City of Boulder Homeownership Programs
Homeowner Manual 2013

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.

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Equal Housing Opportunity

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Welcome!

Dear Homeowner,

We are so pleased that you purchased a home through 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. When you purchased your home through the city's programs, you received the benefit of these community investments. The program requires you to pass the benefits on to the next buyer when you sell. This handbook will help you to understand your rights and responsibilities as an owner in the permanently affordable program.

Please note that the information provided in this handbook pertains to the most recent versions of policy and the Covenant. Refer to the Covenant that you signed at closing for information as it relates to your ownership experience.

We hope that you are enjoying your new home, and will be happy to assist you in the future.

Sincerely,

The Homeownership Program Team
City of Boulder
Division of Housing

City of Boulder Homeownership Programs

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Program Updates for 2013

What's new:

As of January 1, 2013 there were more than 700 permanently affordable or restricted homeownership units within Boulder's city limits!

2013 Annual Appreciation This year's annual appreciation award amount was 1.4%. This amount was based on gains in the Consumer Price Index and Area Median Income.

Eligible Capital Improvements There was no change to the Capital Improvement and Capital Update policy this year. Later in this document you will find information about what improvements and updates are eligible for credit, how to apply, and how the amounts factor into your maximum resale price.

Inclusionary Housing Plan The Division of Housing is working with the City Council to update Boulder's Inclusionary Housing Plan. As a homeowner in our program you bring a unique perspective, and we hope that you will participate in opportunities for community involvement in the process.

Solar Grants and Rebates Boulder's LEAD department (Local Environmental Action Division) is encouraging homeowners in the affordable program to consider solar power. You can contact the city's Residential Sustainability Specialist at 303-441-3452 for more information.

We've Moved In February the Division of Housing moved to the Atrium Building on the corner of 13th and Canyon. If you need to contact us please stop by! Please note that the Homeownership Team's fax number has changed to 720-564-2188.

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Affordable Covenant Summary

All Homeworks homes come with affordable covenants that ensure that 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

Income Restrictions
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.

Maximum Resale Price
The home will have a Maximum Resale Price Limit which includes limiting appreciation

Maintenance Requirement
The buyer is required to maintain their affordable home in a manner that protects the health, safety and livability of the home's future owners.

Capital Improvements
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.

Refinance
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.

Owner Occupancy
The home must be occupied by the owner unless the city has approved a rental arrangement.

Rental
- 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.
- A bedroom in the home may be rented at any time of owner occupancy, providing no city codes are violated.

Please refer to your version of the Covenant signed at closing for specifics related to your ownership obligations.

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What Is The Maximum Resale Value of My Home?

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

Every year the City of Boulder Homeownership Program will provide you with an annual letter. The intent of the letters is to:

- Communicate relevant information regarding your home and any changes to the Homeownership Program that may affect your ownership experience.
- Provide information about your annual appreciation.
- Provide information about the maximum resale price of your home based on appreciation and capital improvements or updates.

The resale formula that sets the maximum price when you sell strikes a balance between keeping the price affordable and allowing you to receive return on your 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:

- Start with your purchase price
- Subtract the amount of any Solutions Grant monies received
- Add appreciation between 1.0 - 3.5 percent per year, as announced by the City of Boulder in the annual homeowner letter
- Add the cost of any approved capital improvements or updates that you made to the home
- Add your costs of sale (marketing and closing)
- Subtract the cost of any excessive damage to your home

Example

Home Purchase Price:	$210,000
Solutions 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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Capital Improvements

Permanently affordable homes have been constructed as complete and livable homes for households with limited, qualifying incomes and assets. As such, Capital Improvements for which credit at resale will be applied are limited to ensure future affordability. Improvements to the home may be made at any time by the owner, but only approved and eligible capital improvements will result in a higher selling price.

The following describes the Division of Housing's criteria for eligible Capital Improvements for Permanently Affordable housing units. For Capital Improvements current policy always supersedes previous policies. The information will be updated as needed. Updates will be communicated in the annual letter, or in the Homeowner Handbook on our website at www.boulderaffordablehomes.com.

Current Eligible Capital Improvements (updated annually as needed):

1. **ENERGY EFFICIENCY IMPROVEMENT** of added insulation, in properties that are additions or remodels.

2. Improvements that **INCREASE HABITABLE SPACE**. Finished basements must have at least one egress window and all improvements must conform to current city code requirements.

3. **COOLING SYSTEMS** including: whole house fans, ceiling fans, non portable evaporative coolers. If evaporative coolers are not allowed by your HOA then central air conditioning is eligible for credit.

