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Section 5. Selling Community Housing

To preserve the long-term affordability of Community Housing, all owners of Community Housing interested in selling are required to honor the applicable Deed Covenant and take certain steps to ensure compliance with it. BCHA will work diligently with Community Homeowners to assist them in matching qualified buyers with their Community Homes. However, BCHA does not guarantee the sale of a Community Home, nor that the Home will sell at any particular price or within any particular time frame.

A. Deed Covenants

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 Guidelines.

B. Fees

1. Income-Category Community Homes:

At the closing of the sale, the seller shall pay BCHA an Administration Fee equal to three percent (3%) of the sales price or the amount set forth in the Deed Covenant if it is less than three percent (3%). The requirement to pay this fee is contained in the Deed Covenant and in the interest in the property held by BCHA. BCHA may instruct the title company to pay this fee to BCHA out of the funds held for the seller at the closing.

2. Workforce Market Community Homes:

At closing of the sale, the seller shall pay BCHA a fee as set forth in the deed covenant and/or as agreed upon in the Notice of Intent to Sell.

3. All Community Homes:

- (a) Unless otherwise instructed by BCHA staff, the seller shall pay a non-refundable prepayment of \$250.00 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.
- (b) In the event that the seller fails to perform as specified in the Notice of Intent to Sell, rejects all purchase offers in cash or cash-equivalent terms, or decides to withdraw the Notice of Intent to Sell after advertising has commenced, the prepaid portion of the fee will not be refunded. If the seller withdraws for failure of any bids to be received, the advertising and administrative costs incurred by BCHA shall be deducted from the fee and the balance refunded to the seller.

C. Procedure

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 will ensure that every purchaser and seller of Community Housing is treated with fairness in accordance with the current Community Housing Guidelines and shall prohibit discrimination of the 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. Prior to Selling. Notifying BCHA of Intent to Sell

- (a) A Community Homeowner interested in selling their Community Home shall meet with BCHA staff and review the Deed Covenant to determine the maximum sales price permitted and other applicable provisions concerning a sale. The Deed Covenant and Section 7 of these Guidelines 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.
- (b) The owner is required to execute and deliver to BCHA a "Notice of Intent to Sell" in the form provided by BCHA. The selection of the purchaser and terms of the transaction will be as described in the Community Housing Guidelines in effect on the date BCHA receives the Notice of Intent to Sell.
- (c) The selection of the purchaser and approval of the sale price and terms shall be monitored and must be approved by BCHA.
- (d) If BCHA receives a "Notice of Intent to Sell" from the owner, and the owner later fails to consummate a sale transaction, the owner shall reimburse BCHA in accordance with Section 5(B) (above).
- (e) The owner of the Community Home may, but is not obligated, to list the property for sale with a licensed real estate broker, however, any fees charged by the real estate broker shall be in addition to the Administration Fee due to BCHA pursuant to the Deed Covenant (see Section 5(B) (above)).
- (f) 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 will be conducted in accordance with the terms of the Deed Covenant on the Community Home and these Community Housing Guidelines.
- (g) All purchasers and sellers are advised to consult legal counsel regarding terms of sale, examination of title, and any other contracts, agreements, and documents pertaining to the transfer of ownership of the Community Home. The retention of such counsel, licensed real estate brokers, or such related services, shall be at purchasers or seller's 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 (see Section 5(1)(b)) (above), BCHA will create an Applicant Pool for each Community Home to be offered, as outlined in Section 4(A).
- (b) BCHA will notify each of the qualifying Applicants, beginning with the longest tenured Applicant, to determine their interest in the available Home. BCHA will coordinate with the Seller, Applicant, or their agents (if applicable) times for viewing the Community Home.
- (c) Once an Applicant has viewed the Home and is interested in purchasing that home,
 - i. the Applicant shall ensure that all application information is updated and verified to the satisfaction of BCHA.
 - ii. Provided that the selection criteria are met, the Applicant(s) will be given the opportunity to purchase the Home.
 - iii. It is the Applicant's responsibility to ensure that all application information is current on an ongoing basis.
 - iv. Neither BCHA, nor the Seller are obliged to delay the sale of a Community Home for more than five (5) days to allow an Applicant to update his or her application information.
- (d) An Applicant, selected under this procedure, shall have five (5) days from the date of being notified by BCHA to execute a Purchase and Sale Agreement for the Community Home.
 - i. If the Applicant does not execute a Purchase and Sale Agreement within that time period, the Applicant shall forfeit their position and
 - ii. The next person in line in the Applicant Pool will be notified and so on, until the Community Home is under contract for purchase.
- (e) If the Owner and initial Applicant cannot reach an agreement, the next Applicant, on the basis of the next Applicant's tenure within the BCHA database, will have the opportunity to present a Purchase and Sale Agreement to the owner for consideration. All subsequent Applicants will be allowed the opportunity, in like fashion, to purchase the Community Home until the Community Home is sold or all Applicants are rejected.
- (f) If the owner rejects all offers within the Income Category price range, then the owner shall be subject to the provisions of Section 5(B)(above) regarding the fee and reimbursement of costs due to BCHA.

D. General Timeline of the Sale Once Initial Applicant Pool is Exhausted.

If the Owner, in good faith compliance with the procedures set forth in the Guidelines, exhausts the initial Applicant Pool of Qualified Buyers provided by BCHA without entering into an agreement for the Sale of the Property, the Owner shall notify BCHA of such occurrence in writing. Upon such written notice BCHA and the Owner may initiate an Expanded Applicant Pool, as outlined in the Timeline given below

1. 0 to 3 Months from Date of Executed Notice of Intent to Sell.

