

Section 4. Purchasing Community Housing for Occupied Ownership

A. Additional Qualifications to Purchase

In addition to the priorities and requirements outlined in Section 2, all Applicants interested in purchasing either Income Category, Workforce, or Locals' Community Housing must submit the following to BCHA:

1. Proof of completion of the Homebuyer Education Course (if a first-time homebuyer), and
2. A letter from the lender that states the Applicant's gross annual income and net worth.

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 developed residential real estate – aside from the Community Home being purchased - as a sole owner or as a Joint Tenant or Tenant In Common. Co-signed loans may not be allowed.

B. Procedures for the Purchase of a Community Home

1. In matching an Applicant to a specific Home, BCHA will follow the Applicant Selection Process outlined in Section 2.B.2. of these Policies. If deemed qualified - will receive from BCHA a Letter of Eligibility or a Letter of Qualification. BCHA, as the program administrator, provides a list of potential qualified purchasers to the seller.
2. BCHA will provide support to assist with the real estate transaction and set a Maximum Sales Price for the Community Home. An Applicant or seller may, but are not required to, engage the services of a licensed Real Estate Broker in the transaction. Any fees charged by the Real Estate Broker must be the responsibility of the party that engaged the service.
3. When an Applicant desires to make an offer, they do so offer directly to the seller, and it cannot exceed the Maximum Sales Price. The Seller makes the final determination to accept an offer. If the Seller declines two offers at the Maximum Sales Price, BCHA will make the final determination of the sale conditions.
4. When an Applicant is matched to a Community Home, the Applicant may be required to sign documents necessary to permit BCHA to obtain a copy of the completed loan application, including analysis of income, assets, and debt, submitted to the lender.
5. If an Applicant fails to secure financing for that Home in the time allowed (as determined by the purchaser and the lender), that Applicant may be eliminated from consideration for purchase of that Community Home but will not lose their position on the waiting list.
6. 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 Policies.

7. 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, the applicable deed covenant covering the Community Home and these Policies.
8. Once an Applicant successfully purchases a Community Home, the new Community Home owner must provide a copy of the executed Purchase and Sale Agreement and closing documents to BCHA. The Applicant must use the Community Home as their Primary Residence, comply with all provisions of the applicable Deed Covenant, and must adhere to the Ongoing Requirements (Section 4.C.).

C. Reserving a Newly Constructed Community Home

BCHA may use all reasonable efforts to show newly constructed Community Housing to Applicants prior to the issuance of the certificate of occupancy. A qualified Applicant who is successfully matched with a Community Home may 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.

D. Ongoing Requirements for Community Home Ownership

1. The eligibility of owners to occupy Community Housing must be reviewed and verified annually (i.e., re-qualified) to ensure that they continue to meet (a) the priorities that they initially qualified for when purchasing the Community Home with and (b) the requirements outlined in Section 2. A. and the Deed Covenant.
2. To assist in this re-certification process, BCHA will send a Compliance Monitoring Form with instructions for re-qualification.
3. The owner must, within 10 business days of receipt, complete the required form and provide the required documentation. Failure to do so within the 10 days of receipt three or more times, or after two requests during a single annual recertification by BCHA will result in a \$300 fee.
4. With the annual compliance monitoring form, the owner must provide the list of capital improvements, along with receipts, to BCHA at each annual compliance. If these improvements are not reported by the annual compliance monitoring each year, the owner will not be given credit for the improvement.
5. The owner must cooperate with BCHA on regular review of property condition and

maintenance issues to ensure compliance with provisions of the Deed Covenant. This may require a tour of the property by BCHA staff and an inspector, should staff desire. Deferred maintenance may result in the inability to realize the maximum sale price allowable by the Deed Covenant.

6. The owner must not offer any portion of the home as a short-term or vacation rental.
7. The owner must 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). Category Local owners that continue to occupy the Community Home for at least nine (9) months out of every twelve (12) month period may long-term rent to an Applicant that meets BCHA's priorities outlined in Section 2.
8. The owner and household members must not acquire or own developed residential real estate (excluding shared inheritance of less than 50% ownership).
9. Upon death, the Deed Covenant and these Policies continue to apply. Person(s) in line for inheritance who wish to occupy the unit must submit the Common Intake Form. If the information provided in the Common Intake Form reasonably shows that the Person/Applicant might be eligible, BCHA will request the Applicant to submit a full Application. This application will be prioritized as follows:
 - (a) If the Applicant meets BCHA's priorities and requirements outlined in 2.A. then they will have the right to occupy the home.
 - (b) If the Applicant does not BCHA's priorities but does meet the requirements as outlined in 2.A., then their position on the waitlist will be between those Applicants who meet the priorities and those that do not but still meet BCHA's requirements.
 - (c) If the Applicant does not meet BCHA's priorities or their requirements, they will not be considered for the home.
10. The Homeowner's Exemption must be utilized on the community home, as confirmed by the tax assessor.
11. Homeowners who do not comply with the terms of the home deed and/or program expectations, as described within these Policies, the homeowner may be required to sell the home. The Deed Covenant may include fees or other enforcement tools that BCHA would apply.

E. Long-Term Rental Options during Board-Approved Long-term Absences (except Category Local owners)

1. If an owner of a Category 1 through 6 Community Home desires to rent the Home during a BCHA Board approved absence, the owner must include the reason for renting in the Exception Request for permission to rent the home at least thirty (30) days prior to leaving (see Section 8. For Exception Requests).
2. If approved by the BCHA Board, the leave of absence may be for up to one year.
3. The Rental Rate charged must be approved by BCHA and must 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. Category Local Rental rate is determined by the submarket of potential tenants.
 - (a) The Community Home must be rented in accordance with the Policies 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.
 - (b) Should the owner re-occupy the home again as the owner's Primary Residence, then the owner must give the Tenant a minimum of thirty (30) days' notice prior to the conclusion of any lease.
 - (c) No initial lease term may be for fewer than 90 days and no more than 1 year. The lease is non-renewable. If – within 10 months of the lease - an exemption is approved by the Board to extend the rental beyond one year, the tenant must first be provided a buy-out option not to exceed the Maximum Sale Price.
4. A copy of the executed lease must be furnished by the owner or tenant to BCHA.
5. The owner must provide the tenant with the HOA rules and is responsible for enforcement.