

# Rowe Condominium Qualification and Summary of Restrictions

## Qualification

### **Do I qualify to purchase a Rowe Condo?**

You are eligible to purchase a unit in the Rowe condominium if:

- Your gross household income is at or below 120% of the area median income, adjusted for household size (see table below);
- Your household has the ability to deposit \$2,500 as nonrefundable earnest money when contract is accepted;
- Your household's non-retirement cash assets do not exceed \$100,000 at time of purchase (see below for more information on asset limits);
- Your household does not own any other residential real estate at time of purchase; and
- Your household intends to live in the home as your primary residence.

### **Income limit by household size:**

% area median income	Household of 1	Household of 2	Household of 3
120	\$68,640	\$78,360	\$88,200

### **What assets count toward the asset cap?**

Assets to be considered include:

- Cash savings, including but not limited to bank accounts, credit union accounts, certificates of deposit, and money market funds;
- Marketable securities, stocks, bonds, and other forms of capital investment;
- Inheritance and insurance payments received in the past five years;
- Settlements for personal or property damage received in the previous five years; and
- Similar information at NMCDC's request.

The following assets are not included in the asset calculation:

- Ordinary household effects including furniture, fixtures, and personal property that is not readily convertible into cash;
- IRAs, pensions, investment accounts, etc. that would require a penalty for early withdrawal;
- Automobiles used for personal use;
- Balances in specifically designated retirement funds and college savings accounts; and
- Securities, stocks, bonds, and other forms of capital held in a tax-deferred retirement plan recognized by the Federal Internal Revenue Service.

## **Summary of Restrictions**

In exchange for the right to purchase a Rowe unit at a price that is substantially below its fair market value, at the time of purchase, each purchaser will be bound by a "Use Agreement" entered into between the developer and the City of Missoula. The City has designated NMCDC as the project steward to administer the affordability restrictions and other restrictions contained in the Use Agreement.

The following is a summary of some of the key restrictions contained in the Use Agreement. However, reference should be made to the Use Agreement itself for complete information. Purchasers will be expected to have read the Use Agreement and may be required to execute a separate acknowledgement and agreement containing the restrictions in the Use Agreement.

### **Occupancy:**

- Owners may not list the home for any amount of time as a short-term rental on sites like AirBnb or VRBO.
- The Rowe units are intended to be owner-occupied, primary residences. Owners must occupy the unit for at least 10 months per year.
- Owners may lease their units temporarily with approval of the NMCDC where good cause is shown. Good cause includes leaving town to care for a family member, military leave, and similar circumstances. The monthly rental amount may not exceed 110% of HUD fair market rent.
- Owners must keep their units in good condition. The NMCDC may conduct a home inspection on an annual basis (and more frequently where there are suspected violations of the Use Agreement).

### **Resale Price and Capital Improvements:**

- Rowe units may only be re-sold to "Qualified Purchasers" - i.e., households meeting the qualification criteria described above who are qualified by NMCDC.
- At the time of resale, the NMCDC will calculate a Maximum Resale Price. The maximum resale price is equal to the original purchase price plus 1.5% of appreciation per year of homeownership.
- Large capital improvement projects may be factored into the Maximum Resale Price but need to be pre-approved in advance by NMCDC. Generally, improvements made to the unit will be considered normal maintenance and cannot be factored into the Maximum Resale Price.

### **Notice to sell and buyer selection:**

- When an owner intends to sell their unit, they must give the NMCDC written notice of their intent to sell.

- Owners can indicate a specific buyer or, if the owner does not have a buyer in mind, the NMCDC will help the owner market the home to a list of pre-qualified buyers and/or conduct a lottery for the sale. In any event, the unit must be sold to a Qualified Purchaser.

**Fee schedule:**

A monthly stewardship fee and a resale fee applies. A fee schedule will be provided by the NMCDC outlining current fees. These fees may be updated from time to time.

**Remedies and Other Restrictions:**

The City and the NMCDC have substantial remedies if an owner leases or rents their unit in violation of the Use Agreement, sells their unit to a person who is not a Qualified Purchaser, or otherwise violates the Use Agreement. Prospective purchasers will be expected to review the Use Agreement in its entirety and consult their legal counsel and the NMCDC with any questions.