



A REGIONAL COALITION FOR HOUSING

TOGETHER CENTER CAMPUS
16305 NE 87TH ST, SUITE 119
REDMOND, WA 98052
425-861-3677

9/16/2024

Dear Peggy,

ARCH, on behalf of King County, has received your notice of intent to sell. ARCH staff looks forward to assisting you in this transaction. The Covenant Restricting Resale and Option to Purchase, which you signed at closing, has specific criteria that must be followed when selling your home. Thank you for your part in ensuring that your home continues to provide an ownership opportunity for low-moderate income buyers in our region.

Resale Price: Pursuant to the Covenant Restricting Resale and Option to Purchase, the maximum resale price has been established as **\$654,821** or market value, whichever is lower (*please see additional notes regarding pricing under the "Income" section on page 3*). An appreciation index was used to determine this price. Please note that this is the maximum price but often the price has to be reduced to sell to the next income qualified buyer.

- **The seller must pay buyer/seller real estate agent commissions. Additionally, seller must pay all seller closing costs including excise tax, owner's title insurance, a portion of escrow fees, and any miscellaneous costs associated with unpaid balances on utility, homeowner's association, or other items.**
- **The buyer is not allowed to pay sellers closing costs, agent fees or any other financial incentives as part of their offer.**
- **Per ARCH covenant, no rent backs can be included as part of the buyers offer or included in the purchase and sale agreement.**

ARCH Administrative Resale Fee: ARCH collects an administrative fee from sellers that is equal to 1% of your resale price. ARCH will instruct escrow to collect this fee at closing.

Marketing of Your Home: Send ARCH a link to the listing of your home so that we can assist in your marketing efforts. We will help market your home to an eligible buyer by posting information on our website and sending a notice to our mailing list. You are encouraged to do your own marketing, such as hiring a real estate agent. Please make sure that your listing clearly communicates ARCH covenant restrictions by including language similar to the following: "ARCH covenant restrictions apply. If interested in this home, please review Summary Provisions of the ARCH Covenant attached." You are also encouraged to include a link to the ARCH website (www.archhousing.org) for general questions and details.

ARCH MEMBERS

BEAUX ARTS VILLAGE ♦ BELLEVUE ♦ BOTHELL ♦ CLYDE HILL ♦ HUNTS
POINT ♦ ISSAQUAH ♦ KENMORE ♦ KIRKLAND ♦ MEDINA ♦ MERCER
ISLAND ♦ NEWCASTLE ♦ REDMOND ♦ SAMMAMISH ♦ WOODINVILLE ♦ YARROW
POINT ♦ KING COUNTY

In the PSA addendum, please include language similar to the following: “This PSA is subject to the review and approval of buyer eligibility and condition of the home by A Regional Coalition for Housing (ARCH). If ARCH does not approve this sale, then the buyer will have no right to purchase the property, the seller will have no obligation to sell the property to the buyer, and the PSA will terminate. The buyer will be entitled to a return of its earnest money as its sole and exclusive remedy. ARCH will be paid an administrative fee equal to 1% of the purchase price out of sellers proceeds.”

Buyer Cannot Waive Inspection: All purchase offers must include an inspection contingency, and a licensed inspector must complete a home inspection. A copy of the inspection report and a copy of the inspection response form (35R) must be provided to ARCH staff prior to closing. ARCH will review the 35R and confirm with the seller and buyer that any deferred maintenance is addressed by the seller before the close of escrow, as required in the covenant. This includes:

- Plumbing, electrical, and heating systems are in working order;
- Any violations of applicable building, plumbing, electric, fire, or housing codes are corrected;
- All appliances originally furnished as part of the Property (or replacements) are in working order;
- Walls, ceilings and floors are clear and free of holes or other defects (except for holes typical for picture hangers);
- Doors, windows, screens and similar appurtenances are not cracked, broken or torn;
- Carpets, drapes, and similar features originally furnished as part of the Property (or replacements) are clean and free of holes, tears or defects; and
- Landscaping has generally been maintained (when not maintained by the homeowners' association)

Listing Information: You must notify potential buyers that this is an ARCH home with occupancy requirements, resale restrictions and other criteria. A summary copy of the key covenant provisions is attached and should be provided to all potential buyers for review. Additionally, buyers must meet the following eligibility guidelines to be approved by ARCH for purchase.

Buyer Eligibility:

Income: During the first 60 days from your initial list date, the County/City restricts the sale of your house to qualified households.

A qualified household must have an annual gross household income of less than

| | |
|-----------------|------------------|
| 2-People | \$117,920 |
| 3-People | \$132,660 |
| 4-People | \$147,400 |

**Based on ARCH staff analysis, a qualified household can afford your home, meaning they will not pay more than 30% of their income, if it is priced at or below \$510,000. If your maximum resale price is significantly higher, ARCH staff recommends you list your home at a reasonable price that is affordable to the intended target populations.*

ARCH uses a method of calculating income that is based on projected income for the current year to determine eligibility.

Household Size: household at the time of purchase must contain a minimum number of persons established for that unit size, one person for a studio, 1-bedroom or 2-bedroom unit; a minimum of two members for a 3-bedroom unit; and a minimum of three members for a 4-bedroom unit.

Liquid Assets: in the case where a potential buyer has liquid assets in excess of \$75,000, 10% of the balance will applied towards their annual income, unless these funds are being used towards the purchase of the home.

No ownership of Another Home: A qualified household must not own another home. If a potential buyer owns another home, they must sell that home prior to the ARCH home closing. ARCH will not release final closing documents until this sale is verified. The proceeds from the home sale will be counted as a liquid asset when verifying income eligibility.

No All Cash Offers: Buyers cannot pay for the ARCH home wholly in cash. A qualified buyer must finance their ARCH home. ARCH requires buyers to submit their loan application for verification purposes.

Completion of Homebuyer Education: All buyers will be required to complete a homebuyer education course prior to the home closing. Here is a link (which includes an online option) <http://www.wshfc.org/buyers/education.htm>

After you have a signed Purchase and Sale Agreement (PSA):

1. Send a complete copy of the PSA to ARCH staff at homeownership@bellevuewa.gov
2. ARCH staff will follow up with the buyer and send them a link to complete the ARCH application and upload their documentation to complete the review process.
3. ARCH will review the buyer for eligibility. Qualifying a buyer for purchase takes time. ARCH staff is committed to a review period of 3-5 business days once all eligibility documents are received. ARCH staff cannot accommodate rushed or same day eligibility review.
4. If an applicant is determined eligible for purchase, ARCH staff will send out an approval letter to all parties. If an applicant is not eligible, ARCH staff will notify all parties and seller can begin seeking another potential buyer.
5. Sellers are obligated to address repairs and deferred maintenance issues prior to selling your home. As outlined in Section 4.2.3a of the Covenant, ARCH has a right to inspect your home. In lieu of an ARCH staff member inspecting your home we now require a certified home inspection report. See “Buyers Cannot Waive Inspection” section above regarding ARCH's policies on home inspection and deferred maintenance. ARCH staff will review the inspection response form (35R) to verify these items are being addressed.
6. ARCH will provide closing documents to the escrow company at the time of closing.

Please call us at (425) 861-3677 or email at homeownership@bellevuewa.gov should you have any questions regarding the resale process.

Sincerely,

ARCH Staff