancy which existed prior to the violation impacting such condition, affordability or occupancy (it being agreed that there must be no adequate remedy at law for such violation), and will be in addition to, and not in limitation of, any other rights and remedies available to the City.
 - B. In the case of a default under Article VIII.1 or VIII.2, including without limitation the institution of foreclosure by judicial proceeding or private sale;
 - C. Without limitation of any other rights or remedies of the City, or its successors and assigns, in the event of any rent, conveyance, financing, refinancing, or other transfer or occupancy of the Home in violation of the provisions of this Declaration, the following rights and remedies, which will be cumulative and not mutually exclusive:
 - a. specific performance of the provisions of this Declaration;
 - b. money damages for Excess Proceeds and Unpaid Amounts, if applicable;
 - c. the right to void any contract for lease, conveyance or other transfer of the Home in violation of the provisions of this Declaration, by an action in equity to enforce this Declaration; and
 - d. money damages for the cost of acquiring a comparable dwelling unit for a Qualified Renter, as determined by the unrestricted value in an Appraisal paid for by the Owner.
 - D. In addition to the foregoing, the Owner hereby agrees and will be obligated to pay all fees and expenses (including legal fees) of the City in the event successful enforcement action is taken against the Owner or Owner's successors or assigns.
 - E. The Owner for themselves and their successors and assigns, hereby grants to the City the right to take all actions with respect to the Home which the City may determine to be necessary or appropriate pursuant to applicable law, court order, or the consent of the Owner to prevent, remedy or abate any violation of this Declaration.

Article IX. Mediation

1. Mediation. Nothing in this Declaration will be construed as preventing the parties from utilizing any process of mediation in which the parties agree to engage for the purpose of resolving a dispute.

Article X. Notices and Other Provisions

1. **Notices.** Whenever this Declaration requires either party to give notice to the other, the notice must be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, to the party at the address set forth below, or such other address designated by like written notice:

If to City:

City of Ketchum
P.O. Box 2315
Ketchum, ID 83340
Attn: Housing

If to Owner:

Attn: _____

All notices, demands and requests will be effective upon being deposited in the United States Mail or, in the case of personal delivery, upon actual receipt.

2. **Severability.** If any part of this Declaration is unenforceable or invalid, such material will be read out of this Declaration and will not affect the validity of any other part of this Declaration or give rise to any cause of action of Owner or City against the other, and the remainder of this Declaration will be valid and enforced to the fullest extent permitted by law.
3. **Waiver.**
 - A. The waiver by City at any time of any requirement or restriction in this Declaration, or the failure of City to take action with respect to any breach of any such requirement or restriction, will not be deemed to be a waiver of such requirement or restriction with regard to any subsequent breach of such requirement or restriction, or of any other requirement or restriction in the Declaration. City may grant waivers in the terms of this Declaration, but such waivers must be in writing and signed by City before being effective. Notwithstanding the foregoing, the City may not waive the provisions of Sections 1.03(b) and 7.04 of this Declaration. THIS PROVISION DOES NOT WAIVE ANY OTHER AGREEMENTS, LAND USE ENTITLEMENTS, OR EXCEEDANCE AGREEMENTS FOR THE PROPERTY.
 - B. The subsequent acceptance by City of any late payments will not be deemed to be a waiver of any preceding breach by Owner of any requirement or restriction in this Declaration, other than the failure of the Owner to make the particular payment so

accepted, regardless of City's knowledge of such preceding breach at the time of acceptance of such payment.

4. Headings and Table of Contents. The headings, subheadings and table of contents appearing in this Declaration are for convenience only and do not in any way limit or amplify the terms or conditions of this Declaration.
5. Parties Bound. This Declaration sets forth the entire agreement between City and Owner with respect to the subject matter of this Declaration. This Declaration is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Declaration, their respective successors in interest. This Declaration may be altered or amended only by written notice executed by City and Owner or their legal representatives or, in accordance with the provisions of this Declaration, their successors in interest.
6. Governing Law. This Declaration will be interpreted in accordance with and governed by the laws of the State of Idaho. The language in all parts of this Declaration will be, in all cases, construed according to its fair meaning and not strictly for or against City or Owner.

IN WITNESS WHEREOF, the parties have caused this Declaration to be executed as of the Effective Date.

[INSERT SIGNATURE BLOCKS AND NOTARY ACKNOWLEDGMENTS.]

Exhibit A. Legal Description
of the Home with unit #

[INSERT ANY STATEMENTS REQUIRED FOR RECORDING]

Exhibit B. Income Restrictions

Owner developed property addressed as [REDACTED], Ketchum, Idaho 83340 for a [REDACTED] square foot retail/service/office/residential/etc. building. This development generated the obligation to provide Community Housing in accordance with [REDACTED] Approval. Owner is restricting:

- Unit [REDACTED], with [REDACTED] number of bedrooms with Income Range [REDACTED], Category [REDACTED].
- Unit [REDACTED], with [REDACTED] number of bedrooms with Income Range [REDACTED], Category [REDACTED].
- Unit [REDACTED], with [REDACTED] number of bedrooms with Income Range [REDACTED], Category [REDACTED].

Exhibit C. Tenant Rights, to be included as Lease Addendum

1. Qualified Renter. The Owner must rent the Home to a Qualified Renter. Renters are required to respond to the City of Ketchum's requests for information to annually certify compliance. If Renter is determined to be Out of Compliance with City of Ketchum's program guidelines, then a notice to vacate may be delivered to tenant following Idaho's Tenant-Landlord Laws.
 - A. If, when the Renter annually certifies program compliance, the City or assigned Program Administrator determines that the Renter's income or assets have since exceeded the income category above their initial qualification category (for example, was category 4 and is now category 6), the Renter must – at the City's request – discuss and work with the City to determine whether alternative housing is available and viable to relocate to.
2. Owner Rent Increases are Limited. For any given Qualified Renter, the Owner cannot increase the rent by more than the greater of 4% of current rent every twelve (12) months at lease renewal, without pre-approval of the City. The Owner is obligated to first give the City thirty (30) days written notice of intent to raise above the allowable amount and respond in a timely manner to the City's requests for documentation that justifies such an increase. Then, if approved, the Owner must give the Qualified Renter at least ninety (90) days written notice.
3. Owner cannot charge above the Maximum Rent. Owner is obligated to ensure that no more than the Maximum Rent is charged, including essential utilities.
4. Owner Must Rent the Home for use as Primary Residence. The Qualified Renter may use the Home only for residential purposes and any activities related to residential use that are permitted by local zoning law, except for short-term rental. Additional criteria are in Program Policies. A lease is required for a minimum of a twelve (12) month term.
5. Owner may not Evict or not Renew Lease without Just-Cause or Mediation.
 - A. Just-cause for eviction and non-renewal of leases is allowed of a Qualified Renter after (i) a Notice of Default or Non-Compliance was provided to the Qualified Renter and City, (ii) Owner makes a reasonable effort to participate in the mediation process as determined by the City and adheres to any resulting mediation agreement, and (iii) a 30-day written notice is provided the Qualified Renter and City. Just-cause eviction includes the following:
 - i. Failure to pay rent or habitual late payment of rent;
 - ii. Repeated disorderly conduct;
 - iii. Damage or destruction to the property;
 - iv. Substantial violation or breach of covenants or agreements contained in the lease pertaining to illegal use of controlled dangerous substances or other illegal activities;
 - v. Refusal to accept reasonable changes in the terms and conditions of the lease;

- vi. Conviction of a drug offence committed on the property and Qualified Renter has not in connection with his sentence either (1) successfully completed or (2) been admitted to and continues during probation participation toward completion of a drug rehabilitation program;
 - vii. The City determines that the tenant falsified eligibility with program criteria.
- B. 5.A. applies except for just-cause evictions sought in the following scenarios:
- i. Qualified Renter is found by Owner to be producing a controlled substance on the property, with a three (3) day eviction notice;
 - ii. Qualified Renter is convicted of assaulting or threatening the landlord, their family, employees, or other tenants, with a three (3) day eviction notice.
- C. If the Qualified Renter is committing acts of domestic violence and/or sexual assault, then the Owner must (1) refer tenants to the Advocates and (2) follow the Violence Against Women Act;
- D. Owner may not coerce or harass tenants to waive their rights, lease-terms, or move out.
6. Owner's Ability to Improve the Home is Limited. The term "**Capital Improvements**" means any improvements that (i) exceed more than a single eight-hour day; (ii) requires packing, moving, or storing belongings; (iii) continued occupancy constitutes a danger to the Qualified Renter's health or safety and/or the nature of the improvement creates an undue burden or unnecessary hardship; or (iv) the Qualified Renter does not have access to functional kitchen or bathroom facilities. In addition, Capital Improvements include any improvements that change the footprint, square-footage, or height of the house. No improvements may be made to the Home that would affect its bedroom configuration.
- A. The Owner will not make any Capital Improvements to the Home without the prior written consent of the City, which consent may be withheld in the City's sole and absolute discretion or may include notice and relocation assistance requirements.
 - B. The Owner may make other improvements to the Home without the consent of the City as long as such improvements (i) do not meet the criteria in Section 4, (ii) are constructed in a professional manner, (iii) reasonable efforts are made to comply with Qualified Renter's scheduling requirements, and (iv) comply with all applicable laws and regulations.
 - C. Section 4 does not apply in the event the Home is damaged or destroyed following a fire or other casualty.
7. Repairs and Turnover Procedures. The Owner is required to make necessary repairs when the Home is turned over as follows:
- D. The Owner must provide an Inspection Checklist in the lease that the Qualified Renter must, prior to signing the lease, use (i) with an inspector at their sole expense or (ii) to self-inspect and the City has the option of inspecting. The inspection is to ensure that

the Home is in decent, safe, and sanitary condition and identify any additional needed repairs. The Owner must cooperate fully with the inspection.

- E. The Owner must repair specific reported defects or conditions necessary to bring the Home into full compliance with the checklist and deed restriction prior to transferring the Home.
- F. The Owner must bear the full cost of the necessary repairs and replacements.

When Recorded Return To:
Blaine County Housing Authority
P.O. Box 4045
Ketchum, ID 83340



BLAINE COUNTY HOUSING AUTHORITY

Community Housing Guidelines

As Adopted June 2020

2020 Community Housing Guidelines

Outline of Sections

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- *To go to the beginning of a Section, simply click that section, above.*
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Section 1. Introduction

A. Mission Statement

The Blaine County Housing Authority's mission is to advocate, promote, plan and preserve the long-term supply of desirable and affordable housing choices in all areas of Blaine County in order to maintain an economically diverse, vibrant, and sustainable community.

