

**DEPARTMENTAL GUIDELINES
for the
HOUSING AUTHORITY OF
THE TOWN OF TUSAYAN**

May 5, 2016

TABLE OF CONTENTS

Section 101	PURPOSE AND APPLICABILITY	3
Section 102	GENERAL GUIDELINES, DUTIES, AND RESPONSIBILITIES	3
Section 103	HOUSEHOLD QUALIFICATION, ELIGIBILITY AND PRIORITY	6
Section 104	HOUSEHOLD APPLICATION PROCESS AND VERIFICATION.....	9
Section 105	SALE AND RESALE OF UNITS.....	11
Section 106	LEASE PROCEDURES	12
Section 107	DEED RESTRICTION FORM AND PROCESS.....	13
Section 108	OWNERSHIP LOTTERIES	15
Section 109	EXCEPTIONS, APPEALS AND GRIEVANCES.....	17
Section 110	LENDERS AND LOANS.....	21
Section 201	LEGISLATIVE HISTORY	22
Section 202	AMENDMENTS	22
Section 203	ADMINISTRATIVE PROCEDURES	23
Section 204	DEFINITIONS.....	23
APPENDIX A:	Area Median Income and Income Limits	Error! Bookmark not defined.
APPENDIX B:	Calculation of Rental Prices	Error! Bookmark not defined.

Section 101 PURPOSE AND APPLICABILITY

101.1 The purpose of the Housing Authority of the Town of Tusayan (the “HATT”) Guidelines (“Guidelines”) is to provide a comprehensive and consistent set of provisions that apply to housing in the Town of Tusayan (the “Town”) through direct construction and management by the HATT, through the financing thereof or via agreement with a third party developer.

The HATT Guidelines establish the standards and procedures for initial and subsequent sales and/or rental of deed-restricted affordable housing units constructed, financed or otherwise produced in the Town of Tusayan, and managed by the HATT in order to permanently create affordable home ownership opportunities.

These Guidelines are intended to apply to the acquisition, construction, rehabilitation, purchase, sale, transfer, assignment, conveyance, or rental of affordable housing constructed, financed or otherwise produced in the Town of Tusayan, and managed by the HATT. Owners and renters of Deed Restricted Housing Units are subject to these Guidelines, as the same may be amended from time to time. In cases where there is a conflict between these Guidelines and the Deed Restriction for any given Housing Unit, the provisions of the Deed Restriction shall govern.

101.2 Each sale or rental of any Housing Unit shall be subject to the Guidelines in effect at the time of sale or rental of the unit, except that the Maximum Resale Price shall always be determined by the deed restriction for the Housing Unit. The HATT may require filing of a new deed restriction with updated terms at the time of resale of the Housing Unit to comply with the then current Guidelines.

101.3 Violations of these Guidelines may, at the discretion of the HATT, cause the lease of a Housing Unit to terminate on pursuant to Section 103.3.A.2 of these Guidelines, or require the sale of the Housing Unit pursuant to Section 105 of these Guidelines.

Section 102 GENERAL GUIDELINES, DUTIES, AND RESPONSIBILITIES

102.1 The general goal of these Guidelines is to provide affordable housing for persons who live within the boundaries of the Town of Tusayan, and meet the Employment Requirements set forth in these Guidelines. This is accomplished primarily by restricting occupancy and sale of the Housing Units covered by these Guidelines to “Qualified Households” as defined herein.

102.2 These Guidelines also limit initial eligibility for ownership or the rental to Qualified Households that meet specific economic means tests which is based on both Household Income and Household Net Assets. Such tests of economic means are intended to promote economic diversity within the Tusayan community.

102.3 The Housing Units covered by these Guidelines are subject to price limitations for sale, resale and/or rental. These limitations are intended to insure affordability for both the current Household occupying the Housing Unit and for the long-term affordability of the Housing Unit in the future.

102.4 These Guidelines are intended to provide for clear, fair and consistent administration of the housing program. It is recognized that there are individual Households or Housing Units that may not fit clearly within the specific provisions of the Guidelines but still meet these general policy goals. For these cases, Exception, Appeal and Grievance processes have been included in the Guidelines.

102.5 These Guidelines are designed to guide and direct HATT employees, personnel, and contractors to implement responsible management of housing projects under the jurisdiction of the HATT. These Guidelines shall be used as guides to the acquisition, construction, rehabilitation, planning, purchase, sale, transfer, assignment, conveyance, or rental of housing.

102.6 The HATT shall perform such other duties and functions as may from time to time be required by state statutes or these Guidelines.

102.7 HATT Personnel.

- A. Executive Director.** The Town Manager may recommend to the Council a person to serve as the Executive Director of the HATT. The Executive Director shall exercise all authorities and execute all duties established by law or provided in these Guidelines. The Executive Director shall sign all contracts, deeds and other relevant instruments. The Executive Director shall make recommendations and provide information as the Executive Director may consider fit and proper concerning the business, affairs and objectives of the HATT. The Executive Director shall develop, or cause to be developed, all relevant and necessary policies that govern the HATT's role and responsibility to implement housing projects in the Town of Tusayan.
- B. Duties of the Executive Director.** The Executive Director shall be responsible for the management of the housing projects. The Executive Director shall keep the records of the HATT; shall act as chair of the meetings, and cause the keeping of meeting minutes; record all votes; shall keep a record of the actions and activities of the HATT. The Executive Director shall create, implement and manage, as necessary, written employee policies and procedures that include, but are not limited to, cell phone usage, driving records, procurement, credit card usage, travel, performance evaluations, ethics, conflicts of interest, hiring practices, disclosure requirements, confidentiality requirements, and other human resource management tools. Such policies shall be consistent with other Town Code and Town policies.

C. Financial Management. The Executive Director, or a designee, shall act as the Treasurer of the HATT, and shall have the care and custody of all funds of the HATT, and shall deposit the same in the name of the HATT in such financial institutions as permitted by law. The Executive Director may sign all orders and checks for payment of money. The Executive Director shall keep regular books of accounts showing receipts and expenditures and shall render to the Town Council, when requested, an account of financial transactions and also of the financial condition of the HATT. The Executive Director may be required to give such bond for the faithful performance of his/her duties as the HATT may determine. The Executive Director's duties (when acting as the Treasurer) shall also include, but are not limited to, the following:

- a. Develop and implement standard operating procedures and internal controls for activities related to managing, billing and collecting of fees and charges that are the responsibility of the HATT pursuant to a Federal, State or local law, regulation or policy.
- b. Develop, implement and monitor written policies on authorized use of grant funds, donations, or gifts as they may be provided, including policies for credit card use by HATT employees.
- c. Properly execute and implement all necessary documentation with respect to bank accounts held by the HATT and ensure all deposits and withdrawals are made in accordance with Federal and State law.
- d. Develop and implement a comprehensive financial management system that includes standard operating procedures and internal controls for all activities including, but not limited to, budgeting, cash management, accounting, accounts payable, collections, debt management, and all contractual financial obligations.

