# 2010
# CITY OF LONGMONT
# HOUSING INCENTIVE PROGRAM
**(A.K.A. Fee Reduction Program)**

# APPLICATION AND GUIDELINES
# FOR
# FOR SALE (OWNER) PROJECTS

**CITY OF LONGMONT**
**HOUSING INCENTIVE PROGRAM**
**(a.k.a. FEE REDUCTION PROGRAM)**

**APPLICTION AND GUIDELINES**
**For Sale (Owner) Projects**

## Background

Whether in a tight housing market or a fairly loose market, low and moderate income households have a hard time finding housing to rent and own within the City that is affordable to them. The lower income and special populations (elderly, disabled, single parent, etc.) have the most difficult time finding suitable housing and often pay a much higher percentage of their income for housing. Large families are especially hard hit when looking for three and four bedroom housing units at affordable levels even though Longmont has the lowest cost housing of most cities in Boulder County. While the housing market has loosened somewhat over the past few years, homes are still predominantly affordable to those households in the upper income ranges.

One approach to address this problem is to provide incentives for the private sector, both profit-oriented and non-profit, to undertake affordable housing projects in Longmont. Reducing development fees is one strategy to encourage the private sector to build this type of housing and is often used to offset the cost of providing affordable housing under the city's Inclusionary Zoning Program. Since 1992, the Longmont City Council has provided fee waivers or fee reductions to developers interested in building lower-cost rental housing. In 1995, the Council expanded its program to include fee reductions for developers of "for sale" or owner housing. This includes both single family detached and attached housing.

## Approval and Implementation Process

A developer wishing to have a project considered for the Housing Incentive Program fee reductions should complete the application forms in Attachment A and submit them to the Community Development Block Grant (CDBG) Office **prior to requesting a Building Permit**. The CDBG Office will review the project against the applicable criteria (Attachment B) and determine the level of fee reduction. Upon satisfaction of these requirements and approval by the Director of Economic Development, the fee reduction will be granted and processed along with the building permit application. This process will take a minimum of one business week. All appeals to the amount of the fee reduction approved may be made to the City Manager in writing within 10 days of the fee reduction approval.

If a developer would like a fee reduction in excess of the maximum of 75%, a written request must be submitted to the CDBG Coordinator for approval by City Council. The Council may approve the additional fee reduction if the developer shows that the project has met the criteria for the maximum number of points for fee reductions, that a documented need exists for the type of housing being proposed, and adequate financial information is provided that shows the project is economically unfeasible without the additional fee reduction.
Developments that provide more than the minimum required number of affordable housing units

AND for a longer period of affordability (according to Criteria set forth in the "Incentive Program," see Attachment G) may be eligible to have water and sewer system development and Windy Gap surcharge fees subsidized, in addition to the other fees approved for reduction. This additional subsidy is subject to the availability of funds to subsidize these fees. If funds are not available, these additional fees will not be subsidized, even if a development would otherwise be eligible for them.

After the fee reduction is approved, the affordable unit must be sold to a household that meets the city's income criteria and for a sales price that meets the city's Affordable Housing Criteria. All purchasing households must be income qualified and certified through the Community Housing Program administered by the City's CDBG Office or the sale will be considered invalid and in violation of the Program requirements.

> **The Developer will enter into a Sales Contract with a Home Buyer holding a valid Certificate of Eligibility issued by the city and will submit to the city a copy of the Sales Contract. A copy of the final Settlement Statement is required to be submitted to the City after the closing to confirm that the home receiving the fee reduction or subsidy is sold at the price stated in the Agreement. The Developer and the eligible homebuyers must also sign at closing the Agreement Regarding Affordable Owner-Occupied Housing (Attachment D). The homebuyer will sign the Affordable Housing Restrictive Covenant and Agreement (Attachment E) and $10 Deed of Trust (Attachment F) guaranteeing the affordability of the housing unit for at least 10 years. The closing agency will record both Agreements and deed as liens against the property with the Boulder County Clerk and Recorder's Office.**

City staff will monitor the project for compliance with the Housing Incentive Program guidelines and will submit a report to City Council regarding the results of the program.

## Project Selection Criteria for Housing Incentive Program

The following criteria is used to measure the benefit of projects that address low and moderate income housing needs. The categories provide specific points for projects meeting the objectives of the program. Under these criteria, there are minimum points needed to qualify for the fee reductions offered by the Housing Incentive Program. The individual ranking sheets for owner housing projects are attached (Attachment B) for illustration purposes only.

## Project Selection Criteria

1. **Income targeting** – This category establishes who would benefit from the project. To qualify for the minimum 50% development fee reduction, the housing unit must be sold for a price that is affordable to households with incomes at or below 80% of the current Area Median Income by family size for Boulder County as determined by the U.S. Department of Housing and Urban Development (HUD) in their Section 8 income limits. These income ranges are converted to sales prices based on the type of unit and the number of bedrooms according to the Sales Price Schedule (Attachment C). Additional points are given to units priced affordable to lower income households.

2. **Affordability Period** – The City requires that the unit be kept affordable for a period of at least 10 years. This shall be achieved through a Deed Restriction placed on the property. Additional points are given to units that will be affordable for a longer period.

3. **Special Needs Populations** – A significant number of households have special housing needs. Developments that include units designed to meet the needs of some of these population groups, including, but not limited to the following: large families (needing 4 or more bedrooms), elderly, physically disabled, families currently in transitional or farmworker housing and/or graduates of a Project Self-Sufficiency program will receive a higher score.

4. **Project Characteristics** – A significant factor in determining the affordability of housing is utility costs. Innovative construction features that lower the total cost of housing for low income consumers is worth incentive points. Units demonstrating additional savings (innovative site planning, low water supply equipment, quality low cost manufactured construction, building to meet Green building standards, etc.) can qualify for additional points. Units which include additional amenities such as those outlined in the Longmont Municipal Code (see Attachment B) or other as determined by this process may qualify for additional points.

## Further Information

To summarize the basic features of the For Sale (Owner) Housing Incentive Program:

1. An owner occupied housing unit that will be sold at a price that is affordable to households at or below 80% of the area median income by family size, according to the attached price schedule (Attachment C) and that will be kept affordable for a period of at least 10 years, is eligible to apply for a 50% fee reduction before applying for a building permit.

2. If additional factors are met, additional fees may be reduced or subsidized according to specific criteria and subject to the availability of funds for the subsidy.

3. The developer must sign a certification at the time of application that the unit will be sold at a specific price (see the last page of Application, Attachment A).

4. The developer must submit a copy of the Sales Contract before the Certificate of Occupancy will be issued and a copy of the final Settlement Statement after closing or the full amount of the development fees will be due and payable.

5. The developer must have the Homebuyer sign the "Agreement Regarding Affordable Owner-Occupied Housing" and the "Affordable Housing Restrictive Covenant and Agreement", guaranteeing that the unit will be kept affordable for the period of affordability submitted in the application and submit the original signed and recorded Agreements to the CDBG Office.

6. The program will be coordinated by the CDBG Office and the Community Development Director and appeals will be directed to the City Manager.

7. Return all completed applications to:

**Molly McElroy**
**Housing Programs Specialist**
**Affordable Housing Office**
**Civic Center Complex**
**350 Kimbark Street**
**Longmont, CO 80501**

**(303) 651-8530 (phone)**
**(303) 651-8599 (fax)**
**molly.mcelroy@ci.longmont.co.us**

Questions concerning the application, ranking information and affordability requirements should be directed to Molly.

Questions concerning the Unit Characteristics criteria, physical and/or design elements of the project, zoning, building inspection or development fee information should be directed to the appropriate City divisions.

# ATTACHMENT A

## For Sale (Owner) Housing Incentive Program Application

**CITY OF LONGMONT**
**APPLICATION FOR HOUSING INCENTIVE PROGRAM**
**FOR SALE (OWNER) HOUSING**

## I. GENERAL INFORMATION

Name of Developers/Owners _____ Phone _____

Mailing Address _____

Selling Agent's Name _____ Phone _____
(if different than Developer)

Mailing Address _____

The Ownership is ____ Non-Corporate _____ Corporate Entity ____ Non-Profit

Registered Name of Business _____

Address and full legal description of Housing Unit to receive Fee Reduction (attach legal description, if necessary)_____

_____

## II. PROPERTY CHARACTERISTICS

Type of Construction _____ (Frame, Brick, Stucco)

Type of Unit: _____ Detached home _____ Condominium _____ Townhome

| Number of BR | Price of unit | Estimated Utility Cost monthly/annual (circle one) | HOA Fee monthly/annual |
|---|---|---|---|
| _____ | $_____ | $_____ | $_____ |

Number of years unit to be kept affordable: _____

Innovative energy efficient or conservation measure(s). Please elaborate:
(Use an additional page, if needed)

_____

_____

## III. HOUSEHOLD CHARACTERISTICS

| | | |
|---|---|---|
| Is this unit for a large family (4 or more bedrooms)? | _____ Yes | _____ No |
| Is this unit for an elderly family (head of household is 62 or older)? | _____ Yes | _____ No |
| Is this unit fully handicapped accessible? | _____ Yes | _____ No |
| Will this unit be sold to a family that is: | | |
| From transitional housing? | _____ Yes | _____ No |
| From farmworker housing? | _____ Yes | _____ No |
| From Project Self-Sufficiency? | _____ Yes | _____ No |

## VI. LOW AND MODERATE INCOME BENEFIT

Using Attachment C, Sales Price chart, check on the appropriate line the income group the unit will be priced affordable to:

_____ Priced affordable to households at or below 80% of median
_____ Priced affordable to households between 70% and 75% of median
_____ Priced affordable to households between 60% and 69% of median
_____ Priced affordable to households between 50% and 59% of median
_____ Priced affordable to households between 40% and 49% of median

The applicant states that the information given is true, correct and complete to the best of his/her knowledge. Any incorrect information may mean automatic disqualification for assistance under this program.

