Steps for Reselling your Below Market Rate Home

This packet includes information on reselling your Below Market Rate (BMR) home. When you bought your home through the BMR Affordable Homeownership Program, you entered into a Resale Restriction Agreement (RRA) with the City that restricts the use and sale of your home. You must refer to your specific agreement to determine your options for resale. Owners interested in selling their home must provide advance notice to the City and are advised to follow the steps below:

**Step 1: Request an Estimated Payoff Summary from the City**
Contact the City and request an estimated payoff summary. This calculation will estimate your net proceeds under each option for resale. Should you have the option to sell at Market Rate and decide to sell at Market Rate, you only need to follow Step 2 - Notify the City. You do not need to follow Steps 3-5. For a Market Rate Sale, your Title/Escrow company will request the necessary documentation from the City related to your City Promissory Note(s) and/or any other loan, if any, which would be due for repayment. If you choose the option to sale through the BMR Program to another eligible buyer, you must follow Steps 2-5 below.

**Step 2: Notify the City**
If you choose to sell your home through the City’s BMR Program, submit the ‘Notice of Intent to Transfer’ form to the City at the address below, **at least 120 days prior** to your desired close of escrow (final date of sale).

**Step 3: Submit the Cost Reimbursement Agreement**
Upon receiving your Notice of Intent to Transfer, the City will send you the ‘Affordable Homeownership Program Cost Reimbursement Agreement’, which you must sign and submit to the City. The agreement helps the City recover third-party costs involved in marketing, screening and selecting a new eligible buyer(s) for your home. The reimbursable costs to market and identify a buyer for your home is $5,000 (for the 2020 Program Year). If the seller terminates the sales transaction prior to completion of the resale process, the seller will be responsible for any costs incurred up until that time. Once the agreement has been signed and submitted to the City, the City will refer you to Hello Housing who will facilitate the remaining portion of the sale.

**Step 4: Select a Real Estate Agent**
Next, select your real estate agent. Keep in mind that working with a real estate agent who is familiar with the City’s program can help facilitate the process. Upon request, Hello Housing will provide you with a list of agents who are familiar with our program, or you may select the agent of your choice. After you have signed a Listing Agreement with your agent, send a copy to Hello Housing. Real estate agent expenses is your responsibility as the seller and is not covered under the third-party reimbursable costs to the City.

**Step 5: Conduct the Required Inspections and Repairs**
Prior to listing your home for sale, you or your agent must contact Hello Housing to set up a time for the City or its designee to do a walk-through inspection of your home to ensure it is in good and marketable condition. The following inspection reports are required and must be submitted to Hello Housing for the City to review **prior** to listing your home for sale:

- Home Inspection Report
- Pest Inspection Report
- Agent Visual Inspection Disclosure (CA Association of Realtors Form AVID)
In the event repairs are noted, the City will deliver written notice to the seller specifying the repairs which need to be completed at the seller’s expense prior to marketing the home, entering into a sales contract with a new buyer, and in any event prior to close of escrow. **Be sure to read and follow the instructions outlined in the ‘Property Inspection and Repairs Policy’ which is attached to this packet.** If you have any questions or would like to submit your documentation, please contact:

City of Livermore Housing and Human Services Division  
Attention: Affordable Homeownership Program  
Phone: (925) 960-4580 (Housing Line)  
Email: housing@cityoflivermore.net  
1052 S. Livermore Avenue, Livermore, CA 94550
NOTICE OF INTENT TO TRANSFER
(Through the City’s of Livermore Affordable Homeownership Program)

To:  City of Livermore (“City”) 1052 S. Livermore Avenue, Livermore, CA 94550

From: ___________________________ [Insert name(s) of Owner] (“Owner(s) ”)

Property Address: ___________________________ (“Home”)

Date: ___________________________

Please be notified that the Owner(s) intends to transfer the property listed above through the City’s Affordable Homeownership Program. Owner is aware that it may take on average up to 120 days for the transaction to place. The owner will remain in compliance with the City’s Resale Restriction agreement, not move from the property, nor rent any portion of the home until the close of escrow. Owner also acknowledges that the Home will not be marketed through the Affordable Homeownership Program until the following items have been completed and submitted to the City:

1. Cost Reimbursement Agreement
2. Home Inspection Report
3. Pest Inspection Report
4. Agent Visual Inspection Disclosure (CAR Form AVID)

Owner further agrees to allow the City or its designee to inspect the Home within 30 days of this notice and that in the event any repair is noted, the Housing Division will deliver written notice to the Owner specifying the required repairs and requesting the repairs be completed as a condition of resale. The owner must complete the repairs at the owner’s cost prior to listing the Home for sale through the Affordable Homeownership Program.