102.8 DISCLAIMER: The Town of Tusayan and the HATT expressly disclaim any and all warranties, express or implied, including without limitation fitness for a particular purpose with respect to leasing or conveying of Housing Units. Neither the Town of Tusayan nor the HATT represent, warrant or promise to construct, finance or otherwise produce, in whole or in part, any Housing Units pursuant to these Guidelines or under any other programs. No applicant may rely upon any promise implied or express that Housing Units shall be constructed, financed or otherwise produced, in whole or in part, by the Town of Tusayan or the HATT. In no event shall either the Town of Tusayan or the HATT be liable to any applicant for any direct, indirect, incidental, punitive, or consequential damage of any kind whatsoever, including without limitation lost profits, lost sales, lost business, lost opportunity, lost information, lost or wasted time. None of the information contained in these Guidelines constitutes an offer to sell or the solicitation of an offer to buy a Housing Unit.

Section 103 HOUSEHOLD QUALIFICATION, ELIGIBILITY AND PRIORITY

103.1 There are up to three levels of evaluation to determine the qualification of applicants for the Housing Unit in question, known as Qualification, Eligibility and Priority.

Qualification is the most general and is the same definition for ownership or rental units.

Eligibility refers to additional requirements specific to a particular Housing Unit.

Priority refers to the rules by which applicants for particular Housing Unit(s) are placed the purpose of offering the Unit(s) for sale or lease as they become available and is typically applied to a particular Housing Unit by determination of the HATT.

- A. A Household must maintain its Qualification continuously as long as it occupies the Housing Unit, except Qualified Owners who are Disabled or Retired are not required to continuously meet the Employment Requirement of these Guidelines. Notwithstanding any exception herein provided, failure to continuously meet Qualified Household Criteria shall require sale of Housing Unit according to Section 105 below or termination of the lease of Housing Unit according to Section 103.3.A.2 below.
- B. Eligibility and Priority only apply at the time of initial sale or rental of the Housing Unit.

103.2 Qualified Household Defined. To be considered a “Qualified Household” under these Guidelines, all of the following criteria must be met:

- A. At least one member of the Household must either:
 - 1. A Resident and meet the applicable Employment Requirement described below; or,
 - 2. Be Disabled, met the Employment Requirement, and have been a Resident within the boundaries of the Town of Tusayan; or,
 - 3. Retired, provided that only persons who meet the Employment Requirement for at least consecutive 10 years immediately prior to becoming retired shall be considered.
- B. To purchase or lease a Housing Unit or leasing a Housing Unit, or a room therein, meet the Employment Requirement, as defined herein, immediately prior to submitting an application.
- C. Up to ten percent (10%) of the required hours per year may be filled by verifiable Volunteer Community Service within those same boundaries.
- D. Upon purchase or rental of a Housing Unit, the Household must make and continuously maintain the Housing Unit as their principal place of residence for no less than three (3) continuous years, except for those periods the HATT granted a Leave of Absence.

- E. Leave of Absence: No Housing unit shall be unoccupied by a Household for a period exceeding three (3) months without an approved leave of absence from the HATT. The Household must provide clear and convincing evidence showing both a bona fide reason for leaving and a commitment to re-occupy the Housing Unit. The HATT may condition the granting of the leave of absence on the Household's offering the unit for rent to a Qualified Household, agreeable to the Household, during the period of the requested leave. Applications for a Leave of Absence shall be made to the HATT according to the Exceptions Procedure provisions of Section 109.2 below.
- F. Military Leave of Absence: A Housing Unit may be unoccupied by active duty uniformed service members, reservists, or National Guard personnel to perform military duties. Military duties include tours of duty, training, periods of active military service, and funeral honors duty, as well as time spent being examined to determine fitness to perform such service. The owner of a Housing Unit taking a Military Leave of Absence may, but is not required to, offer the owner's Housing Unit for rent to a Qualified Household.

103.3 General Qualification Criteria for Purchase or Lease: In addition to the general Qualification criteria in section 103 above, Households must meet all of the following criteria to be eligible to purchase and occupy, or lease, a Housing Unit. These criteria must be met continuously so long as the Household occupies the Housing Unit.

- A. Assets/Household Total Net Assets:
 - 1. Total Household Net Assets in the Household shall not exceed four (4) times the Original Purchase Price (OPP) of the Housing Unit. All Household members' shares of business assets, including real estate, shall be included in determination of total household net assets. See Definitions Section for further information regarding the definition of "Net Assets" and "Assets."
 - 2. If at any time the Net Assets of the Household exceed the above limit, the HATT may give notice requiring the owner to sell the Housing Unit within one year from the date of the notice or requiring the Lessee to terminate the lease of the Housing Unit upon ninety (90) days' prior written notice.
- B. Ownership of Property: This Section B shall only apply to Households which are seeking eligibility to purchase and occupy.
 - 1. At the time of application, a Household may own other undeveloped or developed residential or commercial property. The fair market value of such property will be taken into consideration when determining Household Net Assets. Any change in the fair market value of such property shall be taken into consideration in evaluating the Household's continued Qualification to occupy the Housing Unit.
 - 2. A Household will be able to acquire or maintain ownership of other

property with no effect on the Qualification of the Household, unless such ownership causes the Household to exceed the limitation on Net Assets contained in paragraph "A" above.

3. Households that desire to acquire other developed residential property after taking ownership of a Housing Unit must be granted an Exception prior to taking ownership of the other developed residential property if the acquisition causes the Housing Unit's Household Net Assets to exceed the limits in order for the Household Unit to be a Qualified Household.

103.4 Additional Eligibility Criteria: To purchase a Housing Unit, applicants shall meet the requirements for being a Qualified Household in this Section 103, and these additional Eligibility Criteria.

- A. **Appropriate Size:** The total number of people in a Household must be appropriate for the available unit size. Household size must fall within the limit below:

Unit Size:	Minimum Household Size:
1 Bedroom	1 person
2 Bedroom	2 persons
3 Bedroom	3 persons
4 Bedroom	4 persons

- B. **Income Limits:** Owner occupied units are subject to a Household Income Limit range of a minimum of \$12,400 to a maximum \$250,000 per year, gross income. As may be required, Housing Units will be designated by a Resolution of the HATT Board for occupancy as determined by the HATT Board on an annual basis.

103.5 Owner Units may be rented to a Qualified Household provided an Exception is granted by the HATT Board, except for Housing Units leased during permitted Leaves of Absences and Military Leaves of Absences.

Section 104 HOUSEHOLD APPLICATION PROCESS AND VERIFICATION.

At the time a qualified and eligible application is submitted to the HATT, the approved Qualified Household shall be placed on a list (the “Wait List”) maintained by the HATT.