B. Purpose of Guidelines

1. The purpose of these Guidelines is to define and describe the process of renting, purchasing, or developing Community Homes and Employee Housing within Blaine County. They are intended to assist government staff, the development community, Applicants, and the public, in understanding the priorities for and processes of governing Community Housing development and administration in Blaine County. The Guidelines do not replace professional guidance available from the Blaine County Housing Authority (BCHA) staff.
2. These Guidelines are intended to support the attainment of BCHA goals and to supplement, rather than supersede, land use and building codes used by the County and Cities. The Guidelines should be used to review land use applications, to establish affordable rental rates and sales prices, to establish criteria for admission and occupancy, and to develop and prioritize current and long-range community housing programs.
3. These Guidelines shall be reviewed on an annual basis and updated as needed to account for the changes that are occurring within Blaine County. Upon approval by the Board of Commissioners of BCHA, they will remain in effect until such time as amended Guidelines are approved by the same body.

C. Role of The Blaine County Housing Authority

The role of BCHA is to:

1. Qualify Applicants for Community Housing using the criteria set forth in these Guidelines and maintaining an Applicant Database of those persons eligible to rent or purchase Community Homes.
2. Match qualified Applicants with available Community Homes.
3. Monitor compliance with and enforcement of these Guidelines and deed covenants.
4. Develop the criteria by which Community Housing is located, designed, developed, and priced.
5. Provide recommendations regarding proposed Community Housing to Blaine County and its municipalities in accordance with these Guidelines.

D. Authority of the Blaine County Housing Authority

1. BCHA is an independent public body, corporate and politic created by Blaine County and has all the powers and authority bestowed upon a housing authority pursuant to Title 31, Chapter 42 and Title 50, Chapter 19, Idaho Code.
2. The authority of BCHA may be described generally as follows:
 - (a) BCHA has the authority to administer to municipalities within Blaine County the Community Housing program in accordance with the covenants set forth in the deeds governing each Community Home including, but not limited to, the qualification and selection of purchasers, the administration of purchase and sale agreements, and the enforcement of compliance with the Community Housing covenants affecting the Community Housing property.
 - (b) BCHA may be given authority by Blaine County and its municipalities to incorporate BCHA's location, type and design criteria, and pricing recommendations into proposed development plans and enforce the execution of approved Community Housing Plans for the development of Community Housing.

E. Definitions

1. **Administration Fee** – The fee charged by BCHA in connection with a completed purchase and sale transaction or a rental lease transaction as

compensation for the creation of and monitoring compliance with the deed covenants of Community Housing.

2. **Applicant/Applicant Household** – Persons or households that have completed the application process to obtain, either through purchase or rental, a Community Home.
3. **Applicant Database** – The group of persons who have submitted applications to BCHA for the rental or purchase of housing subject to a deed covenant (or other housing managed or administered by BCHA).
4. **Applicant Pool** – A group of Applicants selected from the Applicant Database and matched to a specific property for consideration to either rent or purchase that property.
5. **Assets** - Anything owned by an individual that has commercial or exchange value. Assets consist of specific property or claims against others, in contrast to obligations due others. $Assets = Liabilities + Owner's Equity$.
6. **Capital Improvements** - Unless otherwise defined in the deed covenants covering the Community Housing unit, any fixture erected as a permanent improvement to real property that enhances the value of the property, excluding repair, replacement, maintenance costs, and standard depreciation when applicable.
7. **Community Housing/Home** - Dwellings restricted (typically via deed covenant) by size and type for individuals meeting asset, income and minimum occupancy Guidelines approved by BCHA and the appropriate governmental body, whichever shall apply.
8. **Co-signer** - A joint signatory of a promissory note, mortgage and/or deed of trust, who may not occupy the Community Home unless qualified by BCHA.
9. **Deed Covenant** - A contract entered into between BCHA and the owner or purchaser of real property identifying the conditions of occupancy and resale. Also known as a "deed restriction."
10. **Disabled Person/Dependent** - A person who meets the definition of "individual with a disability" contained in 29 U.S.C. Section 706(8), and/or as defined in the Americans with Disabilities Act of 1990.

11. **Essential Services Worker** - An employee of an organization that provides a service deemed by BCHA to be essential to the health, safety, and welfare of the community. Such employment includes, but is not limited to, the following: clerical fire and police department workers, hospital emergency room technicians, registered nurses, social service workers (mental health and abuse case workers), communications dispatchers through the Sheriff's Office or Police Department, full-time on-call water, sewer and street department personnel, schoolteachers and various support staff. A written verification of employment duties from the employer is required. Such verification shall also demonstrate the need of that agency to house essential workers in the Blaine County area. Final determination of Essential Service Worker status shall be at the sole discretion of BCHA.
12. **Employee Housing** - Housing which is required to be developed in conjunction with an agricultural or commercial enterprise and is intended for rental by the employees of the enterprise. The rental rates for such housing are set forth in Section 7 and the recorded deed covenants.
13. **First Responder** - An employee of an organization or government entity that provides front line emergency services within Blaine County. Such employment includes, but is not limited to firefighters, mountain rescue, sheriff's deputies, police officers, ambulance drivers and emergency medical technicians. Final determination of First Responder status shall be at the sole discretion of BCHA.
14. **Full Time Employee** - A person who is employed and physically working in Blaine County for one or more employers on the basis of a minimum of 1,500 hours worked per calendar year in Blaine County (which averages 35 hours a week). The term Employed means having a job with one or more employers in Blaine County. Breaks in employment which do not disqualify Applicant include: temporary physical or mental disability, acting as primary caretaker of ill relative, extended vacation not to exceed six months every six years, and full-time education or training. Although these breaks in employment do not disqualify Applicants, the time spent in such activity cannot be included in the total number of years when calculating consecutive years of employment.
15. **Fixture** - Personal property which has been attached to or installed on land or a structure thereon in such a way as to become a part of the real property.

16. **Grievance** - Any dispute that an Applicant, purchaser, seller or tenant may have with BCHA with respect to action or failure to act in accordance with the complainant's rights, duties, welfare or status.
17. **Gross Income** - The total income derived from a business, trust, employment and from income-producing property, before deductions for expenses, depreciation, taxes, and similar allowances. Gross Income shall also include alimony and child support.
18. **Gross Rental Rate** - The total cost (including but not limited to utilities, management fees, taxes, dues, snow removal, etc.) charged to a qualified renter for community housing.
19. **Household** - All individuals who will be occupying the Community Home.
20. **Household Income** – The total Gross Income of all individuals who will be occupying the Community Home. Adjustments to Gross Income for business expenses may be made for persons who are self-employed.
21. **Income Category** – The classification of annual income based upon household size as a percentage of the Area Median Income assigned to Blaine County by the U.S. Department of Housing and Urban Development.
22. **Joint Tenancy** - Ownership of real property by two (2) or more persons, each of whom has an undivided interest with the right of survivorship. Joint tenancy is typically used by related persons.
23. **Liabilities** - Those monetary obligations and debts owed to someone by an individual.
24. **Livable Square Footage** - Is calculated on interior area and is measured interior wall to interior wall (i.e., “paint-to-paint”), including all interior partitions. Also included, but not limited to, are habitable basements and interior storage areas, closets and laundry area. Exclusions include, but are not limited to, uninhabitable basements, mechanical areas, exterior storage, stairwells, garages (either attached or detached), patios, decks and porches.
25. **Local Employer** - A business whose business address is located within Blaine County and whose business employs persons within Blaine County.

26. **Maximum Sale Price** – The allowable sale price as determined by the Community Housing Price Calculator, or for subsequent sales, as set forth in the applicable Deed Covenant.
27. **Net Worth/Household Net Worth** - Combined net worth (all assets minus all liabilities) of all individuals who will be occupying the Community Home, regardless of legal status. Retirement accounts will be reviewed on a case-by-case basis to determine whether or not they shall be included in the net worth calculation.
28. **Primary Residence** - The sole and exclusive place of residence. The owner or renter shall be deemed to have ceased to use the Community Home as his/her sole and exclusive place of residence by accepting permanent employment outside of Blaine County, or residing in the Community Home fewer than nine (9) months out of any twelve (12) months.
29. **Retired Person** – A person who
- (a) has (i) resided in or (ii) was either self-employed full-time or was a Full-Time Employee in Blaine County, Idaho, for not less than ten (10) out of the twenty-five (25) years prior to the date of qualification;
 - (b) shall not have a Net Worth (as such term is defined in Generally Accepted Accounting Principles) in excess of the maximum allowed in Section 7 of these Guidelines; and
 - (c) does not own any other developed residential real property or dwelling units in Blaine County, Idaho, or anywhere else in the United States of America.
30. **Retirement Age** – 60 years of age.
31. **Senior** - A person of the age of 60 years or more.
32. **Special Review** - A review of a petition to waive a provision of these Guidelines due to special circumstances. The process for a Special Review is described in Section 8.
33. **Tenant** - A person who is leasing or has leased a Community Home that is subject to these Guidelines, and any qualifying potential lessee or past lessee of any such home, but only with respect to any issue arising under these Guidelines.
34. **Tenancy in Common** - An ownership of real property by two or more persons, each of whom has an undivided interest, without right of

survivorship. Upon the death of one of the owners, the ownership share of the decedent is inherited by the party or parties designated in the decedent's will.

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Section 2. Qualifying to Rent or Purchase Community Housing

A. Basic Qualifications for the Rental or Purchase of Community Housing with an Income Category Deed Covenant

In order to qualify to rent or purchase an Income-Category Community Home, the Applicant/Applicant Household must meet the criteria stated in subparagraphs (a) through (e) below:

1. The Applicant and Co-Applicant must be legal residents of the United States or be in the process of applying for legal residency and,
2. At least one non-dependent member of the Applicant Household must meet one of the following criteria:
 - (a) Be a Full-Time Employee working in Blaine County; or
 - (b) Be a Retired Person who was a Full-Time Employee in Blaine County immediately prior to his/her retirement and who currently lives in Blaine County as his/her Primary Residence; or
 - (c) Be a Disabled Person residing in Blaine County who was a Full-Time Employee in Blaine County immediately prior to his/her disability and who currently lives in Blaine County as his/her Primary Residence, and
 - (d) The Applicant/Applicant Household states his/her intent to occupy the Community Home as his/her Primary Residence; and
 - (e) No member of the Household may own developed residential real estate or a mobile home within Blaine County. (Exception: A Community Home Owner pursuant to Guidelines Section 2.5.)

