



Tofino Housing Corporation Price Restricted Resident Restricted Resale Policy UPDATE PENDING COUNCIL APPROVAL

1 Scope

The Tofino Housing Corporation (THC) is responsible for overseeing the resale of all price controlled resident restricted units in Tofino. These properties include price controls and restrictions on who can purchase these homes. These policies are enacted under the terms of the Housing Agreement and are established to ensure that the price controlled resident restricted units are sold in accordance with the terms and conditions set out in the Housing Agreement and resale policies of the THC.

2 Purpose

The THC's resale policies outlined below will guide the THC resale process and maintain a standardized approach for the resale of the Tofino price controlled resident restricted properties.

3 Objective

These units are designated for individuals and households living and working full-time in Tofino. This Policy clarifies who is eligible to purchase these units and the general terms of the resale process. Since these units are not subject to the typical real estate process based on a competitive offer process, there is a need to establish Policy that establishes an equitable and well-understood process for the buyers and sellers.

4 Housing Agreements

The Housing Agreements which are the basis of this policy are found registered on title of each affordable homeownership home. For convenience copies can be found here.

<https://tofinohousingcorp.ca/for-sale>.

5 THC Resale Policies

- 5.1 All Tofino price controlled resident restricted units must adhere to and comply with the THC resale policies and process.
- 5.2 This resale process requires the selling of price controlled resident restricted units through the Purchase Lottery process defined herein. Please note: When there are sufficient price controlled resident restricted units to justify a Purchase Waitlist, which is expected to occur when there are at least 2 resales per year, this policy will be updated to reflect that new process.
- 5.3 The Purchase Lottery, and later Purchase Waitlist, is the primary mechanism for securing a buyer for a price controlled resident restricted unit. This ensures that only qualified Tofino residents have the opportunity to purchase price controlled resident restricted units when it comes for sale.



- 5.4 The Purchase Lottery is used to establish who has the first opportunity to purchase the price-controlled, resident-restricted unit, providing equitable access to all interested qualifying buyers. The Purchase Lottery process is defined by THC's Purchase Lottery Policy and Application - <https://tofinohousingcorp.ca/for-sale>.
- 5.5 If an offer is received at less than the Maximum Resale Price the Seller is not required to accept the offer. The Seller can counter at a higher amount, accept, or decline the offer. If the only offers received from the Purchase Lottery participants are at less than the Maximum Resale Price or include more than the minimum subjects, and are deemed unacceptable to the Seller, then the Seller is said to have exhausted the Purchase Lottery.
- 5.6 If the Seller exhausts the Purchase Lotters, the Seller may, at their own cost, seek better offers from qualified buyers. The District of Tofino retains through the Housing Agreement its Right of First Refusal and will intervene should the offer from a qualified buyer who did not participate in the Purchase Lottery be of equal or lesser value to the highest offer with minimum subjects (see 5.11 below) presented by Applicants in the Purchase Lottery.
- 5.7 THC Staff and THC Resale Representative do not represent either the seller or the buyer during the course of the THC's resale process. The THC's primary role during the resale process is to ensure the price controlled resident restricted unit sold based on the Purchase Lottery with adherence to the Housing Agreement. Independent legal advice is recommended for the buyer and seller prior to signing the Contract of Purchase and Sale.
- 5.8 The THCs Sellers Guide outlines the steps and checklist that make up the THC resale process. See THC's Seller's and Buyer's Guide – <https://tofinohousingcorp.ca/for-sale>. The basic steps of the process include:
 - 5.8.1 Seller notifies the THC of the intent to sell and date when offers would be considered (must be a minimum of 45 calendar days from the THC receiving the notification)
 - 5.8.2 30 calendar day Purchase Lottery application window is announced.
 - 5.8.3 THC's Resale Representative hosts 1 Open House. Seller is encouraged to be at the Open House. Seller may hold additional Open Houses.
 - 5.8.4 Purchase Lottery is conducted and selected Purchaser provided 3 business days to produce an Offer. THC's Resale Representative assists Purchaser with completing an offer and presents it to the Seller.
 - 5.8.5 Offer accepted or countered by Seller. Note: THC's Resale Representative cannot provide advice to the Purchaser or Seller with regard to the contents of a counter-offer.
 - 5.8.6 If Offer rejected, next Purchaser from the Purchase Lottery is provided 3 business days to make an Offer. Steps 5.8.5 and 5.8.6 repeated until Offer accepted or Purchase Lottery exhausted.
 - 5.8.7 With an accepted Offer, Purchaser required to provide deposit (at least 5% of Purchase Price) to be held in trust by the Seller's Legal Representative. Purchaser works to complete other conditions of Offer (see 5.11 below).