104.1 The HATT will establish priorities for the Wait List as follows:

- A. First Priority: Qualified Households who make their “primary residence” within the boundaries of the Town of Tusayan and satisfy the Employment Requirement within the boundaries of the Town of Tusayan, and both Residency and Employments shall be at least for five (5) years. For the purposes of this Section 104.1, indicia of a “primary residence” include the location for the purposes of voting, mailing address, and no other location where the person resides for a period of time longer than the period of time the person resides in Tusayan and the location where the person files his or her federal income taxes.
- B. Second Priority: Qualified Households who make their primary residence within the boundaries of the Town of Tusayan and satisfy the Employment Requirement within the boundaries of the Town of Tusayan.
- C. Third Priority: Qualified Households who satisfy the Employment Requirement within the boundaries of the Town of Tusayan but do not make their primary residence within the boundaries of the Town of Tusayan.
- D. Four Priority: Qualified Households who make their primary residence within boundaries of the Grand Canyon Unified School District No. 4 as delineated on April 29, 2016 and who meet the Employment Requirement within the boundaries of the Grand Canyon Unified School District No. 4 as delineated on April 29, 2016. Prior to offering a Housing Unit for Sale to Purchaser with this Fourth Priority, the Housing Unit must have been open, available, and unoccupied for at least twelve (12) consecutive months.
- E. The Wait List shall be administered so that when a Housing Unit is available, the Housing Unit will be made available to the Qualified Household with the highest priority *and* who applied first (based on the date of the application). For example, if there are two available Housing Units and there are two persons in the First Priority, the Housing Units will be made available to those persons with the earliest application date. In another example, if there are two available Housing Units and there is only one person in the First Priority on the Waiting List and there are three persons in the Second Priority on the Waiting List, the Housing Units would be made available to the one person in the First Priority and then to the person with the earliest application date in the Second Priority.

104.2 When there are more Qualified and Eligible applicants than available and appropriate Housing Units, the HATT may, at its sole discretion, conduct a lottery to determine who may purchase the available unit(s) pursuant to Section 108.

104.3 The HATT may request any combination of documentation reasonably related to proof of income, assets, and employment. The Household applicant shall sign a release so that HATT may obtain access, and may use this information. The HATT will require a Household applicant to swear to a statement of the facts contained in the application, which shall include at least the following certifications:

- A. That the facts contained in the application are true and correct to the best of the Applicant's knowledge;
- B. That the Applicant has been given the standard application information packet by the HATT Staff; and,
- C. That the Applicant, on the basis of the application presented, believes that the Household qualifies to occupy the Housing Unit in question according to the Deed Restriction, these Guidelines, and all other applicable procedures, rules and regulations.

104.4 Verification of Qualification and Eligibility standards will be completed upon request of the HATT at any time circumstances require verification such as at the time of initial application for occupancy or when the HATT becomes aware of evidence that an Applicant no longer meets Qualification or Eligibility requirements, or renewal of an Applicant's lease term.

104.5 Any material misstatement of fact or deliberate fraud or misrepresentation by the Household in connection with any information supplied to the HATT shall be cause for either immediate expulsion from the application process, forced sale of the Housing Unit, immediate termination of a lease and order to vacate or non-renewal of a lease. In addition, any material misstatement of fact or deliberate fraud or misrepresentation by the Household in connection with any information supplied to the HATT may, in the sole discretion of the HATT, cause the person making the application to be barred from submitting subsequent applications for a three (3) year period.

104.6 HATT requires all owners of Housing Units to maintain Qualified Household status on an on-going basis, excluding exceptions provided in these Guidelines, or upon exception at the sole discretion of the HATT pursuant to Section 109. The HATT may perform random audits and investigate complaints or reports of non-compliance on an on-going basis. The HATT may require at any time that a Household verify within twenty-one (21) days of such request by the HATT that the Household is a "Qualified Household."

104.7 Homeowners Associations: The Housing Unit may be subject to a Homeowners Association. Homeowners Association ("HOA") dues are authorized in Arizona under A.R.S. § 33-1801 et seq. All Owners and Lessees of Housing Units are required to pay HOA dues, if applicable, unless otherwise exempted.

104.8 All personal and financial information provided to the HATT Staff will be kept strictly confidential, except as follows:

- A. Signed contracts between the Applicant or Household and the HATT, including but not limited to Contracts to Purchase a Housing Unit, Deed

Restrictions, any document to be recorded with the sale of the Housing Unit along with the Deed Restriction, and any document that would customarily be a matter of public record in the property records of the applicable jurisdiction;

- B. The names and lottery positions of all persons who have participated in any Lottery held under these Guidelines; and
- C. Any other information which a court of competent jurisdiction rules must be released under the Freedom of Information Act or the Arizona Public Records Act.
- D. In addition, the HATT may provide for access to personal and private information to any person or entity undertaking an independent audit of the records kept under these Guidelines provided such person or entity agrees to be subject to this confidentiality provision.

104.9 The HATT may from time to time employ outside expertise to evaluate the reasonability of Applicant or Household representations of income and assets, especially in cases of self-employment, business ownership and complex asset portfolios.

Section 105 SALE AND RESALE OF UNITS

105.1 Options: Sellers of Housing Units have the following options for advertisement and marketing of their units:

- A. Seller may advertise, market and sell a unit directly; or
- B. Seller may list the unit with a real estate broker licensed to do business in the State of Arizona; Real estate commissions are NOT included in the Maximum Resale Price and cannot be passed on to the Purchaser.

105.2 Allowed Sales Price: The sale price of the Housing Unit shall be calculated according to its Deed Restriction. This sale price shall be the only exchange of value between parties to any sale of the Housing Unit. Both Purchaser and Seller must execute a sworn statement affirming that the contracted sale price is the only exchange in value in the sale. Any exchange of value outside the sale price shall invalidate the sale in addition to being a violation of these Guidelines enforceable by the HATT.

105.3 Disclosure of relevant contracts and information: Both Purchaser and Seller of any Housing Unit must sign a release of information allowing the HATT to obtain copies of all documents relevant to the sale, including but not limited to:

- A. The sales contract for the Housing Unit
- B. The purchaser's application for financing and related documentation
- C. Title and escrow documents related to the sale

All financial information shall remain confidential except as noted in Section 104.6.

105.4 Consult with Staff: Sellers of Housing Units are advised to consult with the HATT staff prior to offering a Housing Unit for sale, in order to obtain the most current information about applicable Housing Guidelines and Wait List processes, and to verify the allowed maximum sale price of the unit and other applicable provisions of the Deed Restriction concerning the sale. Actual notice of intent to sell a Housing Unit must be given in writing to the HATT at least sixty (60) days prior to the sale of the unit. Notice forms are available from the HATT staff.