4. **FLOORING**: replace carpet at least 10 years old with hardwood or tile (including cork and bamboo, but not laminate), or tile.

5. **SOLAR PHOTOVOLTAIC SYSTEMS AND SOLAR THERMAL SYSTEMS.** Credit will be given for 80 percent of the eligible system and installation out-of-pocket expenses up to a maximum of $3,000. The credit amount will be depreciated over 20 years; with 75 percent depreciated in 10 equal amounts annually for the first 10 years, and the remaining 25 percent will be depreciated in 10 equal amounts annually for the remaining 10 years.

6. **RADON GAS MITIGATION** cost (Radon testing costs are not eligible only mitigation cost as necessary to remedy); if Radon level is above the EPA established threshold the cost to mitigate using a qualified contractor is eligible.

Improvements considered to be non-permanent or cosmetic are not eligible. Luxury and high-end items chosen over standard grades will only be eligible for capital improvement credit at the cost of standard grade items. *In order to qualify as an eligible Capital Improvement, it is mandatory that each proposed expenditure be approved in advance by the Division of Housing. The process for receiving credit is listed in the "How to Receive Credit" section below.*

Capital Improvement credit will not be available after a home is listed for sale, even if an inspection uncovers items that would otherwise qualify for Capital Improvement credit.

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Capital Updates

The city also wants to ensure that older affordable homes remain attractive and livable so a Capital Updates policy for homes over 20 years old was developed. Capital Updates for which credit at resale will be applied are limited to ensure future affordability. Improvements to the home may be made at any time by the owner, but only approved and eligible capital updates will result in a higher selling price. A home that is more than 20 years old is eligible to receive credit both for Capital Updates and Capital Improvements.

The following describes the Division of Housing's criteria for eligible Capital Updates. Please keep in mind that current policy always supersedes previous policies. The information will be updated as needed. Updates will be communicated in the annual letter, and in the Homeowner Handbook on our website at www.boulderaffordablehomes.com.

Current Eligible Capital Updates:

1. Renovation of **kitchens and bathrooms** that are at least 20 years old.

2. Replacement of single pane or defective double pane **windows** that are at least 20 years old.

3. Replacement of a **furnace** that is at least 10 years old with a high efficiency furnace with an AFUE greater than or equal to 90 percent, plus sealed combustion. If home design precludes direct venting, an upgrade to a minimum 80 percent AFUE is eligible.

4. Capital Update for replacement of a **hot water heater** that is at least 10 years old with a high efficiency hot water heater with an energy factor of 0.62 or higher (Energy Star Listed), R-16 tank insulation; Anti-Siphon valves; and hot water pipe insulation of at least 6 feet.

5. Perimeter **fencing** when not provided by the developer.

Updates considered to be non-permanent are not eligible. Luxury and high-end items will only be eligible for capital update credits at the cost of standard grade items.

The credit for an update will depreciate over 20 years with 75 percent of the capital update cost depreciated in 10 equal amounts annually for the first 10 years, and the remaining 25 percent will be depreciated in 10 equal amounts annually for the remaining 10 years.

In order to qualify as an eligible Capital Update, it is mandatory that each proposed expenditure be approved in advance by the Division of Housing. The process for receiving credit is listed next in "How to Receive Credit".

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How to Receive Credit for Capital Improvements and Updates

The maximum amount of Eligible Capital Improvements and Updates included within the calculations of the re-sale price will be $25,000 during the period in which the owner owns the property. Approved credits will be fully issued at the time of final approval.

To ensure that you receive the full allowed credit for eligible Capital Improvements or Capital Updates, each proposed expenditure must be approved by the Division of Housing prior to beginning the work. Any completed eligible Capital Improvements or Capital Updates that are submitted for credit that did not receive pre-approval will receive a maximum of 50 percent of the pertaining eligible cost.

Capital Improvement credits received before Jan. 1, 2008 are given in limited annual amounts. These amounts are calculated every year based on the percentage of change in the Consumer Price Index-Urban area (CPI-U). Each year the credit amount will be adjusted to a percentage amount equal to the change in the CPI-U or up to 3.5 percent, whichever is less. If the CPI-U decreases, the annual capital improvement credit percentage will remain the same as the percentage for the previous year. The credited amounts will be added each year the owner owns the property up to the total credit amount. Upon the sale of the property, the owner will receive the yearly credit amounts earned and prorated up to the date of sale, which will be included in the maximum resale value.