(a) One (1) month after executing a Notice of Intent to Sell

- i. BCHA and Owner will meet to review activity to date. Topics of discussion may include, but are not limited to, the appropriateness of the current listed price of the Community Home and ways to increase exposure for the Community Home to Qualified Buyers.
- ii. BCHA will expand marketing efforts beyond the BCHA Database.

(b) Two (2) months after executing a Notice of Intent to Sell

- i. BCHA and Owner will meet to review activity to date. BCHA and the Owner will take corrective measures, if necessary, including but not limited to competitive pricing of the Community Home to attract Qualified Buyers.
- ii. BCHA will offer the Community Home to Supplemental Applicant Pool I defined as:
 - (1) Current qualified BCHA Applicants in the Income Category above the subject Community Home's designated category.
 - (2) Other Qualified Applicants identified through increased marketing efforts.
- iii. BCHA will use its licensed real estate agent to list the Community Home on the MLS.

2. 3 to 6 Months from Date of Executed Notice of Intent to Sell.

(a) Four (4) months after executing a Notice of Intent to Sell and if the Community Home has been listed on the MLS at a reasonable price for a minimum of sixty (60) days

(b) BCHA offers to allow the rental of the Community Home according to the terms of the Deed Covenant or, if not covered in the Deed Covenant, the terms of these Guidelines (See Sections 3 and 7).

3. 6 to 9 Months from Date of Executed Notice of Intent to Sell.

- (a) Six (6) months after executing a Notice of Intent to Sell and if the Community Home has been listed on the MLS at a reasonable price for a minimum of sixty (120) days
- (b) BCHA will offer the Community Home to Supplemental Applicant Pool II defined as:
 - i. All current qualified BCHA Applicants regardless of Income Category.
 - ii. Other Qualified Applicants identified through increased marketing efforts.
- (c) The Deed Covenant remains in place.

4. 9 to 12 Months from Date of Executed Notice of Intent to Sell.

- (a) Nine (9) months after executing a Notice of Intent to Sell and if the Community Home has been listed on the MLS at a reasonable price for a minimum of six (6) months
- (a) BCHA will offer the Community Home to Supplemental Applicant Pool III defined as:
 - i. Any Blaine County resident (regardless of income) who:
 - (1) Works in Blaine County and
 - (2) Will occupy the home as their primary residence
 - ii. Other Qualified Applicants identified through increased marketing efforts.
- (b) The Deed Covenant remains in place but will be converted to a Category L.
- (c) BCHA reviews its option to purchase the Community Home according to the terms of the Deed Covenant.

5. More than 12 Months from the Date of Executed Notice of Intent to Sell.

- After no less than thirteen (13) months from executing a Notice of Intent to Sell and at least 90 days after implementing Section 5(F)(4) (above):
- (a) BCHA exercises its option to purchase the Community Home (Board Approval Required), or
 - (b) BCHA permits an unrestricted sale (Board Approval Required).
 - i. Deed Covenant is terminated,
 - ii. Owner sells unit at market rate through a BCHA approved real estate agent,

- iii. **BCHA receives any amount of the market rate sale price above the maximum price listed in the current Notice of Intent to Sell.** This payment to BCHA is in consideration of the termination of the Deed Covenant. This option shall require a duly executed contract between the Owner and BCHA.

E. **Additional Information Related to the Sale of Community Housing by a Community Homeowner.**

1. BCHA its staff and Board of Commissioners do not act as licensed brokers or real estate agents representing any party to the transaction, but solely as representatives of BCHA and its interests in administering the Deed Covenant Running with the Land.
2. The Owner of a Community Home is responsible for the sale of the Community Home throughout the process.
3. Both the Owner and Purchaser are solely responsible for fees charged by their respective agents during and at the conclusion of the Community Home Sale Process.
4. Other Fees not charged by BCHA and not contemplated by this Section of the Community Housing Guidelines shall not be incorporated into the Initial Purchase Price unless the total of those fees when added to the Purchase Price is less than the Maximum Resale Price listed in the Notice of Intent to Sell.
5. If at any time during the Community Home Sale Process, BCHA determines, at its sole discretion, the Owner is not making a good faith attempt to sell their Community Home BCHA may terminate this process.
6. BCHA does not guarantee that a Community Homeowner will realize the maximum calculated resale price of the Community Home.
7. Any co-ownership interest other than Joint Tenancy or Tenancy-in-Common is subject to approval by BCHA. Co-signers on a mortgage may be approved for ownership of the Community Home but may not occupy the Community Home unless qualified by BCHA pursuant to these Guidelines.
8. Not more than one Community Home may be owned by the same person (Applicant), either as a sole owner or as a Joint Tenant or Tenant-in-Common, nor may another member of an Applicant's Household own another Community Home.
9. If a Notice of Intent to Sell has been given to BCHA and the owner must relocate to another area before the Community Home has been sold, the

home may, upon approval of BCHA, be rented to a qualified individual, in accordance with these Guidelines (See Sections 3 and 7) for a maximum period of two (2) years. Notice of the owner's intent to rent the Community Home should also be provided to any applicable homeowner's association at the time the rental request to BCHA is made. A letter requesting permission from BCHA to rent the Community Home until it is sold must be sent to BCHA before the home can be rented.

10. If an Owner wishes to lease the Community Home during the Community Home Sales Process, all Tenants must be qualified by BCHA and the Community Home must be leased pursuant to the terms set forth in the Deed Covenant on the Community Home or, if there are no such provisions in the Deed Covenant, upon terms approved by BCHA.

(a) Each Tenant is entitled to a minimum six (6) month written lease that includes a move out clause with a sixty (60) day notification to the Tenant that the Community Home has been sold.

A copy of the executed lease shall be furnished by the owner to BCHA.