105.5 Independent Legal Counsel: All Sellers and Purchasers of Housing Units are advised to consult independent legal counsel regarding the examination of title and all contracts, agreements and title documents. The retention of such counsel, or related services, shall be at purchaser's and seller's own expense. All fees due to the HATT pursuant to Section 105.7 shall be paid regardless of any amounts the Sellers or Purchasers to third parties in connection with the purchase and sale of a Housing Unit.

105.6 Title Company: The HATT advises purchasers to use a local title company and escrow agent with experience in closings of Housing Units to close the sale transaction. The title documents involved in a closing of Housing Units are unique and technical. Mistakes in the closing documents are easily made and difficult to correct. Seller shall authorize the HATT to review the conveyance documents prior to closing.

105.7 Fee: At the closing of the sale, the Seller, except when the seller is the HATT, will pay to the HATT a fee equal to 1% of the sales price. The HATT may instruct the title company to pay such fees out of the funds held for the seller at closing. The HATT may also waive the fee, or a portion thereof, in its sole discretion, to promote affordable housing.

105.8 Deed Restriction: The HATT shall prepare the Purchaser's Deed Restriction, including the Option to Purchase, in accordance with the provisions of Section 107.

Section 106 LEASE PROCEDURES

106.1 In cases when a Housing Unit is available for sale, and there is no one on the Wait List, and there are no Applicants for the purchase of such Housing Unit, or when the owner of a Housing Unit wishes to lease the Housing Unit during an approved Leave of Absence, a Housing Unit may be leased, and the following shall apply:

- A. Tenants shall be a Qualified Household according to the general Qualification and Eligibility Criteria contained in Section 103 of these Guidelines. The HATT Staff shall certify the qualification of the Household prior to tenancy of the Housing Unit.
- B. Tenants shall meet the Eligibility Criteria in Section 103 of the Guidelines as determined by the Household's Income and Assets that apply to the particular Housing Unit in question at time of initial tenancy.

- C. Lease Renewal: At the time of any Lease renewal, Allowed Gross Rent, as determined in accordance with the formula set forth in Appendix B to these Guidelines, may be adjusted up or down in conformity with amendments to the Guidelines.
- D. Applicable Household Qualification and Eligibility contained in Section 103 of the Guidelines and Income as designated by the Housing Unit's income level shall be recertified by HATT Staff at any time there is a change of tenancy of the Housing Unit.
- E. Rental of all Housing Units shall be through the HATT and must be by a written Lease, an executed copy of which shall be on file with the HATT at all times during the period in which rental of the Housing Unit has been approved. In cases where the approved rental period exceeds one year, the lease copy on file shall be updated at least once every twelve calendar months.
- F. Housing Units will be leased to Qualified and Eligible applicants as they become available. When there are more Qualified and Eligible applicants than the availability of appropriate Housing Units, the HATT will conduct a lottery to determine who may lease the available unit(s). HATT shall conduct a lottery to lease vacant Housing Units in the same manner and procedure for sales provided these Guidelines.

106.2 Qualification for Renting a Room in a Housing Unit. Owners of a Housing Unit may lease an individual room in the Owner-occupied Housing Unit provided that the owner continuously occupies the Housing Unit. No more than one (1) room may be rented in a Housing Unit. The Tenant must meet the Employment Requirement of Section 103.2.B. Verification of qualification shall be determined by the HATT.

Section 107 DEED RESTRICTION FORM AND PROCESS

107.1 The Deed Restriction shall be applied to Housing Units prior to the initial sale. The original executed and recorded documents will be maintained by the HATT. Provisions in these Guidelines regarding the form of the Deed Restriction are a summary of significant Guidelines and should not be considered the complete and final Deed Restriction. Sellers and Purchasers are advised to consult the Deed Restriction for the Housing Unit for complete specific language, which is the final authority for that Housing Unit.

107.2 The Deed Restriction shall specify

1. The Original Purchase Price [OPP];
2. The Allowed Gross Rent (if applicable to the particular Housing Unit) including provisions for any increases in Gross Rent;
3. That upon death of the Owner, the Housing Unit may be inherited by any heir who is legally entitled, by law or by the terms of a will, to inherit the Housing Unit. Such legal entitlement shall be demonstrated and proven by the appropriate documentation to the HATT. The heir shall meet the

requirements of these Guidelines to maintain the Housing Unit as a Qualified Household. If an inheritance cannot maintain the Housing Unit as a Qualified Household under these Guidelines, ownership of the Housing Unit shall revert back to the HATT;

4. Establish rights and privileges of potential heirs, successors, and assigns of Housing Unit; and
5. The allowed Maximum Resale Price (“MRP”);
6. Upon sale of the Housing Unit, the Owner agrees and acknowledges that any and all subsidies, down payments, or closing costs funded by the HATT or the Grand Canyon Housing Foundation, an Arizona nonprofit corporation, shall be refunded and repaid from the proceeds of the sale. The balance of the proceeds shall be paid to the Owner or (in the case that the Owner is deceased) to the Owner’s estate.
7. The HATT does not make any guarantees of the subsequent owner’s ability to sell the Housing Unit for its Maximum Resale Price or lease the Housing Unit for its Allowed Gross Rent.

107.3 Maximum Resale Price [MRP] shall be the OPP specified in the Deed Restriction:

A. PLUS, the lesser of:

1. An increase in price of three percent (3%) per year from the date of purchase to the date of Owner’s notice of intent to sell (compounded annually and prorated at the rate of .25 percent per each whole month of any part of a year); or
2. The amount based on the Consumer Price Index, Urban Wage Earners and Clerical Workers (CPI-W) calculated as follows: The Original Purchase Price of the Affordable Housing Unit multiplied by the CPI-W index last published prior to the date of the Owner’s notice of intent to sell, divided by the CPI-W as of the date of purchase, (in no event shall the multiplier be less than one).

B. PLUS, the costs of any public improvements for which assessments were imposed by any municipal special improvement district or the Town since the recordation date of the Deed Restriction;

C. PLUS, the costs of Capital Improvements, not to exceed thirty percent (30%) of the OPP, which have been

1. Properly permitted and inspected by the Town of Tusayan Building Official; and,
2. Documented by the Owner and approved and determined by the HATT to benefit the affordable housing program through increasing the unit’s capacity to house additional Qualified Households.

- D.** PLUS, any other costs allowed by the HATT pursuant to policies in effect on the date of Household's notice of intent to sell.
- E.** OPP's shall be recorded in the Deed Restriction for the unit. Each property sale generates a new OPP. The language in the Deed Restriction shall be the final determination of Maximum Resale Price.

107.4 Subsequent purchasers of Housing Units must execute a Deed Restriction prior to or simultaneously with the closing on the purchase of a Housing Unit. Should a Housing Unit be sold for less than its Maximum Resale Price, the actual sale price shall become the basis for the new Original Purchase Price. Seller and Purchaser will consent to allow the HATT or its Designee to become privy to the sales contract and title commitment and will cooperate with the HATT or its Designee to complete and have recorded the Deed Restriction and option to Purchase and any other documents required for the transfer of the Housing Unit.