To request Capital Improvement or Capital Update Credit:

1. Using the Capital Improvement/Capital Update Form found at www.boulderaffordablehomes.com (a sample is listed in Appendix A), submit a written request for approval of the proposed Capital Improvement or Update.

2. Include detailed plans and an itemized estimate of cost. Capital improvements or updates estimated to cost more than $5,000, whether the work is to be done by the homeowner or a contractor, require the homeowner to submit bids from two licensed contractors. If the work is not being done by a contractor the homeowner shall submit an itemized list of materials and estimated costs. If using a contractor or a supplier provide: name(s), address(es) and, phone number(s) on the estimate(s). (Do not send originals, only copies.).

3. If the scope of the pre-approved work changes after approval, or if there are increases in cost, the homeowner must request a modification of the pre-approval before starting the work and incurring the costs. The request should include the revised detailed plans and itemized cost estimate.

4. The Division of Housing will review the proposal and approve eligible Capital Improvements or Updates **within 14 days of receipt of a complete request.**

5. Capital Improvements or Updates that have been approved must be completed within six months of approval or a new request, paperwork, and bids will be required.

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6. Within four weeks of completion of a Capital Improvement or Update, the homeowner must submit to the city an itemized receipt or bill of sale, complete with the contractor or supplier's name, address and phone number. The homeowner must submit a copy of the final inspection approval and building permit if one was required. (Do not send original documents, only copies.)

7. Within 14 days of receipt of the final Capital Improvement or Update request the city will notify the homeowner in writing of the final amount of the credit.

8. All approved credits will be added to the maximum resale price immediately.

If the homeowner, the homeowner's spouse, domestic partner, children, parents, or a non-professional completes the improvement or update work, the homeowner will be credited only for 100 percent of the amount paid for eligible materials per the provided itemized material list. Receipts documenting the materials purchased must be submitted.

If the homeowner uses a professional contractor to complete the improvement or update, the homeowner will be credited 80 percent of the total amount paid for eligible work and materials.

Remember that it may be necessary to obtain a permit for the work you intend to do. Please contact Planning and Development Services at 303-441-1880 or visit their website at ***www.bouldercolorado.gov/buildingservices*** regarding permit information. If you are building something new you will want to show your plans to a Project Specialist in Planning and Development Services at 1739 Broadway, 3rd floor.

The city shall have the right to inspect the property at times that are mutually convenient to the city and the homeowner to confirm the Eligible Capital Improvements or Updates have been completed in a workmanlike manner, and the reasonable value of the improvement. If the city, in its reasonable discretion, is unsatisfied with the documentation provided by the homeowner, it may base its determination of the value of the Improvements upon an estimation provided by an objective third party professional who is knowledgeable about local construction costs and practices. At the conclusion of this process, the Division of Housing will send a written statement of approved Capital Improvement or Update credit to the homeowner.

Home Owners Association Dues

Home Owners Association (HOA) dues are not an eligible capital improvement. Homeowners must obtain permission from the HOA if the work to be done requires such permission.

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Maintenance

As a homeowner you are required to maintain your home in good, safe, habitable condition. Your home has been set aside as permanently affordable in our community. As such you have a responsibility to future owners of your home. The best way to care for your home is by completing routine maintenance tasks. This helps to prevent costly repairs, as well as keep your home looking and performing at its best. If you would like to learn more about maintenance activities we would encourage you to find checklists online that are specific to the type of home that you own, or register for classes that are offered through a number of community colleges and nonprofit organizations related to home maintenance and repair.

Please note that lack of maintenance or care can result in an Excessive Damage Assessment being applied to your Maximum Resale Price. 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 and work necessary to restore the property to a good, safe and habitable condition. This amount shall be called the Excessive Damage Assessment, and it shall be included in the calculation of the Resale Price Limit.

Homeowners in HOA communities are required to pay their dues and abide by the rules established by homeowners in the community. In exchange the HOA is required to live up to its obligation of providing maintenance as defined in the community's Covenants, Conditions, and Restrictions (CC&Rs). It is your right as a homeowner in an HOA community to request repairs within the scope of the HOA's responsibility. Please review your HOA documents before proceeding with repairs to determine whether responsibility for a repair rests with you or the HOA.

Home Repair Loan Program

If you own a home that is in need of repairs, but don't have the cash or equity to finance the repairs, the Division of Housing may be able to help! We offer low-interest loans for health and safety repairs and energy conservation measures of up to $25,000 for single family homes. Repayment of the loan is deferred for fifteen years or until you sell your home, whichever comes first. We offer technical assistance and contractor supervision to make sure the work is performed properly.