Owner Name: _____

Authorized Representative: _____

Date: _____

Received By: _____

Date Received: _____

**CITY OF LONGMONT**
**AFFORDABLE HOUSING INCENTIVE FEE REDUCTION CERTIFICATION**

This certifies that the information submitted to the City of Longmont in application for Housing Incentive Program fee reduction consideration is accurate and true in all aspects.

It is further certified that the unit construction for which this fee reduction is being applied will start (defined as a building permit issued and a notice to proceed issued) within 6 months of the signing of this form. The applicant also understands that the applicant is responsible for providing proof that the actual sales price of the housing is as represented in the application and that the "Agreement Regarding Affordable Owner-Occupied Housing" and the "Affordable Housing Restrictive Covenants and Agreement" will be signed by the Homebuyer and the original, recorded Agreement returned to the City.

It is understood and hereby agreed upon that any failure to comply with the certifications herein attested to may result in the immediate revocation of development fees reduced or subsidized which shall become due and payable in full at such time as the City shall warrant. Further legal remedy may also be pursued as determined by the City.

_____
Developer

_____
Date Signed

_____
Unit Address

RECEIVED AND FEE REDUCTION/SUBSIDY GRANTED:

_____ _____
Economic Development Director Date

_____ _____
City Manager (Appeal) Date

# ATTACHMENT B

## For Sale (Owner) Housing Incentive Program
## Ranking Sheet

**CITY OF LONGMONT**
**HOUSING INCENTIVE PROGRAM**

**FOR SALE (OWNER) HOUSING**

***(Illustration Purposes Only – Do Not Fill out or Return)***

**Name of Development** _____

**Name of Developer(s)/Owner(s)**

_____

**Address of Unit Applying for Fee Reduction** _____

Type of Home: _____

Number of Bedrooms: _____

**1. Minimum Fee Reduction**

A proposal will receive a 50% fee reduction when the following criteria are met:

a. Each unit must be sold to an owner occupant at a price that is affordable to a person or family whose income is at or below 80% of the area median income according to the following:

| Unit Size | Detached Unit | Attached-Townhome | Attached Condo |
|---|---|---|---|
| 1 Bedroom | $151,034 | $125,471 | $100,376 |
| 2 Bedroom | $161,092 | $132,689 | $106,151 |
| 3 Bedroom | $171,178 | $142,180 | $113,744 |
| 4 Bedroom | $181,264 | $150,571 | $120,456 |

b. The home buyer must commit to a minimum 10 year affordable use period. An Agreement will be executed and recorded as a lien against the property. For each year that the home buyer remains in the home a prorated percentage of the amount of the fee reduction is forgiven.

Period of Affordability: _____

**Minimum Fee Reduction Criteria Met?** _____ **Yes** _____ **No**

## 2. Additional Fee Reduction or Subsidy

If a unit has special design features or meets the following other criteria, the percentage of fees reduced may be increased and/or additional development fees may be reduced or subsidized.

**a. Additional Affordable Units – If a development will be making 20% or more of its total units affordable to households with incomes at 80% of the AMI for a period of at least 15 years, the following additional points will be awarded:**

| | |
|---|---|
| 20% | (5 points) _____ |
| 21% - 25% | (7 points) _____ |
| 26% - 30% | (10 points) _____ |
| 31% - 35% | (12 points) _____ |
| 36% – 40% | (15 points) _____ |

**b. Income Targeting – to qualify for an <u>additional</u> fee reduction, the project must be affordable (meet the city's Sale Price Maximums in effect at the time) to the proposed categories of lower income households.**

i. A proposal would receive an additional 5 points for units which would be kept affordable for a minimum of 15 years <u>and</u> sold to owner occupants at a price that is affordable to those whose income is between **70% and 75%** of area median income:

| Unit Size | Detached Unit | Attached Townhome | Attached Condo |
|---|---|---|---|
| 1 Bedroom | $133,992 – $142,513 | $105,276 - $115,374 | $84,221 – $92,299 |
| 2 Bedroom | $142,890 - $151,991 | $112,254 - $122,472 | $89,803 – $97,977 |
| 3 Bedroom | $151,846 - $161,512 | $119,297 - $130,739 | $95,438 – $104,591 |
| 4 Bedroom | $160,802 - $171,033 | $126,340 - $138,456 | $101,072 – $110,764 |

(5 points) _____

ii. A proposal would receive additional points, as indicated, for <u>each</u> of the following criteria:

**Affordable to 60% to 69%**

| Unit Size | Detached Unit | Attached Townhome | Attached Condo |
|---|---|---|---|
| 1 Bedroom | $116,949 - $133,000 | $81,930 - $105,000 | $65,544 - $84,000 |
| 2 Bedroom | $124,688 - $142,000 | $87,386 - $112,000 | $69,909 - $89,000 |
| 3 Bedroom | $132,514 - $151,000 | $92,864 - $119,000 | $74,291 - $95,000 |
| 4 Bedroom | $140,339 - $160,000 | $98,342 - $126,000 | $78,673- $101,000 |

(2 points) _____

**Affordable to 50% to 59%**

| Unit Size | Detached Unit | Attached Townhome | Attached Condo |
|---|---|---|---|
| 1 Bedroom | $93,606 - $116,000 | $70,257- $81,000 | $56,205 - $65,000 |
| 2 Bedroom | $99,820 - $124,000 | $74,951- $87,000 | $59,962 - $69,909 |
| 3 Bedroom | $106,080 - $132,000 | $79,647- $92,000 | $63,718 - $74,000 |
| 4 Bedroom | $112,341- $140,000 | $84,343- $98,000 | $67,474 - $78,000 |

(4 points) _____

**Affordable to 40% to 49%**

| Unit Size | Detached Unit | Attached Townhome | Attached Condo |
|---|---|---|---|
| 1 Bedroom | Below $93,000 | Below $70,000 | Below $56,000 |
| 2 Bedroom | Below $99,000 | Below $74,000 | Below $59,000 |
| 3 Bedroom | Below 106,000 | Below $79,000 | Below $63,000 |
| 4 Bedroom | Below $112,000 | Below $84,000 | Below $67,000 |

(6 points) _____

| | |
|---|---|
| 15 years (NA if 2.a. or 2.b.i. is used) | (2 points) _____ |
| 20 years | (4 points) _____ |
| 30 years | (6 points) _____ |
| 40 years | (8 points) _____ |
| 50 years | (10 points) _____ |
| Permanent Affordability | (15 points) _____ |

**3.** **<u>Population with special needs</u> – Projects that provide units for homebuyers with special needs may receive additional points. This includes large families (4+ bedrooms), elderly, families in transitional housing, agricultural workers, physically disabled, etc.**

| | | | |
|---|---|---|---|
| a. | Unit for large families (4+ bedrooms) | (5 points) | _____ |
| b. | Unit for elderly households (head of household is 62+ years of age) | (5 points) | _____ |
| b. | Fully handicapped accessible unit | (5 points) | _____ |
| c. | Unit sold to a person or family currently in transitional or migrant farmworker housing (i.e. INN Between or Casa de la Esperanza) or who is a graduate of Project Self-Sufficiency | (5 points) | _____ |

4. <u>Project Characteristics</u> - A significant factor in determining affordable housing is utility cost. Innovative construction features that lower the total cost of housing for low income consumers is worth incentive points. Projects demonstrating additional savings (innovate site planning, low water supply equipment, quality low cost modular construction, innovative energy conservation features, etc.) can qualify for 2 additional points. (This factor is to be determined and approved by the Community Development Director.)

| <u>Points</u> | |
|---|---|
| 2 | Energy Conservation |
| 2 | Increased Amenities |

Points _____

**TOTAL POINTS _____**

---

**For the Development as a Whole:**

Minimum Number of Affordable Units Required (10%): _____

Total Number of Affordable Units being provided: _____

How long will units be affordable? _____ years

Is the development providing more than the minimum number of required affordable housing units <u>and</u> for a longer period of affordability according to the Incentive Program Criteria?

_____ Yes _____ No

**<u>In summary</u>, a housing unit that is sold to owner occupants at a price that is affordable to a person or a family whose income is at or below 80% of the area median income and the owner occupant agrees to keep the house affordable for at least 10 years, will qualify for a 50% reduction in the eligible development fees. In addition, a housing unit could qualify for a greater fee reduction or additional eligible fees could be reduced or subsidized if other criteria are met. The additional fee reduction will be awarded according to the following structure:**

1) 5-9 points = 10% additional reduction in City development fees.
2) 10-14 points = 15% additional reduction in City development fees.
3) 15-19 points = 20% additional reduction in City development fees.
4) 20+ points = 25% additional reduction in City development fees.

The housing unit located at _____ is eligible for a _____% Fee Reduction.

The housing unit located at _____ is eligible for a _____% Subsidy of Water/Sewer System Development Fees.