3. If the Applicant owns vacant (undeveloped) land in Blaine County while renting or owning a Community Home and the undeveloped land is later improved with a residence, the Applicant must relinquish the Community Home or sell the ownership interest in the later-developed residence; and
4. The total Gross Income of all members of the Household shall not exceed the maximum Household Income specified in the current Income Limits published by BCHA on its website for the particular Income Category and Household Size; and
5. The Household Net Worth (the total net worth of all members of the Household) shall not exceed the Allowable Net Worth specified for the particular Income Category.

Table §2(A). Household Income Categories by Area Median Income (AMI).

Income Category	Percentage of Area Median Income
1	Less than 50%
2	50% to 60%
3	60% to 80%
4	80% to 100%
5	100% to 120%
6	120% to 140%
7*	140% to 160%
8*	160% to 180%
9*	180% to 200%
L	No Income Limit but must be a full-time resident of Blaine County

*For Income Categories greater than 6, BCHA will recommend that proposed housing be classified as “Category L” which is housing that will be offered to the full-time residents and employees of Blaine County. Category L housing should be offered in tandem with housing Categorized at Income Category 5 or below.

B. Applying for Rental or Purchase of a Community Home

1. General Application

- (a) All persons wishing to rent or purchase a Community Home shall submit a General Application for Community Housing to BCHA (the current application can be found on BCHA's website). The application to rent is a single step process (General Application form only); the application to purchase is a two-step process (General Application and Purchase Requirements). A General Application will be certified by BCHA as complete only when the necessary steps have been completed.
- (b) All Applicants (whether for purchase or rental of a Community Home) shall complete the General Application form provided by BCHA.
- (c) Upon receipt of the completed General Application, BCHA will provide the Applicant with a Letter of Eligibility specifying the Income Category. The Letter of Eligibility is based only on information supplied by the Applicant and, as such, is unverified; verification is explained further in Section 2.3 below.
- (d) If an Applicant desires to be in the Applicant Database to purchase a Community Home, he/she shall provide the additional following information to BCHA in order to be qualified for purchases:
 - i. Evidence of completion of the Homebuyer Education Course approved by BCHA; and
 - ii. The funds required for the down payment are available to complete the purchase.
- (e) At the time a Community Home is offered to an Applicant, the Applicant shall within five (5) business days provide a pre-certification letter from a recognized mortgage lender, evidencing that Applicant will qualify for a loan for the purchase price of Community Housing in the Income Category for which the Applicant is qualified and deemed eligible. The lender must certify in the pre-certification letter that a credit report has been obtained and the standard federal residential loan application has been completed and reviewed by the lender; and the Applicant is qualified to obtain a standard "principal and interest 30-year fixed rate loan" for a home in the price range for which the Applicant is eligible.

C. Verifying Application Information

1. BCHA may request additional documentation such as proof of residency, income, assets, and employment. All information and documentation submitted shall be held as confidential by BCHA and shall not be subject to Open Records Requests by the general public. Such documentation is used to determine that an Applicant meets the criteria set forth in §2(A)(2) and/or to verify the information provided in the application under §2.2. All or some of the following may be requested:
 - (a) Federal income tax returns for the last three (3) years;
 - (b) A current income statement and a current financial statement, in a form acceptable to BCHA, verified by Applicant to be true and correct; or other financial documentation acceptable to BCHA. When current income is twenty percent (20%) more or less than income reported on tax returns, the Applicant's income will be averaged based upon current income and the previous year's tax returns to establish an Income Category for the purpose of purchasing a Community Home;
 - (c) Verification of employment in Blaine County;
 - (d) Copy of valid Driver's License or State Identification Card;
 - (e) Vehicle registration, if owned;
 - (f) If the Applicant receives court-ordered alimony, spousal support, and/or child support, a certified copy of the court order must be provided, including all exhibits, supplements and modifications to the decree;
 - (g) Any other documentation that BCHA deems necessary to determine eligibility.
2. Upon receipt of the completed General Application and requested verification forms, the Applicant's name and all information for individuals, Households, and/or Local Employers will be retained in the Applicant Database. On an annual basis, the Applicant must confirm or update the information in order to remain in the Applicant Database. All information will be re-verified at the time an Applicant is selected to rent or purchase a Community Home.
3. The Applicant is responsible to ensure that information provided to BCHA remains current. Additionally, BCHA will, from time to time, contact Applicants to request updated information and to determine whether they wish to remain in the Applicant Database. Income, employer, and household size changes can dramatically affect an Applicant's status. If

any information is deemed to be inaccurate, and the Applicant is unable or unwilling to provide corrected information or documents, the Applicant may be removed from the Applicant Database at the sole discretion of BCHA.

D. Process for Matching Applicants to Available Community Housing

1. In general, the matching process occurs as follows: When a Community Home becomes available, the Home size, type, Income Category, and location of that Home are checked against the Applicant Database. All Applicants matching the qualifications for a given Community Home are then grouped into the "Applicant Pool" for that Home.
2. Households are prioritized by length of time within the database, length of residency within Blaine County, and length of continuous employment within Blaine County, in addition to Income Category considerations.
3. While household size will not be a determining factor in prioritization for ownership or rental of housing, it should be noted that the purchase price or rental amount will be determined on basis of an assumed household size in accordance with the Area Median Income (AMI).
4. If an Applicant has previously qualified and the Applicant's Household composition subsequently changes (due to marriage, divorce, separation, an increase or reduction in the number of dependents, etc.), the Applicant may still be eligible for purchase or rental of Community Housing, provided that the Household continues to qualify under the Income Category and other considerations. In any event, it is the Applicant's responsibility to continuously update Household information with BCHA prior to being placed into an Applicant Pool.
5. When an Applicant purchases a Community Home, the Applicant's application is extinguished and may not be used to qualify for another Community Home. If an owner of a Community Home wishes to purchase another Community Home, he or she must file a new application and begin the process again.

When an Applicant rents a Community Home, the Applicant's application is retained and is used as a basis for subsequent recertification and may be used to qualify for future purchase of a Community Home.

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Section 3. Renting Community Housing

All Applicants interested in renting Community Housing must submit a General Application for Community Housing to BCHA (See Section 2, “Qualifying to Rent or Purchase Community Housing”). BCHA is the “qualifying agent” charged with providing landlords and owners of Community Housing with a list of qualified potential renters and with facilitating the rental of a Community Home. An administrative fee, as set by the Board, may be charged to the landlord/owner for these services.

A. Procedures for the Rental of an Income-Category Deed Restricted Community Home

1. Each Community Home is designated for occupancy by residents within a certain Income Category. Thus, only those Applicants with incomes at or below the Income Category of the available rental will be eligible.
2. Once BCHA has received a Notice of Intent to Rent from the owner of rental Community Housing, BCHA will identify the top three (3) qualified applicants and present them to the owner for his or her selection for tenancy. (NOTE: In matching an Applicant to a specific Community Home, BCHA will present a “candidate” pool to the landlord or landlord’s agent, based upon Income Category, affordability in relation to income and household size, length of time in the BCHA database, and location preference as given by the applicant.)
3. The final determination and offer of tenancy is the decision of the owner, not BCHA. Candidates who are not selected will not lose their position within the BCHA Database.
4. An Applicant who is selected to rent a Community Home, but who is unable to take the Home, will not lose their position within the BCHA

Database for future available Community Housing unless an Applicant has been previously selected to rent a Community Home and has rejected an offer to rent two (2) times. After the third refusal to rent, the Applicant's initial application date will be adjusted to be effective as of the date of the third refusal to rent.

B. Ongoing Obligations/Requirements for Renting Community Housing

Once an Applicant secures a rental Community Home through BCHA, the landlord must file a copy of the executed lease with BCHA. The Tenant must use the Home as their Primary Residence and both Tenant and landlord must adhere to the following to be included in the Lease or Lease Addendum:

1. If the Tenant accepts permanent employment outside of Blaine County or resides in the Home fewer than nine (9) out of any twelve (12) months, the Tenant shall be deemed to have ceased to use the Home as a Primary Residence and shall be required to relinquish the Community Home; and
2. A disclosure that Tenants must be re-certified for each year of the lease term.
3. Every Tenant must execute an Acknowledgement and Acceptance of BCHA terms and conditions governing the rental of Community Housing.

C. Annual Re-Certification to Rent Community Housing

1. The eligibility of Tenants to lease and occupy Community Housing shall be reviewed and verified annually (i.e., re-certified) to ensure that they meet minimum residency and income category requirements under BCHA Guidelines that are in force at the time of the review. BCHA may charge the landlord an annual renewal fee as set by the Board.
2. To assist in this re-certification process, BCHA will send a Rental Renewal Approval Notice and instructions for re-certification.
3. The Tenant shall, within 10 days:
 - (a) Complete the form
 - (b) Update application information if any changes
 - (c) Send a copy of current pay stub
 - (d) Send a copy of most recent tax return
4. The Rental Renewal Notice shall be sent concurrently to the landlord to verify rent, utilities, and lease dates within 10 days of receipt.

D. Exceeding Income Limits at Re-Certification

1. If, upon review and re-certification, BCHA determines that the Tenant no longer meets the minimum Income Category requirements (up to a maximum of 10% over category limits), the Tenant may continue to rent and occupy the Community Home at the rental rate, and upon the terms established by the landlord's lease, for up to six (6) additional months in order to provide adequate time to secure new housing.
2. At the conclusion of six (6) months, if the Tenant desires to remain in the Home, the landlord may, in consultation with BCHA, increase the rent at that time. No rental increase may cause the gross housing costs (Rent + Tenant-paid utilities) to exceed thirty percent (30%) of the Tenant's gross monthly income.

An additional 6-month extension may be provided upon successful appeal to the landlord and BCHA based on circumstances of serious illness or other hardship beyond the control of the Tenant.

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Section 4. Purchasing Community Housing

All persons interested in purchasing either Income Category or Workforce Market Community Housing must submit the appropriate Application to BCHA and receive as applicable, a Letter of Eligibility or a Letter of Qualification.