107.5 An Option to Purchase shall be granted by the Lender to the HATT to redeem the Housing Unit in the event of default by purchasing the unit from the holder of the trustee's deed at the redemption price plus reasonable costs of the holder.

107.6 The Deed Restriction shall be binding on all owners, successors and assigns including any holder of a deed in lieu of foreclosure. Exceptions may be granted to allow the release of the Deed Restriction in the event of foreclosure if granting such an Exception meets the standards contained in Sections and 109.1 and 109.2C below.

107.7 The Deed Restriction and any amendments thereto must be recorded in the property records of Coconino County. The original executed and recorded documents must be returned to the HATT for their files.

107.8 All Deed Restrictions must be prepared by the HATT. No modification or amendment to the Deed Restriction shall be effective unless agreed to in writing by the HATT.

Section 108 OWNERSHIP LOTTERIES

108.1 Ownership Lottery Procedure

- A.** At the sole discretion of the HATT, a Lottery may be conducted to sell or lease a Housing Unit. The HATT shall establish a procedure to create an orderly lottery process for offering units to Qualified Households when there are more Qualified Households than units available for sale or lease.
- B.** The HATT shall open an Ownership Lottery as follows:
 - 1.** Notice of the date, time and location at which lottery applications will be taken shall be published as a legal notice in a newspaper of general circulation in the Tusayan region and at locations for posting notices

customarily used by the Town of Tusayan. Such notice shall be published at least two weeks prior to the date on which applications will be accepted. The HATT shall accept lottery applications for at least a two-week period. In addition, the HATT shall develop a public information program regarding the lottery that, in the judgment of the HATT, will adequately inform any reasonably interested potential lottery participant of the requirements in these Guidelines.

2. Application and information materials shall be available at the time of publication of the legal notice described above at locations and web sites announced in the legal notice.

108.2 Lottery Application Process and Applicant Responsibilities

A. Completeness of Application:

1. Households, as defined in these Guidelines, interested in purchasing a Housing unit must submit an application to the HATT. All members of a Household over eighteen years of age must submit the required information necessary to determine eligibility. In addition, a Household must submit a letter from a mortgage lender, stating the Household's ability to pre-qualify for a mortgage.
2. In order to participate in a lottery, Households must sign the sworn statement described in Section 104.1 above
3. If a Household cannot sign the sworn statement, or if a Household does not provide staff with information required to process the application, then it will not be eligible to be entered into the lottery.
4. The HATT Staff shall rely on the sworn statement of the applicant as to the completeness and accuracy of the application for the purpose of determining eligibility to participate in a lottery.
5. Staff will require a Household to submit a statement of loan pre-certification from a mortgage lender, indicating that the Household is capable of qualifying for the approximate sales price of the Housing Unit that it is interested in purchasing

108.3 Lottery Order

- A. The HATT shall only accept lottery applications during the time period specified in the legal notice provided in accordance with Section 108.1(B)(1). Mailed applications shall be considered received in the proper time period if postmarked at least two days prior to the last day of the application period and received within two business days after the application period closes. The HATT shall not be responsible for delays in the delivery of mail beyond two business days after the application period closes.
- B. Applications that are certified as complete shall qualify in the lottery according to the following Criteria:

1. All Households that meet the Qualification and Eligibility Criteria listed in Sections 103 and 104 shall have one (1) entry in the lottery.
 2. An additional entry in the lottery shall be awarded to Households that can demonstrate compliance with the Employment Requirement at least three (3) consecutive calendar years of full-time employment within the boundaries of the Town of Tusayan within the previous five (5) calendar years.
- C. Lotteries are subject to the following guidelines:
1. A lottery must be conducted in a duly noticed public meeting of the HATT.
 2. An independent Coconino County resident with no direct stake in the lottery outcome shall be invited to draw the applicants' names.
 3. Once an applicant's name is drawn, any further instances of that applicant's name drawn are recorded, but ignored in establishing the order of applicants.
 4. The results of the lottery shall be certified by such resident drawing the names and posted as soon as practically possible after the drawing.
 5. The order in which applicant names are drawn in the lottery shall determine the order in which applicants are contacted to purchase the Housing Units offered in the lottery (except for handicapped-accessible units as noted in paragraph D below).
- D. First priority for disabled accessible units shall be given to Disabled persons that submit a lottery application pursuant to Section 108.2 above based on the lottery order of all Disabled Persons. If there are no Disabled Persons that submit a lottery application, the handicapped accessible unit/s will become available for purchase by Households that submitted a lottery application.
- E. Any material misstatement of fact or deliberate fraud or misrepresentation by the Household in connection with any information supplied by the Household to the HATT shall be cause for disqualification from lottery and the Household will be prohibited from reapplying for any future lottery for one year.

Section 109 EXCEPTIONS, APPEALS AND GRIEVANCES

109.1 Definitions

- A. **Exceptions:** Except as otherwise set forth herein, a request for an exception to the standards and requirements of the Guidelines may be appropriate when the applicant understands and acknowledges the criteria and believes that there exists a legitimate and compelling reason why the applicant should be

exempt from such criteria or allowed a modification of the criteria. Exceptions may be granted to the Guidelines on a case-by-case basis, provided that the HATT finds there is a legitimate and compelling reason to do so, and such exception will promote the availability of affordable housing.

- B. Appeals: An appeal of an action or failure to act by the HATT is appropriate when the applicant understands and acknowledges the criteria and believes that the criteria have been applied incorrectly to the applicant.
- C. Grievances: A grievance is any dispute with the HATT with respect to an action or failure to act in accordance with an individual's rights, duties, welfare, or status. A grievance may be presented to the HATT Board under the procedures below.

109.2 Exception Procedure

- A. A Request for Exception must be presented in writing to the HATT and include:
 - 1. Verification that Applicant has fully completed the application process and that the Applicant's qualification has been confirmed as of the date of the Exception application;
 - 2. The particular ground(s) upon which it is based;
 - 3. The action or remedy requested;
 - 4. The name, address, telephone number of the complainant and similar information of complainant's representative, if any;
 - 5. Proof of notification of Exception request to the Housing Unit's Home Owners Association, if applicable; and,
 - 6. Exception fee of \$100.00.

Request for Exception forms are available from the HATT.

