City of Boulder
Housing Division

# Homeownership Program

# Real Estate Agent Guide

Updated: 4/17/2015

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Equal Housing

*In accordance with the provisions of the Equal Opportunity Act and the Boulder County Homeownership Programs' policies, there will be no discrimination against an applicant for these benefits on the basis of age, source of income, sex, race, marital status, sexual orientation, national origin, religion or handicap.*

## *Welcome!*

Dear Real Estate Professional,

We are so pleased that you are working with a buyer or owner in City of Boulder's Affordable Homeownership program! This is a great community in which to live, and the citizens of Boulder have taken steps to ensure an inventory of permanently affordable homes and opportunities for ownership in our community.

The City of Boulder makes homes affordable through regulations and subsidies. As such there are a number of responsibilities to which program buyers and owners commit. This manual was developed to provide a program overview to Realtors, while giving specifics about the city's requirements and timeframes for approving and drafting documents for closing.

During the sale one city staff member will be assigned to the transaction. This staff member is charged with protecting the interests of the community, the buyers, and the sellers. It is their objective to be fair and neutral throughout. You should not hesitate to notify them with questions, or if you need assistance.

Sincerely,

The Homeownership Program Team
City of Boulder
Division of Housing

City of Boulder Homeownership Programs
Physical Address: 1300 Canyon Boulevard, Boulder 80302
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303-441-3157, ext. 2
homeownership@bouldercolorado.gov
www.boulderaffordablehomes.com

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## *Eligibility Requirements: Homeworks Permanently Affordable Program*

Below is a overview chart for the Homeworks Permanently Affordable Program. More program details follow.

| Homeworks Permanently Affordable Program: Eligibility Requirements | | | |
|---|---|---|---|
| **LOW-to-MODERATE INCOME HOUSEHOLDS** | **Family Size** | **Income Limit** | **Asset Limit** |
| | 1 | $53,040 | $55,000 |
| | 2 | $60,660 | $70,000 |
| | 3 | $68,200 | $85,000 |
| | 4 | $75,740 | $100,000 |
| | Inquire for larger family sizes, or see below for special asset scenarios | | |
| **MIDDLE INCOME HOUSEHOLDS** | **Family Size** | **Income Limit** | **Asset Limit** |
| | 1 | $80,880 | $140,000 |
| | 2 | $92,500 | $155,000 |
| | 3 | $104,000 | $170,000 |
| | 4 | $115,500 | $185,000 |
| | Inquire for larger family sizes, or see below for special asset scenarios | | |
| **INDIVIDUAL SCENARIOS THAT CAN AFFECT ASSET LIMITS** | **Scenario** | **Asset Limit** | |
| | Recently Divorced | $85,000 | |
| | Retired | $85,000 | |
| | Permanently Disabled | $140,000 | |
| | Additional Family Members | $15,000 added per person | |
| **FEE** | $25.00 application fee | | |
| **DEBT-TO-INCOME RATIO** | Debt-to-Income ratio may not exceed 42% in most cases. | | |
| **BUYER'S MINIMUM CASH CONTRIBUTION** | Buyers are required to contribute at least $2,000 of their own money. Lenders may have requirements beyond this minimum. | | |
| **HOMEBUYER EDUCATION** | To participate in the program at least one person from each household must attend a 60-minute city Orientation, and a day-long Homebuyer Education class offered by certified housing counseling agencies. These classes are also available on-line.<br><br>The Orientation must be completed before applying.<br><br>Applicants may submit a Selection Process Entry Form or a contract if their full application documentation has been received and approved, but the Homebuyers Class has not yet been completed. | | |

