

**NOTICE OF INTENT TO ADOPT RULES AND REGULATIONS GOVERNING  
TRAILSIDE SUBDIVISION AT WOODLAND PARK AFFORDABLE HOUSING  
PROJECT**

The Sheridan County Board of County Commissioners hereby gives public notice of its intent to adopt new Rules & Regulations Governing the Trailside Subdivision at Woodland Park Affordable Housing Project.

The proposed rules meet the minimum substantive state statutory standards.

Copies of the proposed rules are available from the Sheridan County Board of County Commissioners, located on the 2nd floor of the Courthouse Addition. Written comments on the proposed rules may be submitted by the public to the Board of County Commissioners, 224 S. Main Street, Sheridan, WY 82801, or emailed to [bocc@sheridancounty.com](mailto:bocc@sheridancounty.com) on or before December 4, 2020.

A public hearing to receive oral comments on the proposed rules will be held on December 14, 2020 at 9:00 a.m.

The Board will consider adoption of the proposed rules at its regular meeting on December 15, 2020 commencing at 9:00 a.m.

BOARD OF COUNTY COMMISSIONERS  
Sheridan County, Wyoming

Attest:

  
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Nick Siddle, Chairman

  
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Eda Schunk Thompson, County Clerk

**RULES AND REGULATIONS GOVERNING THE  
AFFORDABLE WORKFORCE HOUSING PROGRAM  
(CHAPTER # - TRAILSIDE AT WOODLAND PARK)**

**1. PURPOSE.**

This chapter of rules and regulations is adopted to govern the implementation of Sheridan County's Affordable Housing Program (Program). The Program is intended to provide financial subsidies to selected affordable workforce housing developments to offset a portion of the cost of installing necessary public infrastructure to serve the residential lots within the development. The goal of the Program is to encourage and facilitate the availability of more affordable workforce housing stock within Sheridan County.

**2. AUTHORITY.**

These rules and regulations are adopted pursuant to W.S. 16-3-103 and *Chapter 21 of the Rules and Regulations of the Wyoming State Loan and Investments Board* (effective 10/17/07 - 11/21/2016).

**3. APPLICABILITY.**

This chapter of rules and regulations is applicable solely to the "Trailside at Woodland Park" housing development project within Sheridan County.

**4. DEFINITIONS AND TERMS.**

As used in this chapter:

- a. "Bank" shall mean bank, savings and loan or any other lending institution.
- b. "County" shall mean Sheridan County government.
- c. "Developer" shall mean the individual, partnership, or corporation constructing a development selected for funding under the Program, its agents, successors, or assigns.
- d. "Eligible Buyer" shall mean an individual or family seeking to purchase an AWHL that meets the requirements listed in Section 8 of this chapter: (1) (2).
- e. "Infrastructure" shall mean roads, streets, curb and gutter, sewer, and water lines.
- f. "AWHL" shall mean an "Affordable Workforce Housing Lot."
- g. "Project" shall mean the Developer's implementation of the plans for development of lots.

**5. SELECTION OF PARTICIPATING DEVELOPMENTS.**

When the fund balance in the Affordable Housing Program Account is deemed sufficient, the County will issue a request for proposals to participate in the Program. The County will review the proposals received from developers in consultation with all the incorporated municipalities within Sheridan County. By consensus of majority based on population, these local governmental entities will select a development proposal to receive Program funding and the total amount of subsidy to be provided.

**6. REQUIREMENTS FOR DEVELOPERS.**

- i. Developer must provide documentation to the County that a binding commitment for financing or cash from a private source(s) is available to Developer sufficient to match the Program funding prior to receiving Program funds.
- ii. The Project must be commenced within one (1) year from the date the Program funds were approved. For purposes of this chapter, a project shall be deemed to have commenced when construction of necessary infrastructure begins. In the event the Project has not been commenced within one (1) year, the award of Program funds will automatically expire.
- iii. All projects must be completed within a reasonable time. For purposes of this chapter a "reasonable time" for installation of infrastructure shall mean not more than two (2) years from the commencement of construction.
- iv. Developer, upon request, shall provide County a full and complete accounting of the use and distribution of Program funds. County may perform an audit or examination of the books and records of the Program funds at any time without advanced notice. Developer must provide full access to records and to cooperate with County when requested.
- v. Developer, upon completion of infrastructure construction, inspection, and approval of the same by the political subdivision with jurisdiction, shall convey all infrastructure to the city, town, or county where the Project is located.
- vi. Developer, their agents, or assigns must comply with Federal Fair Housing guidelines in any sale of an AWHL to an Eligible Buyer.
- vii. Developer must enter into an agreement with the County in accordance with this chapter and submit a copy of the final approved subdivision plat to the County.
- viii. The Program funds shall be used by Developer solely to pay a portion of the cost of installing necessary infrastructure. Developer must provide the County with invoices documenting those costs. Developer must also provide satisfactory evidence to the

County that the infrastructure for which payment is sought has been inspected by the appropriate local government regulatory agency and that the agency has approved the infrastructure as constructed. County may transfer Program funds to Developers financial institution to be held in escrow prior to infrastructure being inspected and approved.