More information is found at www.boulderaffordablehomes.com, or you can call *Longs Peak Energy Conservation at 720-864-6401 for more information.*

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Refinancing

You may refinance a mortgage used to purchase your home if the refinance is a straight rate and/or term refinance of the existing principal balance plus one percent (to cover closing and associated costs). If you wish to take cash out of your home, you may not refinance for more than 93 percent of the current resale value (excluding costs to sell) of your home.

The City of Boulder must approve the terms of your loan and sign a subordination agreement before you can refinance your home. Please contact us when you are ready to refinance your home so that we can provide you with a letter that communicates your maximum refinance amount, and the required documents needed for the city to subordinate its promissory note and deed to your new lender. You will provide this letter to the lender that you choose so that they have the information needed to process your loan.

Your lender may need to know more details about the city's policy around mortgage and refinance. For this reason we have created a Lender Manual that can is easily found on our website at www.affordablehomes.com. This manual includes helpful information for your lender, as well as the city's mortgage policy.

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If you own a home with deed restrictions that is not a part of the Permanently Affordable program then please contact Homeownership Program staff for information on pay-off and release terms.

If you own a Permanently Affordable Home with resale restrictions (the majority of homes in our program), please read all of the information below. If you have further questions about selling your home after you've read the information, please contact the Homeownership Team at homeownership@bouldercolorado.gov or 303-441-3157, ext. 2.

These procedures were put in place to ensure that another member of the community can benefit from the affordable housing program when you are ready to sell. Below are the steps to selling your home, as well as things to keep in mind regarding the covenant recorded against your home. Once we have received your "Intent to Sell" form (Appendix B) a Homeownership Team member will be assigned to your home sale. This person will be designated to work with you until your home has closed.

STEP ONE: DECIDE HOW YOU WOULD LIKE TO SELL YOUR HOME. As a seller, you can choose to hire a professional real estate broker, or you can sell the home yourself. In either case, your maximum resale price will be increased by a set amount to help you cover your sales and closing costs. Here is information to help you decide what path to take:

Option One: Hire a Professional Real Estate Broker

You may work with any other Realtor® that you would like, but please do not sign a listing contract without the city's approval of its terms.

If you choose this option then we will add the 2.5 percent commission and $650 for closing costs to your resale price. The city's website maintains a list of participating real estate agents who have agreed to work for a reduced commission, though you are free to work with any real estate agent that you choose. Please note that if the commission exceeds 2.5 percent, or the closings costs exceed $650, any additional costs will not be added to your resale price.

Option Two: Sell the Home Yourself (For Sale By Owner)

In this scenario you market the home, show the property, and handle the contract responsibilities. The city does not represent the buyer or seller, or offer assistance with the sale. You are able to hire a real estate attorney to help with the contract and other legal documents.

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

Once you have chosen a real estate professional, or decided on a For Sale By Owner transaction you will need to fill out and submit an “Intent to Sell” form.

STEP TWO: DECIDE ON YOUR INSPECTION PROCESS. The covenant on your home requires you to maintain your home in good condition. With assistance from your Realtor® you will need to decide whether your property is currently ready for sale and can wait for the buyer's inspection, or if it should have an inspection before going to market.

Homeowners are required to maintain their homes in “good, safe and habitable condition” by the covenant they have accepted. To ensure adequate maintenance has been carried out, the following process will take place at time of resale:

· Buyers will be required to have a professional inspection carried out by a Nationally Certified Inspector of their choice.

· Homeowners must rectify inspection deficiencies except those considered to be minor cosmetic items, or reduce the resale price by the cost of repair.

· The Division of Housing will determine in the case of dispute whether deficiencies are considered minor cosmetic items.

· If the homeowner refuses to correct inspection deficiencies and the Division of Housing determines they are items that need to be corrected by the Homeowner, the cost of repairs will be deducted from the resale price. The Division of Housing may also apply an administration fee to ensure needed repairs are made.

There are two inspection choices:

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

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

Note: The buyer will also be required to have an inspection after going under contract to purchase the home, so you will have two inspections performed if you 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 you to correct those items as well. Pro: You can enter into the sale knowing that your home is adequately repaired, or that your maximum sales price that

reflects the buyer's future expenses. There is no expense as the city will pay for the inspection. Con: Extra time is required before listing your home to accommodate the inspection and any repairs.

Option Two: Buyer's Inspection After Listing

If you choose to wait for the buyer's inspection, then you are agreeing that the maximum resale price of your 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. You will be asked to make any repairs, or drop your sales price, based on the findings of the inspection. Pro: This alternative allows us to more quickly calculate the maximum resale price so that you can get your home listed. Con: Waiting for the buyer's inspection postpones correcting issues until after a buyer has been found, and can delay a closing.