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| | |
|---|---|
| **LENDER/MORTGAGE LOAN** | Applicants must submit as part of their city application packet:<br>• Copy of the mortgage loan application (as prepared by their lender, not handwritten)<br>• Mortgage Preapproval Letter that lists maximum purchase price, loan amount, minimum down payment, estimated PITI, interest rate, and loan type |
| **FIRST-TIME HOMEBUYER REQUIREMENT** | • No requirement<br>• Buyers may have owned a home in the past, or still own a home at time of application<br>• Buyers must sell their home before closing on a Homeworks Permanently Affordable home |
| **RESALE RESTRICTIONS** | • **H**omes must be re-sold to an eligible buyer after a fair marketing period<br>• Resale price will be based on the original purchase price, plus annual appreciation (up to 3.5% per year) and approved capital improvements |
| **OTHER REQUIREMENTS** | • Property must be owner-occupied<br>• Number of bedrooms may exceed number in household by one<br>• Buyer must adhere to all covenant restrictions<br>• At least one person in the household must work 30 or more hours per week |

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## City of Boulder Affordable Covenant Summary

All Homeworks Permanently Affordable homes come with affordable covenants that ensure the homes remain affordable into the future. The buyer must accept all terms of the covenant to be eligible to purchase the home.

Covenant Key Points

- The maximum income of a new buyer will be established in advance of sale or re-sale, and the home may not be sold to a buyer that exceeds the maximum income limit.
- The home has a Maximum Resale Price Limit which includes limiting appreciation.
- Buyer are required to maintain their affordable home in a manner that protects the health, safety and livability for the home's future owners.
- Eligible capital improvements for which a homeowner can receive credit are limited in amount and type, and must be pre-approved by the city to receive credit.
- The ability to refinance is limited to 93% of the Maximum Resale Price Limit. The city must be contacted prior to arranging refinancing with a lender to ensure this limit is not exceeded.
- The home must be occupied by the owner unless the city has approved a rental arrangement.
- The home cannot be rented in its entirety during the first five years of ownership.
- After five years of ownership, the home may be rented for one year out of every seven. The city needs to be contacted before this is done.
- A bedroom in the home may be rented at any time of owner occupancy, providing no city codes are violated.

*A full version of the Covenant is available by request. For a copy please email us at homeownership@bouldercolorado.gov.*

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## *Working with Program Buyers*

Thank you for your willingness to work with buyers in our program! We are proud to work in a community that provides strong support for affordable homeownership. The community has chosen to make these opportunities possible, in exchange for a few requirements by which buyers must abide.

Buyers in the program will need to follow this process as they work to purchase a home:

**Step One: Attend Orientation**

Orientation is the first step in your process so that buyers can decide if this program is the right fit for them. This class will help buyers understand the eligibility requirements, application process, and their rights and responsibilities as an owner in the program.

A one-hour class is offered in person once per month, or a 30-minute version is always available online. Orientation information is at https://bouldercolorado.gov/homeownership/homebuyer-education.

**Step Two: Contact a Lender**

Unless retired, buyers in this program must use an institutional lender. As part of the program's application process, a prospective buyer will submit a preapproval letter and the lender's 1003. A list of lenders is on our website, but buyers are not limited to lenders on this list.

**Step Three: Submit an Application**

Once a buyer submits a complete "Boulder County Homeownership Programs Common Application" our staff will determine eligibility within 10 business days. For the purpose of selection deadlines, we will not consider an application complete until all documents listed in the application have been received. **Because each home has an application deadline, we strongly encourage buyers to submit an application before they find a home that they would like to purchase. If any part of the application is received after the application deadline, the household will not be eligible to participate in the selection process for that home.**

**Step Four: Attend the Homebuyer Education Class**

The Homebuyer Education class must be completed by all buyers before closing (and before contract for H20 borrowers). The best time to take this class is while buyers are looking at homes since the class is designed to provide tons of information about the home purchase and closing process.

Even if a buyer has previously owned a home they must take this class. The class expires after one year, so if a purchase doesn't occur during that timeframe you will need to take the class again.

**Step Five: Shop for a Home**

Buyers that qualify for the Homeworks program will find on our website for a list of currently available homes. Homes listed in the past 30 days are on the "Newly Listed" page, but many other homes are

available and listed by the number of bedrooms. Buyers' agents will set up showings, though open houses will be announced on our website if they are offered.