- ix. A "credit" in the amount of the Program funds spent on infrastructure shall be evidenced by a promissory note from Developer in favor of the County. The note will be secured by a mortgage in favor of the County against all the lands contained within the Project.
- x. Program funding is expressly conditioned upon the county's mortgage being not lower in priority than second to Developer's primary financing once the infrastructure has been inspected by the appropriate local government regulatory agency and the agency has approved the infrastructure constructed.
- xi. Not all parcels within a development are necessarily intended to serve as AWHLs. Those parcels that are not intended to serve as AWHLs may be sold at the pleasure of the developer and upon receiving notice of such a pending sale the county will record a partial release of mortgage releasing that parcel from the county's mortgage, provided that Developer is still able to provide the AWHLs contracted for.
- xii. Upon the sale of a AWHL to an Eligible Buyer, a partial release of mortgage will be recorded evidencing a partial satisfaction of the promissory note according to the per lot value. As described below, a new mortgage in that amount will then be recorded on the AWHL against the Eligible Buyer.
- xiii. In the event Developer commits a material breach of the agreement with the County, the County may demand payment of the promissory note and foreclose on the mortgage. The County may also collect a penalty of \$25 per day from the date of receipt of the first payment of Program funds by Developer. If the material breach is the sale of an AWHL to a non-Eligible Buyer, the County shall have the option of demanding partial payment of the promissory note together with a penalty of \$5,000. If the County should elect this option, the County's measure of damages shall be \$14,167 per AWHL, plus interest on the amount from the date of receipt of the first payment by the County to Developer.

## **7. AWHL SALES TO THIRD PARTY CONTRACTORS.**

- a. To facilitate construction of affordable workforce housing, and in the County's sole discretion, the County may permit Developer to sell lots to third-party residential construction contractors for purposes of re-sale to Eligible Buyers. The County may require a third-party contractor to provide the following:
  - i. Copies of proposed construction plans including floor plans;
  - ii. Specific purchase price limits;

- iii. Interior and exterior design detail;
- iv. Cost estimates;
- v. Marketing plan; and
- vi. Letters from the appropriate regulatory agencies indicating the construction plans comply with local regulations.

b Third-party contractors shall enter into an agreement with the County assuming those terms and conditions previously required of Developer that may yet be applicable and subject to such other terms and conditions as County may require. Under such circumstances, the promissory note will not become due.

## **8. ELIGIBLE BUYERS**

- (i) Only those individuals or families that meet the following criteria shall qualify as "Eligible Buyers."
  - (a) The combined income of the family at the time of purchase is at or below 100% of the area median income by family size as defined by the Department of Housing and Urban Development at time of closing; and
  - (b) The individual or family has certified they will occupy the home as their principal residence.
- (ii) Any change in a purchaser's economic status after the closing shall have no effect upon their eligibility, except in so far as the purchaser's economic status was incorrectly determined due to fraud.
- (iii) Potential purchasers of AWHLs shall submit the relevant qualification information to the Bank, if obtaining financing, or to the County if paying cash, for determination whether they qualify as an Eligible Buyer.
- (iv) When an Eligible Buyer purchases an AWHL from Developer, a Third-Party Contractor, or a prior Eligible Buyer, a credit of \$14,167 shall apply against the purchase price. The Eligible Buyer shall enter into an AWHL agreement with the County, a promissory note in favor of the County in the amount of \$14,167, secured by a mortgage against the AWHL. The note represents an obligation to the County for a proportionate share of Program funding that the Developer received.
- (v) For all sales of AWHLs, a copy of the closing statement prepared by the title insurer shall be provided to the County.
- (vi). Under no circumstances shall an AWHL residence be rented to a third party.
- (vii) The promissory note shall not accrue interest or penalty, nor shall the Eligible Buyer be obligated to make any payment on the promissory note during their ownership of the AWHL up to a five (5) year ownership period.

(viii) The promissory note shall become due and payable upon the sale of the AWHL as follows:

- a. If the owner should sell the property to a subsequent Eligible Buyer after a five (5) year occupancy period, the County shall deem the promissory note satisfied and shall release the mortgage. The subsequent Eligible Buyer shall enter into an AWHL agreement with the County and execute a new promissory note in the amount of \$14,167, secured by a new mortgage against the AWHL in favor of the County.
- b. If the owner sells the AWHL to a subsequent Eligible Buyer prior to a five (5) year occupancy period, , the County shall be entitled to receive interest on the promissory note calculated from the date of execution of the promissory note to the date of closing at a simple interest rate of 5% annually. The subsequent Eligible Buyer shall enter into an AWHL agreement with the County and execute a new promissory note in the amount of \$14,167, secured by a mortgage in favor of the County.
- c. If the owner should sell the AWHL to a non-Eligible Buyer (market sale), regardless of the occupancy period, the promissory note, interest, and penalty will be due to the County. Interest will be calculated from the date of execution of the promissory note to the date of closing at a simple interest rate of 5% annually, and a penalty of \$5,000 will be assessed. The County will then release the mortgage.

#### **9. EFFECT OF FORECLOSURE.**

In the event ownership of the AWHL is transferred by virtue of foreclosure or similar action, the transfer shall not be considered a sale to a non-Eligible Buyer. The transferee may then sell the AWHL to either an Eligible or non-Eligible Buyer. If a sale is to an Eligible Buyer, the credit may be offered pursuant to this chapter. If the sale is to a non-Eligible Buyer, then the County shall seek to collect on the outstanding promissory note.

#### **10. REVOLVING FUND.**

The Affordable Workforce Housing Program Account shall be administered as a revolving fund. Any funds received by the County in satisfaction of a promissory note, interest or penalty, or funds forfeited by Developer because of the failure of Developer to substantially perform, shall be deposited into an interest-bearing account to be used for the purpose of funding future Projects to develop affordable workforce housing within Sheridan County.