A. Procedures for the Purchase of a Deed Covenant Community Home subject to an Income Category

1. Each Community Home is designated for occupancy by residents within a certain Income Category. Only those Applicants with incomes within the specified Income Category will be eligible. In matching an Applicant to a specific Home, BCHA will employ the system creating an Applicant Pool in accordance with the steps outlined in Section 2(C) of these Guidelines.
2. In all cases, BCHA is the “qualifying agent” charged with providing a qualified list of potential purchasers of Community Housing to the Seller.
3. BCHA will notify each qualifying Applicant within the Applicant Pool to determine their interest in the available Home. The Applicant that responds first when notified by BCHA will receive the first opportunity to purchase the Community Home. At that time, all application information will be updated and verified to the satisfaction of BCHA. Once the selection criteria are met, the Applicant(s) will be given the opportunity to purchase the Home.

4. When an Applicant is matched to a Community Home, the Applicant will be required to sign documents necessary to permit BCHA to obtain a copy of the completed loan application submitted to the lender.
5. If an Applicant fails to secure financing for that Home in the time period allowed (as determined by the purchaser and the lender), that Applicant will be eliminated from consideration for purchase of that particular Community Home, but will not lose any priority in consideration for future available Homes.
6. An Applicant may, but is not required to, engage the services of a licensed Real Estate Broker in the transaction. Any fees charged by the Real Estate Broker shall be the responsibility of the Applicant.
7. Any co-ownership interest other than Joint Tenancy or Tenancy In Common must be approved by BCHA. Co-signers may be approved for ownership of the Community Home but may not jointly occupy the Community Home unless qualified by BCHA. No person may own more than one Community Home either as a sole owner or as a Joint Tenant or Tenant In Common, nor may member of an Applicant's household own another Community Home.
8. Each purchaser is required to sign an acknowledgment and acceptance of the Deed Covenant.

B. Reserving a Newly Constructed Community Home

BCHA will use all reasonable efforts to show new Community Housing to Applicants prior to the issuance of the certificate of occupancy. A qualified Applicant who is successfully matched with a Community Home will be given the opportunity to enter into a Reservation Agreement for that Community Home. Upon the filing of the final plat the Reservation Agreement may be converted to a Purchase and Sale Agreement in accordance with the terms of the Reservation Agreement.

C. Special Applicant Pool for a Particular Community Housing Development

1. Some Community Homes are constructed by or made available by a government agency or by a private developer for a particular group of employees (e.g. Blaine County School District). In those instances, a Special Applicant Pool will be established for that particular development. When a Community Home in such a development becomes available for sale or re-sale, BCHA will first utilize the Special Applicant Pool for that particular development to find qualified buyers.

2. BCHA will employ the system creating an Applicant Pool in accordance with the steps outlined in Section 2(C) of these Guidelines with special prioritization as may be requested by the developer and approved by BCHA. Special prioritization may include the current employees of an employer, a local employee preference, among other things.
3. In no event may a special prioritization be given on the basis of race, color, religion, sex, familial status, national origin, disability, sexual orientation, gender identity, or veteran status. Unless the Particular Community Housing Development participates in a federal program that prioritizes senior citizens, disabled persons, or veterans in its housing programs.
4. The procedure for qualifying an Applicant from a Special Applicant Pool shall follow the same procedures as outlined in Section 4(A) with the addition of prioritizations, as described in Section 4(C)(2)-(3) (above).
5. Should the Special Applicant Pool for the Community Housing in a Particular Development be exhausted, without a Community Home being sold, it will be offered to a general Applicant Pool as outlined in Section 4(A).

D. Ongoing Obligations/Requirements for Community Home Ownership

Once an Applicant successfully purchases a Community Home through BCHA, a copy of the executed Purchase and Sale Agreement and closing documents must be filed with BCHA. The Applicant/Applicant Household must use the Community Home as their Primary Residence, comply with all provisions of the applicable Deed Covenant, and must adhere to the following additional requirements;

1. For continued residence after purchase, the owner must continue to meet the requirements of Section 2(A);
2. The owner must complete and submit to BCHA the annual compliance monitoring form;
3. The owner must cooperate with BCHA on regular review of property condition and maintenance issues to ensure compliance with provisions of the Deed Covenant. Deferred maintenance may result in the inability to realize the maximum sale price allowable by the Deed Covenant;
4. The owner shall not offer any portion of the home as a short-term or vacation rental;
5. The owner may not offer any portion of the home as a long-term rental without the prior approval of BCHA, as outlined in Section 4(E) (below).

E. Long-Term Rental Options for Owners of Community Housing

1. If an owner of a Community Home desires to rent the Home during an absence, the owner must provide a letter to BCHA requesting permission to rent the home at least thirty (30) days prior to leaving.
2. The leave of absence may be for up to one year and may, at the discretion of BCHA, be extended for additional terms, subject to review by BCHA.
3. The Rental Rate charged shall be approved by BCHA and shall be within the published monthly affordability for the Income Category enumerated on the Deed Covenant and in no event may exceed the published Affordability of Income Category 6.
4. The Community Home shall be rented in accordance with the Guidelines during the authorized period so long as other Deed Covenants covering the Home permit the rental. Any prospective Tenant must be qualified by BCHA **prior** to execution of a lease. A lease shall contain the following provisions:
 - (a) Any lease longer than one (1) year in duration must include a reasonable buy out provision for the Tenant;
 - (b) Should the owner decide to re-occupy the home again as the owner's primary residence, then the owner shall give the Tenant a minimum of ninety (90) days' notice prior to the conclusion of any lease or lease extension, including leases on a "month to month" term;
 - (c) No initial lease term may be for fewer than four (4) months;
 - (d) BCHA shall annually re-certify the Tenant as outlined in Section 3(C)&(D).
5. Prior to BCHA's qualification of a Tenant, the Tenant shall acknowledge as part of the lease that he or she has received, read, and understood the homeowners' association covenants, rules, and regulations for the Community Home and shall abide by them and shall maintain the home as required by the Deed Covenant. Enforcement of the covenants, rules, and regulations shall be the responsibility of the owner and the homeowners' association. A copy of the executed lease shall be furnished by the owner or tenant to BCHA.
6. If an Income Category is not enumerated in the Deed Covenant, the rent shall be established at a rate that is no greater than the "Owner's Cost". "Owner's Cost" shall include the monthly mortgage principal and interest payment, plus condominium/homeowner's association fees, plus utilities

remaining in owner's name, plus property taxes and insurance prorated on a monthly basis, plus \$20 per month.

7. Additionally, an owner may request an in-county leave of absence for one (1) year by Special Review of BCHA with all the above conditions applying.

F. Purchasing a Workforce Market Community Home

1. Workforce Market Deed Restricted Homes may be sold to any qualified buyer as defined in the applicable deed covenant. The applicable deed covenant will, among other things, describe the following:
 - (a) The owner's right to rent the home, and under what circumstances;
 - (b) Any Administration Fee to be paid by the owner to BCHA;
 - (c) Any restrictions on resale of the Home;
 - (d) Any limits to appreciation that the owner may realize on resale; and
 - (e) Any recapture provision.
2. The purchaser may engage the services of a licensed Real Estate Broker or may represent himself in a transaction. Any fees charged by the Real Estate Broker will be the responsibility of the purchaser.
3. Any person interested in purchasing Workforce Market Community Housing shall first obtain a Letter of Qualification from BCHA.
4. Each purchaser is required to sign an acknowledgment and acceptance of the Workforce Market Deed Covenant.

G. Purchase of Community Housing by Local Employers

A Local Employer may desire to purchase Community Housing for use as rental Housing for employees. Local Employers are exempt from the income and net worth requirements for owning Community Housing. Local Employers (who are not the developers of the Community Housing development) participating in this program must use the Community Housing as rental Housing for a minimum of two (2) years and must comply with the Guidelines with respect to renting to their employees and with the terms set forth in the Deed Covenant. Local Employers who wish to be qualified as purchasers of Community Housing must apply to BCHA prior to the date the Notice of Intent to Sell is executed by BCHA. A Local Employer who is not the developer of the Community Housing development desiring to sell its Community Housing within two (2) years after the date of acquisition must offer the Community Housing for sale in accordance with Section 5 of these Guidelines.

1. Qualifying Local Employer must provide to BCHA the following:

- (a) The Local Employer must have offices and employees who work within Blaine County.
 - (b) The Local Employer must provide evidence that it has employees within Income Categories 1 through 5 and who are qualified to rent Community Housing.
 - (c) If an Income Category is enumerated on the Deed Covenant, the Local Employer must provide a listing of the positions and pay scales of the employees must be provided to BCHA. BCHA will review this list and provide a summary of the employees who would qualify to rent the housing.
2. Purchase Price of Community Housing for Local Employers:
BCHA shall determine within any given development the maximum prices and Income Categories of the Community Homes available for Local Employer purchase. The prices for the Homes will be the same for Local Employers as for the general public.
 3. Limitations on the amount of Community Housing a Local Employer may purchase:
 - (a) Subject to the exception set forth below, within any one development (including subdivisions, contiguous developments, condominium/townhome developments and scatter site developments by one developer), Local Employers may purchase a cumulative maximum of thirty percent (30%) of the Community Housing for use as employee rental Housing. Local Employers will be allowed to purchase an additional ten percent (10%) of the Community Homes for a total of forty percent (40%) of the Community Housing, provided that the remaining Community Housing has not been sold to Applicants during a period of ninety (90) days or longer. A developer may provide BCHA a written request to sell an additional ten percent (10%) with documentation that there is little or no interest from Applicants in the Applicant Database. BCHA will evaluate the request by Special Review.
 4. Local Employer Use of Community Housing
Local Employers purchasing Community Housing must rent the Homes in accordance with these Guidelines. While it is assumed that Local Employers have purchased the Community Housing for their employees, they may also rent to the general public where permitted and in accordance with these Guidelines.
 5. Compliance with the Guidelines:

(a) To ensure that the Local Employer is in compliance with the Guidelines, they or their managing agents must provide evidence as reasonably requested by BCHA.

(b) For any violation of the Guidelines, BCHA will issue a notice to the Local Employer and the jurisdiction wherein the Employee Housing is located. The Local Employer will have 30 days to correct the violation. If the violation goes uncorrected for more than 30 days, BCHA may force an immediate sale of the Home in question or initiate a plan to sell all of the Community Housing owned by the Local Employer and/or impose fines.

6. Purchase of Local Employer Owned Housing by the Employee:

After a minimum period of two years, a Local Employer who desires to sell its Community Housing may first offer the Housing to the employee renting the Home. If the employee does not wish to purchase or does not qualify for the purchase of the Home, the Home shall be offered to the Applicant Pool in accordance with Section 4(A).