**Step Five: After Application**

Preliminary certification is valid for six months or until the buyer has signed a contract to purchase a property. Recertification is mandatory, and there is no cost.

Once under contract, the city will review the contract, inspection, loan, and buyer documents. If these items meet program requirements a "final certification" letter will be issued.

At closing buyers will sign documents prepared by the City of Boulder, including the Covenant. To prepare for closing buyers meet with a City of Boulder Homeownership staff member approximately one week before your closing to review these documents. Realtors are welcome at these meetings!

**Step Six: Closing!**

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## *Selling an Affordable Home: A Step-by-Step Guide*

The city's resale procedures were put in place to ensure that another buyer in need of an affordable opportunity can benefit from our program. Below are the steps to selling a Homeworks Permanently Affordable home, as well as things to keep in mind regarding the covenant and deed restrictions recorded against the home. A specific Homeownership Team member will be assigned to work with you throughout the sale.

**STEP ONE: OWNER DECIDES TO SELL WITH OR WITHOUT AN AGENT.** Seller can choose to work with a professional real estate broker, or they can sell the home themselves. The Division of Housing cannot recommend strongly enough that sellers choose to work with a real estate agent. City staff does not provide the services of a Realtor, and are not Realtors.

The maximum resale price will be increased by a set amount to help cover sales and closing costs::

*Option One: Work with a Professional Real Estate Broker*

Sellers may work with any realestate agent they like.

If a seller choose this option the city will add a 2.5 percent commission, to be split between seller's and buyer's agent, and $650 for closing costs to resale price. The city's website maintains a list of participating real estate agents who are familiar with our programs, though sellers are free to work with any real estate agent they choose. Please note that if the commission exceeds 2.5 percent, or the closings costs exceed $650, these costs will not be added to the resale price, and will need to be paid for out-of-pocket, or through sales proceeds, by the seller.

*Option Two: Seller Sells the Home by Themselves (For Sale By Owner)*

In this scenario, the seller markets the home, schedules showings for the property, and handles contract responsibilities. The city does not represent the buyer or seller, or offer assistance with the sale. Sellers will likely hire a real estate attorney to help with the contract and other legal documents.

If a seller choose this option we will add $550 for marketing and sales expenses and $650 for closing costs to the maximum resale price. If the marketing and sales expenses exceed $550, or the closings costs exceed $650, any additional costs will not be added to the resale price. A checklist has been provided in the Appendix for those that wish to sell the home without the assistance of a real estate professional.

**STEP TWO: DECIDE ON THE INSPECTION PROCESS.** The covenant attached to the Homeworks Permanently Affordable homes requires owners maintain the home in good, safe and habitable condition. To ensure adequate maintenance has been carried out the home will be inspected. The owner will be given the option to repair items which do not meet this standard or reduce the resale price.

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There are two inspection choices:

*Option One: City Inspection Before Listing, and Buyer's Inspection After Contract*

If a seller chooses to have the property inspected before listing then the city contracted inspector will check for damage and maintenance issues. The inspection will happen before we calculate the maximum resale price, and will be scheduled within two weeks of receiving the sellers Intent to Sell form. After reviewing a copy of the inspection report, we offer sellers the opportunity to fix items needed to restore the home to a good, safe and habitable condition. If a seller choose to not make the repairs then the maximum resale price of the home will be reduced to cover the cost of repairs for the buyer.

*The buyer will also be required to have an inspection after going under contract to purchase the home, so sellers will have two inspections performed if they choose this option. If the buyer's inspection turns up items that need correction (even if they did not show up in the city inspection) then the city will require seller correct those items as well.*

Pro of this option: Sellers can enter into the sale knowing that their home is adequately repaired. There is no expense to the seller as the city will pay for the first inspection.

Con of this option: Extra time is required before listing your home to accommodate the inspection and any repairs.

