Section 4. Community Housing Ownership

All Applicants interested in purchasing a Community Housing must follow the process outlined in Section 2, "Qualifying to Rent or Purchase Community Housing".

A. Policies for the Purchase and Sale of a Community Home

1. Any co-ownership interest other than community property must be approved by BCHA. Co-signers may be approved for financial purposes of purchasing the Community Home. Co-borrowers may be approved but may not jointly occupy the Community Home unless qualified by BCHA. No person occupying the Community Home may own developed residential real estate, aside from the Community Home being purchased.

2. BCHA will facilitate the real estate transaction and describe expectations and obligations. An Applicant or seller may, but is not required to, engage the services of a licensed Real Estate Agent or Broker in the transaction. Any fees charged by the Real Estate Broker is the responsibility of the party that engaged in the service. BCHA staff and contractors 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.
   (a) If a real estate broker is used by the buyer or seller to represent them, the broker must, *prior to the execution of the listing agreement for the Community Home*, sign an Acknowledgement and Acceptance 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.
   (b) If the seller 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.

3. Offers cannot exceed the Maximum Sales Price unless the seller agrees to pay the buyer's closing costs (up to 3%). For purposes of appreciation for the new owner, the base purchase price would remain the Maximum Sales Price. The Seller makes the final determination to accept an offer, with exceptions.
   (a) The Maximum Sales Price is not a guaranteed price. Offers can be below that amount.
   (b) Seller must accept the first offer at the Maximum Sales Price, if all other terms are within the normal terms of a purchase.
   (c) If the seller and Applicant cannot reach an agreement, the steps outlined in C (above) may be repeated with the next Applicant on the Waitlist.
   (d) If the seller denies three offers, 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 BCHA finds the reasons to be discriminatory or unreasonable, BCHA will require

payment of the 3% Administration Fee regardless of whether a sale occurs.

4. If the priority Applicant fails to perform in the time allowed, the next Applicant will be invited to make an offer.

5. Each purchaser must execute the following for recording with the Clerk's Office of Blaine County, concurrent with the closing of the sale:
   (a) Acknowledgement and Acceptance of the Terms and Restrictions set forth in the Deed Covenant (A&A) to be bound by the recorded Deed Covenant covering the Community Home and these Policies. The A&A is a summary of key criteria of the Deed Covenant.
   (b) The applicable, current Deed Covenant covering the Community Home and these Policies.
   (c) BCHA's subordinate mortgage instrument.

6. Once an Applicant successfully purchases a Community Home, they must comply with all provisions of the applicable Deed Covenant, current Policies, any updated Policies, and must adhere to the Ongoing Requirements (Section 4.G.).

B. Seller-Initiated Sales Process

BCHA will market and identify qualified Applicants but does not guarantee the sale of the home, nor an offer at the Maximum Sales Price. The Owner of a Community Home is responsible for the sale of the Community Home throughout the process.

1. Notifying BCHA of Intent to Sell
   (a) A Community Homeowner interested in selling their Community Home must:
      i. Communicate with BCHA as early as possible – and prior to entering into any agreement such as a purchase offer. Staff can then inform the seller of a potential timeline and market conditions and collaborate with the seller on a smooth transition from one home to another, without being considered out of compliance or becoming unhoused. Options include the following:
         (a) Community Homeowner will market their Community Home and can enter into a purchase and sale agreement that is contingent on purchasing another home.
         (b) Community Homeowner can enter into a purchase and sale agreement for a non-Community Home that is contingent on selling the Community Home.
         (c) Any other BCHA-approved arrangement.
      ii. When the seller is ready to move forward, request the preliminary Maximum Sales Price and other applicable provisions from BCHA staff. There is no guarantee that the seller will receive an offer at the Maximum Sales Price.

iii. Upon receipt of the Maximum Sales Price, execute and deliver to BCHA a "Notice of Intent to Sell" in the form provided on BCHA's website (or requested by email), $500, and two keys. These 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. The sales process will not start until the form, check, and keys have been received.

iv. BCHA will order a home inspection to determine the condition of the home. Sellers are expected to address, at a minimum, deferred maintenance and any health and safety issues. Deficiencies may result in a lower Maximum Sales Price.

v. The selection of the purchaser and terms of the transaction are described in the Community Housing Policies in effect on the date BCHA receives the Notice of Intent to Sell.