---

Completed by: _____
Housing Program Specialist
Date: _____

Approved _____ Disapproved _____

Reviewed by _____
CDBG Coordinator

Date: _____

Approved _____ Disapproved _____

Reviewed by _____
Economic Development Director

Date: _____

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**If additional fee reduction was requested:**

Approved _____ Disapproved _____ by City Council on _____

**CITY OF LONGMONT**
**CALCULATION OF RESIDENTIAL DEVELOPMENT FEE REDUCTIONS**

Name of Development: _____

Unit Address: _____

STEP 1: Approved Level of Fee Reduction:

Basic Application = 50% reduction in City Development Fees: _____

Additional Points approved under the single family criteria: _____

Fee Adjustment Schedule:

| | |
|---|---|
| 5-9 | points = 60% reduction in City Development Fees |
| 10-14 | points = 65% reduction in City Development Fees |
| 15-19 | points = 70% reduction in City Development Fees |
| 20+ | points = 75% reduction in City Development Fees |

**Approved Fee Reduction Percentage: _____**

STEP 2: Amount of City Fees from Project:

| | City Development Fees [1] | Fee Requirement | $ **Reduction** | Net Amount Due |
|---|---|---|---|---|
| 1. | Plan Review Fee | $ _____ | $_____ | $ _____ |
| 2. | Building Permits | $ _____ | $_____ | $ _____ |
| 3. | Electrical Connection | $ _____ | $_____ | $ _____ |
| 4. | Poly Cart Escrow Fee | $ _____ | $_____ | $ _____ |
| 5. | Parks Improvement Fee | $ _____ | $_____ | $ _____ |
| 6. | Storm Drain. System Cap.Imp. | $ _____ | $_____ | $ _____ |
| 7. | Street Improvement Fee | $ _____ | $_____ | $ _____ |
| 8. | Transportation Com. Inv. Fee | $ _____ | $_____ | $ _____ |
| 9. | Public Bldgs. Com. Inv. Fee | $ _____ | $_____ | $ _____ |
| 10. | Water Meter Installation Fee | $ _____ | $_____ | $ _____ |
| 11. | Water Pit Inspection Fee [2] | $ _____ | $_____ | $ _____ |
| 12. | Water Construction Fee | $ _____ | $_____ | $ _____ |
| 13. | Tapping Materials Fee | $ _____ | $_____ | $ _____ |
| 14. | Sewer Inspection Fee | $ _____ | $_____ | $ _____ |
| 15. | Sprinkler Inspection Fee [2] | $ _____ | $_____ | $ _____ |
| 16. | City Sales Tax | $ _____ | $_____ | $ _____ |
| | **TOTAL** | **$_____** | **$_____** | **$_____** |

| | | | | |
|---|---|---|---|---|
| 17. | Irrigation Tap Fee | $ _____ | $_____ | $ _____ |
| 18. | Sewer System Develop. Fee | $ _____ | $_____ | $ _____ |
| 19. | Water System Develop. Fee | $ _____ | $_____ | $ _____ |
| 20. | Windy Gap Surcharge | $ _____ | $_____ | $ _____ |
| | **TOTAL** | **$ _____** | **$_____** | **$ _____** |

1 – Only the following fees are eligible to be reduced
2 – Apply to multi-family units only

**Date approved: _____**

**Date Fees assessed (B.I.): _____**

# AMENITIES THAT MAY QUALIFY FOR ADDITIONAL POINTS

## Amenity or Public Improvement in Excess of What is Required by Longmont Municipal Code 15.03.060

- 5% additional land dedicated, improved, and developed for pedestrian trails or bikeways
- 10% additional common open space and/or landscaped area or 25% additional plant materials
- Proper solar orientation
- Active or passive solar design
- 50% additional accessible parking spaces for the physically disabled in a non-residential or multi-family development
- 25% additional streetscape landscaping or additional investment in streetscape amenities (lighting, furniture, etc.)
- 25% additional landscaping used instead of fences for perimeter screening, privacy, or buffering purposes
- Joint use (shared) parking in mixed-use PUDs
- Constructing pedestrian overpass/underpass
- Parking structure or underground parking
- Public or common open space improved for active recreation purposes (e.g., tennis courts, pools, playground equipment, skate park) and built to City Standards
- Additional fire protection techniques, such as sprinkler systems for individual units in a one-family housing development
- Design features to create safe neighborhoods, such as a majority of homes with usable front porches (at least 60 square feet), neighborhood parks bounded on at least two sides by local streets, narrower local streets, implementation of traffic calming techniques (roundabouts, neck downs, and the like), and similar features.
- 25 percent increase in FAR only - Mixed-use developments in a PUD-R, PUD-C, or PUD-I District
- Minimum 25% of total dwelling units in residential development are built to be accessible to the physically disabled. All community amenities and open space areas must be accessible to the physically disabled.
- All residential dwellings are constructed according to the Homebuilders Association of Metropolitan Denver's "Built Green Colorado" Standards.
- Landscaping designed and installed according to the xeriscape landscaping standards in §15.05.090.H., "General Landscaping Requirements for All Areas."

# ATTACHMENT C

## Maximum Income and Sales Price Schedule

**INCOME LIMITS BY FAMILY SIZE**
**BOULDER-LONGMONT, CO**

**FY 2010 Median Family Income $89,600**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **80%** | **$45,100** | **$51,550** | **$58,000** | **$64,400** | **$69,600** | **$74,750** | **$79,900** | **$85,050** |
| 75% | $42,817 | $48,933 | $55,058 | $61,133 | $66,067 | $70,958 | $75,850 | $80,733 |
| 70% | $40,533 | $46,317 | $52,117 | $57,867 | $62,533 | $67,167 | $71,800 | $76,417 |
| 65% | $38,250 | $43,700 | $49,175 | $54,600 | $59,000 | $63,375 | $67,750 | $72,100 |
| 60% | $35,967 | $41,083 | $46,233 | $51,333 | $55,467 | $59,583 | $63,700 | $67,783 |
| 55% | $33,683 | $38,467 | $43,292 | $48,067 | $51,933 | $55,792 | $59,650 | $63,467 |
| **50%** | **$31,400** | **$35,850** | **$40,350** | **$44,800** | **$48,400** | **$52,000** | **$55,600** | **$59,150** |
| 45% | $28,263 | $32,275 | $36,325 | $40,325 | $43,575 | $46,813 | $50,050 | $53,250 |
| 40% | $25,125 | $28,700 | $32,300 | $35,850 | $38,750 | $41,625 | $44,500 | $47,350 |
| 35% | $21,988 | $25,125 | $28,275 | $31,375 | $33,925 | $36,438 | $38,950 | $41,450 |
| **30%** | **$18,850** | **$21,550** | **$24,250** | **$26,900** | **$29,100** | **$31,250** | **$33,400** | **$35,550** |

From U.S. Department of Housing and Urban Development (05/14/10)

# SALES PRICE MAXIMUMS
# FOR
# CITY OF LONGMONT AFFORDABLE HOUSING PROGRAMS

## 2010

| Size of House (# of bedrooms) | % of Area Median Income | Maximum Sales Price Detached Homes | Maximum Sales Price Town Homes | Maximum Sales Price Condominiums |
|---|---|---|---|---|
| 1 Bedroom | 80% | $151,034 | $125,471 | $100,376 |
| (1.5 Persons) | 70% | $133,992 | $105,276 | $84,221 |
| | 60% | $116,949 | $81,930 | $65,544 |
| | 50% | $93,603 | $70,257 | $56,205 |
| 2 Bedrooms | 80% | $161,092 | $132,689 | $106,151 |
| (2 persons) | 70% | $142,890 | $112,254 | $89,803 |
| | 60% | $124,688 | $87,386 | $69,909 |
| | 50% | $99,820 | $74,952 | $59,962 |
| 3 Bedrooms | 80% | $171,178 | $142,180 | $113,744 |
| (2.5 persons) | 70% | $151,846 | $119,297 | $95,438 |
| | 60% | $132,514 | $92,864 | $74,291 |
| | 50% | $106,080 | $79,647 | $63,718 |
| 4 Bedrooms | 80% | $181,264 | $150,571 | $120,456 |
| (3 persons) | 70% | $160,802 | $126,340 | $101,072 |
| | 60% | $140,339 | $98,342 | $78,673 |
| | 50% | $112,341 | $84,343 | $67,474 |

Effective for building permits issued AFTER: 05/14/10

**Sales Price Calculation Methodology for 2010**

1. The sales price assumes a 95% loan to value ratio, based on a 30 year mortgage at prevailing interest rates. The interest rate used for 2010 is the previous 18 month average interest rate (6.16%) plus 0.5% to allow for fluctuations in the market.
2. The price is calculated based on principal, interest, taxes and insurance and homeowner's association dues that do not exceed 28% of gross monthly household income.
3. Approximately 9% of the 28% of gross monthly household income has been deducted for taxes, insurance and homeowner's association dues.
4. Sales prices have been established assuming the mid-point of each category where applicable.
5. For detached homes, the maximum sales price is based on a household earning 70% of the Area Median Income (AMI) using HUD's actual percentages. For town homes, it is based on55% of the AMI and for condos it is based on 45% of the AMI.
6. Sales prices have been established according to the illustrated number of persons per bedroom configuration. Although the maximum number of persons per household used to calculate the maximum sales price does not exceed three persons, larger income qualified households will be eligible to purchase these homes.
7. In order to address the adjustment of income by household size and sales prices, a guideline has been established to estimate the number of people per bedroom. This has no real relationship to the number of persons in a household and their income, rather it is simply a basis from which to define an income and establish a sales price. It is acknowledged that smaller or larger households may seek to purchase smaller or larger units, although the sales price does not fluctuate with the number of persons in the household. The hosuehold income of the buyer cannot exceed the maximum allowable income established by the Community Housing Program (80% AMI), adjusted by household size and the sales price cannot exced those limits established herein.
8. Maximum sales prices shall be adjusted to ensure that the 80% AMI affordable prices are at least 20% below the previous year's annualized median market prices by housing type. Because townhomes and condos are both considered attached product and there is not a break-out of the median market prices for each, condos will be kept at 20% below the established townhome prices.