*Option Two: Buyer's Inspection After Going Under Contract*

Sellers can choose to forgo the city inspection and only have a buyer's inspection. If a seller choose to wait for the buyer's inspection, then they are agreeing that the maximum resale price of the home may decrease based on the buyer's inspection. We will review a copy of the buyer's inspection and the city will determine what items must be repaired to restore the home to a good, safe and habitable condition. The seller will be asked to make any repairs, or reduce the sales price, based on the findings of the inspection.

Pro of this option: This alternative allows us to more quickly calculate the maximum resale price and list the home.

Con of this option: Waiting for the buyer's inspection postpones correcting issues until after a buyer has been found, and can delay a closing.

**STEP THREE: SUBMIT AN "INTENT TO SELL" FORM.** Once a seller has chosen a real estate professional or decided on a For Sale By Owner transaction and determined their inspection preference, they will need to fill out and submit an "Intent to Sell" form. This form is on our website. Once this is received, we will send the seller a letter containing the maximum resale price or schedule an inspection.

**STEP FOUR: MARKET AND SHOW THE HOME.** The covenant on Homeworks Permanently Affordable homes requires that sellers abide by fair marketing procedures. In order to ensure fair public access to limited affordable homeownership opportunities, the city has developed standard marketing

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procedures. Please read the Marketing Procedures for Permanently Affordable Homes document found in the Appendix.

Home must be sold to a program qualified buyer and cannot be sold for more than the maximum price allowed. Interest in buying affordable homes varies, just as with market-rate homes. A seller's home will be "competing" with other affordable homes, both new and resale.

The seller's property will be listed on our website. To create this online listing we will use information from the City Website Marketing Information Form. The information included in this form must be accurate and complete before we can list the home. Sellers will also need to identify whether their home will be available for showings, or only shown by Open House. The Homeownership team member assigned to the sale will work with the seller to collect photos and listing information.

## STEP FIVE: FAIR SELECTION PROCESS, AVAILABLE HOMES, AND GOING UNDER CONTRACT

***Fair Selection Process:*** Newly listed homes (both new development and resale properties) have a required 30-day marketing period. At the end of the marketing period a selection process is conducted on a published date. This date will be 30 days after the listing becomes public at on our website.

During the 30-day marketing period, prospective buyers will view the home. Interested, eligible households will submit a Selection Process Entry Form. This form is only accepted from households that have been certified to purchase in the program. If no forms are received, the home is immediately available for contracts from city certified buyers anytime after the 30-day open marketing period.

If more than one household has submitted a form, a selection process is put into motion.

First, households are grouped into the following categories:
#1 – live + work + certified for the program for 1 year or more
#2 – live + work
#3 – work + certified for the program for 1 year or more
#4 - work only
#5 – live + certified for the program for 1 year or more
#6 - live only
#7 – does not live or work in the city of Boulder + certified for the program for 1 year or more
#8—does not live or work in the city of Boulder + certified for the program for less than 1 year

The household in the highest category will have the first opportunity to make an offer on the home. If they pass, the opportunity falls to the person in the next highest group, and so on.

However, if there is more than one household in a particular group, a lottery will take place. The draw can actually consist of several sub-lotteries as each preference category will be ranked with its peers (i.e. all "live + work" households will be grouped together, and then ranked above all "live only" households which will also be grouped together).

Some units may have unique preferences based on home features, such as Family Friendly (more space and/or a yard for households with at least one minor), or accessible (preference given to those with

physical disabilities for a home that has specific design features). These designations are listed on the city's web page for each home.

The fair selection process is administered by the Housing Division, and anyone is welcome to witness the process. The results of the selection process and instructions will be shared with the seller's agent or the seller if they are not working with an agent.

If a home does not go under contract at the end of the 30-day open marketing period and fair selection process, the home is considered to be "Available." At this point, a program certified buyer can immediately offer a contract, regardless of their preference ranking. Homes with this status will be identified on the website as "Available" and will be categorized based on the number of bedrooms.

***Going Under Contract*** The seller must allow the highest ranked person in the selection process at least 24 hours to submit a purchase contract. The seller may elect to wait longer than 24 hours for a contract, but is not obligated to do so. Alternatively, after 24 hours without an offer the seller may move to the next highest ranked household in the selection process.