Date: ___________________________

By: ___________________________    By: ___________________________

Name: ___________________________    Name: ___________________________

Owner          Owner

Submit to:
City of Livermore Housing and Human Services Division
Attention: Affordable Homeownership Program
Phone: (925) 960-4585 direct | Housing Line: (925) 960-4580
Email: housing@cityoflivermore.net
Mailing Address: 1052 S. Livermore Avenue, Livermore, CA 94550

Notice of Intent to Transfer
Rev. 12/19
AGREEMENT FOR AFFORDABLE HOMEOWNERSHIP PROGRAM
COST REIMBURSEMENT

THIS AGREEMENT is made and entered into this day of , 2019, by and between the City of Livermore, a municipal corporation (“City”), and (“Owner”).

RECITALS

A. There is currently a shortage of housing in the city of Livermore that is affordable to low income households, causing many low and moderate income households to be unable to purchase a home.

B. In order to further its plan to assist in the purchase of homes by low and moderate income households, the City has developed a secondary financing program designed to assist qualified purchasers to purchase single family homes while preventing unfair windfall profits to the purchasers (the “Affordable Homeownership Program”).

C. Owner purchased (“Property”) through the City’s Affordable Homeownership Program on and entered into a Resale Restriction Agreement with the City on .

D. Through the Resale Restriction Agreement, Owner agreed to certain restrictions on the use of the Property, including options on how Owner could sell the home.

E. Owner now desires to sell the Property through the City’s Affordable Homeownership Program.

F. City has entered into an agreement with Hello Housing to assist the City in the marketing of the Property to eligible potential homebuyers, screening of applicants, selection of a qualified homebuyer, preparing loan documents, reviewing first mortgage lender documents of a refinance, and facilitating home sale through the close of escrow.

G. In order to maintain the longevity of the Affordable Homeownership Program, City desires to recoup the costs involved in the sale of the Property, which provides a direct benefit to Owner.

AGREEMENT

NOW, THEREFORE, City and Owner hereby agree that the aforementioned recitals are true and correct and further agree as follows:

1. Owner purchased (the “Property”) on through the City’s Affordable Homeownership Program. Owner has requested City to assist with the sale of the Property through the Affordable Homeownership Program.
2. City has directed Hello Housing, on Owner’s behalf, to provide the service to Owner identified below and has paid Hello Housing to provide such services.

3. Certain costs are associated with the sale of the Property through the Affordable Homeownership Program, as follows:
   a. [ ] Cost associated with marketing the Property, the screening of applicants, the selection of a qualified homebuyer, preparation of loan documents, and coordinating with the realtor and escrow company on the resale of the Property through the Close of Escrow.
   b. [ ] Costs associated with revising the title on loan documents at an hourly rate of , in an amount not to exceed .
   c. [ ] Costs to subordinate to a refinanced first mortgage.

4. Owner acknowledges that Owner has received a direct benefit from the services provided by Hello Housing identified above and agrees to reimburse City for the costs it incurred related to this service. The total amount Owner agrees to reimburse City is $. Such amount shall be paid by Owner to City in full:
   a. [ ] From Owner’s proceeds at close of escrow on the Property which is payable upon an escrow demand to be submitted by the City as a condition of closing. If Owner terminates the transaction at any time prior to sale then Owner shall be responsible for the portion of the fee that is due for any prior services rendered.
   b. [ ] Owner shall pay to the City, a deposit equal to 50% of the total amount due prior to the start of the service. Upon completion of services and receipt of invoice from City Owner shall pay to the City the remaining balance due.

