

**Exhibit C – Housing Plan**  
**The Village at Saddlerock Crossing Apartments**

This Affordability Plan is referenced in the Development Agreement between The Baney Corporation (the “Owner”) and the City of Sedona, approved by Council through Resolution XXXXX. The residential component of the Village at Saddlerock Crossing consists of 46 multi-family units, 100% of which are designated as Workforce Units. This document serves to detail the requirements set forth in Section 6.3 of the Development Agreement and is referred to as “Exhibit C”. This document may be modified upon the express written agreement of the City’s Housing Director.

**Program Details**

- 46 of the 46 units will be designated as Workforce Units.
- The Workforce Unit mix is as follows:

	<b>Studio</b>	<b>1 Bedroom</b>	<b>2 Bedroom</b>
<b>80% AMI Rent</b>	12 Units	8 Units	N/A
<b>100% AMI Rent</b>	12 Units	8 Units	3 Units
<b>120% AMI Rent</b>	N/A	N/A	3 Units

- For twenty (20) of the Workforce Units, applicants who qualify for a Workforce Unit shall earn an income no greater than 80% of the Area Median Income (AMI), refer to Attachment A.
- For twenty-three (23) of the Workforce Units, applicants who qualify for a Workforce Unit shall earn an income no greater than 100% of the Area Median Income (AMI), refer to Attachment A.
- For three (3) of the Workforce Units, applicants who qualify for a Workforce Unit shall earn an income no greater than 120% of the Area Median Income (AMI), refer to Attachment A.
- The maximum monthly rental price will be implemented according to the rent limits in Attachment B. The rent limits are provided by City staff annually and account for different unit sizes and varying income levels (80%, 100%, 120% AMI). In the event that market rate rents are lower than the rent limits provided, the tenant shall be charged market rate rent. If this occurs, the number of required Workforce Units must be maintained by serving lower AMI households whose rental rates are below market.
- Workforce Units will be managed by the property management company and overseen by the City of Sedona Housing Department. Biannual reports must be submitted to Housing staff, refer to Reporting Requirements below.
- Minimum lease term shall be thirty (30) days.

**Qualifications**

All applicants interested in a Workforce Unit will be required to fill out the standard application, regardless as to whether their qualifications meet the income guidelines or not. The following information will be used to determine eligibility to lease a Workforce Unit:

1. **Household Size.** A key component of the income qualifying process as shown on the income limits chart (attached), household size will be used to determine how many individuals will be residing in the unit, and how large of a unit the household requires.
2. **Student Status.** A household solely comprised of full-time students in most instances, will not qualify for the Program. Exceptions to this policy include:
  - The household consists of minor, dependent children in the legal custody of a student. Proof of custodial award may be required.

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- Household member participates in the Job Training Partnership Act (JTPA) program and can provide documentation and on-going participation.
  - Part-time students qualify as long as they are employed more than 25 hours a week and provide verification of part-time student status (9 hours or less per semester).
  - A household whose occupants are all considered full time students (more than 10 hours per semester) may qualify if the following criteria are met and verified:
    - To be eligible for the Program, full time students living outside of their parents' or legal guardians' homes, must have established a separate household for at least one year prior to applying for the Program. Supporting evidence must be provided.
    - All occupants are employed a minimum of 25 hours per week.
    - All occupants have not been claimed as a dependent on their parents', guardians', or other's tax payer's income tax return for the duration of the last two years. Supporting tax returns of the applicants must be provided.
3. **Income.** All employed applicants over the age of 18 that live in the Workforce Unit must provide income verification. Applicants who qualify shall earn an income no greater than 120% of the AMI. The Department of Housing and Urban Development (HUD) has several standardized income verification formulas; one method must be used consistently. Information and documentation needed:
- Front page of previous year's tax return
  - Last 6 weeks of pay stubs
  - Copies of awards, grants, or scholarships
  - Proof of child support
  - Social Security award letter
  - Self-employed will be asked to provide last 2 year's tax returns and 1099s. etc.
  - Third party verifications (faxed, emailed, or mailed)
  - Other required income information as deemed necessary from the management based on information provided in the application
4. **Assets.** Applicants will be asked to disclose total assets over \$5,000 or more. If the applicant sold a home or real property within the last 24 months, a copy of the closing statement must be provided. If the applicant has disposed of an asset through foreclosure or short sale within the last 24 months, documentation of said transaction must be provided.
5. **Criminal Disclosure.** All applicants will be required to disseminate any past arrests and/or convictions. Approval or denial will be based upon the management company's established guidelines set forth with the criminal background search firm (TBD).
6. **Rental History.** All applicants will be asked to provide information regarding prior rental history. Open eviction or current, unpaid collection activity on former rental accounts will be cause for decline of the application.
7. **Credit History.** All applicants will be asked to provide permission to access their consumer credit report.
8. Applicants that are currently enrolled in a federal housing subsidy program do not qualify for the Program. Households on the wait list for a Federal Housing Subsidy at the time of move in and who are activated off the wait list for a Federal Housing Subsidy while a participant in this workforce program will be allowed to remain a participant in this workforce housing program until the

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household's current lease expires. The household must notify the Owner or their designee within 10 days of the award of the subsidy and provide documentation of said award.

**Workforce Unit Reporting**

A property management company representing the Developer will monitor and administer the Workforce Unit leases. The property management company will provide to the City of Sedona's Housing Department on a semi-annual basis the following information:

- List of vacancies
- List of potential lease ups
- Name(s) and household size of each unit
- Gross household income of each unit
- Notes about the status of renewals or any other issues being reviewed by property management
- Current waiting list and unit size requested

**Advertising**

If any vacancies are reported to City staff, the management shall also provide proof of the property's effort to advertise the availability of Workforce Units to qualified households.

**Definitions**

**Area Median Income (AMI):** The median income of household Income limits are determined by HUD and updated annually. The City of Sedona Housing Department will supply the property management company with HUD's updated income limits annually.

**Workforce Unit:** Any of the designated Workforce Units that house qualified applicants. The maximum monthly rental price for a Workforce Unit shall be consistent with the income limits and rent limits at Attachments A and B below.

**Household:** All the persons living in the unit more than half of the year. Household size is a key qualifying component for the Program. Building codes and Fair Housing standards shall be followed when placing a household of any size into a rent restricted unit.

**Household Income:** Total income received by all members of the household over the age of 18. The development agreement stipulates that the maximum income served at this property be set at 120% AMI.

**US Department of Housing & Urban Development (HUD):** Income limits for various federal housing programs are determined by HUD. 30%, 50%, 80% and 100% area median income categories are provided annually by HUD. The 60% income category is provided by Arizona Department of Housing (ADOH). The Affordable Housing Program referred to in this document is not federally run. See income limit chart below for allowable incomes for the Program.

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Attachment A: Area Median Income Limits

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Attachment B: Rent Limits