9 Sales prices for Community Housing units will be established at the time the income limits are adjusted each year by HUD or as soon thereafter as is feasible. It is the responsibility of the developer to ask for these sales prices before beginning pre-sales or signing a sales contract.

# ATTACHMENT D

## Sample
## Agreement Regarding Affordable Owner-Occupied Housing

# AGREEMENT REGARDING AFFORDABLE OWNER-OCCUPIED HOUSING

The City of Longmont, Colorado, a municipal corporation, (City); and (Developer), a (Developer's Legal Entity), (Developer) whose address is (Developer's Address), Longmont, Colorado, 80501; and (Homebuyers' Names), whose address is (Homebuyers' Address). Homebuyer(s) make this Agreement considering the following facts and circumstances:

I. The City desires to encourage the Developer to commit to provide affordable owner-occupied housing for Homeownership purposes within the City;

II. The City has provided in Chapter 4.79 of the Longmont Municipal Code (LMC), for the reduction or subsidization of development fees to assist and encourage the construction of affordable owner-occupied housing for single family ownership;

III. In return for the City granting a reduction of subsidy of building permit fees for the construction of affordable owner-occupied housing, the Developer will provide affordable owner-occupied housing that is affordable and sold based on the attached schedules, to households earning (Percentage)% or less of area median income. Developer will pass through the development and building permit fees reduced or subsidized by the City to the Homebuyer to reduce the cost of purchasing the Property. In consideration of the reduction of development and building permit fees, the Homebuyer agrees to pay the fees reduced or subsidized if Homebuyer transfers title to the property within (Number of Years) years of the date of purchase. The fees to be paid by Homeowner will be calculated on a prorated basis. For example, if 10 years is the period of affordability, if the home is sold in the third year, then 80% of the amount of the reduced or subsidized fees shall be repaid to the City.

IV. The subject Property is in the City of Longmont, County of Boulder, State of Colorado, more particularly described as follows:

(Legal Description)

and generally known as: (Property Address) (Property); and

V. The City has determined that public interest and convenience require the execution of this Agreement in order to obtain the Developer's commitment to construct affordable owner-occupied housing described herein.

Therefore, the parties agree as follows:

1. COMMITMENT.

   a. The Developer shall:

      1. Provide one affordable owner-occupied housing unit on the Property, continuously offer the unit for sale to the general public for a price that is affordable to a low or moderate household whose income is (Percentage) percent or less of the area median income with respect to family size and sell the unit to an income

qualified buyer. For the purposes of this Agreement, that sales price has been set at $(sales Price) and shall meet the schedule of Sales Price Maximums, attached hereto, or in effect at the time of the sale.

2. Provide to the Homebuyer the cost reduction associated with development and building permit fees reduced or subsidized by the City.

b. The Homebuyer shall:

1. Retain ownership and continuously occupy the Property for a period of (Number of years) years which will be enforced through a lien on the Homebuyer's property. If the Homebuyer transfers title to the Property or fails to occupy the Property within (Number of years) years, the Homebuyer will immediately pay to City the prorated amount listed in paragraph 4. The City and Developer agree the lien will be subrogated to a first mortgage and in some cases a second mortgage for down payment assistance as agreed to by the applicable first mortgage lender.

2.COMPENSATION. The City shall grant the Developer a reduction of $(Amount of Fee Reduction) in the building permit fees listed in 4.79.020, LMC, for the construction of an affordable owner-occupied house on the Property.

3.DEFAULT. Any one of the following shall constitute an event of default under this Agreement:

a. Failure of the Developer to fully perform all of the provisions in paragraph number 1 above; and

b. A voluntary or involuntary sale, assignment or transfer of any ownership interest in the Property or failure to occupy the Property by the Homebuyer, without the written consent of the City. If the proposed sale or transfer is to a person or household meeting the income guidelines of this Agreement, the City shall not unreasonably withhold its consent.

4.DAMAGES UPON DEFAULT. Upon default, the Homebuyer agrees to immediately repay $(Amount of Fee Reduction) to the City, together with interest from the date of default at a rate of 12% per annum unless the default occurs in years 2 through (number of years) which then would be paid based on the following schedule.

| | |
|---|---|
| Year 1 = 100% | Year 6 = 50% |
| Year 2 = 90% | Year 7 = 40% |
| Year 3 = 80% | Year 8 = 30% |
| Year 4 = 70% | Year 9 = 20% |
| Year 5 = 60% | Year 10=10% |

The Homebuyer and the City agree these are liquidated damages and not a penalty.

5.STATUS OF DEVELOPER. The Developer shall perform all work under this Agreement as an independent contractor and not as an agent or employee of the City. The Developer will not be supervised by any employee or official of the City nor will the Developer exercise supervision over any employee or official of the City. The Developer shall not represent that Developer is an employee or agent of the City in any capacity. The Developer shall supply all personnel, buildings, equipment and materials at Developer's sole expense. This Agreement shall not establish a joint venture between the City and Developer. **The Developer is not entitled to City worker's compensation benefits and is obligated to pay federal and state income tax on money earned pursuant to this Agreement, if applicable.**

6.NOTICES. All notices, requests, demands, and other communications under this Agreement shall be in writing and deemed duly given upon delivery, if delivered personally, or upon depositing in the U.S. Mail, postage prepaid and certified, return receipt requested, and addressed to the proper party as follows:

| **City of Longmont:** | **Developer:** | **Homebuyer:** |
|---|---|---|
| Civic Center Complex<br>350 Kimbark Street<br>Longmont, CO 80501<br>Attn: Kathy Fedler | (Developer's Name and Addresss | (Homebuyers Name and Address) |

7. ASSIGNMENT. Neither the City, nor the Developer, nor the Homebuyer shall assign or transfer any interest in this Agreement without the prior written consent of the other party.

8. PROVISIONS CONSTRUED AS TO FAIR MEANING. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any party based upon any attributes to such party of the source of the language in question.

9. HEADINGS FOR CONVENIENCE. All headings, captions and titles are for convenience and reference only and of no meaning in the interpretation or effect of this Agreement.

10. COMPLIANCE WITH ORDINANCES AND REGULATIONS. The Developer shall perform all obligations under this Agreement in strict compliance with all federal, state, and City laws, rules, statutes, charter provisions, ordinances, and regulations applicable to the performance of the Developer's services under this Agreement.

11. NO IMPLIED REPRESENTATIONS. No representations, agreements, covenants, warranties, or certifications, express or implied, shall exist as between the parties, except as specifically set forth in this Agreement.

12. NO THIRD PARTY BENEFICIARIES. None of the terms or conditions in this Agreement shall give or allow any claim, benefit, or right of action by any third person not a party hereto. Any person other than the City, the Developer, or the Homebuyer receiving services or benefits under this Agreement shall be only an incidental beneficiary.

13. FINANCIAL OBLIGATIONS OF CITY. All financial obligations of the City under this Agreement are contingent upon appropriation, budgeting, and availability of specific funds to discharge such obligations. Nothing in this Agreement shall be deemed a pledge of the City's credit, or a payment guarantee by the City to the Developer.

14. INTEGRATED AGREEMENT AND AMENDMENTS. This Agreement is an integration of the entire understanding of the parties with respect to the matters set forth herein. The parties shall only amend this Agreement in writing with the proper official signatures attached thereto.

15. WAIVER. No waiver of any breach or default under this Agreement shall be a waiver of any other or subsequent breach or default.

16. SEVERABILITY. Invalidation of any specific provisions of this Agreement shall not affect the validity of any other provision of this Agreement.

17. GOVERNING LAW. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado.

18. BINDING EFFECT. This Agreement shall be binding upon the parties and their respective successors and assigns.

19. AGREEMENT AS COVENANT. This Agreement, and all of its obligations, shall run with the land and be a covenant with respect thereto, and shall be binding upon the parties, their respective heirs, successors and assigns. The City shall record this Agreement with the county clerk and recorder.

The parties execute this Agreement this _____ day of _____, 20__.

CITY OF LONGMONT, COLORADO, a municipal corporation

_____

DIRECTOR OF COMMUNITY SERVICES

APPROVED AS TO FORM:

_____

ASSISTANT CITY ATTORNEY

APPROVED AS TO CONTENT:

_____

CDBG COORDINATOR

APPROVED AS TO INSURANCE PROVISIONS:

_____
RISK MANAGER

DEVELOPER

_____
PRESIDENT

ATTEST:

_____
SECRETARY

STATE OF COLORADO )
) ss
County of Boulder )

The above and foregoing Agreement Regarding Affordable Owner-Occupied Housing was acknowledged before me this _____ day of _____, 20__, by _____.

Witness my hand and official seal.