The seller can only reject an offer if:

- it is lower than the maximum resale price
- the buyer currently own a home, even if it is for sale or under contract (buyers in the program cannot own another home at the time of closing)

The city recommends the seller counter an offer that is lower than the maximum resale price at least once before requesting to move onto the next buyer down on the selection list. If the seller receives a full-priced offer with no contingency of a home to sell but does not agree with other terms of the contract, the city expects the seller to counter at least one time before requesting to move onto the next buyer. Conversely, the seller's counter terms should be reasonable and in the realm of generally acceptable terms for transactions in the program – as determined by the city – before the city will allow the seller to move onto the next buyer down on the selection list.

If a seller refuses a contract then the next highest ranked household in the selection process will have 24 hours from when they are notified of their opportunity to present a purchase contract to the seller. The seller may elect to wait longer than 24 hours for a contract. Alternatively, after 24 hours without an offer the seller may move onto the next person in the selection process.

Sellers may take back-up offers if they like. A back-up offer would allow the interested buyer to proceed with a purchase should the original contract terminate before closing.

Please include the following additional provision in the contract under "Additional Provisions"

> *Buyer understands this property is covenant restricted. The City of Boulder Division of Housing will provide the Buyer with a copy of the Affordable Housing Covenant by the Title Deadline. Buyer has until the Title Objection Deadline to object to the Covenant terms. If Buyer has no objection, it is assumed he/she agrees to all conditions of such covenant including limitations on resale and occupancy requirements.*

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**STEP SIX: CONTRACT PERIOD AND CLOSING**

Once a buyer has put a contract on a home they are not eligible to enter other lotteries. The seller and buyer, along with their real estate agents, lenders, inspectors, appraisers, Homeownership Program staff, and the title company will work together to complete the transaction. Typically 30-45 days elapse between contract and closing. We require 30 days be allowed from contract to closing unless seller and buyer mutually agree to a different time line.

A copy of the final contract should be sent to our office within 48 hours of it being signed. The city will need to approve the terms of the contract, and prepare to work within the timeframes established for the sale.

Once the buyer has had their inspection the city will need to receive it for review. We will determine whether any mandatory corrections will need to be made based on the sellers covenant agreement to maintain the home in good, safe, and habitable condition. If corrections are identified the seller must either repair the items within the timeframe already specified in the contract, or agree to reduce the sales price if the buyer agrees to make the repairs after closing.

In preparation for closing, the city will prepare documents that, at closing, will release the seller from their obligations to the community with regard to the affordable home. These obligations will be transferred to the new owner when they sign the Covenant and other city documents at closing.

***Other Important Notes:***

In accordance with the provisions of the Fair Housing Act and the City of Boulder's Human Rights Ordinance, sellers cannot discriminate against a potential buyer based on their age, sex, race, creed, color, marital status, religion, national origin, ancestry, handicap, sexual orientation or familial status.

Although unlikely to occur, the covenant gives the City of Boulder the right to purchase a Homeworks Permanently Affordable home once the owner informs us of their intent to sell. If the seller decide to list with a Professional Real Estate Broker, the listing contract needs to exempt the Real Estate Broker's commission in the event that the city purchases the home as it will not be added to the maximum resale price.

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## *Setting the Maximum Resale Value of Permanently Affordable Homes*

The City of Boulder makes homes affordable through regulations and subsidies. When a buyer purchases a home through the city's program, they receive the benefit of these community investments in the form of a below-market price. The program requires that they pass those benefits on to the next buyer.

The resale formula that sets the maximum price strikes a balance between keeping the price affordable and allowing owners to receive a return on their investment in the property. Note that this formula focuses on keeping the homes affordable, and is not tied to the performance of the real estate market. Here is how the city calculates maximum resale values:

A. Start with the original purchase price

B. Subtract the amount of any Solution Grant monies received. This is now considered the purchase price.

C. Each year multiply the purchase price by the percentage change in the most recent Consumer Price Index or Area Median Income (whichever is less) The maximum increase for any given year is 3.5 percent, while the minimum increase for any given year is 1.0 percent.