STEP THREE: MARKET AND SHOW YOUR HOME. The covenant on your home requires that you abide by fair marketing procedures. In order to ensure fair public access to limited affordable homeownership opportunities, the city has developed standard marketing procedures. Please read the Marketing Procedures for Permanently Affordable Homes document found in Appendix D.

Your home must be sold to an income eligible buyer and cannot be sold for more than the maximum price allowed. Interest in buying affordable homes varies, just as with market-rate homes. Your home will be "competing" with other affordable homes, both new and resale.

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

STEP FOUR: LOTTERY, AVAILABLE HOMES, AND GOING UNDER CONTRACT

Lottery: Newly listed homes (both new development and resale properties) have a required 30-day marketing period. At the end of the marketing period a lottery is held on a published date. This date will be 30 days after your listing becomes public at www.boulderaffordablehomes.com.

During the 30-day marketing period prospective buyers will view your home by the method that you identified in your marketing form. If a household decides that they would like to buy your home then they will submit a Lottery Entry Form (see the Homebuyer Manual for an example of this form). Lottery Entry Forms are only accepted from households that have been certified to purchase in the program. If Lottery Entry Forms are received from two or more buyers then a lottery is held. If only one form is received then a lottery is not needed. If no forms are received then the home is immediately available for contracts from city certified buyers.

At the lottery entrants will be ranked by the city's preference point system, and then those with equal ranking will be drawn from sub-lotteries. The Homeownership Team member in charge of your sale will develop a list for your Realtor of lottery entrants, their rankings, and their contact information. (Please note that this information is confidential, so will not be shared with you as a seller.)

Preference in lotteries will be given to applicants who live and/or work in the city of Boulder as detailed below (ranked from highest to lowest preference):

#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

In addition, some units may have unique preferences, such as Family Friendly (at least one minor household member), or Accessible (preference given to those with physical disabilities). In these scenarios lottery entrants will be ranked accordingly.

If a home does not sell at the time of lottery then it is considered to be "Available", and a buyer can immediately place an offer, 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, but will not be found under "New Listings".

Going Under Contract After the lottery the winner has 24 hours to write a purchase contract and submit it to the seller. As a seller you can reject an offer and move on to the next person on the lottery list for the following reasons:

a) The offer is lower than your maximum resale price.
b) The lottery winner owns a home and needs to sell it before your transaction can take place.

If you refuse a contract for one of the reasons listed above then the next person in line (second place in the lottery) will have 24 hours to present a purchase contract to the seller. You may also move to the next person in the lottery if you have not received a purchase contract within 24 hours. Once seller and buyer have agreed to the sale, and the city has signed off on the transaction, your home will be identified as "Under Contract" on the city's web page.

STEP FIVE: CONTRACT PERIOD AND CLOSING Once a buyer has put a contract on a home they are not eligible to enter lotteries, or make offers on other homes. The seller and buyer, along with their real

estate agents, lenders, inspectors, appraisers, Homeownership staff, and the Title Company will work together to complete the transaction. Typically 30-60 days elapse between contract and closing.

Please provide us with a copy of your final contract 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. All of these items are listed in the sales contract, so no extra work will be required on your part.

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 your agreement to maintain the home in good, safe, and habitable condition for its future owners. If corrections are identified you must either repair the items within the timeframe already specified in your contract, or agree to reduce your sales price if the buyer agrees to make the repairs after closing.

In preparation for your closing the city will prepare documents that at closing will release you from your obligations to the community with regard to your affordable home. These obligations will be transferred to the new owner when they sign the Covenant and 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, you 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, your covenant gives the City of Boulder the right to purchase your home. If you decide to list with a Professional Real Estate Broker, please be sure that your contract exempts the Real Estate Broker's commission in the event that the city purchases your unit as it will not be added to your maximum resale price.

Foreclosure Prevention

If you are behind in mortgage or HOA payments, or have been served a notice of foreclosure, help is available. The Boulder County Housing Authority (BCHA) is dedicated to helping homeowners at risk of foreclosure. A few important points:

- Early intervention is key to helping homeowners on the edge stay in their homes.
- Counseling is not just for borrowers already in foreclosure but for all who have missed a payment or who think they may miss a payment.
- If you are in jeopardy of foreclosure, or know someone who is, contact the Boulder County Housing Authority's new Housing Counseling Program hotline at **720-564-2279.**

BCHA's housing counselors are neutral parties who are not dependent on funding from either the lender or the borrower, and act as an information resource for borrowers and as facilitators between the borrowers and lenders. The BCHA's Housing Counseling Program is approved by the U.S. Department of Housing and Urban Development to conduct foreclosure prevention counseling.