My commission expires: _____

(SEAL)

_____
Notary Public

HOMEBUYER(S):

_____ _____

NAME NAME

STATE OF COLORADO )
) ss
County of Boulder )

The above and foregoing Agreement Regarding Affordable Owner-Occupied Housing was acknowledged before me this _____ day of _____, 20__, by _____.

Witness my hand and official seal.

My commission expires: _____

(SEAL)

_____
Notary Public

**ATTACHMENT E**

**Sample**
**Affordable Housing Restrictive Covenant and Agreement**

**AFFORDABLE HOUSING RESTRICTIVE COVENANT AND AGREEMENT**

This Affordable Housing Restrictive Covenant and Agreement (this "Covenant") dated this _____day of _____, 20__, is entered into between _____ and _____, purchasers of the property indicated on Exhibit A ("Owners") and the City of Longmont, a municipal corporation ("City"). This Covenant applies to the real property and the single family residence constructed thereon described on Exhibit A attached hereto (the "Home").

WHEREAS, as a condition of the City annexing and approving the Development which includes the Home and providing municipal services thereto, the City has required a certain percentage of the residences within the Development be maintained as affordable housing;

WHEREAS, this Covenant is designed to satisfy such condition by requiring that the Homes be maintained as affordable housing for a period of ten years;

WHEREAS, this Covenant shall apply to and be enforceable against all current and future Owners of the Home, and shall restrict the sale, resale, rental and use of the Home for a period of ten years;

THEREFORE, in consideration of the foregoing, the parties hereby agree as follows:

**I: DEFINITIONS**

The following terms shall have the following meanings for purposes of this Covenant:

1.1 "Area Median Income or AMI" is the most current Area Median Income as defined in the Longmont Municipal Code.

1.2 "Development" has the meaning set forth in the above recitals.

1.3 "Eligible Buyer" means a natural person, who is certified by the City to be qualified to buy a Home in accordance with the qualifications, standards and procedures then in effect under relevant provisions of the Longmont Municipal Code relating to the City's affordable housing program.

1.4 "First Deed of Trust" means a recorded deed of trust or mortgage which is senior to any other deeds of trust or liens against the Property (other than the lien for real estate taxes and homeowner association assessments), and which is used to secure a loan from an Institutional Lender to an Eligible Buyer to purchase a Home.

1.5 "Home" means the lot or condominium unit described on Exhibit A attached hereto, together with the residence and other improvements now or hereafter located thereon.

1.6 "Institutional Lender" means any bank, savings and loan association, or any other

lender which is licensed to engage in the business of providing purchase money mortgage financing on residential real property.

1.7 "Maximum Resale Price" shall have the meaning set forth in Section 3.1 below.

1.8 "Owner" means the record title owner of a Home.

1.9 "Sole Residence" means a person's only place of domicile.

1.10 "Purchase Price" shall mean all consideration paid for the Transfer of a Home, either at or outside of closing, but shall not include any proration amounts, taxes, costs and expenses of obtaining financing, the fair market value of furnishings or personal property, lenders fees, title insurance fees, closing costs, inspection fees, or other normal and customary costs related to the purchase of property but not paid directly to the seller.

1.11 "Transfer" means any sale, assignment or transfer, voluntary or involuntary or by operation of law (whether by deed, contract of sale, gift, devise, bequest, trustee's sale, deed in lieu of foreclosure, other otherwise) of any interest in a Home, including but not limited to, a fee simple interest, a joint tenancy interest, a tenancy in common, a life estate, a leasehold interest (except for a lease allowed under Section 5.2 below), or any interest evidenced by a land contract by which possession of a Home is transferred while the existing Owner retains title.

## II: RESTRICTIONS ON TRANSFERS

2.1 Transfer Only to Eligible Buyers. Except as set forth in Section 2.2 below, a Home may only be Transferred to an Eligible Buyer who is certified as such by the City.

2.2 Exempt Transfers. The following Transfers are exempted from the above restriction, provided that the new Owner(s), other than an estate, shall use the Home as his or her Sole Residence:

A. A Transfer resulting from the death of an Owner where the Transfer is to such Owner's spouse or another co-owner who is also an Owner.

B. A Transfer to the Owner's estate following his or her death for the purpose of administering the estate and distributing the assets thereof during a limited period of time.

C. A Transfer by an Owner where the spouse of the Owner or other eligible member of the qualifying household becomes a co-owner of the Home.

D. A Transfer resulting from a decree of dissolution of the marriage or legal separation or from a property settlement agreement incidental to such a decree, by which a spouse who is an Owner becomes the sole Owner of the Property.

E. Any other Transfers that may be exempted from the provisions of this Covenant by an ordinance adopted by the City in effect at the time of the Transfer.

## III: RESTRICTION ON RESALE PRICE

3.1 Maximum Resale Price – Period of Affordability. For a period of ten (10) years from the date the deed transferring title to the initial Owner of the Home is recorded, the Purchase Price for a Transfer of a Home to a new Owner and any mortgage or deed of trust note encumbering the Home shall not be in excess of the Maximum Resale Price. For purposes of this Covenant, the "Maximum Resale Price" shall mean the amount calculated in accordance with Exhibit B attached hereto. This provision shall not apply to the Transfer of a Home from the Developer to the first Eligible Buyer. **Note: The Minimum Resale Price will be adjusted downward if the number of bedrooms in the Home is reduced from the number that existed at the time of the sale to the first Eligible Buyer.**

3.2 No Additional Consideration. The Purchase Price for a Home shall be expressly recited in the deed or other document effecting the Transfer of the Home. An Owner may not permit any prospective buyer to assume any or all of the Owner's customary closing costs, or accept any consideration not stated in the deed or other document effecting the Transfer of the Home. If the Home is sold with furnishings or other personal property, no more than the fair market value of such personal property may be charged.

3.3 Acceptance of Offers. An Owner may not accept an offer or bid on his or her Home with a Purchase Price that exceeds the Maximum Resale Price or from a purchaser who is not an Eligible Buyer certified by the City. An Owner may accept any offer from an Eligible Buyer that is equal to or less than the Maximum Resale Price. An Owner may reject all offers. If more than one Eligible Buyer offers or bids the Maximum Resale Price (or if all bids are below the Maximum Resale Price, the Owner still desires to sell, and more than one Eligible Buyer has made the highest bid), then the Owner shall accept the bid or offer from the Eligible Buyer who has been on the City's list of Eligible Buyers the longest.

3.4 Resolution of Disputes. In the event of any disputes regarding the proper calculation of the Maximum Resale Price, the determination of priority among competing Eligible Buyers under Section 3.3 above, or the fair market value of the Home under Section 7.2 below, the Owner may request that the dispute be arbitrated. The Owner shall choose the Arbitrator from a list provided by the City, and the arbitration shall be conducted in accordance with the applicable rules of the American Arbitration Association, or of any similar successor organization. The decision of the arbitrator shall be final and binding upon the parties. The Owner shall pay for all costs of the arbitration, whatever the arbitrator's decision may be.

3.5 First Transfer After The Period Of Affordability Expires**.** For the first Transfer of the Home after the expiration of the ten year Period of Affordability, the Owner of the Home, as a condition of transferring good title, must make a payment to the Longmont Affordable Housing Fund. The payment must equal 25% of the following amount: the total actual appraised value of the house at the time of sale, less the original purchase price of the first Eligible Owner; except that a minimum payment of $5,000 must be made.

A. After the required payment has been received by the City, the restrictions contained in this Covenant will be released. The Longmont and Boulder County Housing Authorities and other non-profit corporations approved by the City are exempt from this provision of this Covenant.

B. If, at the time of the first Transfer after the Period of Affordability expires, the Owner Transfers to an Eligible Buyer who agrees to continue these Covenants and/or agrees to a new Covenant, then this payment could be postponed and transferred as an obligation to the first Transfer after the second Period of Affordability. The above payment would be calculated the same way.

## IV: SALE MECHANICS

4.1 Eligible Buyer List. The City shall maintain a list of Eligible Buyers and provide it upon request to the Owner of a Home who desires to sell such Home.

4.2 Notice to City. An Owner shall notify the City in writing of his or her interest in Transferring a Home at least forty-five (45) days before the Owner's desired closing date. No Transfer may be closed within this 45 day period, unless an earlier Transfer is approved by the City. The City shall submit to the Owner (a) a list of currently Eligible Buyers and (b) a determination of the Maximum Resale Price.

## V: RESTRICTIONS ON USE AND RENTAL

5.1 Sole Residence. The Owner shall maintain the Home as his or her sole place of residence. Upon written request of the City, the Owner shall provide the City with such information as the City may reasonably request to satisfy itself that the Home is being used as the Owner's sole place of residence. A Home may not be used for any business activities except as may be allowed by then existing zoning codes, City ordinances and restrictive covenants governing the Development. The Owner shall not use or occupy, not permit any use or occupancy of the Home in violation of this Covenant.

5.2 No Rentals. The Owner of the Home, unless the Owner is the Boulder County or Longmont Housing Authority or another non-profit corporation approved by the City, shall not lease or rent the Home to other parties. This restriction may be waived by the City to allow a temporary rental of the Home for good and sufficient cause, such as, short-term vacations (less than 2 months), medical emergencies, extended period of unsuccessful sales efforts, or during the administration of an estate sale. Owners must receive written permission from the City to rent their Home, temporarily. The City may condition its approval of any rental on such terms as it deems appropriate in furtherance of the affordable housing program of the City, including but not limited to the following: (i) a limit on the term of such rental; (ii) rental only to Eligible Buyers; and (iii) to the extent permitted by law, the amount of rent. No sublease of any such lease shall be permitted. This Section 5.2 shall not apply to any rental or lease of a Home by the City if it should ever become the Owner of a Home.