2. Purchasers must follow the process in Section 2, be qualified by BCHA, and be first priority on the Waitlist to make an offer. The selection of the purchaser, the sale price, and the terms of the purchase and sale will be monitored and must be approved by BCHA.

C. Forced Sale Due to Owner Non-Compliance

In the event an owner is out-of-compliance with their Deed Covenant or these Policies, BCHA will provide written notice of the out-of-compliance and how to "cure" the issue. If the issue is not cured within the timeframe specified in the letter, BCHA will consider the owner to be in default of their Deed Covenant and will force the sale of their Community Home. In addition to requirements in the Deed Covenant and Policies in Section 4.A. and 4.B., the owner must make the following good faith effort to sell the Community Home. BCHA may require the owner to take any of the following actions:

1. Execute a listing agreement with BCHA's real estate contractor or execute a listing agreement with a Blaine County licensed real estate agent and pay the listing agent's Selling Office Commission.
   (a) If the seller chooses to list with BCHA's real estate contractor, the Administration Fee will be adjusted accordingly and as determined by BCHA staff.

2. After 90 days of marketing, offer a credit to buy-down the buyer's interest rate for 1% of the listing price. Any offers made that meet these new conditions must be accepted.

3. After 90 days of marketing, reduce the listing price by 10%. Any offers made that meet these new conditions must be accepted.

D. Sale 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 finalizing the Maximum Sale Price of the home.

2. At the closing of the sale of the Community Home, the seller must pay BCHA an Administration Fee, minus the $500 pre-payment. In the event of three unreasonable denials and no sale, BCHA will invoice the Community Homeowner for this Administration Fee.

E. Calculation of Maximum Sales Price

1. For existing Community Homes, the Maximum Sales Price at resale is determined by the initial purchase price of the seller adjusted for the following:
   (a) Add allowable appreciation (as described in the recorded Deed Covenant).
   (b) Add BCHA-approved Capital Improvements.

2. For new homeowners, newly constructed and newly acquired Community Homes: The sales price is determined by what is affordable to that income level and is adjusted based on interest rates, HOA fees, and utilities.

F. 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.

G. 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 the following criteria:
   (a) The priorities and requirements that they initially qualified for when purchasing the Community Home.
   (b) The requirements outlined in these Policies and subsequent Policy updates.
   (c) The Deed Covenant associated with the Community Home. This includes requirements of occupying the home as a Primary Residence (such as physically residing in the home at least nine (9) out of any twelve (12) month period) and continuing to qualify as a Local Employee, Local Senior, or Local Person with a Disability.

2. The owner and household members must not acquire developed residential real estate (including shared inheritance of more than 50% ownership).

3. The owner must not offer any portion of the home as a short-term or vacation rental.

4. 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.H and 4.I. Category Local owners may long-term rent to a roommate so long as the following criteria are met:
   (a) The roommate meets BCHA's priorities outlined in Section 2.A.;
   (b) The owner continues to occupy the Community Home for at least nine (9) months out of every twelve (12) month period.

5. To re-qualify owners for continued program eligibility, BCHA will send a Compliance Monitoring Form with instructions. The owner must, within 10 business days of receipt, complete the required form and provide the required documentation. Failure to do so after BCHA has attempted to contact the owner a second time, by the deadline provided, will result in a $300 fee. Failure to respond to BCHA's third contact attempt is considered a default of the Deed Covenant and may result in the forced sale of the Community Home.

6. If the owner conducted Capital Improvements since the last re-qualification, the owner must provide the Capital Improvement form that lists improvements, along with receipts, to BCHA at each annual compliance for evaluation and approval. If the owner must get a building permit for the Capital Improvement and want it to be added to their Maximum Sales Price, BCHA review in advance is required. If these improvements are not reported by the annual compliance monitoring each year, the owner will not be given credit for the improvement.

7. The owner must cooperate with BCHA to regularly review the condition and maintenance of the Community Home to ensure compliance with provisions of the Deed Covenant and Policies. This may require a tour of the property by BCHA staff and an inspection, should staff desire. Deferred maintenance may result in the inability to realize the Maximum Sale Price allowable by the Deed Covenant.