H. Local Employer Developments

In those instances where a Local Employer develops “for sale” Community Housing for its employees, a special Applicant Pool will be established for the development pursuant to Section 4(C).

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Section 5. Selling Community Housing

To preserve the long-term affordability of Community Housing, all owners of Community Housing interested in selling are required to honor the applicable Deed Covenant and take certain steps to ensure compliance with it. BCHA will work diligently with Community Homeowners to assist them in matching qualified buyers with their Community Homes. However, BCHA does not guarantee the sale of a Community Home, nor that the Home will sell at any particular price or within any particular time frame.

A. Deed Covenants

Each purchaser must execute, in a form provided by BCHA and for recording with the Clerk’s Office of Blaine County concurrent with the closing of the sale, a document acknowledging the purchaser’s agreement to be bound by the recorded deed covenant covering the Community Home and these Guidelines.

B. Fees

1. Income-Category Community Homes:

At the closing of the sale, the seller shall pay BCHA an Administration Fee equal to three percent (3%) of the sales price or the amount set forth in the Deed Covenant if it is less than three percent (3%). The requirement to pay this fee is contained in the Deed Covenant and in the interest in the property held by BCHA. BCHA may instruct the title company to pay this fee to BCHA out of the funds held for the seller at the closing.

2. Workforce Market Community Homes:

At closing of the sale, the seller shall pay BCHA a fee as set forth in the deed covenant and/or as agreed upon in the Notice of Intent to Sell.

3. All Community Homes:

- (a) Unless otherwise instructed by BCHA staff, the seller shall pay a non-refundable prepayment of \$250.00 to BCHA at the time the owner delivers the signed Notice of Intent to Sell to BCHA. This amount will be deducted from the total Administration Fee due to BCHA at closing.
- (b) In the event that the seller fails to perform as specified in the Notice of Intent to Sell, rejects all purchase offers in cash or cash-equivalent terms, or decides to withdraw the Notice of Intent to Sell after advertising has commenced, the prepaid portion of the fee will not be refunded. If the seller withdraws for failure of any bids to be received, the advertising and administrative costs incurred by BCHA shall be deducted from the fee and the balance refunded to the seller.

C. Procedure

The staff members and board of Commissioners of BCHA are not acting as licensed brokers or real estate agents representing any party to the transaction, but solely as representatives of BCHA and its interests. BCHA will ensure that every purchaser and seller of Community Housing is treated with fairness in accordance with the current Community Housing Guidelines and shall prohibit discrimination of the on the basis of race, color, religion, sex, familial status, national origin, disability, sexual orientation, gender identity, or veteran status on the part of the purchaser, seller, or the agents of any party to any transaction.

1. Prior to Selling. Notifying BCHA of Intent to Sell

- (a) A Community Homeowner interested in selling their Community Home shall meet with BCHA staff and review the Deed Covenant to determine the maximum sales price permitted and other applicable provisions concerning a sale. The Deed Covenant and Section 7 of these Guidelines are used to determine the pricing of “for-sale” Community Housing. Owners should contact BCHA early in the process so that BCHA can properly determine the interest level of Applicants.
- (b) The owner is required to execute and deliver to BCHA a “Notice of Intent to Sell” in the form provided by BCHA. The selection of the purchaser and terms of the transaction will be as described in the Community Housing Guidelines in effect on the date BCHA receives the Notice of Intent to Sell.
- (c) The selection of the purchaser and approval of the sale price and terms shall be monitored and must be approved by BCHA.
- (d) If BCHA receives a “Notice of Intent to Sell” from the owner, and the owner later fails to consummate a sale transaction, the owner shall reimburse BCHA in accordance with Section 5(B) (above).
- (e) The owner of the Community Home may, but is not obligated, to list the property for sale with a licensed real estate broker, however, any fees charged by the real estate broker shall be in addition to the Administration Fee due to BCHA pursuant to the Deed Covenant (see Section 5(B) (above)).
- (f) If a real estate broker is used, the broker must, **prior to the execution of the listing agreement for the Community Home**, sign an acknowledgement and agreement with BCHA that the sale will be conducted in accordance with the terms of the Deed Covenant on the Community Home and these Community Housing Guidelines.
- (g) All purchasers and sellers are advised to consult legal counsel regarding terms of sale, examination of title, and any other contracts, agreements, and documents pertaining to the transfer of ownership of the Community Home. The retention of such counsel, licensed real estate brokers, or such related services, shall be at purchasers or seller's own expense. BCHA Administration Fees and other fees are to be paid regardless of any expenses incurred by the seller or purchaser in connection with the sales transaction.

2. Selection of Purchaser and Solicitation of Offers

- (a) After BCHA receives the “Notice of Intent to Sell” from the owner (see Section 5(1)(b)) (above), BCHA will create an Applicant Pool for each Community Home to be offered, as outlined in Section 4(A).
- (b) BCHA will notify each of the qualifying Applicants, beginning with the longest tenured Applicant, to determine their interest in the available Home. BCHA will coordinate with the Seller, Applicant, or their agents (if applicable) times for viewing the Community Home.
- (c) Once an Applicant has viewed the Home and is interested in purchasing that home,
 - i. the Applicant shall ensure that all application information is updated and verified to the satisfaction of BCHA.
 - ii. Provided that the selection criteria are met, the Applicant(s) will be given the opportunity to purchase the Home.
 - iii. It is the Applicant's responsibility to ensure that all application information is current on an ongoing basis.
 - iv. Neither BCHA, nor the Seller are obliged to delay the sale of a Community Home for more than five (5) days to allow an Applicant to update his or her application information.
- (d) An Applicant, selected under this procedure, shall have five (5) days from the date of being notified by BCHA to execute a Purchase and Sale Agreement for the Community Home.
 - i. If the Applicant does not execute a Purchase and Sale Agreement within that time period, the Applicant shall forfeit their position and
 - ii. The next person in line in the Applicant Pool will be notified and so on, until the Community Home is under contract for purchase.
- (e) If the Owner and initial Applicant cannot reach an agreement, the next Applicant, on the basis of the next Applicant's tenure within the BCHA database, will have the opportunity to present a Purchase and Sale Agreement to the owner for consideration. All subsequent Applicants will be allowed the opportunity, in like fashion, to purchase the Community Home until the Community Home is sold or all Applicants are rejected.
- (f) If the owner rejects all offers within the Income Category price range, then the owner shall be subject to the provisions of Section 5(B)(above) regarding the fee and reimbursement of costs due to BCHA.

D. General Timeline of the Sale Once Initial Applicant Pool is Exhausted.

If the Owner, in good faith compliance with the procedures set forth in the Guidelines, exhausts the initial Applicant Pool of Qualified Buyers provided by BCHA without entering into an agreement for the Sale of the Property, the Owner shall notify BCHA of such occurrence in writing. Upon such written notice BCHA and the Owner may initiate an Expanded Applicant Pool, as outlined in the Timeline given below

1. 0 to 3 Months from Date of Executed Notice of Intent to Sell.

(a) One (1) month after executing a Notice of Intent to Sell

- i. BCHA and Owner will meet to review activity to date. Topics of discussion may include, but are not limited to, the appropriateness of the current listed price of the Community Home and ways to increase exposure for the Community Home to Qualified Buyers.
- ii. BCHA will expand marketing efforts beyond the BCHA Database.

(b) Two (2) months after executing a Notice of Intent to Sell

- i. BCHA and Owner will meet to review activity to date. BCHA and the Owner will take corrective measures, if necessary, including but not limited to competitive pricing of the Community Home to attract Qualified Buyers.
- ii. BCHA will offer the Community Home to Supplemental Applicant Pool I defined as:
 - (1) Current qualified BCHA Applicants in the Income Category above the subject Community Home's designated category.
 - (2) Other Qualified Applicants identified through increased marketing efforts.
- iii. BCHA will use its licensed real estate agent to list the Community Home on the MLS.

2. 3 to 6 Months from Date of Executed Notice of Intent to Sell.

(a) Four (4) months after executing a Notice of Intent to Sell and if the Community Home has been listed on the MLS at a reasonable price for a minimum of sixty (60) days

(b) BCHA offers to allow the rental of the Community Home according to the terms of the Deed Covenant or, if not covered in the Deed Covenant, the terms of these Guidelines (See Sections 3 and 7).

3. 6 to 9 Months from Date of Executed Notice of Intent to Sell.

- (a) Six (6) months after executing a Notice of Intent to Sell and if the Community Home has been listed on the MLS at a reasonable price for a minimum of sixty (120) days
- (b) BCHA will offer the Community Home to Supplemental Applicant Pool II defined as:
 - i. All current qualified BCHA Applicants regardless of Income Category.
 - ii. Other Qualified Applicants identified through increased marketing efforts.
- (c) The Deed Covenant remains in place.

4. 9 to 12 Months from Date of Executed Notice of Intent to Sell.

- (a) Nine (9) months after executing a Notice of Intent to Sell and if the Community Home has been listed on the MLS at a reasonable price for a minimum of six (6) months
- (b) BCHA will offer the Community Home to Supplemental Applicant Pool III defined as:
 - i. Any Blaine County resident (regardless of income) who:
 - (1) Works in Blaine County and
 - (2) Will occupy the home as their primary residence
 - ii. Other Qualified Applicants identified through increased marketing efforts.
- (c) The Deed Covenant remains in place but will be converted to a Category L.
- (d) BCHA reviews its option to purchase the Community Home according to the terms of the Deed Covenant.

5. More than 12 Months from the Date of Executed Notice of Intent to Sell.

- After no less than thirteen (13) months from executing a Notice of Intent to Sell and at least 90 days after implementing Section 5(F)(4) (above):
- (a) BCHA exercises its option to purchase the Community Home (Board Approval Required), or
 - (b) BCHA permits an unrestricted sale (Board Approval Required).
 - i. Deed Covenant is terminated,
 - ii. Owner sells unit at market rate through a BCHA approved real estate agent,

- iii. **BCHA receives any amount of the market rate sale price above the maximum price listed in the current Notice of Intent to Sell.** This payment to BCHA is in consideration of the termination of the Deed Covenant. This option shall require a duly executed contract between the Owner and BCHA.

