

## PROVINCETOWNE — PASS IT ON

### THE BACKGROUND

As part of its mission to assist people with affordable home ownership, the City of Fort Collins worked with KB Homes in 2001 to build Provincetowne with a portion of the townhomes restricted to low-income residents through a Master Covenant. Of those original homes, 63 affordable units with restrictive covenants remain at Provincetowne.

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For more information, contact:

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## PROVINCETOWNE CONDOMINIUM PROJECT

### HOMEOWNER REMINDERS: WHEN YOU SELL





BECAUSE YOU  
OWN A **RESTRICTIVE COVENANT**  
PROVINCETOWNE  
HOME . . .

## PLEASE REMEMBER

### THE RULES

#### WHAT DOES IT MEAN TO HAVE A RESTRICTIVE COVENANT?

Each unit has a separate Master Covenant that is in effect for 25 years from the date of first purchase. The Master Covenant restricts ownership and resale of the unit, including: 1. A maximum purchase price; 2. Income eligibility; and 3. Owner occupancy restrictions. Upon resale, these units can only be resold to income-eligible buyers who must have an income that does not exceed 80 percent of the Area Median Income.

#### HOW DO I KNOW IF I HAVE A RESTRICTIVE COVENANT?

You should have received a copy of the Master Covenant at the time you purchased your home. Upon closing, you should have signed a Memorandum of Acceptance of Master Covenants. However, if you want to check on the status of your home, you may contact the City's Social Sustainability department for more information.

#### HOW IS THE MAXIMUM PURCHASE PRICE ESTABLISHED?

The unit is restricted by a "maximum purchase price" that is calculated using current Area Median Income data and interest rates. Any real estate professional can help you determine the best listing price for your home based on market conditions at the time you wish to sell.

#### WHAT IF MY INCOME INCREASES? DO I NO LONGER MEET THE REQUIREMENTS OF THE COVENANT?

You may own the home as long as you want. Income eligibility is established at the time of purchase.

#### CAN I RENT IT TO SOMEONE ELSE AND KEEP THE UNIT?

No. Rental of these units is not permitted under the covenant.

#### DOES THE CITY HAVE AN OWNERSHIP INTEREST IN MY PROPERTY?

You own your unit and the City does not have any financial interest in or lien on your property, but the City does have an interest in your property as the beneficiary of the Master Covenant. The City also administers the Master Covenant on the restricted units to ensure the homes continue to benefit low-income families in our community.

#### WHAT IF I DIDN'T KNOW ABOUT THE RESTRICTIVE COVENANT AT THE TIME OF PURCHASE?

Each Master Covenant is recorded in the Larimer County Property Records and should have been listed in your title work when you purchased your home. You are responsible for knowing what recorded restrictions may be on your property when you buy it. If you are unsure whether your home is restricted, please contact the City's Social Sustainability department for more information.

#### I'M HAVING TROUBLE SELLING MY HOME UNDER THESE RESTRICTIONS. IS THERE ANY WAY TO REMOVE THE RESTRICTIONS?

The Master Covenant on an affordable unit will be removed upon foreclosure or at the end of the 25-year period.

#### HOW DO I SELL MY HOME?

If you want to sell, you must notify the City 10 days prior to listing your unit for sale. If you accept a contract, the buyer submits an application to the City asking for a determination that the buyer is an eligible buyer and the price does not exceed the "maximum purchase price." Within 5 days the City will determine if the conditions have been met. If they aren't, the property cannot be sold to this buyer at this price. If they are met the City will issue a certificate to be recorded by the buyer. The City will also prepare a "Revised Master Covenant" that the new owner must sign, saying that they have read and understand the covenant.