D. Each year add the product of the multiplication described in (C) to the purchase price.

E. Add the cost of approved Capital Improvements up to the time of contract. Improvements to the home may be made at any time by the owner, but only pre-approved and eligible capital improvements will result in a higher selling price (see the Homeowner Manual at www.boulderaffordablehomes.com for the most updated eligible capital improvement list).

F. Deduct the amount of any excessive damage. Shortly before the Resale Price Limit is determined, the city shall have the right to inspect the Property. If after such an inspection, the city determines that the Owner has not fully complied with their maintenance obligation, the city shall determine the cost to complete repairs necessary to restore the property to a good, safe and habitable condition. This amount is called the Excessive Damage Assessment, and shall be included in the Resale Price Limit calculation.

G. Add the amount of the sale commission paid by the Owner, not to exceed the maximum allowable sales commission published by the City Manager on an annual basis.

The owner will not be required to sell below the maximum resale price unless the unit appraises for a lesser value. Market conditions may result in a seller deciding to sell for less than the maximum price.

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**Example**

| | |
|---|---|
| Home Purchase Price: | $210,000 |
| Solution Grant Received: | -$8,000 |
| Starting Price for Resale: | $202,000 |
| | |
| Appreciation Year One (2.3%): | $4,646 ($202,000 x 2.3%) |
| New Max Resale Price: | $206,646 ($202,000 + $4,646) |
| | |
| Appreciation Year Two (1.8%): | $3,636 ($202,000 x 1.8%) |
| Capital Improvement Credit: | $3,800 |
| New Max Resale Price: | $214,082 ($206,646 + $3,636 + $3,800) |

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## *Frequently Asked Questions*

**How much should a Homeworks Permanently Affordable home be valued at for purposes of property taxes?**
The Boulder County Assessor's office recognizes the maximum resale price as the value of the home for tax purposes. The City Housing Division sends an updated list to the Assessor's office annually. If the Notice of Valuation from the Assessor is significantly different from the maximum resale price, please contact us.

**How much should a Homeworks Permanently Affordable home be appraised at for purposes of the mortgage loan?**
As the city's resale restrictions terminate upon foreclosure, the security value of the home is its unrestricted market value. Appraisers should use standard market comparable properties. Fannie Mae has issued appraisal guidelines to this effect, and these guidelines are on the city's website.

**Can an owner rent their home?**
Generally, no. To be eligible for rental, an owner must live in their home for at least five years before they are eligible to rent. The owner may generally rent for a maximum of 12 months out of every seven years of ownership. If an owner intends to rent they should contact us for requirements.

In order to rent a home, an owner may need a Rental License from the City of Boulder. Please be aware that some loans, such as CHFA or Habitat for Humanity loans, may restrict an owner's ability to rent their home. Owners must also abide by any HOA requirements. In addition, the City of Boulder has zoning that restricts short-term rentals in neighborhoods (VRBO, AirBnB, etc.).

**What happens in the event of foreclosure?**
The city's resale restrictions terminate upon foreclosure. The security value of the home is its unrestricted market value.

**Why does the City of Boulder hold a $10 note and deed?**
Most of the properties sold through the program have been deemed permanently affordable. In order to be notified of any legal transactions related to the property and to continue to secure the community's interest in the property, the city records a $10 note and deed.