E. Additional Information Related to the Sale of Community Housing by a Community Homeowner.

1. BCHA its staff and Board of Commissioners do not act as licensed brokers or real estate agents representing any party to the transaction, but solely as representatives of BCHA and its interests in administering the Deed Covenant Running with the Land.
2. The Owner of a Community Home is responsible for the sale of the Community Home throughout the process.
3. Both the Owner and Purchaser are solely responsible for fees charged by their respective agents during and at the conclusion of the Community Home Sale Process.
4. Other Fees not charged by BCHA and not contemplated by this Section of the Community Housing Guidelines shall not be incorporated into the Initial Purchase Price unless the total of those fees when added to the Purchase Price is less than the Maximum Resale Price listed in the Notice of Intent to Sell.
5. If at any time during the Community Home Sale Process, BCHA determines, at its sole discretion, the Owner is not making a good faith attempt to sell their Community Home BCHA may terminate this process.
6. BCHA does not guarantee that a Community Homeowner will realize the maximum calculated resale price of the Community Home.
7. Any co-ownership interest other than Joint Tenancy or Tenancy-in-Common is subject to approval by BCHA. Co-signers on a mortgage may be approved for ownership of the Community Home but may not occupy the Community Home unless qualified by BCHA pursuant to these Guidelines.
8. Not more than one Community Home may be owned by the same person (Applicant), either as a sole owner or as a Joint Tenant or Tenant-in-Common, nor may another member of an Applicant's Household own another Community Home.
9. If a Notice of Intent to Sell has been given to BCHA and the owner must relocate to another area before the Community Home has been sold, the

home may, upon approval of BCHA, be rented to a qualified individual, in accordance with these Guidelines (See Sections 3 and 7) for a maximum period of two (2) years. Notice of the owner's intent to rent the Community Home should also be provided to any applicable homeowner's association at the time the rental request to BCHA is made. A letter requesting permission from BCHA to rent the Community Home until it is sold must be sent to BCHA before the home can be rented.

10. If an Owner wishes to lease the Community Home during the Community Home Sales Process, all Tenants must be qualified by BCHA and the Community Home must be leased pursuant to the terms set forth in the Deed Covenant on the Community Home or, if there are no such provisions in the Deed Covenant, upon terms approved by BCHA.

(a) Each Tenant is entitled to a minimum six (6) month written lease that includes a move out clause with a sixty (60) day notification to the Tenant that the Community Home has been sold.

A copy of the executed lease shall be furnished by the owner to BCHA.

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Section 6. Developing Community Housing

Developers are required to contact BCHA and the local planning staff early in the conceptual stages of a development to determine how Community Housing obligations shall be met and/or the amount, size, type, and Income Categories of Community Housing and/or Employee Housing that are recommended for inclusion in the developer's Community Housing Plan. BCHA is interested in discussing with developers options that may benefit both the developer and the community. The final requirements for inclusion in the Community Housing Plan will be decided by the jurisdiction granting the development permit.

BCHA recognizes that non-profit organizations including Community Land Trusts and Community Housing Development Organizations (CHDO) are able to significantly leverage housing dollars thereby making it possible to construct or acquire more, and in some cases more appropriate, Community Housing, than private developers. As such, the conveyance of land and/or monetary funding by private developers are considered favorable methods of meeting Community

Housing obligations. All methods shall be considered for developments on a case-by-case basis. For more details, see Section 6.8 below.

A. Priorities for Community Housing.

The priorities set forth below are intended to serve as a guide to members of the development community, elected and appointed officials, planning and building department staff, and BCHA staff. BCHA remains flexible in its approach to providing Community Housing and Employee Housing, but not at the expense of listed priorities being ignored or not given due consideration.

1. The intent of BCHA is not to build one or two large complexes to accommodate the needs of the area's workforce, but to provide human-scale communities. Community Housing should be constructed with the intent to create, preserve, and maintain a sense of community. For example, where a development contains Community Housing, the Community Housing component should generally be dispersed throughout the market rate homes rather than concentrated in one specific portion of the development. The location of Community Housing should be balanced with the transportation, environmental, recreational, economic, and social needs of the overall community.
2. General priorities for preferred Community Housing types, sizes and location will be based on need as evidenced by ongoing assessments and the Applicant Database characteristics. BCHA remains responsive to market fluctuations, economic factors, and jurisdictional needs.
3. The pricing of Community Housing should reflect not only the need for affordable housing, but also the relative difficulty in producing such housing in Blaine County. In most cases, the respective City Council or the Blaine County Commissioners render the final decision on the Income Categories and prices for Community Housing. BCHA will recommend the average Income Categories for Community Homes in different areas of Blaine County in order to provide assistance to decision-making bodies.
4. The characteristics of the Applicant Database, published in BCHA's quarterly reports, will be used to determine the demand for various types of Community Housing within the community housing market. (Quarterly reports are available on BCHA's website).
5. Land Use Considerations. Developments should be compatible with present land use and zoning codes. Areas of high priority include:
 - (a) Sites adjacent to or near existing incorporated cities or unincorporated villages;
 - (b) Lands within municipal areas of impact;

- (c) Sites that are adjacent to or that are zoned for residential use; and
 - (d) Development proposals with the potential to serve existing and newly developing commercial, service or industrial areas.
6. Transportation/Access. Sites should be developed with present and future public transportation systems in mind and should have relatively easy access to existing arterial and collector routes and systems.
- (a) Priority for Community Housing should be given to sites that provide access to existing and/or proposed future busing, including school busing, Blaine County multi-use path system, and the regional public transportation system.
 - (b) Developments that offer easy vehicular access to Highway 75 via existing connection nodes are encouraged.
7. Developments within incorporated cities will not be required to have direct access to arterials or collectors. Pedestrian access and public transit access to job centers will be of greater emphasis in these areas.

B. Integration of Community Housing

Where Community Housing is to be provided on site, BCHA prefers Community Housing be fully integrated into the market rate homes. BCHA does not require that developers provide Community Housing in locations which could provide the developer the opportunity to maximize the sales price of market-rate housing, e.g. on top (penthouse) floors or building orientations that provide exceptional views; however, Community Housing should be spread among different floors and various orientations.

Within developments primarily targeting the second-home market, (e.g. time-share or fractional ownership homes), BCHA may recommend grouping Community Housing in order to foster a sense of community among the full time, working residents. Grouping of Community Housing may be allowed in single-family plats, provided that such grouping furthers the objectives of BCHA, preserves the sense of community, or meets other objectives of public benefit.

C. Community Housing Plan

Developers proposing to develop Community Housing or Employee Housing are required to submit a Community Housing Plan to BCHA for review and approval. It is strongly recommended that the planning staff having jurisdiction direct the developer to meet with BCHA staff to discuss the community housing requirements prior to making a written submittal for approval. BCHA will, upon approval of the Community Housing Plan, forward its recommendation together

with a copy of the Community Housing Plan to the appropriate planning and zoning body for consideration.

1. **Housing to be constructed by developer.** The required elements of a Community Housing Plan where housing is to be constructed on or off site by the developer include the following, with suggested timeline for submittal:

(a) **Submit prior to or concurrent with application to jurisdiction.** These items are necessary for BCHA review and comment, which is required before the application is considered complete by the jurisdiction:

- i. **Requirement Calculations.** Calculations determining the Community Housing Units that indicate each step of the calculation, per jurisdiction's ordinance.
- ii. **Method.** The method by which Community Housing Units (or alternatives) are to be provided.
- iii. **Analysis of Standards.** A written description of how the application meets the standards set forth in BCHA Guidelines.
- iv. **Location:** Identify the location of the proposed development.
- v. **Site Plan:** Identify location (at least approximate location) of Community Housing within the proposed development.
- vi. **Community Housing Type, Range of Sizes, and Parking:** Identify home types (condo, townhouse, single family detached), range of sizes, and whether covered parking will be provided.
- vii. **Income Categories:** Identify the Income Categories of each of the proposed Community Homes by type and size. (Range of pricing will be discussed by BCHA and developer.)
- viii. **Delivery Schedule:** Provide the anticipated delivery schedule of the market rate, Community Housing, and Employee Housing.

(b) **Prior to jurisdiction approval of the development:**

- i. **Floor Plans and Building Elevations:** Provide floor plans and typical building elevations for market rate, Community Housing, and Employee Housing.

- ii. **Construction Standards:** Provide a general description of the proposed home finishes, appliance and carpet grades for the housing. BCHA minimum standards and specifications may be viewed on BCHA's website or by request.
- iii. **HOA Assessments:** Provide information regarding regular and special assessments for Community Housing and identify how these will be capped or otherwise kept affordable.
- iv. **Draft CCR's (or Rules and Regulations for rental properties):** Provide draft CCR's (or Rules and Regulations) that include provisions for maintaining affordability of Community Homes (e.g. Assessments) and that require BCHA approval of any amendments to these documents with respect to Community Housing provisions.

(c) Prior to issuance of building permit:

- i. **Pricing:** Provide the proposed sales prices/ rental rates of each Community Home by type, size, and Income Category. (Pricing should not be determined for units that may be delivered more than one year out, due to changes in Area Median Income.)

2. Conveyance of Land or Fees In Lieu of Development. The required elements of a Community Housing Plan where conveyance of land or fees in lieu are proposed shall be as determined by BCHA, but shall include at a minimum:

(a) **Requirement Calculations:** Calculations determining the number of required Community Housing Units that indicate each step of the calculation, per jurisdiction's ordinance.

(b) **In-lieu calculations:** Calculations determining the monetary amount of fees and/or land value that indicate each step of the calculation.

(c) **Location:** Identify the location of the land to be conveyed, if applicable.

(d) **Delivery Schedule:** Provide the anticipated delivery schedule of land and/or fees.

3. Conveyance of Existing Housing In Lieu of Development. The required elements of a Community Housing Plan where conveyance of existing

housing in lieu of development are proposed shall be as determined by BCHA, but shall include at a minimum:

- (a) **Requirement Calculations:** Calculations determining the number of required Community Housing Units that indicate each step of the calculation, per jurisdiction's ordinance.
- (b) **In-lieu calculations:** Calculations determining the monetary amount of fees and/or land value that indicate each step of the calculation.
- (c) **Location:** Identify the location of the land to be conveyed, if applicable.
- (d) **Determination of Community Housing Type.** Identify whether existing housing will be offered for rent or sale to households in the Community Housing Database or if the property will be purchased by a landlord and offered as Community Housing for Rent.
- (e) **Delivery Schedule:** Provide the anticipated delivery schedule of land and/or fees.

D. Community Housing Development Agreement

Once a proposed development has received conceptual approval by the government having jurisdiction, BCHA will provide the government having jurisdiction a Community Housing Development Agreement (a sample of this form may be viewed on BCHA's website or by request) between BCHA and the developer for incorporation into its final approvals of the development. This Agreement shall be executed prior to the issuance of the first building permit for the development, or prior to final plat approval for residential subdivisions of land that do not include construction of dwellings.