- B. Process: All requests for exceptions will be reviewed by the HATT Staff for completeness and forwarded with a recommendation for action to the HATT Board within 30 days.
 - 1. Prior to consideration by the Board, the HATT Staff shall prepare a written report summarizing its recommendation regarding the requested exception. The HATT Staff shall distribute a copy of the report to the Board, the Applicant requesting the exception, and make the report available to the public.
 - 2. If, following a hearing by the Board, the decision by the Board is a Denial or less than a complete Approval, Applicant may appeal to the HATT Board pursuant the Appeals Section, below.
- C. Standards for Review of Exception applications: Applicants desiring an Exception should demonstrate and the HATT Board must find that the Exception meets one or more of the following review standards:

1. Promotes greater affordability through:
 - i. Decreasing the long term operating and maintenance costs of the Housing Unit in question;
 - ii. Enabling the Applicant to take advantage of a financing opportunity that would not be available without the Exception; and/or,
 - iii. Protecting the long term affordability of the Housing Unit through a price control or other similar means;
2. Promotes or recognizes long term commitment of the Applicant to residency, employment and community involvement within the boundaries of the Town or provides housing for a critical community need;
3. Provides increased livability or durability in materials, finishes, fixtures or appliances or useful increased square footage (which shall not include “luxuries” or significantly exceed standards set in recent Town-constructed Housing Units);
4. Creates living space for an additional member of the Household while maintaining the income targeting for the Housing Unit;
5. Enables a Household to own and occupy a Housing Unit more suitable to the Household’s needs; and/or
6. Enables the Household to respond to life circumstances that arise beyond the reasonable control of the household (such as need to care for an Elderly or Disabled Household member).

In addition, all Exceptions must meet the General Policy Goals described in Section 102 above.

109.3 Appeal Procedure

- A. Any appeal must be presented in writing to the HATT and include:
 1. Verification that Applicant has fully completed the application process and that the Applicant’s qualification has been confirmed as of the date of the Exception application;
 2. The particular ground(s) upon which it is based;
 3. The action or remedy requested;
 4. The name, address, telephone number of the complainant and similar information of complainant’s representative, if any;
 5. Proof of notification of Appeal request to the Housing Unit’s Home Owners Association, if applicable; and
 6. Appeal fee of \$100.00.

Appeal forms are available from the HATT.

- B. Process:** All appeals will be reviewed by the HATT Staff for completeness and forwarded with a recommendation for action to the HATT Board within 30 days.

- 1. Applicant shall be entitled to present evidence in support of the appeal.

C. Binding Determination: The final determination of the HATT Board shall be binding and HATT shall take all actions necessary to carry out the decision.

109.4 Grievance Procedure

- A. A. Any grievance must be presented in writing to the HATT and include:**

- 1. The particular ground(s) upon which it is based;
 - 2. The action or remedy requested;
 - 3. The name, address, telephone number of the complainant and similar information of complainant's representative, if any; and
 - 4. Grievance fee of \$100.00

- B. The HATT Board shall address the grievance at the next scheduled board meeting. The complainant shall be afforded a fair hearing providing the basic safeguards of due process, including notice and an opportunity to be heard in a timely, reasonable manner. HATT Board may continue the hearing. The complainant and the HATT Staff shall have the opportunity to examine all documents, records and regulations of the HATT that are relevant to the hearing. Complainant shall be responsible for all photocopying expenses. Any document not made available after written request may not be relied upon at the hearing. Complainant has the right to be represented by counsel.**

- 1. If the complainant fails to appear at the hearing, the HATT Board may make a determination to postpone the hearing or make a determination based upon the evidence submitted.
 - 2. The hearing shall be conducted by a designated member of the HATT Board, and referred to as the "Hearing Officer" for purposes of a Grievance hearing. The hearing shall be recorded. Oral or documentary evidence may be received without strict compliance with the Arizona Rules of Evidence.
 - 3. The right to cross-examine shall be at the discretion of the Hearing Officer and may be regulated by the Hearing Officer as it deems necessary for a fair hearing.

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

Section 110 LENDERS AND LOANS

110.1 Purpose: This section is intended to meet the following goals regarding individual mortgage financing for Housing Units under the jurisdiction of the HATT.

- A. Protect the public investment and regulatory integrity of the affordable housing program in the short and long term.
- B. Minimize financial, and other risks, to the HATT and the affordable housing program by prohibiting excessive debt or other obligations from being secured by a Housing Unit.
- C. Minimize the chance that an owner of a Housing Unit will create a financial risk for HATT, and the affordable housing program, through creation of debt or other secured obligations against the Housing Unit.
- D. Increase the potential financing opportunities for applicants and owners.
- E. Render all lender loan documents shall be subject to review and approval by the HATT.

110.2 Lenders and Mortgages: Borrowers are restricted to either conventional or government guaranteed mortgages with a fixed rate from commercial banking and lending institutions authorized to engage in mortgage lending practices in the State of Arizona. All other mortgages will require an Exception from the HATT, obtained pursuant to Section 109, in order to purchase the Housing Unit.

110.3 Option to Purchase: Lenders who are beneficiaries of any Deed of Trust executed in connection with the sale of a Housing Unit must sign an Option to Purchase, acknowledging the provisions of the Deed Restriction and granting a right to the HATT to purchase the unit in a foreclosure. The lender shall provide the HATT sixty (60) days' prior notice of any change in ownership or assignment of the mortgage is anticipated and shall fully cooperate in securing the required signatures for a new Option to Purchase.

110.4 Total Debt: Owners shall not incur debt, liens or other obligations secured by the Housing Unit that exceed the total Original Purchase Price of the unit and shall notify the HATT immediately when a change in the total of these secured obligations is anticipated. This limitation and notice requirement shall apply also to any refinance of existing debt secured by the Housing Unit. The HATT, Owners and Lenders shall cooperate in obtaining new signatures for any new Options to Purchase that may be necessary.

Any debt, lien or other obligation (or any portion thereof) that either exceeds the OPP or for which an Option to Purchase has not been granted to the HATT shall be considered an unsecured obligation.

110.5 Increases in Total Debt: Owners or potential purchasers may apply for an Exception to increase the allowed Total Debt to an amount greater than the Original Purchase Price for one or more of the following reasons:

- A. An increase to not more than 103% of the OPP may be allowed to secure a closing cost or down payment assistance loan issued by a local, state or federal public agency or qualified non-profit agency.
- B. An increase to not more than the currently allowed Maximum Resale Price at the time of application may be allowed to secure debt associated with allowed and approved Capital Improvements.

The HATT shall not be obligated to approve any increase in the allowed Total Debt and shall consider the overall benefits and costs to the affordable housing program as well as the individual situation involved.

110.6 Co-ownership and co-signatures: Any co-ownership interest other than Joint Tenancy or Tenancy-In-Common must be approved as an Exception according to Section 109.2 above. Co-signers may be approved for ownership of the unit but shall not occupy the unit unless qualified by the HATT. Approved Co-signers shall be required to sign a separate agreement to sell in the event the owner defaults or is otherwise required to sell the Housing Unit.

Section 201 LEGISLATIVE HISTORY

201.1 This Housing Authority of the Town of Tusayan was approved by resolution on March 2, 2016. These Guidelines, substantially in this form, were approved by the Town Council on May 4, 2016.