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## *Appendix A – Sample Maximum Resale Letter*

7/15/2013

Sherry Boulder
2917 Bolder Boulder Dr.
Boulder, CO 80304

Dear Ms. Boulder:

Thank you for sending written notice of your intent to sell your home located at 2917 Bolder Boulder Dr, Boulder, CO 80304. The maximum resale price for your home as of 10/15/2013 has been calculated as follows:

**CPI-U/AMI Appreciation / Depreciation Calculation:**

| | Effective Start and End Dates | | Allowed Percent | Allowed Dollar | |
|---|---|---|---|---|---|
| **Year** | **Start Date** | **End Date** | **Change** | **Change** | **Pro-Rated** |
| 2005 | 07/27/2005 | 12/31/2005 | 0.10% | $74 | Yes |
| 2006 | 01/01/2006 | 12/31/2006 | 0.00% | $0 | No |
| 2007 | 01/01/2007 | 12/31/2007 | 1.10% | $1,885 | No |
| 2008 | 01/01/2008 | 12/31/2008 | 2.20% | $3,770 | No |
| 2009 | 01/01/2009 | 12/31/2009 | 2.40% | $4,113 | No |
| 2010 | 01/01/2010 | 12/31/2010 | 1.00% | $1,714 | No |
| 2011 | 01/01/2011 | 12/31/2011 | 1.87% | $3,205 | No |
| 2012 | 01/01/2012 | 12/31/2012 | 1.40% | $2,399 | No |
| 2013 | 01/01/2013 | 10/15/2013 | 1.00% | $1,352 | Yes |
| | | | | $18,512 | |

**Maximum Resale Price Calculation:**

| **Description** | **Amount** |
|---|---|
| Purchase Price: | $171,371 |
| Appreciation: | $18,512 |
| Post-2007 Improvements: | $941 |
| Closing Fee: | $650 |
| Resale Price: | **$191,474** |
| Realtor Commission 2.50%: | $4,910 |
| Resale Price w/Realtor: | **$196,384** |

This price reflects the maximum price for which your home may be sold. As with any property that is sold, the condition of the home and closing terms may result in a selling price that is below this maximum resale price.

**Summary of Improvements and Damages Assessed:**

The table below shows the actual value of all improvements that have been approved for this home, along with any damage assessments. Note that for improvements prior to 2008 the amount included in the resale price is subject to an annual cap that accumulates each year.

| **Date** | **Type** | **Amount** |
|---|---|---|
| 10/28/2011 | Flooring | $941 |
| | | **$941** |

In order to qualify to purchase your home the buyer must be income certified by the City of Boulder Housing Division. The income limits for your home will be posted on the details page for your home on our website at www.BoulderAffordableHomes.com.

If you have questions please contact me at 303-441-3157 ext. 2.

Sincerely,
Homeownership Program Coordinator

*In accordance with the provisions of the Equal Opportunity Act and the Boulder County Homeownership Programs' policies, there will be no discrimination against an applicant for these benefits on the basis of age, source of income, sex, race, marital status, sexual orientation, national origin, religion or handicap.*

## *Appendix B - Open Marketing Procedures for Permanently Affordable Homes*

In order to ensure fair public access to permanently affordable homeownership opportunities, the Division of Housing has developed required marketing procedures. When a seller is ready to market their Permanently Affordable home, these are the steps to follow:

1. The owner or their real estate agent should contact the Division of Housing at least 60 days before they hope to close on the sale of your home. We will ask for more information about the sale of the home and will then provide a letter containing the maximum resale price for the home. We will market the home on our website.

2. Owners must market their home for a minimum of 30 days to all potential buyers (Open Marketing Period). The Open Marketing Period cannot begin until we have received written notice of the owners intent to sell, along with the "City Website Marketing Information" form and photos. After receipt of that information the city needs up to 5 days to list the property and begin the Open Marketing Period.

3. An owner may not commit to sell to any buyer during the Open Marketing Period.

4. During the Open Marketing Period the owners must either list their home on the MLS or advertise at least twice in a local daily general publication. The Division of Housing will post the home on our website and may notify specific groups of income-certified buyers by email. If the owner selects the advertising option then the marketing period cannot begin until the ads are scheduled.

5. The owner or their Realtor® must make arrangements to show the home by appointment to all interested buyers *and/or* schedule at least two open houses. If the owner chooses not to show by appointment, they must select at least two dates for open houses with at least one within the first two weeks of listing. At least one open house must be during evening hours. We request owners keep a list of all buyers who see the home.