E. Community Housing Minimum Livable Square Footage

In general, BCHA will not approve a Community Housing Plan that does not meet certain size minimums. Developers may choose to construct larger Community Homes but allowable rental and sales prices for such larger Community Housing may not exceed the maximum rates set by BCHA. **Table 6.1** sets forth the minimum net Livable Square Footage for each Community Home Type and Income Category.

Table 6.1 Minimum Livable Square Footage for Each Community Home Type

Community Home Type	Square Footage for Income Categories 1-3	Square Footage for Income Categories 4-9
Multifamily Apartments		
Studio	450	600
1 Bedroom	550	700
2 Bedroom	750	900
3 Bedroom	950	1100
Duplex/Townhome/Condo		
1 Bedroom	750	900
2 Bedroom	900	1000
3 Bedroom	1050	1150
Single family		
2 Bedroom	1050	1250
3 Bedroom	1150	1350
4 Bedroom	1250	1450

When required Community Housing is set out in “number of Community Homes,” those homes shall be of a size and type comparable to the market rate units in the subject development, unless smaller configurations reflect the needs of potential purchasers in BCHA Applicant Database. For example, if a developer of a condominium development constructs market rate homes with an average size of 2,000 square feet and is required to provide one Community Home, the developer may suggest that providing one (1) 850 square foot, one-bedroom Community Home and one (1) 1,150 square foot, two-bedroom Community Home instead of one (1) 2,000 square foot Community Home. This proposed housing “mix” may better serve the Community Housing need. The smaller Community Housing configurations may also allow the developer to better utilize the site and/or may provide a better ratio of sale price to construction cost. The decision to allow such trade-offs will be at the discretion of BCHA and subject to final approval by the governing body.

F. Income-Category Deed Covenant

1. The goal of BCHA is to ensure the long-term supply of desirable affordable Community Housing choices in all areas of Blaine County in order to maintain an economically diverse, vibrant and sustainable community. In order to ensure long term affordability of Community Housing, BCHA requires that an Income-Category Deed Covenant be recorded in the

official records of Blaine County for every Community Housing property so designated by BCHA.

2. The Income-Category Deed Covenant sets the maximum sales price and/or maximum rental rates for community housing and limits future appreciation of ownership units.
3. The Income-Category Deed Covenant (a sample of this form may be viewed on BCHA's website or by request) shall be recorded prior to the earlier of the issuance of the building permit or the recordation of the final plat for the subdivision in which the Community Housing is located.

G. Workforce Market Deed Covenant

1. BCHA encourages Community Housing that is price controlled by Income Category and by limited appreciation, both of which are limited by the Income-Category Deed Covenant in order to ensure affordability over the long term. However, BCHA has developed an alternative deed covenant, the Workforce Market Deed Covenant (a sample of this form may be viewed on BCHA's website or by request), in response to the City of Hailey's approval of developments to be offered to households with limited net worth who live and work in Blaine County. This alternative deed covenant allows Community Housing without limitations on pricing but with a defined "qualified buyer" profile.
2. BCHA will assist those jurisdictions utilizing a Workforce Market Deed Covenant by qualifying buyers in accordance with the definitions set forth in the governing Workforce Market Deed Covenant.
3. Since there is no history for predicting the preservation of long-term affordability under the Workforce Market Deed Covenant, BCHA considers its use a pilot project and will measure the results of its use over the next three to five years before recommending its use on future developments.

H. In Lieu Mitigation

1. Payments of fees in lieu of housing construction and/or the conveyance of land may be considered acceptable methods of meeting Community Housing obligations. Each development will be considered on a case-by-case basis and developers are required to contact BCHA early in the planning process to work together to achieve the most desirable and cost-effective outcome for the provision of Community Housing.
2. In some circumstances integrating Community Housing into the development may be inappropriate, impractical, and/or cause hardship to prospective owners or tenants due to several factors including, but not limited to:

- (a) Development location is distant from an urban center and/or an employment center thus creating the need for additional transportation to and from employment and essential services;
 - (b) Life and safety issues;
 - (c) Inappropriate zoning;
 - (d) Association fees and potential assessment fees that are not affordable for the income categories targeted for the development;
 - (e) High density of affordable housing in the area;
 - (f) Development location is within the 100-year floodplain as defined by Federal Emergency Management Agency (FEMA).
3. When Community Housing is a condition of development approval by governmental jurisdiction(s), it is the policy of BCHA that those housing obligations be met by one of or a combination of, the following options, as recommended by BCHA on a case-by-case basis:
- (g) On-site construction, integrated into the development and in accordance with the provisions of this Section 6.
 - (h) Off-site construction, pursuant to Section 6(I) below.
 - (i) Conveyance of land, pursuant to Section 6(J) below.
 - (j) Payment of fees, pursuant to Section 6(K) below.
 - (k) Conveyance of previously owned/occupied housing.

I. [Off-Site Construction Option](#)

1. The number of Community Homes constructed off site should be calculated at 100% for the Community Homes that would have been provided on site in the development.
2. The land use considerations set forth in Section 6(A) should be applied.
3. There is a preference that the off-site Community Homes be located within the limits of the jurisdiction approving the development.
4. The development of the off-site Community Housing must be delivered concurrently and in same ratio as the delivery of market rate units.

J. Conveyance of Land Option

The conveyance of land is an alternative method of meeting Community Housing obligations.

1. In order to fully protect the land conveyed as a community asset, the land shall be conveyed to the approving jurisdiction or to BCHA.
2. The land to be conveyed may be part of the development site, or in an alternate location preferably within the same jurisdiction. An alternate site must meet the requirements of the approving jurisdiction and be suitable for the development of Community Housing.
3. The land must be appropriately zoned under applicable local law so as to permit the construction of both the required number and/or type of Community Housing plus sufficient market rate units to create a mixed-income and mixed-type development.
4. The land use consideration set forth in Section 6(A) should be applied.
5. There is a preference that the land conveyed for Community Housing be located within the jurisdiction approving the development.
6. In order to qualify as an acceptable in lieu mitigation, the land must be fully developable with roads, water supply, sewage disposal, and other basic services readily available. A soils report or other necessary reports may also be required, addressing whether the land is suitable for the type of construction contemplated and identifying any special construction techniques which may prove necessary for its development.
7. The land must have a fair market value at least equal to the in lieu fee amount calculated according to the formula contained in the codes and regulations of the applicable jurisdiction. This amount should be established at the time of preliminary plan approval. Fair market value shall be established, at the developer's expense, by a licensed professional real estate appraiser acceptable to the local jurisdiction. Fair market value shall be net of any customary real estate commission for the sale of land.
8. The conveyance of the land shall occur according to the delivery schedule as set forth in the Community Housing Plan, provided however that financial surety is in place prior to issuance of the first building permit for the development, or prior to final plat approval for residential subdivisions of land that do not include construction of dwellings.

K. In Lieu Fees Option

The payment of fees in lieu of housing construction is an alternative method of meeting Community Housing obligations.

1. Pursuant to applicable land use and zoning codes and ordinances, a developer and may satisfy the Community Housing requirement by payment of an in lieu fee. Acceptance of the in lieu fee shall be at the sole discretion of the respective governing body and in consultation with BCHA. Any such fees shall be paid according to a schedule as set forth in the Community Housing Plan, provided however that financial surety is in place prior to issuance of the first building permit for the development, or prior to final plat approval for residential subdivisions of land that do not include construction of dwellings.
2. All in lieu payments shall be made by the participating developer to the approving jurisdiction to be held in a fund dedicated to the development and administration of Community Housing or shall be paid into the local housing trust fund administered by BCHA.
3. The method for calculating the in-lieu fee shall be determined by the jurisdiction in consultation with BCHA.

L. Conveyance of Previously Owned/Occupied Housing Option

Because of the potential for increased maintenance risks and costs associated with previously owned or occupied dwelling units, the potential inability to amend CCRs already in place, BCHA recommends that jurisdictions exercise due diligence when such units are proposed to satisfy Community Housing obligations. Each proposed conveyance of Previously Owned/Occupied Housing will be analyzed and considered on a case by case basis.

1. The land use considerations set forth in Section 6(A) should be applied where applicable.
2. All previously owned/occupied housing proposed as Community Homes should be located within Blaine County.
3. There is a preference that the previously owned/occupied housing proposed as Community Homes be located within the limits of the jurisdiction approving the development.
4. The delivery of the previously owned/occupied housing proposed as Community Housing should be delivered concurrently and in same ratio as the delivery of market rate units, or in a schedule as set forth in the Community Housing Plan.
5. A home inspection must be conducted by a certified home inspector, selected by BCHA, at the sole cost of the developer. All recommended repairs and/or upgrades should be completed at the sole cost of the developer to ensure that the home is in good and safe condition. The home should meet the minimum construction standard set forth in BCHA's

Minimum Construction Standards (available on BCHA's website or by request) to the extent feasible.

6. The developer shall ensure that HOA regular dues and special assessments shall be capped to ensure the affordability of the home. If existing CCR's require amendment for such provisions, the jurisdiction shall require such amendments to be completed prior to approval. The cost of amending CCR's shall be paid for by the developer.
7. The developer should establish and provide initial funding for a capital reserve fund, as appropriate, to ensure that money will be available for future capital expenses related to the home.

M. Development of Employee Housing

1. In those instances where Employee Housing is required by the local jurisdiction, BCHA has developed criteria for housing types, design, and Income Categories. It is envisioned that Employee Housing will be provided by an employer on a rental basis. To ensure continued affordability of the Employee Housing, permanent covenants running with the land that will restrict rents to prescribed Income Categories should be recorded prior to the issuance of the certificate of occupancy. The covenants will allow for periodic Income Category adjustments based upon a clear showing that an adjustment is justified based upon the current employee profile. Such covenants should be reviewed and approved by BCHA.
2. In order to promote healthy living conditions for employees and cultivate long term employment, there is a strong preference for Employee Housing containing 1 bedroom and 1 bath or 2 bedrooms and 2 baths with rent levels based upon Income Categories 2-3, unless and to the extent that the employer can show that more highly compensated employees will occupy the Housing.
3. Employee Housing Minimum Livable Square Footage. In general, no Employee Housing should be accepted for development which does not meet certain size minimums. Table 6.3 sets forth the allowable minimum Livable Square Footage recommended for each Employee Home type and Income Category.