- 5.8.8 Seller provides strata information (see 5.11 below) to Purchaser and arranges access to the unit for purpose of conducting property inspection and appraisal (if required).
- 5.8.9 Seller and Purchaser choose conveyance legal representatives (must be different) for completing legal transfer paperwork and financial transaction.
- 5.8.10 Sale closes on Completion Date. Seller provides keys to Purchaser on Possession Date (usually 1 date after Completion Date).
- 5.9 The Purchaser must pay a Purchase Fee equal to \$4000 THC to cover the costs of THC conducting the Purchase Lottery (or maintaining the waitlist) and the THC Resale Representative.
- 5.10 Any purchaser purchasing a newly constructed price controlled resident restricted unit must apply for the GST Homeowner Rebate and assign that rebate to the THC. As per the Housing Agreement, the Purchase Price used to establish the Maximum Price at resale includes any GST paid.
- 5.11 The THC uses a standard Contract of Purchase and Sale created specifically for the resale process for the price controlled resident restricted units. While Contracts of Purchase and Sale can vary in their content, the following Municipality and Purchaser's Subjects, are required to be included in all Contracts of Purchase and Sale of a price controlled resident restricted unit.

a) Municipality's Subjects

- Subject to the Vendor(s) notifying the Purchaser in writing not later than (x date = 15 days from date of Vendor's Acceptance) that the Tofino Housing Corporation Inc., acting on behalf of the District of Tofino (the "Municipality"), has approved the terms of the sale of the Property to the Purchaser and that the Municipality has decided not to exercise its option to purchase the Property with respect to this transaction only.
- Subject to the Vendor (s) notifying the Purchaser in writing no later than (x date =15 days from date of Vendor's Acceptance) that the Tofino Housing Corporation Inc., acting on behalf of the Municipality, has confirmed the Purchaser's eligibility to own the property.

These Vendor Conditions are for the sole benefit of the Vendor and may be satisfied by the Vendor by notice in writing to the Purchaser. If the Vendor's Conditions are not satisfied on or before the date specified for their removal, this agreement will be automatically terminated, the deposit will be returned to the Purchaser, and neither party will have any further obligation to the other under this agreement.

b) Purchaser's Subjects

- Subject to the Purchaser(s), on or before (x date = 15 days from date of Vendor's Acceptance) receiving acceptable financing from a lending institution of their choice. This condition is for the sole benefit of the Purchaser.



- Subject to the Purchaser, on or before (x date = 15 days from date of Vendor's Acceptance) at the Purchaser's expense obtaining and approving an inspection report against any defects whose cumulative cost of repair exceeds \$1,000.00 and which reasonably may adversely affect the property's use or value. The Vendor will allow access to the property for this purpose on reasonable notice. This condition is for the sole benefit of the Purchaser.
- Subject to the Purchaser(s) on or before (x date = 15 days from date of Vendor's Acceptance), at the Seller(s) expense, obtaining and reviewing a current Form B Information Certificate, current strata Bylaws, Strata Council Meeting minutes, Annual General Meeting minutes, Extraordinary or Special Meeting minutes, Current financial statements for the last 24 months satisfactory to the Purchaser. This condition is for the sole benefit of the Purchaser.

c) Disallowed Subjects

Any subject that can be perceived to manipulate the maximum resale value of a price controlled resident restricted unit is not allowed to be included in the Contract of Purchase and Sale. This includes, and may not be limited to, the following subjects:

- Subject to the Purchase being required to assume the terms of the vendor's current financing arrangements (i.e. mortgage assumption).
- Subject to the inclusion of furniture in the sale price for an additional cost.
- Subject to the vendor entering into an agreement to rent back the unit for an amount that is less than the maximum allowable monthly rent as defined by the Housing Agreement.

In addition to the Disallowed Subjects, the Completion date, Possession and Adjustment dates are required to be no more than 4 Business Days apart. In the event the seller wishes to reside in their unit for a longer timeframe after the Completion Date the seller is required to pay rent to the purchaser for no less than the maximum allowable monthly rent prorated for the number of additional days the unit will be occupied by the seller.

THIS POLICY IS INTENDED TO REFLECT THE GOALS AND MANDATE OF THE THC. IF AT ANY TIME IN THE FUTURE CHANGES IN MARKET CONDITIONS OR GATHERED EXPERIENCE RESULT IN THIS POLICY DEVIATING FROM ITS INTENDED USE THE THC RESERVES THE RIGHT TO MAKE ANY REQUIRED CHANGES