For online assistance, visit the BCHA's Foreclosure Prevention website at: http://www.bouldercounty.org/family/housing/pages/hcforeclosure.aspx, or call them at 720-564-2279

Please keep in mind that non-payment of HOA dues can result in foreclosure. The city is unable to assist owners with HOA matters as the HOA is made up of members of those living in your neighborhood. The Homeownership Program has no jurisdiction or vote in community matters. Active participation in your HOA will help to ensure a good homeownership experience.

Equal Housing Opportunity

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.

Frequently Asked Questions

How much should my home be valued at for purposes of property taxes?
The Boulder County Assessor's office recognizes your maximum resale price as the value of your home for tax purposes. The City Housing Division sends an updated list to the Assessor's office annually. If your Notice of Valuation from the Assessor is significantly different from your maximum resale price, please contact homeownership@bouldercolorado.gov or 303-441-3157 x 2.

I own a permanently affordable home now, and would like to move. Can I purchase another affordable home?
If you have lived in your current Permanently Affordable (Homeworks or First Home programs) home for at least two years, you are allowed to buy another Homeworks home once you sell your current home. If you have lived in your current Permanently Affordable home for less than two years, you are not eligible to buy another Permanently Affordable home unless your family size has changed.

Can I rent my home?
Generally, you must live in your home for at least five years before you are eligible to rent your home. You may generally rent for a period or periods of time totaling 12 months out of every seven years you own your home. If you intend to rent your home, call 303-441-3157#2.

In order to rent your home, you may need a Rental License from the City of Boulder. However, at the time of this writing, if you rent your own home for a period of 12 months or less, you are exempt from the licensing requirement. Please be aware that some loans, such as CHFA or Habitat for Humanity loans, may restrict your ability to rent your home. You must also abide by any HOA requirements.

Can I have a housemate?
You may rent out a bedroom or bedrooms in your home as long as you continue to owner-occupy your home. Please contact the Homeownership Team to formalize the agreement.

How can I save energy in my home?
The City Department of Environmental Affairs provides information and links on energy conservation. Depending on your income, you may be eligible for low-interest grants or loans to improve energy efficiency in your home. Please contact the City of Boulder's Local Environmental Action Division (LEAD) at 303-441-1881 for more information.

Where can I find out more about my HOA?
Contact your HOA president or the management company hired by your HOA.

I don't see an answer to my question in this handbook. Who should I contact?
The Homeownership team is here to help. If you've already worked with a team member then we encourage you to contact them directly. Otherwise contact us at 303-441-3157 or homeownership@bouldercolorado.gov.

Equal Housing Opportunity

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Appendixes

Appendix A

Capital Improvement and Capital Update Request Form

You must complete this form for pre-approval of any capital improvement or capital update.

Date_____
Name_____
Address_____
Phone number_____
Email address_____

1. **Type of Work Requested** (check as many boxes as apply):
☐ Creating habitable spaces that comply with code. Finished basement needs at least one egress window.
☐ Improvements which permanently increase energy efficiency
☐ Replacing 20 year old single pane windows
☐ Permanent, central evaporative cooler
☐ Central Air Conditioning, if evaporative coolers are not allowed by the HOA
☐ Flooring: replace carpet over 10 years old with carpet, hardwood (not laminate) or tile.
☐ Radon
☐ Solar
☐ Whole house fan
☐ Ceiling fan(s)
☐ Capital Update on a home at least 20 years old

2. Describe the requested improvement(s) _____
_____
_____
_____

3. Provide an estimate of the cost for the requested work (basement finishes require 2 estimates). If the work has already been completed then please provide receipts. _____
_____
_____
_____

4. Completion date for these improvements
_____
_____

☐ Proof of Permit*

(Please see Reverse)

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In order to qualify as an Eligible Capital Improvement, each expenditure must be approved conditionally in advance by the city. The city will review the proposal and conditionally approve Eligible Capital Improvements within fourteen days. Within fourteen days of receipt of the final Capital Improvement or Update request the city will notify the Homeowner in writing of eligibility for credit. Capital Improvements or Updates that have been approved must be completed within 6 months of approval or a new approval will be required.