Table 6.3 Minimum Livable Square Footage for Employee Housing

Employee Home Type	Square Footage for Income Categories 1-3	Square Footage for Income Categories 4-6
Multifamily Apartments:		
Studio	400	600
1 Bedroom	550	700

2 Bedroom	750	900
3 Bedroom	950	1100

N. Design Criteria for Employee Housing

All Employee Housing designed to accommodate roommates should provide separate closets for each occupant. BCHA recommends that studios should be limited to one occupant. Each bedroom should be sized to accommodate sleeping arrangements for two unrelated adults and should contain, at least, one window, a door and closet(s). Each Employee Home should contain adequate storage space for bicycles, skis, camping gear, etc. Dishwashers, garbage disposals, self-cleaning ovens, frost-free refrigerators, sound insulation, efficient heating system, and internet service are highly recommended. Individual utility metering is encouraged to discourage excessive usage and waste. Whenever possible, individual outside entries should be provided without the use of a common hallway. Adequate onsite parking should be based upon the employee profile provided by the operator.

O. Location of Employee Housing

The development of Employee Housing is preferred near the employment site and, where site conditions permit, on the employment site.

P. Employee Qualification

When the approving jurisdiction appoints BCHA to manage or monitor the Employee Housing, employees selected or designated to occupy Employee Housing shall meet the income qualifications of BCHA. Monthly Gross Rental Rates shall not exceed either the current published maximum gross rental rates for each Income Category published by BCHA or greater than 30% of an employee's income. BCHA shall periodically monitor employee qualifications and rent levels to ensure compliance with these Guidelines.

Q. Administration Fees

BCHA may charge the operator of the employment center and the Employee Housing a reasonable fee annually for monitoring compliance with the Employee Housing program.

R. Building Code Compliance and Inspections

1. All new Community Housing subject to a deed covenant must be in a marketable condition and comply with the applicable building code and with all rules, regulations, and codes of all governmental utilities and agencies having jurisdiction.
2. The determination of whether a Community Home is in "marketable" condition shall be at the sole discretion of BCHA

3. Prior to sale, all Community Housing must be inspected and approved by a certified building inspector, architect, engineer, or other professional approved by BCHA for compliance with the Development Agreement and the Community Housing Plan.
4. Cost of such inspections shall be the responsibility of the developer, and the results of such inspection must be approved by BCHA.
5. Developers must correct punch list items promptly and cooperate fully with BCHA and the Buyer in resolving construction deficiencies and warranty items.

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Section 7. Income Categories and Pricing

Income Categories are used by BCHA to determine the appropriateness of Community Housing development proposals in each location and also to determine which Applicants shall be considered for particular Community Homes. These Income Categories are based on percentages of the Area Median Income (AMI) that are assigned to Blaine County by HUD on an annual basis. A Household may purchase or rent a Community Home in a higher Income Category, but not in a lower Income Category. The Household Net Worth shall not exceed the published allowable net worth specified for the particular Income Category. Current income limits and allowable net worth are available on BCHA's website or by request.

Table 7.1 Household Income Categories by Area Median Income (AMI).

Income Category	Percentage of Area Median Income
1	Less than 50%
2	50% to 60%
3	60% to 80%
4	80% to 100%
5	100% to 120%
6	120% to 140%
7*	140% to 160%
8*	160% to 180%
9*	180% to 200%
L	No Income Limit but must be a full-time resident of Blaine County

*For Income Categories greater than 6, BCHA will recommend that proposed housing be classified as "Category L" which is housing that will be offered to the full-time residents and employees of Blaine County. Category L housing should be offered in tandem with housing Categorized at Income Category 5 or below.

A. Calculation of Sales Prices for Newly Constructed/Available Community Housing

1. Maximum sales prices are calculated based upon the federal affordability calculation allowing thirty percent (30%) of Household Income to be allocated to monthly housing cost. The sales price for newly constructed/available Community Housing varies according to the Area Median Income in any given year and according to the calculation of the "maximum monthly housing cost." "Maximum monthly housing cost" includes the following monthly payments:
 - (a) Principal, interest, and mortgage insurance payment (if any) on first mortgage
 - (b) Escrow payment of property taxes and property insurance
 - (c) Land lease payments, if any
 - (d) Homeowners/condominium association fees, if any
 - (e) Utility costs

B. Calculation of Maximum Sales Price

1. The maximum sales price is based on the minimum income of an Income Category in order to ensure that the price of a Community Home is affordable to every purchaser within that Income Category.
2. BCHA has developed the "Community Housing Price Calculator" for ease in determining maximum sale price. This spreadsheet performs the above calculations when the applicable interest rate and HOA dues assumptions are input. Please contact BCHA office or find the Community House Pricing Calculator on BCHA's website. (www.bcoha.org)
3. To calculate the maximum sales price, follow the steps below:
 - (a) Determine the maximum monthly housing cost by Income Category and Home Size.
 - (b) Deduct 15% of the maximum monthly housing cost for real estate taxes, insurance, and utilities.
 - (c) Deduct any homeowners' fees or other required payments such as a land lease payment from the amount arrived at in Section 7(B)(3)(b), above.
 - (d) Obtain the interest rate from BCHA. The goal of BCHA's Community Housing Programs are permanent affordability. Therefore, current interest rates do not necessarily apply in setting the initial price for Community Housing. The indexed resale calculation in the Deed Covenants (the affordability mechanism) is based on the initial purchase price. Setting too low of an interest rate for the initial

purchase price will require additional subsidy to keep these homes affordable when interest rates rise.

(e) Utilizing the payment arrived at in Section 7(B)(3)(c) and the interest rate assumption from Section 7(B)(3)(d), calculate a total maximum allowable sale price for the Home.

C. Maximum Monthly Gross Rental Rates for Community Housing

1. The maximum monthly gross rental rates for newly constructed/available Community Housing are published by BCHA on a schedule in conjunction with the release of Income Limit data provided by HUD.
2. The latest maximum monthly gross rental rates can be found on BCHA's website. These monthly Gross Rental Rates shall be in effect for the term of the initial lease (six (6) month minimum). Thereafter, the maximum monthly gross rental rate can be adjusted in accordance with the published maximum monthly gross rental rates at the time of renewal.
 - (a) Due to the fact that published AMI numbers may decrease over a calendar year, BCHA recommends setting monthly rent at a number as close as possible to the middle of a given Income Category, to ensure ongoing stability for the tenant and predictability of income for the landlord
 - (b) In the event of a published AMI **decrease** by HUD, and if the monthly rent is set at the maximum allowable number within a given Income Category, the rent would be required to be **lowered** to the new corresponding published AMI
3. The maximum monthly gross rental rates are based on an amount equal to thirty percent (30%) of the Household Income per month. This gross rental rate figure includes utilities.
4. Please contact BCHA for a Utility Allowance Analysis based on each unit's size, appliances and heat source to get a net rental rate figure. **The maximum Net Monthly Rent will be less than the published Monthly Gross Rental Rates.**

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Section 8. Procedures for Special Review and Grievances

The Blaine County Housing Authority is committed to creating and maintaining a user-friendly process that provides the long-term supply of desirable and affordable Community Home choices in all areas of Blaine County for those who work and subsequently retire here. However, situations may arise where either a Grievance needs to be addressed or a Special Review is appropriate to provide resolution to a situation. BCHA will respond to Applicants, Tenants, Sellers or Owners of Community Homes who are experiencing difficulty through one of the two processes described below:

A. Petition for a Special Review

1. Any Applicant/Tenant/Owner petitioning for a Special Review may file a petition in writing with BCHA stating 1) the ground(s) for the Special Review request, 2) the action requested, and 3) the name, address, and telephone number of the petitioner, and similar information about his/her representative, if any.
2. Upon receipt of the petition BCHA Board of Commissioners may delegate the Special Review to staff or BCHA will convene a Special Review Committee to review the petition and additional evidence, if any, presented by the petitioner at the next regularly scheduled meeting of BCHA. The Special Review Committee, shall be appointed and report back to BCHA Board pursuant to Article IV, Section 11 of BCHA by-laws.
3. BCHA will provide petitioner a written decision and include therein the reasons for its determination. BCHA will make every attempt to render a decision within thirty (30) days after the filing of the petition; however, the matter may be continued at the discretion of BCHA.
4. BCHA will make its determination on the basis of these Community Housing Guidelines, BCHA Policies, and relevant BCHA-drafted Deed Covenants attached to the land.

B. Grievance Procedure

1. Any Grievance must be presented in writing to BCHA. It may be simply stated, but must specify:
 - (a) the particular ground(s) upon which it is based;
 - (b) the action requested; and
 - (c) the name, address, telephone number of the complainant and similar information about his/her representative, if any.
2. Upon presentation of a written Grievance, a hearing before BCHA shall be scheduled. The complainant shall be afforded a fair hearing providing the basic safeguard of due process, including notice and an opportunity to be heard in a timely, reasonable manner.
3. The complainant and BCHA shall have the opportunity to examine and, before the hearing at the expense of the complainant, to copy all documents, records, and regulations of BCHA that are relevant to the hearing.
4. Any document not made available by BCHA or the complainant, as applicable, after written request may not be relied upon at the hearing.
5. The complainant has the right to be represented by counsel. The matter may be continued at the discretion of BCHA.

C. Grievance Hearing

The Grievance Hearing shall be conducted by BCHA as follows:

1. Oral or documentary evidence may be received without strict compliance with the rules of evidence applicable to judicial proceedings.
2. The right to cross-examine shall be at the discretion of BCHA and may be regulated by BCHA as it deems necessary for a fair hearing.
3. Based on the records of proceedings, BCHA will provide a written decision and include therein the reasons for its determination.
4. The decision of BCHA will be binding and BCHA shall take all actions necessary to carry out the decision.
5. Every attempt shall be made to settle a Grievance with BCHA within six months after the date the Grievance is filed.

6. The decision of BCHA may be appealed to the Blaine County Commissioners in writing within ninety (90) days after the date the decision is rendered.
7. If the complainant fails to appear at the scheduled hearing, BCHA may make a determination to postpone the hearing, dismiss the complaint, or make a determination based upon the written documentation and the evidence submitted.
8. BCHA will make its determination on the basis of these Community Housing Guidelines, BCHA Policies, and relevant BCHA-drafted Deed Covenants attached to the land.
9. BCHA shall have the authority to enforce its determinations, as provided by law and put forth in these Community Housing Guidelines, BCHA Policies and BCHA-drafted Deed Covenants attached to the land.