

Practical Steps to Fairly Valuing Resale-Restricted Properties

1. Individual Washington State Community Land Trust (CLT) enters into an Affordable Housing Agreement with the Washington State Housing Finance Commission (WSHFC) (sample Affordable Housing Agreement attached as Exhibit 1).
2. Only properties owned by a CLT that has entered into the Affordable Housing Agreement with WSHFC and encumbered by a durable restriction on the property's resale price, rental price, or other component of economic value will qualify as a resale-restricted property (sample ground lease attached as Exhibit 2). The ground lease or housing affordability covenant restricting the resale price has a term generally of not less than 99 years.
3. The CLT will execute and record a Regulatory Agreement on all eligible properties, a copy of which will be provided to the WSHFC (sample Regulatory Agreement draft attached as Exhibit 3). The Regulatory Agreement has a term of 30 years.
4. Each year the CLT will prepare, certify, and submit to the WSHFC a report that includes a list of all eligible CLT properties (sample list attached as Exhibit 4). The list shall include the properties' then current resale price, along with addresses, tax parcel numbers and Auditor's file numbers for the recorded ground leases and covenants that control future resale prices.
5. Within 30 days of a change in the tax status of the CLT or a change in the durable restrictions on future resale prices on any CLT properties, the CLT will prepare, certify, and submit to the WSHFC a report documenting these changes.
6. Each year, the CLT will provide to the County Assessor in each County where the CLT has property a certified copy of the reports to the WSHFC pertaining to properties in that County.
7. Each year, the WSHFC will combine the CLT's reports with other CLTs' reports so as to create an aggregate list to be submitted to the Department of Revenue.
8. In the absence of comparability data on the market value of resale-restricted property, the Assessor in the County where the CLT eligible properties are located will use an alternate methodology for valuing the land and the improvements (sample valuation methodology attached as Exhibit 5).