5.3 Maintenance. The Owner shall maintain the Home in a good, safe, and habitable condition in all respects, except for normal wear and tear, and in full compliance with all applicable laws, ordinances, homeowner covenants or rules and regulations of any governmental authority with jurisdiction over matters concerning the condition of the Home. The Owner shall not allow any mechanic's liens to be recorded against the Home.

## VI: COVENENT AND AMENDMENT

6.1 Covenant Running with Land. This Covenant shall run with the land. It shall bind, and the benefit hereof shall inure to, all Owners and the City, and any heirs, legal representatives, executors, successors and assignees thereof. The Home shall be held, conveyed, hypothecated, encumbered, leased, rented and occupied subject to the covenants, restrictions and limitations set forth herein, which are intended to constitute both equitable servitudes and covenants running with the land. Any buyer or transferee of a Home or any portion thereof, by acceptance of a deed therefore, or by the signing of a contract or purchase agreement to purchase the same, shall, by acceptance of such deed or by the signing of such contract or agreement, be deemed to have consented to and accepted the covenants, conditions, restrictions and limitations set forth herein, whether or not there is any express reference to this Covenant in such deed or contract.

6.2 Amendment. This Covenant may be amended at any time by a recorded document executed and acknowledged by both parties. An amendment may be effective as to some but not all of the Homes, in which event it need be approved only by the Owners of the Homes so involved.

6.3 Variances. The City shall have the power, from time to time, to grant variances from the strict operation of one or more provisions of this Covenant as may been deemed advisable by the City, in its sole discretion, in light of exigent or unusual circumstances and hardships. The granting or denial of a request for a variance by the City on one or more occasions, shall not compel or require the City to grant or deny other requests for a variance, whether in similar or different circumstances.

## VII: ENFORCEMENT

7.1 Right to Enforce. The City reserves, and each Owner is deemed to have granted the City, the right to review and enforce compliance with all matters contained in this Covenant. In the event of any default under this Covenant, the City shall give the Owner or proposed Eligible Buyer who is in default, five days written notice of such default. If the default is not cured to the satisfaction of the City within five days from the giving of such notice, the City may pursue any and all remedies available to it in law or equity; provided however, that if the First Deed of Trust is held or insured by HUD, the Covenant may not be enforced by any of the following, unless expressly approved in writing by HUD: (a) voiding a conveyance by the Owner; (b) terminating the Owner's interest in the Home; (c) accelerating the First Deed of Trust; (d) increasing the interest rate for the First Deed of Trust; or (e) subjecting the Owner to contractual liability. Venue for any action for breach of, or to enforce, this Covenant shall be proper in Boulder County, Colorado.

7.2 Option to Purchase. In addition to the remedies available under Section 7.1 above, if an Owner is in default under this Covenant (including making or contracting to make a Transfer to a person other than an Eligible Buyer or for more than the Maximum Sales Price, or incurring a default under a First Deed of Trust), the City shall have, and each Owner hereby grants the City, an option to purchase the Home (Option). With the exception of a default under a First Deed of Trust (See Paragraph 7.4 C), the Option must be exercised by the City, if at all, by written notice given to the then Owner of the Home within 45 days of the City's receipt of actual knowledge that the default, including that an improper Transfer has occurred (constructive notice through recording of the conveyancing deed being insufficient). The purchase price shall be the lesser of (a) the Maximum Resale Price for the Home at the time of the Transfer, (b) the fair market value of the Home at the time of the Transfer considering, among other factors, the restrictions of this Covenant, and (c) the Purchase Price paid or to be paid by the new or proposed Owner. The closing shall occur within 45 days of the City's notice of its election to purchase. This Option shall bind each Owner and every transferee of an Owner.

7.3 Enforcement Costs. As part of any enforcement action by the City, the Owner shall be liable for all court costs and reasonable attorneys fees incurred by the City in connection therewith, including an amount to pay for the time, if any, of the City Attorney's office spent on such matter at the rates generally charged for similar services by private practitioners within the City of Longmont.

7.4 Default Under a First Deed of Trust

A. Notice of Default. Each Owner agrees that he or she will give immediate written notice to the City (a "Default Notice") of (a) any action or inactions that constitutes a default under the First Deed of Trust on the Property, including failure to pay amounts due thereunder within twenty-one days of the due date, and (b) any notice received alleging a default or commencing foreclosure procedures under a First Deed of Trust on such Owner's Home.

B. Cure Rights. The City shall have the right, but not the obligation, in its sole discretion, to make any payment owed to cure the default underlying the Default Notice. In such event, the Owner shall be personally liable to the City for the amounts so paid by the City, together with interest thereon at the rate set forth in the note which is secured by the First Deed of Trust, plus one percentage point, and all actual expenses of the City incurred in curing the default. The Owner shall be required to execute a promissory note secured by a deed of trust on the Home in favor of the City for the amounts so owed to the City.

C. Option. The City may exercise the Option if a foreclosure action against the Home is commenced by the holder of a First Deed of Trust. The Option must be exercised by the City, if at all, by written notice given to the Owner within 45 days of the City's receipt of the Default Notice, and in any event at least 10 days prior to the public trustee's sale under the First Deed of Trust. The purchase price under the Option shall be the lesser of (a) the Maximum Resale Price for the Home at that time, and (b) the fair market value of the Home at the time considering, among other factors, the restrictions of this Covenant. The closing on such purchase shall occur prior to the public trustee's sale. At the closing, the Owner will convey the Home to the City free and clear of any liens or encumbrances, all liens and encumbrances (including the First Deed of Trust) will be paid off out of

the closing proceeds, and the Owner will receive the balance, if any, of the purchase price, subject to normal closing costs and prorations. The Option shall be effective as to any new Owner.

D. Termination. These Covenants shall automatically and permanently terminate upon the foreclosure or deed-in-lieu of foreclosure of a First Deed of Trust, or the assignment of a First Deed of Trust to the United States Department of Housing and Urban Development, Freddie Mac, Fannie Mae, the Government National Mortgage Association, or other similar governmental or quasi-governmental agency or Congressional chartered company guaranteeing mortgages. In that event, this Covenant shall cease to be of any force and effect as to the Home involved in such foreclosure or deed in lieu of foreclosure or assignment, and shall not bind such mortgagee or the subsequent purchaser of such Home.

E. Senior to Other Liens This Covenant shall be senior to, and shall not be subordinated to, any other liens or encumbrances other than a First Deed of Trust, as set forth in this Article VII, and shall survive and not be extinguished by the foreclosure of or deed-in-lieu of foreclosure regarding any such other liens or encumbrances. This includes, but is not limited to, assessment liens, tax liens, mechanic liens and second priority deeds of trust or liens securing loans from any non-Institutional Lender.

## VIII: MISCELLANEOUS

8.1 No Third Party Beneficiaries. There are no intended third party beneficiaries of these Covenants, and no party other than the City shall have standing to bring an action for breach of, or to enforce, the provisions of this Covenant.

8.2 Notices. Notices to the City shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, to the City' representative set forth above (as may be changed by notice from time to time) at the address set forth below, (as may be changed by notice from time to time). Such notice shall be deemed given when delivered in person or deposited in the United States mail to:

CDBG Coordinator
City of Longmont
Civic Center Complex
350 Kimbark Street
Longmont, CO 80501

Notices to the Owner may be given in like manner addressed to the Home.

Such notice shall be deemed given when hand delivered or when deposited, postage prepaid, in the United States mail.

8.3 Severability. If any provision of this Covenant shall be held by a court of proper jurisdiction to be invalid or unenforceable; the remaining provisions shall survive and their validity, legality and enforceability shall not in any way be affected or impaired thereby; and the court may, but shall not be required to, fashion a substitute for the provision held to be invalid or unenforceable.

8.4 Headings. The headings of the Sections in this Covenant are for convenience only and shall not be used to interpret the meaning of any provision hereof.

8.5 Homestead Waiver. This Covenant is prior and superior to the Owner's right to a homestead exemption under Article XVIII, Section I of the Colorado Constitution and under Part 2, Article 41, Title 38 of the Colorado Revised Statutes, or any successor statutes. Each Owner waives his or her homestead rights to the fullest extent that they conflict with or impair the City's rights and remedies under this Covenant.

8.6 No Guarantee. Nothing herein shall be construed or give rise to any implied representation, warranty to guarantee, and the City and Developer expressly disclaim, that an Owner will be able to resell a Home for the Maximum Purchase Price or recover his or her initial Purchase Price. Owners recognize and accept that the Homes may be less marketable than other homes in the Development and may not sell for as much money.

8.7 No Effect On Remainder of Development. Only the property described on Exhibit A attached hereto shall be subject to this Covenant and nothing herein shall affect or apply to any other portions of the Development.

Executed as of the date first written above.

OWNER: OWNER:

_____ _____

STATE OF COLORADO )
) SS.
COUNTY OF BOULDER )

The foregoing instrument was acknowledged before me this ____ day of _____, 200__ by _____ and _____

WITNESS my hand and official seal.