6. Interested buyers who have received preliminary certification letters from the Division of Housing and have seen your home should submit a Selection Process Entry Form to the city during the Open Market Period. Any buyers who have not applied to the city for certification need to do so at least two weeks before the end of the marketing period.

7. At the end of the open marketing period the city will coordinate a far selection process from among those who have submitted a Selection Process Entry Form

9. The Division of Housing will provide you with the selection process results. You must give the buyers selected a chance to sign a contract in the order selected. The first person will have 24 hours to sign a contract. If this person fails to do so, you may offer the unit to the second person on the selection list and so on. You may take any number of backup offers if you so decide.

10. Once the owner has completed a contract with a buyer, forward a copy to the Division of Housing. At that time we will provide the buyer with a final certification of eligibility to purchase the home.

11. In accordance with the provisions of the Equal Opportunities Act and the City of Boulder's Human Rights Ordinance, an owner cannot discriminate against a potential buyer based on their age, sex, race, creed, color, marital status, religion, national origin, ancestry, handicap, sexual orientation or familial status.

*In accordance with the provisions of the Equal Opportunity Act and the Boulder County Homeownership Programs' policies, there will be no discrimination against an applicant for these benefits on the basis of age, source of income, sex, race, marital status, sexual orientation, national origin, religion or handicap.*

## *Appendix C - For Sale by owner Check List*

**Marketing:**

____ Submit an Intent to Sell form and City Website Marketing Information form with photos.

____ Receive Maximum Resale Price from the member the Homeownership Team assigned to your sale. Review the form and report any inaccuracies.

____ Once the listing has been made public at www.boulderaffordablehomes.com:

- Confirm selection preferences for the home if any
- Confirm maximum resale price
- Confirm listing information, contact information, and descriptions are all correct

____ Hold Open Houses, or schedule showings as needed, per the terms agreed to in the City Website Marketing Information form.

**Contract:**

____ Receive selection process results from the Homeownership team member assigned to the sale. Initiate contact with the highest ranked household to initiate the process.

____ If after 24 hours a contract has not been received, the offer is not a full-priced offer, or the highest ranked household has a home to sell then the seller may move to the next person on the list. NOTE: These are the ONLY reasons that a seller may move to another buyer.

____ Use the Colorado Real Estate Commission-approved form when writing a contract.

____ We require 30 days be allowed from contract to closing unless seller and buyer mutually agree to a different time line.

____ Inclusions must include any capital improvements for which credit was given.

____ No more than $2000 earnest money can be requested.

____ Arrange for Title Insurance to cover standard exceptions; ensure that the Homeownership team contact is on the title circulation list.

____Common Interest Community (HOA documents) review period required.

____Closing costs split 50/50.

____Prorate property taxes on most recent mill levy.

____Liquidated damages provision to be used if Buyer is in default.

____Include in the contract the city's additional provisions as listed here:

*-Buyer understands this property is covenant restricted and that the Covenant is available from the City of Boulder Division of Housing upon request. Buyer has until the Title Objection Deadline to object to the Covenant terms. If Buyer has no objection, it is assumed he/she agrees to all conditions of such covenant including limitations on resale and occupancy requirements.*

*-It is understood that the Seller will provide the Buyer with a clean unit upon delivery of the deed.*

____ Send a copy of your contract to the Homwownership Coordinator assigned to the sale

____ Send the Homeownership Coordinator a copy of any amendments or extensions to the contract including inspection items.

**Closing:**

____ Buyer and Seller agree a convenient time for closing and schedule with the title company.

____ Coordinator MUST be given 5 working days notice of any change in the closing date.

____ Remember to take photo ID with you to the closing.

Equal Housing

*In accordance with the provisions of the Equal Opportunity Act and the Boulder County Homeownership Programs' policies, there will be no discrimination against an applicant for these benefits on the basis of age, source of income, sex, race, marital status, sexual orientation, national origin, religion or handicap.*