8. Upon death of an owner, the Community Home must be transferred to the decedent's estate within 6 months of the date of death. Upon that transfer, the Community Home would be considered in default as a result of the Judicial Process and subject to the terms and conditions contained in Section 4.C. However, if any heir(s) to the estate wishes to occupy the Community Home, they may submit the Common Intake Form. If the information provided in the Common Intake Form can reasonably demonstrate that the heir(s) may meet eligibility requirements, BCHA will request the heir(s) submit a Full Application. This application will be prioritized as follows:

(a) If the heir(s) meets BCHA's priorities and requirements outlined in 2.A., then they will have the right to immediately occupy the Community Home, however a new Deed Covenant, A&A, and subordinate mortgage must be executed prior to occupancy.
(b) If the heir(s) meet BCHA's requirements only as outlined in 2.A., they will be moved to the Waitlist behind Applicants who meet both BCHA's priorities and requirements, but ahead of Applicants who meet BCHA's requirements only. The Community Home may be sold to any Applicant ahead of the heir(s) on the Waitlist under the terms and conditions outlined in Section 4.C.
(c) If the heir(s) do not meet BCHA's priorities or requirements, they are not eligible to occupy the Community Home and it must be sold under the terms and conditions outlined in Section 4.C.

9. The Homeowner's Exemption must be utilized on the Community Home, as confirmed by the tax assessor.

10. Homeowners who do not comply with the terms of the home deed and/or program expectations, as described within these Policies, may be required to sell the home. The Deed Covenant may include fees or other enforcement tools that BCHA would apply.

H. Long-Term Absences, Only with Board Approval

The Community Home must be physically occupied by the homeowner for the time period specified in the Deed Covenant. The owner must also continuously meet the prioritization criteria by which they accessed the home, specifically the local preference. If a homeowner is anticipating, or does not currently, meet that criteria then they must notify BCHA and either sell the Community Home or request an Exception. See Section 6 for Exception Requests.

I. Long-Term Rental Options during Board-Approved Long-term Absences

1. If an owner of a 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 6. for Exception Requests).

2. The Community Home can only be rented to a BCHA- qualified Tenant.

3. If approved by the BCHA Board, the leave of absence may be for up to one year.

4. The Rental Rate must be approved by BCHA and must be within the published monthly affordability described in the Deed Covenant and in no event may exceed the published Maximum Housing Cost of the designated Income Category, unless the Deed Covenant

specifies otherwise. The Category Local rental rate is determined by BCHA staff and must be at least 10% below advertised rental rates.

(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 perspective Tenant must be qualified by BCHA *prior* to the 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) Lease terms must be for more than 90 days and 1 year or less. The lease is non-renewable. If – within 10 months of the lease – a second Exception is approved by the Board to extend the rental beyond one year, the tenant must first be provided a buy-out option that does exceed the Maximum Sale Price.

5. A copy of the executed lease must be provided by the owner to BCHA.

6. The owner must provide the tenant with the HOA CC&Rs, Bylaw, Rules and Regulations and is responsible for their enforcement.

J. Long-Term Rental Options During Owner Occupancy

1. If an Owner of a Category Local Community Home seeks a roommate while they continue to occupy the Community Home, the roommate must be reviewed and approved by BCHA for local priority prior to lease execution and occupancy.

2. If an Owner of a Community Home with Income Category 1 through 6 seeks a roommate while they continue to occupy the Community Home, they must first notify BCHA of the intent.

   (a) Only Income Category 1 qualified Applicants will be considered.

   (b) At least ninety (90) days' notice must be given, so that BCHA can request permission from the local government that created the Community Home and designated the Income Category.

   (c) If the local government approves, any potential roommate must be reviewed and approved by BCHA for local priority prior to lease execution and occupancy. Annual compliance requirements must be followed, as with any other BCHA Tenant. Upon request, BCHA can assist in finding a roommate by contacting potentially eligible Applicants in its Applicant Database.

   (d) The following conditions will also apply:

      I. The owner must continue to use the Community Home as a Primary Residence.

      II. Minimum of 12-month lease.

III. Housing costs for the Tenant must not exceed the maximum housing costs of Income Category 1, as determined annually by BCHA.

IV. The owner must notify BCHA if the Tenant falls out of compliance with the Policies.

V. Owner must notify BCHA when a Tenant plans to vacate so that the replacement search can begin.

(e) If a potential buyer can only qualify for a Community Home and meet the applicable occupancy standards by having a roommate, the occupancy standards will continue to apply for a five-year period after purchase. Over that five-year period, the occupancy standards could be met by having a BCHA-qualified roommate or by growing the owner's household (relative, partner/spouse/significant other).