Section 202 AMENDMENTS

202.1 These Guidelines shall be reviewed and revised as necessary at least every two years by the HATT Executive Director. Changes, if any, will be reviewed and commented on by the Town Manager to Town Council.

202.2 Amendments to these Guidelines shall be made according to the following procedure:

- A. Any proposed amendment shall be presented to the HATT Board of Directors for approval.
- B. The Board of Directors shall conduct a public hearing of any proposed amendment and either adopt, adopt with amendments or reject the proposed amendment. The public hearing on the proposed amendment shall be scheduled in a timely manner.

202.3 Amendments to Appendices A and B may be proposed by the HATT Staff and require only the approval of the Executive Director to become effective.

Section 203 ADMINISTRATIVE PROCEDURES

203.1 Fair Housing Standards The HATT Staff shall administer this policy in compliance with all applicable fair housing standards, including but not limited to the Fair Housing Act. These standards prohibit discrimination in housing on the basis of age, race, religion, handicapped or disabled status, country of origin, sex or sexual identity. In addition to any remedies available in the applicable law, any dispute between an applicant and the HATT Staff regarding these standards may be filed as a Grievance (see Section 109.4.).

203.2 Reasonable Accommodation. The HATT Staff shall administer this policy in compliance with all reasonable accommodation standards, including but not limited to the Americans with Disabilities Act. Persons requiring reasonable accommodation for their disability shall give the HATT Staff at least 48 hours' notice of such need so that appropriate arrangements can be made (for example: providing sign language services for a hearing impaired person).

203.3 Assignment of Administrative Responsibilities. The HATT shall have the right to contract with any qualified person or entity for the purpose of administering these Guidelines. The contract for administration shall provide for oversight by the Town, including access to applicable records and the ability to conduct an independent audit of administrative procedure.

Section 204 DEFINITIONS

PURPOSE: The purpose of this Section is to define words, terms and phrases contained within these Housing Guidelines.

Affordable Housing: Any Housing Unit that is restricted to sale at a specified price to a Qualified Household and subject to these Guidelines.

Alter or Alteration: Alter or alteration means any change, addition, or modification in construction or occupancy.

Applicant: A Household that has submitted the required application either for qualification as a Purchaser or for placement on the Ownership Waiting List, as the context requires.

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. See

also definition for Gross Assets and Net Assets.

Bedroom: Area designed to be used for sleeping purposes that shall contain closets, have access to a bathroom and meets applicable Town Building Code requirements for light, ventilation, sanitation and egress.

Capital Improvements (Allowed): Unless otherwise defined in the Deed Restriction covering the Housing Unit, an allowed Capital Improvement is any fixture approved by the HATT staff prior to erection/construction that is erected as a permanent improvement to real property or non-recurring expenses for physical improvements that provide a long-term upgrade or improvement to the deed- restricted housing unit, plus the present value of capital improvement costs including labor, if professionally provided, and for which verification of the expenditure (documentation) is provided by the Owner. Labor costs provided by the Owner may be authorized for up to 50% of the Allowed Capital Improvements upon approval by the HATT staff. Allowed Capital Improvements shall NOT include landscaping, non-essential appliances, fixtures or upgrades or costs associated with ordinary repair, replacement, and maintenance. It is the Owner's responsibility to secure any approval necessary from the Housing Unit's Homeowners Association prior to undertaking any Capital Improvement.

Consumer Price Index [CPI]: Two Consumer Price Indices are used for purposes of the Guidelines and for purposes of the Deed Restriction. The homeowner may choose from which Consumer Price Index to use- U.S. City Average and Regions, Urban Wage Earners and Clerical Workers (CPI-W), All Items, not seasonally adjusted, or its successor index CPI-W average. Updated information is received on a regular basis from the U.S. Department of Labor, Bureau of Labor Statistics.

Co-signer: A joint signatory of a promissory note whose obligations are the same as those of the primary borrower. If the primary borrower does not repay the loan, the cosigner accepts responsibility for the debt. A Co-signer shall not occupy the unit unless qualified by the HATT.

Contract Rent: See Rent

Deed Restriction: A contract prepared by the HATT, in coordination with the Town Legal advisor, and entered into between the HATT, and the owner or purchaser of real property identifying and burdening the conditions of use, occupancy and sale which shall not be altered by any party without the written consent of all parties.

Dependent: A minor child (18 years or younger) or other relative of the renter or owner of a Housing Unit, which child or relative is taken and listed as a dependent for federal income tax purposes by such renter or owner or his or her present or former spouse (said dependent must also be related by blood or adoption).

Designee: A person or entity who is named and authorized to act in place of the person or entity granting the designation.

Disabled Person: A person with a "disability" as defined in the Americans with Disabilities Act of 1990 as amended. Federal laws currently define a person with a disability as "Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an "impairment."

Eligibility: Qualification requirements applied to a Household based on the specific Housing Unit the Household intends to occupy the Housing Unit.

Employment Requirement: The Employment Requirement is met if at least one individual in a Household is a full time employee for a single employer, and has worked at least a total of 3120 hours during the last twenty-four (24) consecutive months as a Resident within the boundaries of the Town. An employee must obtain verification of full-time employment from the employer. In cases of employment for an individual, institution or employer located outside the Town, or for self-employment, the HATT may request additional evidence to establish the location and number of hours of eligible employment. Employment evidence provided by the applicant is subject to evaluation of reasonableness by the HATT. For purposes of this Employment Requirement, the time a person is on Military Leave of Absence, as defined in these Guidelines, will not be used against the person, and such time may be used

to count towards satisfying Employment Requirement criteria. For purposes of this definition, “within the boundaries of the Town of Tusayan (the “Town”)” means an Employee must verify that they are, or have been physically working at a location or combination of locations as a Resident of the Town for the required number of hours.

Exception: A variance from these Guidelines granted to a Household or other interested party through the Exception Procedure contained in Section 109.2 above

Fair Market Value: The price that an interested but not desperate buyer would be willing to pay and an interested but not desperate seller would be willing to accept on the open market assuming a reasonable period of time for an agreement to arise. The price at which bona fide sales have been consummated for assets of like type, quality, and quantity in a particular market.

Fee Simple Estate: The maximum possible estate that one can possess in real property; complete and absolute ownership of indefinite duration, freely transferable, and inheritable.

Fixture: 1) A tangible thing which previously was personal property and 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; 2) Any non-portable lighting device built in or attached securely to the structure; 3) The permanent parts of a plumbing system and fixtures.

Gross Assets: Anything which has tangible or intangible value, including property of all kinds, both real and personal; includes among other things, patents and causes of action which belong to any person, as well as any stock in a corporation and any interest in the estate of a decedent; also, the entire property of a person, association, corporation, or estate that is applicable or subject to the payment of debts. Gross Assets shall include funds or property held in a living trust or any similar entity or interest, where the person has management rights or the ability to apply the assets to the payment of debts. Assets are evaluated at current fair market value, not accounting book value.

