

## Section 5. Selling Community Housing for Occupied Ownership

Every sale of a Community Home must comply with the Deed Covenant and these Policies. BCHA may identify qualified purchasers but does not guarantee the sale of the home, nor does it guarantee receipt of an offer at the Maximum Sales Price.

### A. Fees

1. Unless otherwise instructed in the Deed Covenant, the seller must pay a non-refundable prepayment of \$500 to BCHA at the time the owner delivers the signed Notice of Intent to Sell to BCHA. This amount will be deducted from the total Administration Fee due to BCHA at closing and will be used to offset costs of radon testing and a home inspection. The home inspection may be critical in calculating the maximum sale price of the home.
2. At the closing of the sale of the income restricted home, the seller must pay BCHA an Administration Fee equal to three percent (3%) of the sale price or the amount stated in the Deed Covenant if it is less than three percent (3%). BCHA will instruct the title company to pay this fee to BCHA out of the funds held for the seller at the closing.

### B. Procedure

The Owner of a Community Home is responsible for the sale of the Community Home throughout the process, unless the sale is due to non-compliance with the Deed Covenant and/or these policies, then BCHA or their legal counsel may take a direct role.

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

1. Notifying BCHA of Intent to Sell
  - (a) A Community Homeowner interested in selling their Community Home must:
    - i. Request from BCHA staff the Maximum Sales Price and other applicable provisions concerning a sale. The sale price may not include carryover for improvements completed by the previous owner. There is no guarantee that the seller will receive an offer at the Maximum Sales Price. The Deed Covenant,

Home Inspection, and Section 5 of these Policies are used to determine the pricing of “for-sale” Community Housing. Owners should contact BCHA early in the process so that BCHA can properly determine the interest level of Applicants.

- ii. BCHA will order a home inspection to determine the upkeep of the home.; and
  - iii. Execute and deliver to BCHA a “Notice of Intent to Sell” in the form provided on BCHA’s website (or requested by email) and \$500. The form and check can be delivered to Ketchum City Hall or BCHA’s Hailey office (above Java), or mailed to BCHA at P.O. Box 4045, Ketchum, ID 83340.
  - iv. The selection of the purchaser and terms of the transaction may be as described in the Community Housing Policies in effect on the date BCHA receives the Notice of Intent to Sell.
- (a) The selection of the purchaser, approval of the sale price, and the terms of the purchase and sale will be monitored and must be approved by BCHA.
  - (b) If BCHA receives a “Notice of Intent to Sell” from the owner, and the owner later fails to consummate a sale transaction, the owner must reimburse BCHA in accordance with Section 5.A. (above).
  - (c) If a real estate broker is used, the broker must, *prior to the execution of the listing agreement for the Community Home*, sign an acknowledgement and agreement with BCHA that the sale must be conducted in accordance with the terms of the Deed Covenant on the Community Home and these Community Housing Policies.
  - (d) If the seller or buyer consults with legal counsel, licensed real estate brokers, or such related services, the fees are at the respective parties’ own expense. BCHA Administration Fees and other fees are to be paid regardless of any expenses incurred by the seller or purchaser in connection with the sales transaction.

## 2. Selection of Purchaser and Solicitation of Offers

- (a) After BCHA receives the “Notice of Intent to Sell” from the owner, BCHA will create an Waitlist based on the unit’s income designation, size, and any other restrictions, as outlined in Section 2.B. and 4.A.
- (b) BCHA will connect the top Applicants to the seller.
- (c) If an Applicant makes an offer, Applicant and seller will have five (5) businessdays from the date of that introduction to execute a Purchase and Sale Agreement for the Community Home.

1. If the Applicant does not execute a Purchase and Sale Agreement within that time, the Applicant must forfeit their position in the Waitlist, and
  2. The next person in line in the Waitlist may be notified and so on, until the Community Home is under contract for purchase.
- (d) If the seller and Applicant cannot reach an agreement, the steps outlined in C (above) may be repeated with the next Applicant. If the seller deny each of the applicants provided by BCHA, the owner will be reminded of the Fair Housing Act and be required to provide written justification for each denial for BCHA's review. If the seller is obligated to sell due to non-compliance with their Deed Covenant and/or these Policies, they are obligated to accept the first offer at Maximum Sales Price.

### **C. Calculation of Maximum Sales Price**

1. For existing Community Homes in Categories 1 to 6 and Category Local appreciation-capped restrictions: Unless otherwise stated in the Deed Covenant, Maximum Sales Prices are determined by the initial purchase price of the seller plus the lesser of the appreciation cap and appreciation based on CPI, plus Capital Improvements.
2. For Newly Constructed Community Homes: The sales price for newly constructed/available Community Housing varies according to the Area Median Income in any given year and according to the calculation of the "maximum monthly housing cost." The aim is to ensure that the price of a Community Home is affordable to every purchaser within that Income Category. "Maximum monthly housing cost" includes the following monthly payments:
  - (a) Principal, interest, and mortgage insurance payment (if any) on first mortgage
  - (b) Escrow payment of property taxes and property insurance
  - (c) Land lease payments if any
  - (d) Homeowners/condominium association fees if any
  - (e) Utility costs