After an Eligible Capital Improvement or Update has been completed, the improvement and amount must be submitted to the Division of Housing for final approval within 4 weeks of completion of the work. The Homeowner must submit to the city an itemized receipt or bill of sale, complete with the contractor or supplier's name, address, phone number and cancelled check. (Do not send original receipts, only copies)

*Remember that most work requires a permit and it may be necessary to obtain a permit for the work you intend to do. ***If the work requires a permit and you fail to get one the work will not be eligible for capital improvement credit.*** If you are building something new you will probably want to show your plans to a Project Specialist in Planning and Development Services at 1739 Broadway, 3rd floor, 303 441-1880. You may also check the following website: www.bouldercolorado.gov/buildingservices

All approved credits will be added to the maximum resale price immediately

Please complete this form and return it with all necessary paperwork to:

Homeownership Team
PO Box 791
Boulder, Co 80306

homeownership@bouldercolorado.gov

Fax number 720-564-2188

Questions? Call us at Phone: 303-441-3157 ext. 2

Equal Housing Opportunity

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Appendix B

Intent to Sell Form

THIS IS WRITTEN NOTICE OF MY INTENT TO SELL MY AFFORDABLE HOME.

Print name: _____
Signature: _____ Date signed: _____
Address:_____
Current Phone #: _____ E-mail address:_____

Upon receipt of the information requested below we will contact you to let you know the maximum resale price of your home. You will also need to submit the City Website Marketing Information form so that we can assist in the marketing effort for the sale of your home by posting your home on our website.

Please review your options for selling and then determine which option you prefer.

1. Will you be selling the home yourself (without the services of a Realtor®)?

☐ Yes, and I have reviewed the For Sale By Owner information provided by the city. I also understand that the city cannot provide me with assistance (legal or otherwise) with this transaction.

☐ No, I will be using a Realtor®

2. If you are selling your home yourself, do you agree to the City of Boulder's marketing procedures? (See Open Marketing Procedures for Affordable Homes)

☐ Yes

☐ No

3. If you will be using a Realtor® to sell your home, please complete the following:
a. Realtor® Name and Agency: _____
b. Phone number: _____
c. E-mail: _____
d. Fax number: _____

4. Do you authorize the Division of Housing to release information to the Realtor®?

☐ Yes

☐ No

5. I have examined my home and based on my review, I confirm there is no damage. If there is damage, please specify the location and nature of the damage:

Equal Housing Opportunity

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☐ Yes, my home has damage. _____

_____

☐ No, my home does not have damage.

6. I agree my maximum resale price may be reduced in the future based on a professional home inspection report ordered by a prospective buyer if I choose not to make repairs in a manner in compliance with city requirements.

☐ Yes

☐ No. **If you select "no" we will not calculate a maximum resale price and not list your home for sale until the city has had the home inspected and determined required corrections and estimated costs.**

When complete, please return this form to:

Homeownership Team, Division of Housing

By E-mail: homeownership@bouldercolorado.gov

By Fax: 720-564-2188

By Postal Mail: PO Box 791, Boulder, CO 80306

Questions? Call us at Phone: 303-441-3157 ext. 2

Equal Housing Opportunity

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 jpeg photos.
____ Receive your Maximum Resale Price from the member the Homeownership Team assigned to your sale. Review the form and report any inaccuracies.
____ Once your 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 that you agreed to in the City Website Marketing Information form.

Contract:

____ Receive lottery ranking information from the Homeownership team member assigned to your sale. Initiate contact with the lottery winner to initiate the process.
____ If after 24 hours you have not received a contract, not received a full-priced offer, or the lottery winner has a home to sell then you may move to the next person on the list. **NOTE: These are the ONLY reasons that you may move to another buyer.**
____ Use the Colorado Real Estate Commission-approved form when writing a contract.
____ Unless buyer agrees to fewer days you must allow the buyer a minimum of 30 days to close.
____ Inclusions must include any capital improvements for which you received credit.
____ No more than $2000 earnest money can be requested.
____ Arrange for Title Insurance to cover standard exceptions; ensure that your 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 than it is assumed he/she agrees to all conditions of such covenant including limitations on resale and occupancy requirements.

-Buyer reserves the option to modify the type, rate, points, fees, and/or amount of loan upon further consultation with Buyer's lender of choice. No such modification shall cause alteration in any way of funds due to Seller on the dates specific herein, or the ability of Buyer to qualify for financing.

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

____ Send copy of contract to your Coordinator as soon as executed.
____ Send your contact 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.

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____ 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.