5. Owner understands that these services do not include preparation of the Purchase and Sale Agreement and other services of a licensed real estate agent which is the responsibility of the Owner to be contracted directly as part of the City’s resale procedure.

6. Owner shall defend, indemnify and hold City, its elected officials, officers, directors, employees, agents, and designated volunteers harmless from and against any and all loss, liability, damage, including but not limited to reasonable attorney, consultant and expert fees, and court costs arising out of or in connection with this Agreement, except for the gross negligence and willful misconduct of City, its elected officials, officers, directors, employees, agents, and designated volunteers.

7. This Agreement may be executed in counterpart by delivering a facsimile or secure electronic copy of the signed agreement to the other party, followed by delivery of the original documents bearing the original signatures. However, failure to deliver the original documents does not affect the enforceability of this Agreement.
In concurrence and witness whereof, and in recognition of the mutual consideration provided therefore, the parties have executed this Agreement, effective on the date first written above.

OWNER:       Dated:

____________________________  ___________________________
Name:                                                  

OWNER:       Dated:

____________________________  ___________________________
Name:                                                  

CITY OF LIVERMORE:    Dated:

____________________________  ____________________________
Marc Roberts            
City Manager             

APPROVED AS TO FORM:

___________________________  
Assistant/City Attorney
Property Inspection and Repairs Policy
(For BMR homes resold through the City of Livermore Affordable Homeownership Program)

This Property Inspection and Repair Policy (“Policy”) outlines the property inspection requirements and repair policies and obligations of a BMR owner/seller when selling their home. The purpose and interpretation of these policies and procedures is to ensure that new low and moderate income buyers of BMR homes are able to enjoy resale BMR homes as move-in ready.

Owners of Below Market Rate homes (BMR Homes) are required to maintain the quality of their homes and ensure that they are in good repair and clean condition upon resale to new eligible buyers. In addition, all appliances, finishes, and fixtures must be fully operable and free of deficiencies or damage. The home may not be sold as-is, and any damage by abnormal or excessive wear and tear or because of neglect, abuse, or insufficient maintenance, must be repaired as a condition of the resale, including components that are not damaged but have reached the end of their useful lives.

I. Property Inspection Requirements
To determine a home’s condition and identify needed repairs, all of the following property inspections and disclosure documents must be submitted as part of the Owner’s Notice of Intent to Transfer.

a. Home Inspection Report: The homeowner/seller must order, at their own cost, a home/property inspection report performed by certified home inspectors. The inspection should include, but is not limited to, roof, electrical system, wiring, heating and air conditioning, insulation, plumbing, window and door operation, and functional condition of appliances and finishes.

b. Pest Inspection: The owner/seller must order and pay for a pest inspection which involves an inspection for any evidence of termite activity and/or dry rot damage, or moisture conditions that could lead to an atmosphere for wood destroying organisms or termites.
If any issues are found, a pest inspection will identify those items as a Section One item, or a Section Two item. Section One items are issues “currently” active, in need of immediate repair, and will be considered required repairs in order to sell. Section Two items are not as urgent but still may be required to be repaired.

c. City Inspection: The owner/seller or their Realtor must contact the City to set-up a time for the City or its designee to conduct a walk-through inspection of the home. In the event repairs are noted, the City will deliver written notice to the owner specifying the repairs needed as a condition of sale. In general, the owner must complete the repairs at the owner’s cost prior to marketing of the property and in any case prior to the close of escrow.
d. **Agent Visual Inspection Disclosure (California Association of Realtors Form AVID):** The Owner’s listing agent must conduct a reasonably competent and diligent visual inspection of the home, and fill out the AVID form. Any material fact affecting the home’s value, desirability, and intended use shall be properly disclosed pursuant to California Civil Code 2079.

