

When Recorded Return to:

City of Bellingham – Planning & Community Development
210 Lottie Street
Bellingham, WA 98225

Attention: Lisa Manos

↑ Reserved for Recording Purposes Only ↑

LOW-INCOME HOMEBUYER COVENANT

Grantor(s): [insert Grantor]., [husband and wife, co-borrowers, single person]
Grantee(s): Beneficiary-City of Bellingham; Trustee- [insert].
Abbreviated Legal: [insert].
Additional legals on page: NA
Assessor’s Tax Parcel Number(s): [insert parcel numbers]

This Low-Income Homebuyer Covenant ("Covenant") is made by [Owner Name] a [choose: husband and wife/co-borrowers/ a single person] ("Grantor") and is part of the consideration for the financial assistance provided by the City of Bellingham ("City") to Grantor pursuant to a Homebuyer Resale Agreement of even date herewith, (the "Agreement"), for the acquisition of a principal residence located on the real property described below:

[INSERT FULL LEGAL], UNDER WHATCOM COUNTY AUDITOR’S FILE NO. [insert number], RECORDS OF WHATCOM COUNTY, WASHINGTON.

SITUATE IN WHATCOM COUNTY, WASHINGTON

(the "Property").

This Covenant will be filed and recorded in the official public land records of Whatcom County, Washington and shall constitute a restriction upon the use of the property described herein, subject to and in accordance with the terms of this Covenant, for [if HOME or CDBG funds, then choose: ten years and thirty days; if Levy funds, choose: fifty years] beginning _____, or until all remaining funds owed to the City are repaid, whichever is longer, as set forth in the Agreement.

The covenants contained herein are to be taken and construed as covenants running with the land and shall pass to and be binding upon the Grantor, his successors and assigns, heirs, grantees, or lessees of the Property, beginning _____ and ending [if HOME or CDBG funds, then choose: ten years and thirty days; if Levy funds, choose: fifty years], or until all remaining funds owed to the City are repaid, whichever is longer, as set forth in the Agreement. Each and every contract, deed or other instrument covering or conveying the Property, or any portion thereof, shall be conclusively held to have been executed, delivered and accepted subject to such covenants, regardless of whether such covenants are set forth in such contract, deed, or other instruments.

NOW, THEREFORE, it is hereby covenanted, for the [if HOME or CDBG funds, then choose: ten years and thirty days; if Levy funds, choose: fifty years], commencing _____, or until all remaining funds owed to the City are repaid, whichever is longer, as follows:

1. This Property was made available to the Grantor with the aid of funds from the [list funding sources: HOME Investment Partnerships Program, Community Development Block Grant Program and the 2012 City of Bellingham Housing Levy ("Levy")] for residential purposes. The condition of this financial assistance restricts resale of the property. Grantor covenants as follows:
 - a. The Property must be made available for subsequent purchase only to a buyer whose household qualifies as a low-income household and will use the property as the household's principal residence. A low-income household is a household at or below eighty percent (80%) of area median income, adjusted for household size, in Bellingham, Washington. The City must verify and qualify the subsequent buyer's income.
 - b. Homeowners which sell City-assisted housing are provided a fair return on their investment, while ensuring that the home is sold to another income qualified household. The calculation of a fair return on investment is set forth in the Agreement.
 - c. If HUD ceases to provide such estimates of median income, then median income shall mean such comparable figure for Bellingham, Washington published or reported by a federal, state, or local agency as Grantee shall select.
2. Principal Residence. The Property must be used as the principal residence, and no temporary or permanent sublease or rent is allowable, whether payment for such sublease or rent is received by the Grantor or not. Principal Residence is defined as a single dwelling house or other dwelling unit that is the place of residence, at which at least one natural person who constitutes the legal owner(s) of the housing unit predominantly resides for more than 183 days of each annual year starting January 1st through December 31st. Determination of Principal Residence may include, but not be limited to the owner's declared address or other verifiable resources for electoral, utility, taxation, government assistance programs, or any other form of evidence deemed acceptable to the City.

3. Compliance with State and Local Requirements. The Grantor will provide safe and sanitary housing, and will comply with all state and local housing codes, licensing requirements, and other requirements regarding the condition of the structure and the operation of the project in the City.
4. Records. The Grantor will keep any records and make any reports relating to compliance with this covenant that Grantee may reasonably require.
5. Default: In the event that Grantor, or Grantor's successor-in-interest, (a) fails to maintain or use the Property as residential, or (b) the present and future occupants of the units subject to this Low-Income Covenant do not meet the foregoing income limits at the time of their initial occupation of the Property, Grantor shall take all legal steps necessary to terminate the tenancies of such occupants as expeditiously as possible. Failure to commence such steps within thirty (30) days following Grantor becoming aware of the fact that the tenants were over income at the time of their initial occupancy shall constitute an Event of Default hereunder and under the terms of the Agreement. Pursuant to the terms of the Note, an Event of Default hereunder shall result in all unpaid amounts of principal, interest and late fees being immediately due and payable, after any applicable cure period in the Agreement. Upon Grantor's failure to make such payment, Grantee shall have the right to commence foreclosure actions under the Deed of Trust covering the Property of even date herewith. The mere vacancy of the Property while owned by the Grantor shall not trigger the foregoing condition. In the event legal action is required to enforce the foregoing condition, the prevailing party shall be entitled to an award of reasonable attorney's fees and all the cost of any legal action and title searches.

This covenant touches and concerns the Property and shall run with the Property and is for the benefit of the general public and shall be binding upon the Grantor's heirs, devisees, executors, administrators, successors and assigns. It may not be revoked without the prior written consent of Grantee.

IN WITNESS HEREOF, [insert Homebuyer name] has executed this Covenant on the [] day of [month], [year].

WITNESS:

By: _____
 [insert name(s)]

Dated: _____

STATE OF WASHINGTON, }
 }SS.
 County of Whatcom }

I certify that I know or have satisfactory evidence that [insert name] is the person who appeared before me, and said person acknowledged that s/he signed this instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Notary Public in and for the State of Washington

Printed Name: _____

Residing at _____

My appointment expires _____