Appendix D

Open Marketing Procedures for Permanently Affordable Homes
City of Boulder, Division of Housing

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

1. You or your Realtor® should contact the Division of Housing at least 60 days before you hope to close on the sale of your home. We will ask for more information about the sale of your home and will then provide you with the maximum resale price of your home. We will market your home on our website.

2. You must market your home for a minimum of 30 days to all potential buyers (Open Market Period). The Open Market Period cannot begin until five days after we have received written notice of your intent to sell, along with the "City Website Marketing Information" form. You must also agree to provide interested buyers with at least 30 days between the end of the marketing period and the date of closing unless both of you agree to a quicker closing.

3. You may not commit to sell to any buyer during the Open Market Period.

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

5. You or your Realtor® must make arrangements to show your home by appointment to all interested buyers *and/or* schedule at least two open houses. If you choose not to show by appointment, you must select at least two dates for open houses with at least one within the first two weeks of the end of the marketing period. At least one open house must be during evening hours. Please keep a list of all buyers who see your home.

6. Interested buyers who have received preliminary certification letters from the Division of Housing and have seen your home should submit a Lottery Entry Form during the Open Market Period. Any buyers who have not applied to the city for certification should do so by the deadline listed on the city's web page for your home.

7. If there is more than one interested purchaser at the highest preference level, the city will conduct a lottery.

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

9. Once you have 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 your home.

10. In accordance with the provisions of the Equal Opportunities Act and the City of Boulder's Human Rights Ordinance, you can not 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.

Homeownership Team, Division of Housing

Phone: 303-441-3157 ext. 2

E-mail: homeownership@bouldercolorado.gov

Fax: 720-564-2188

Postal Mail: PO Box 791, Boulder, CO 80306

Appendix E

City Website Marketing Information

Please complete and return this form to us so we can advertise your home.
If you are being represented by a real estate agent, s/he can help you complete this form.
See www.boulderaffordablehomes.com for examples of home listings.

Print name: _____ Date: _____

Address:_____

Current Phone #: _____ E-mail address: _____

Square footage of home: _____ Number of Bedrooms: _____ Number of Bathrooms: _____

Assigned Parking Space? ☐ Yes ☐ No Garage? ☐ Yes ☐ No If yes: ☐ Single ☐ Double

Carport? ☐ Yes ☐ No Basement? ☐ Yes ☐ No If yes, finished? ☐Yes ☐ No

Monthly HOA Fee: _____ HOA Pet Policy: _____

Annual Tax Assessment: _____ Is your home handicapped accessible? ☐ Yes ☐ No

1. Write a short statement describing your home. Include any improvements you have made to your home, and other qualities that you think would be attractive to a buyer. Include special amenities such as: patios/porches, views, proximity to parks, bus lines, shopping areas, etc.

_____

_____

_____

_____

_____

2. Please send up to 20 digital pictures as a jpeg attachment (zip file preferred) to: homeownership@bouldercolorado.gov

3. Provide contact information (phone and email) for you or your Realtor that will be available on the website to prospective buyers.

_____

Name Agency Phone Email

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4. Complete the following after having read through the Open Marketing Procedures for Permanently Affordable homes document and then answer the following questions:

Will your home be listed on the Multiple Listing Service (MLS)? ☐ Yes ☐ No

If not, what newspaper(s) will you or your real estate professional use for advertising?

_____

What dates will the newspaper ad run? (Must be at least twice during the first 2 weeks of the open marketing period): _____

5. What date would you like the open marketing period to begin? _____
(We will need five business days after we have received all materials necessary for resale for the listing to be made public, and the open marketing period to begin)

6. What date would you like the marketing period to end? _____
(This must be at least 30 days from the time your home is listed at www.boulderaffordablehomes.com)

7. The approximate date your are hoping to close on your home: _____
(Please keep in mind that your home will need to be marketed for 30 days, and the buyer must be allowed 30 days from contract to closing.)

8. Will you or your real estate professional show your home by appointment? ☐ Yes ☐ No

9. Will you or your real estate professional schedule open houses? ☐ Yes ☐ No

If you are choosing the Open House option for marketing your home then one of the two mandatory open houses must be held during the first two weeks of the 30-day marketing period.

Open House #1: Date _____ Time: _____

Open House #2: Date _____ Time: _____

Please sign and date:

Signature: _____ Date: _____

Return this completed form to:

Homeownership Team, Division of Housing
By E-mail: homeownership@bouldercolorado.gov
By Fax: 720-564-2188

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By Postal Mail: PO Box 791, Boulder, CO 80306
Questions? Call us at Phone: 303-441-3157 ext. 2

ignature Date

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