Gross Income: Total individual income including:

1. Income from employment, Social Security benefits, alimony and child support;
2. Trust and other investment income; and
3. Net income derived from a business or from income-producing property, after reasonable deductions for expenses, depreciation, taxes, and similar allowances.

Applicant representations of Gross Income are subject to verification and evaluation of reasonableness by the HATT.

Gross Liabilities: The total amount owed to other persons including loans, liens, accounts payable and other financial obligations as defined by generally accepted

accounting practice.

Gross Rent: See Rent

Guideline(s): A set of operational regulations adopted by the HATT of the Town of Tusayan and the Tusayan Town Council, and amended from time to time, that set out definitions, standards and procedures that are to be applied to specific Housing Units. These HATT of the Town of Tusayan Guidelines or specific provisions thereof as the context requires.

HATT: The Housing Authority of the Town of Tusayan. As used in these Guidelines, the HATT may also mean the Board of Commissioners of the HATT of the Town of Tusayan, or the HATT Staff as the context requires.

HATT Board: The Board of Commissioners of the HATT of the Town of Tusayan

HATT Staff: The person or persons who the HATT of the Town of Tusayan employs for the purpose of administering these Guidelines.

Household: All Owners or Renters, their immediate family which includes spouses, siblings, parents and/ or offspring, either biologically, by marriage or by legal adoption, regardless of age, and any parties who by legal arrangement including by leasehold interest, deed, joint tenancy, tenancy in common, or tenancy in its entirety shall have a legal right to fee ownership or leasehold interest, who will be occupying the Housing Unit.

Household Income: Combined Gross Income of all individuals in the Household.

Household Gross Assets: Combined Gross Assets of the Household

Household Net Assets: Gross Household Assets less Gross Household Liabilities.

Household Net Worth: Equivalent of Household Net Assets. Household Net Assets is the term used throughout these Guidelines.

Housing Unit: A deed-restricted unit that is subject to the Housing Authority of the Town of Tusayan Guidelines and any additional covenants that run with the land.

Joint Tenancy: Ownership of real estate between two or more parties who have been named in one conveyance as joint tenants. Upon the death of one tenant, surviving joint tenant(s) have the right of survivorship.

Lease: A written agreement between an owner and a tenant Household that creates a Leasehold Interest.

Leasehold Interest: A less than fee simple estate that a tenant possesses in real property.

Leave of Absence: An Exception from the requirement that a Qualified Household maintain the Housing Unit in question as its primary place of residence granted according to Section 103.2F.

Maximum Resale Price [MRS]: Unless otherwise defined in the Deed Restriction covering the unit, the owner's maximum resale price is determined according to Section 107.

Mortgagee: A lender in a mortgage loan transaction.

Mortgagor: A borrower in a mortgage loan transaction.

Net Assets: Gross Assets minus liabilities. Retirement accounts will be reviewed on a case-by-case basis to determine whether or not they shall be included as a net asset.

Option to Purchase: A legal document signed by the Mortgagee, and where applicable a co-signer, acknowledging the provisions of the Deed Restriction and granting a right to the HATT to purchase the Housing Unit in a foreclosure under certain conditions.

Original Purchase Price (Allowed) [OPPI]: The price paid for the Housing Unit by the current Owner(s) and used as a basis to determine the Maximum Resale Price. The OPP is recorded in the Deed Restriction attached to each Housing Unit.

Owner: Owner means an individual or individuals who have a legal right to the property by deed, tenancy in common, joint tenancy or tenancy in the entirety or other relationship and who have a proprietary interest.

Priority: The order in which Housing Units are offered to Applicant Households based on the applicable selection procedure (e.g., Waiting List or Lottery) for the Housing Unit in question.

Present Value: The cost or price of any capital improvements as established at the time of such improvement and shall be neither appreciated nor depreciated from such time.

Property: Includes all real estate of any kind, developed or undeveloped, including but not limited to land, commercial property, investment property, residential property.

Purchaser: A person who is buying or has purchased a Housing Unit.

Qualification: The minimum standards of employment, residency and/or net assets that are applied to a Qualified Household according to Sections 103.2 and 103.3 above.

Qualified Household: A Household that has been certified by the HATT as qualified to own or occupy a Housing Unit according to the Guidelines that apply to that Unit.

Qualified Owner: A person other than a Qualified Household who is permitted to own Housing Units.

Rent: The rent paid according to the Lease.

Contract Rent: Contract Rent does not include the Utilities Allowance. Allowed Gross Rent- Utilities Allowance = Contract Rent.

Gross Rent (Allowed): The total amount per month including utilities that a Qualified Owner is allowed to charge to a Household in leasing a Housing Unit. It differs from Contract Rent by the amount of the Utility Allowance (for utilities not included in the rent) that applies to the Housing Unit.

Gross Rent (Actual): Actual gross rent may be less than Allowed gross rent due to local market forces. In order to keep a unit occupied, Qualified Owner may be required to charge less than the Gross Rent Allowed.

Resident: For purposes of these Guidelines, a Resident is a person who (a) makes their primary residence within the boundaries of the Town of Tusayan and meets the Employment Requirement within the boundaries of the Town of Tusayan, or (b) meets the Employment Requirement, but may not have a primary residence within the boundaries of the Town of Tusayan. For purposes of this definition, “within the boundaries of the Town of Tusayan (the “Town”)” means an Employee must verify that they are or have been physically working at a location or combination of locations as a Resident of the Town for the required number of hours.

Retired: A person who has met the Employment Requirement for at least 10 consecutive years prior to withdrawal from regular employment or work, and lives on a fixed income, such as a pension, annuity, or other form of capped and fixed income.

Sale: For purposes of these Guidelines, a sale is the exchange of a Housing Unit for an agreed amount of money in a single transaction in which title to the Housing Unit is transferred to a new qualified Household.

Seller: Seller means an individual or individuals who have a legal right to the property by deed, tenancy in common, joint tenancy or tenancy in the entirety or other relationship and who have a proprietary interest.

Tenancy In Common: Co-ownership in which individual holds an undivided interest in real property as if he were sole owner.

Tenancy in the Entirety: A special joint tenancy between a lawfully married husband and wife, which places all title to property (real or personal) into the marital unit, with both spouses having an equal, undivided interest in the whole property.

Tenant: A person(s) who has the temporary use and occupation of real property owned by another subject to the Guidelines.

Town: The Town of Tusayan.

Town Council: The Town Council of the Town of Tusayan.

Volunteer Community Service: Work which is performed for recognized non-profit community organizations for which no monetary or other material compensation is received. Volunteer Community Services shall not be court order or pursuant to any judicial requirement.

Wait List: An official HATT list of all Households that desire to purchase or lease a Housing Unit, and meet the Qualification and Eligibility Criteria listed in Sections 103 and 104, and have submitted a complete and accurate application pursuant to Section 108.