My commission expires:_____

_____
Notary Public

CITY OF LONGMONT
a municipal corporation

ATTEST:

_____
MAYOR

_____
CITY CLERK

APPROVED AS TO FORM:

_____
DEPUTY CITY ATTORNEY

_____
DATE

_____
PROOF READ

_____
DATE

APPROVED AS TO FORM AND SUBSTANCE:

_____
ORIGINATING DEPARTMENT

_____
DATE

**EXHIBIT A**

(Attached to and forming a part of the Affordable Housing Restrictive Covenant and Agreement)

**INSERT LEGAL DESCRIPTION**

## EXHIBIT B

## MAXIMUM RESALE PRICE CALCULATION

1. **Calculation of Maximum Resale Price**.

   A. Start with the Purchase Price paid by the selling Owner (not including any real estate commissions, loan origination fees, appraisal fees, title insurance premiums, closing prorations, and other similar transaction costs) (the "Start Price").

   B. Add to the Start Price, the amount of permissible Appreciation as derived by multiplying the Start Price by the actual percentage change in the AMI (for a four person family at 80% of the AMI) for each year of the term, starting with the date of the Owner's purchase of the Home (the "Start Date") to the date of the Owner's sale of the Home (the "End Date"), up to a maximum of 5% per year

   C. Add the amount of Eligible Capital Improvements, as defined below.

   D. Deduct any Excessive Damage Amount, as defined below.

   E. Add the amount of any real estate sales commissions to be paid by the selling Owner.

   F. Note that the Purchase Price (or Start Price) paid by the Owner shall be the floor amount, and the Owner shall not be required to sell below such amount, unless the Home appraises for less than that amount.

2. **Eligible Capital Improvements**. To constitute an Eligible Capital Improvement, the improvement must satisfy each of the following requirements:

   A. The City must have conditionally approved the improvement in advance of commencement of its construction.

   B. The improvement must have been completed within 12 months of the City's conditional approval and must also receive final City approval. The City shall have the right to inspect the improvement at times that are mutually agreeable to the City and the Owner, to confirm that the proposed improvement has been completed in a workmanlike manner, and to determine the appraised value thereof. **The value of the of the Eligible Capital Improvement for which credit can be obtained shall be determined by the increase in the appraised value to the Home of that improvement at the time of the resale calculation**.

   C. The total amount of the Eligible Capital Improvements and the total amount of the Excessive Damage Assessment shall be added to and subtracted from the original Purchase Price at the time of the resale price calculation.

   D. Only the following types of improvements may qualify as Eligible Capital

Improvements:

(1) The addition of a habitable room or of storage space.

(2) The finishing of unfinished space so that it is converted into a habitable room.

(3) Modifications or improvements needed to accommodate a person with a "disability" as defined in the Americans With Disabilities Act of 1990, 42 U.S.C. §12101, et. seq. or a successor United States statute.

(4) Improvements which reduce the Owner's consumption in the Home of electricity from sources external to the Home, including coal, natural gas, propane or other fossil fuels or energy generated by the burning of fossil fuels.

(5) Improvements to the kitchen, provided that (a) all such improvements are part of a comprehensive renovation project for the kitchen (which may include, but are not limited to, major kitchen appliances that remain part of the kitchen until the next comprehensive renovation project, or until they wear out, whichever occurs first), (b) the last comprehensive kitchen renovation project which qualified as an Eligible Capital Improvement was completed at least fifteen (15) years before the current one, and (c) at least $2,000 is spent on the comprehensive renovation project within a twelve month period.

(6) Improvements to a bathroom, provided that (a) all expenditures are part of a comprehensive renovation project for the bathroom, (b) the last such comprehensive renovation project for the bathroom that qualified as an Eligible Capital Improvement was completed at least fifteen (15) years before the current one, and (c) at least $2,000 is spent on the comprehensive renovation project within a twelve month period.

(7) Replacement of the roof, provided that (a) the last roof replacement that qualified as an Eligible Capital Improvement was completed at least 20 years before the current one (unless the City determines, in its sole discretion, that an earlier roof replacement was warranted), and (b) either the Home is a detached single family home, or the Owner's share of the roof replacement cost is paid through a special assessment by a homeowners association.

(8) Replacement of the furnace, provided that the last such replacement which qualified as an Eligible Capital Improvement was completed at least 20 years before the current one (unless the City determines, in its sole discretion, that an earlier furnace replacement was warranted).

(9) Landscaping and other exterior improvements, provided that (a) the City determines, in its sole discretion, that the improvements and costs thereof are reasonable, and (b) at least $1,000 is spent on such improvements within a twelve month period.

(10) Such other improvements as the City may determine to allow as an Eligible Capital Improvement, in its sole discretion.

3. **Non-Eligible Capital Improvements**. Eligible Capital Improvements shall expressly NOT include any of the following:

A. Except as they may be part of a comprehensive renovation project, upgrades or replacement of appliances, plumbing and mechanical fixtures, carpets, flooring, counter tops, cabinets, tile and other similar items within the Home.

B Jacuzzis, saunas, steam showers and other similar items.

C. Improvements required to repair, replace, and maintain existing fixtures, appliances, plumbing and mechanical fixtures, painting, carpeting and other similar items (except as they may be part of a comprehensive renovation project otherwise qualifying as an Eligible Capital Improvement).

D. Upgrades or addition of decorative items, including lights, window coverings and other similar items.

Nothing in this Covenant shall prohibit an Owner from making an improvement to the Home which does not qualify as an Eligible Capital Improvement. However, only Eligible Capital Improvements may be included in the calculation of the Maximum Resale Price.

4. **Excessive Damage Amount**. Shortly before the Maximum Resale Price is determined, the City shall have the right to inspect the Home to determine whether the Owner has complied fully with the maintenance obligations set forth in Section 5.3 of the Covenants. If, after such inspection, the City determines, in its sole judgment, that the Owner has not fully complied with such obligation, the City shall determine, in its sole judgment, the cost to complete the necessary repairs, maintenance, replacement, and other work to restore the Home to a good, safe and habitable condition in all respects, and to bring it into full compliance with all applicable laws, ordinances, rules and regulations of any governmental authority or homeowners association with jurisdiction over matters concerning the condition of the Property. This amount shall be called the Excessive Damage Amount, and shall be considered in calculating the Maximum Sales Price as set forth in Section 1 above.

**ATTACHMENT F**

**$10 Deed of Trust**

**DEED OF TRUST**

THIS INDENTURE, made this _____ day of _____, 2011, between [Type Grantor's name, then press f11 to proceed]**,** whose address is [Type Grantor's address, then press f11 to proceed], hereinafter referred to as Grantor, and the Public Trustee of the County of Boulder, State of Colorado, hereinafter referred to as Public Trustee.

WITNESSETH, THAT, WHEREAS, Grantor has executed a promissory note or notes, hereinafter referred to in the singular, as the Note, dated [Type promissory note date, then press f11 to proceed], for the principal sum of $10.00 dollars, payable to the order of the City of Longmont, Colorado, a Colorado municipal corporation, whose address is 350 Kimbark Street, Longmont, Colorado 80501, hereinafter referred to as City or beneficiary, after the date hereof, due and payable in full in [Type number of years, then press f11 to proceed] years from the date hereof.

AND WHEREAS, the Grantor is desirous of securing payment of the principal of said promissory note in whose hands soever the said note may be.

NOW THEREFORE, the Grantor, in consideration of the premises and for the purpose aforesaid, does hereby grant, bargain, sell and convey unto the said Public Trustee in trust forever, the following described property, situate in the County of Boulder, State of Colorado, to wit:

[Type legal description, then press f11 to proceed]

Also known by street and number as [Type street address, then press f11 to proceed].

TO HAVE AND TO HOLD the same, together with all and singular the privileges and appurtenance thereunto belonging: In trust nevertheless, that in case of default in the payment of said note or any part thereof, or in the payment of any prior encumbrances, principal or interest, if any, or in case default shall be made in or in case of violation or breach of any of the terms, conditions, covenants or agreements herein contained, the beneficiary hereunder or the legal holder of the indebtedness secured hereby may declare a violation of any of the covenants herein contained and may elect to advertise said property for sale, and demand such sale by filing a notice of election and demand for sale with the Public Trustee. Upon receipt of such notice of election and demand for sale, the Public Trustee shall cause a copy of the same to be recorded in the recorder’s office of the county in which said property is situated. The Public Trustee shall then give public notice of the time and place of sale in the county or counties in which said property is located. A copy of such notice shall be mailed within ten days after the date of the first publication thereof to the Grantor at the address given herein, to such persons appearing to have acquired a subsequent record interest in said property at the address given in the recorded instrument, and to any other persons as may be provided by law. It shall and may then be lawful for the Public Trustee to sell said property for the highest and best price the same will bring in cash and to dispose of the same (en masse or in separate parcels, as the said Pubic Trustee may think best), together with all the right, title and interest of the Grantor therein, at public auction at any place as may be specified by statue and designated in the notice of sale. The Public Trustee shall make and give to the purchase of such property at such sale, a certificate in writing containing; a description of such property purchased; the sum paid therefor, a statement that said purchase shall be entitled to a deed therefor, unless the same shall be redeemed as

is provided by law; and in the event of a continuance of the sale, a recital that the sale was duly continued. The Public Trustee shall, upon demand by the person holding the said certificates of purchase, when said demand is made or upon demand by the person entitled to a deed to and for the property purchased at the time such demand is made, the time for redemption having expired, make and execute to such person a deed to the said property purchased. Said deed shall be in the ordinary form of a conveyance, and shall be signed, acknowledged and delivered by the said Public Trustee and shall confirm the foreclosure sale and sell and convey to such person entitled to such deed, the property purchased as aforesaid and all the right, title, interest, benefit and equity of redemption of the Grantor therein. The public Trustee shall, out of the proceeds, or avails of such sale, after first paying and retaining all fees, charges and costs of making said sale, pay to the beneficiary hereunder or the legal holder of said note, the principal and interest due on said note according to the tenor and effect thereof, and sale, pay to the beneficiary hereunder or the legal holder of said note, the principal and interest due on said note according to the tenor and effect thereof, and all moneys advanced by such beneficiary or legal holder of said note for insurance, taxes and assessments, with interest thereon at [Type interest rate, then press f11 to proceed] per cent per annum, rendering the overplus, if any, unto those persons entitled thereto as a matter of law. Said sale and said deed so made shall be a perpetual bar, both in law and equity, against the Grantor and all other persons claiming the said property, or any part thereof, by from, through or under the Grantor. The holder of said note may purchase said property or any part thereof; and it shall not be obligatory upon the purchase at any such sale to see to the application of the purchase money.