II. **Repair Policies and Procedures**

**Repair Policies**
The damage that must be repaired includes but is not limited to:

1) Violations under the City of Livermore Building Code (the “Code) either through visual inspection or notice from the City;
2) Pest and Roof damage identified in the required inspection reports, as described above;
3) Defects in electrical system, wiring, heating and air conditioning, insulation, plumbing, and functional condition of finishes;
4) Appearance of toxic substances (such as asbestos, lead, or mold);
5) Needed repair to appliances furnished to owner upon purchase of the property;
6) Holes and other defects in walls (including exterior walls if the repair responsibility is with the homeowner), ceilings, floors, doors, windows, screens, carpets, countertops and similar appurtenances; and,
7) Repairs needed, as determined by the City, to put the property into a marketable and clean condition, including without limitation, cleaning, painting and replacing flooring.

**Repair Procedures**
In the event any repair is noted, the City of Livermore Housing Division staff will deliver written notice to the owner/seller specifying the repairs and requiring the repairs be completed as a condition of resale. The owner must complete the repairs at the owner’s cost prior to listing the home for sale. In very limited cases, the Housing Division may permit the owner to commence the resale process while completing the documented repairs, but all work must be completed to the satisfaction of the Housing Division before closing escrow. The City or its designee will inspect the home to assess the repairs or view the progress of work.
Home Inspection and Cleaning Checklist

This checklist addresses the basic cleaning and compliance items that will be assessed as part of the inspection process. Homeowners should use this checklist to review the conditions of their homes prior to formal inspections of the property. The following checklist is meant to be used as a tool only and may not be all-inclusive.

☐ Complete Your Own Walk-Through
   Take note of damage or cleaning issues that that could potentially raise questions. Also, check smoke and carbon monoxide detectors to ensure they are working properly.

☐ Perform Minor Repairs
   Prior to the home inspection, complete minor repairs that you are capable of doing yourself. Patch holes in the wall, replace cracked floor tiles, test all light fixtures, replace any dead lightbulbs, broken or lose door handles, and fixture coverings.

☐ Check Appliances
   Homes must be sold with the same functioning appliances as when originally purchased, but the appliances need not be the same at the time of purchase. Run all of those appliances to make sure everything works as it should. If you decide to repair or replace anything, do so before the home inspection.

☐ Gather Receipts and Warranties
   Another important item on your home inspection checklist is to gather all necessary paperwork. Assemble a folder of warranty and maintenance information. Include receipts you have filed away to prove the age of fixtures and appliances. For example, the City may need to know when you last had your carpet cleaned or replaced to determine any replacement or cleaning that is needed.

☐ Inspect Toilets and Plumbing
   Make sure to check out your plumbing system before your inspection. Many times, running toilets may simply be the result of a bad seal. This small repair can be corrected by purchasing a new flapper prior to the inspector’s visit.

☐ Check for Mold and Mildew
   Mold is a health issue for homebuyers. Even the minor appearance of mold will need to be fixed prior to selling your home. Make sure bathrooms are caulked, and then check for signs of mold and mildew in damp areas of the home, such as bathrooms.

☐ Change Air-Conditioning and Heater Filters
   A clogged HVAC filter can significantly alter your heater or air conditioner’s performance. Ensure that you change the filters before the inspector tests your system.
☐ Cleaning
Make sure you thoroughly clean the entire home including but not limited to:

Surfaces: Throughout the home, thoroughly clean the surfaces of all walls, doors, door framing, trim and baseboards.

Flooring: Clean flooring and grout tile (if applicable), vacuum and steam clean the carpeting throughout the home. Treat stains with an appropriate product. If stains cannot be satisfactorily removed or if the condition is worn beyond sellable condition, the carpet will need to be replaced.

Windows: Clean all windows, window coverings and windowsills, including the interior areas revealed when windows are opened. Remove appearance of stains or rust on the window framing. Remove films or stickers. Cracked windows are not acceptable.

Kitchen and Bathroom: Clean all appliances inside and out. Clean out interiors and surfaces of all kitchen and bathroom cabinetry and drawers, as well as hardware and towel bars. Clean all sinks, bathtubs, showers and toilets. All hardware should be secure.

Backyard/Outdoor Patio: Sweep up leaves; get rid of clutter; remove pet waste and make sure area is clean.

Roof: Clean gutters and remove debris.

If you are unable to thoroughly clean the entire home to an open house showing standard, you should hire a cleaning service to have it professionally cleaned.