And the Grantor covenants and agrees to and with the Public Trustee, that at the time of the ensealing of and delivery of these presents he is well seized of the said land and tenements in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same in the manner and form as aforesaid; hereby fully and absolutely waiving and releasing all rights and claims he may have in or to said lands, tenements, and property as a Homestead Exemption, or other exemption, under and by virtue of any act of the General Assembly of the State of Colorado, or as any exemption under and by virtue of any act of the United States Congress, now existing or which may hereafter be passed in relation thereto and that the same are free and clear of all liens and encumbrances whatever, except any easements and encumbrances of record and the above bargained property in the quiet and peaceable possession of the Public Trustee, against all and every person or persons lawfully claiming or to claim the whole or any part thereof, the Grantor shall and will Warrant and Forever Defend.

Until payment in full of the indebtedness, the Grantor shall timely pay all taxes and assessments levied on the property; any and all amounts due on account of principal and interest or other sums on any senior encumbrances, if any; and will keep all improvements that may be on said lands insured against any casualty loss, including extended coverage, in a company or companies meeting the net worth requirements of the beneficiary hereof in an amount which will yield to the holder of the indebtedness, after reduction by co-insurance provisions of the policy, if any, not less than the then total indebtedness. Each policy shall contain a loss payable clause naming the beneficiary as mortgagee and shall further provide that the insurance may not be canceled upon less than ten days written notice to the beneficiary. At the option of the beneficiary, the original policy or policies of insurance shall be delivered to the beneficiary as further security for the indebtedness. Should the Grantor fail to insure and deliver the policies or to pay taxes or assessments as the same fall due, or to pay and amounts payable upon senior encumbrances, if any, the beneficiary may make any such

payments or procure any such insurance, and all monies so paid with interest thereon at the rate of 18% per annum shall be added to and become a part of the indebtedness secured by this Deed of Trust and may be paid our of the proceeds of the sale of the property if not paid by the Grantor. In addition, and at its option, the beneficiary may declare the indebtedness secured hereby and this Deed of Trust to be in default for failure to procure insurance or make any of the payments required by this paragraph.

If all or any part of the property or an interest therein is sold or transferred by the grantor without beneficiary's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) the creation of a purchase money security interest for household appliances, or (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant, beneficiary may, at beneficiary's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Beneficiary shall have waived such option to accelerate if, prior to the sale or transfer, beneficiary and the person to whom the property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to beneficiary and that the interest payable on the sums secured by this Deed of Trust shall be at such rate as beneficiary shall request.

AND THAT IN CASE OF ANY DEFAULT whereby the right of foreclosure occurs hereunder, the holder of said note or certificate of purchase shall at once become entitled to the possession, use and enjoyment of the property aforesaid, and to the rents, issues and profits thereof, from the accruing of such right and during the pendency of foreclosure proceedings and the period of redemption proceedings, if any there be; and such possession shall at once be delivered to the holder of said note or certificate of purchase on request, and on refusal, the delivery of such possession may be enforced by the holder of said note or certificate or purchase by any appropriate civil suit or proceeding, and the holder of said note or certificate of purchase, or any thereof, shall be entitled to a Receiver for said property, and of the rents, issues and profits thereof, after such default, including the time covered by foreclosure proceedings and the period of redemption, if any there be, and shall be entitled thereto as a matter of right without regard to the solvency or insolvency of the Grantor or of the then owner of said property and without regard to the value thereof, and such Receiver may be appointed by any court of competent jurisdiction upon ex parte application and without notice-notice being hereby expressly waived-and all rents, issues and profits, income and revenue therefrom shall be applied by such Receiver to the payment of the indebtedness hereby secured, according to the law and the orders and directions of the court.

AND, that in case of default in any of said payments of principal or interest, according to the tenor and effect of said promissory note or any part thereof, or of a breach or violation of any of the covenants or agreements herein, by the Grantor, then and in that case the whole of said principal sum hereby secured and the interest thereon to the time of the sale may at once, at the option of the legal holder thereof, become due and payable, and the said property be sold in the manner and with the same effect as if said indebtedness has matured, and that if foreclosure be made by the Public Trustee, a reasonable attorney's fee shall be taxed by the court as a part of the cost of such foreclosure proceeding.

It is further Understood and Agreed, that if a release of this deed of trust is required, the Grantor will pay the expense thereof; that all the covenants and agreements herein contained shall extend to and

be binding upon the heirs, personal representative, successors and assigns of the respective parties hereto; and that the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

Executed this _____ day of _____, 2011.

**ATTEST**: _____ _____

(SEAL) _____

_____

**If licensee is a CORPORATION, double-click here, otherwise, press delete, then press f11 to continue.**
**If licensee is an INDIVIDUAL, double-click here, otherwise, press delete, then press f11 to continue.**
**If licensee is a PARTNERSHIP, double-click here, otherwise, press delete, then press f11 to continue.**
**If licensee is a LIMITED LIABILITY PARTNERSHIP, double-click here, otherwise, press delete, then press f11 to continue.**
**If licensee is a LIMITED LIABILITY LIMITED PARTNERSHIP, double-click here, otherwise, press delete, then press f11 to continue.**
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Our File: [Type City Attorney Matter Number or File Name, then press f11 to proceed]
[Delete this prompt, then save this document with a new file name (in a different folder), not in \MASTER DOCUMENTS]

**Return Original, Recorded Document to:**
**Longmont CDBG Office**
**350 Kimbark Street**
**Longmont, CO 80501**

# ATTACHMENT G

## Incentive Program Requirements and Critieria

**CITY OF LONGMONT**
**INCENTIVE PROGRAM TO PROVIDE**
**AFFORDABLE HOUSING**

In order to qualify for this Incentive Program, developments must provide affordable housing units above the minimum requirements of the City (shown below).

**The minimum requirements are:**

**a)** 10% of the for-sale units must be affordable to households at or below 80% of the area median income (AMI), by selling for a price determined by the City, updated annually. Units must be kept affordable for a minimum period of ten (10) years.

**b)** 10% of the rental units must be affordable to households at or below 50% of the AMI, by renting for an amount determined by the City, updated annually. Units must be kept affordable for a minimum period of twenty (20) years.

If affordable housing is provided above the minimum requirements described above (according to the attached Table 1), developers and builders of qualified affordable housing units may be eligible to receive the following incentives:

**Expedited Development Review Processing** – the City will process all applications for qualified affordable housing developments on an expedited timeline (typically in one-half of the "benchmark processing" time).

**Development Standards Modifications/Variances** – Certain development standards such as lot size and set back minimums, density requirements, etc. may be modified for qualified projects.

**Fee Reductions -** A percentage of certain development fees (including water/wastewater fees) will be reduced or subsidized for qualifying projects. Reductions can range from 50% to 75% for for-sale units and from 20% to 50% for rental units.

**Fee Subsidies** – Part of the interest paid on funds borrowed to cover certain development fees not reduced per the information above, from the time of payment of the non-reduced fees until the Certificate of Occupancy is issued, may qualify for a subsidy.

**Marketing Assistance** – The city administers an income certification program called the Community Housing Program which pre-qualifies households for the affordable units and provides down payment assistance (if needed), homeownership training, credit counseling, etc. to prepare households for homeownership. This program will refer eligible Certificate of Eligibility holders to your property and work with your sales staff to market the properties to eligible homebuyers

## TABLE 1

Housing developments that qualify for incentives must meet the following criteria in addition to meeting the minimum requirements. The affordable units provided must be proportional, by phase and by type of housing, to the total number and type of dwelling units in the development, as is required under the minimum standards.

**FOR-SALE UNITS one of the following must be met:**

a) 20% of the total units are affordable to households at or below 80% of the AMI for a period of 15 years.
b) 15% of the total units are affordable,½ to households at or below 80% of the AMI and ½ to households at or below 70% of the AMI for a period of 15 years.
c) 12% of the total units are affordable to households at or below 70% of the AMI for a period of 15 years.

**FOR RENT UNITS one of the following must be met:**

d) 20% of the total units are affordable to households at or below 50% of the AMI.
e) 15% of the total units are affordable, ½ to households at or below 50% of the AMI and ½ to households at or below 40% of the AMI.
f) 12% of the total units are affordable to households at or below 40% of the AMI.

All sales prices and rent limits will be determined by the City and updated annually. Income qualification is done by the City's Community Housing Program with income limits by family size updated annually.