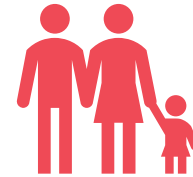


■ **ACTION: PATHWAY TO OWNERSHIP**

Identify deed restriction and down payment assistance feasibility and program options. Explore deed restrictions, tax abatement, cash equivalent, rehab assistance, and cooperative/co-ownership opportunities.



■ **Shared Equity Homeownership:** Housing tenure model that allows income-eligible households to purchase homes at below-market prices. In return, the owner's potential capital gains from resale of the home are limited by restrictions, creating lasting affordability and an opportunity to accumulate wealth.

- Community Land Trust (CLTs)
- Limited Equity Cooperatives (LECs)
- Deed-Restriction Programs

■ **Community Land Trusts (CLTs)**

- Resident-owned structure. Land leased from trust.
- Typically non-profit community organization

■ **Limited Equity Cooperatives (LECs)**

- Residents own shares in cooperative housing corporation
- Sale limits ensure affordability but allow for equity growth
- Typically unified development projects

■ **Deed-Restriction Programs**

- Covenants restrict occupancy, ownership, and resale
- Explicit or de facto affordability
- Typically public programs and non-profits

■ **Investment**

- Government buys a deed-restriction on existing home

■ **Benefit: Homeownership Assistance**

- Down payment, closing costs
- Help local workers access the market
- Support local owners to remain in their homes

■ **Benefit: Housing Preservation**

- Keep existing units accessible for year-round local housing
- Funding for improvements and maintenance
- Enable long-term rental opportunities

■ **Common in Peer Communities**

- Summit County & Breckenridge (Housing Helps)
- Vail (Vail InDEED)
- Teton County & Jackson, WY (Preservation Program)
- Truckee (Home Access Program)
- Placer County (Workforce Housing Preservation Program)
- Mountain Village (YES Incentive Program)
- Big Sky Community Housing Trust (GOOD DEEDS)
- Park City (Live Park City -- new)
- And more..

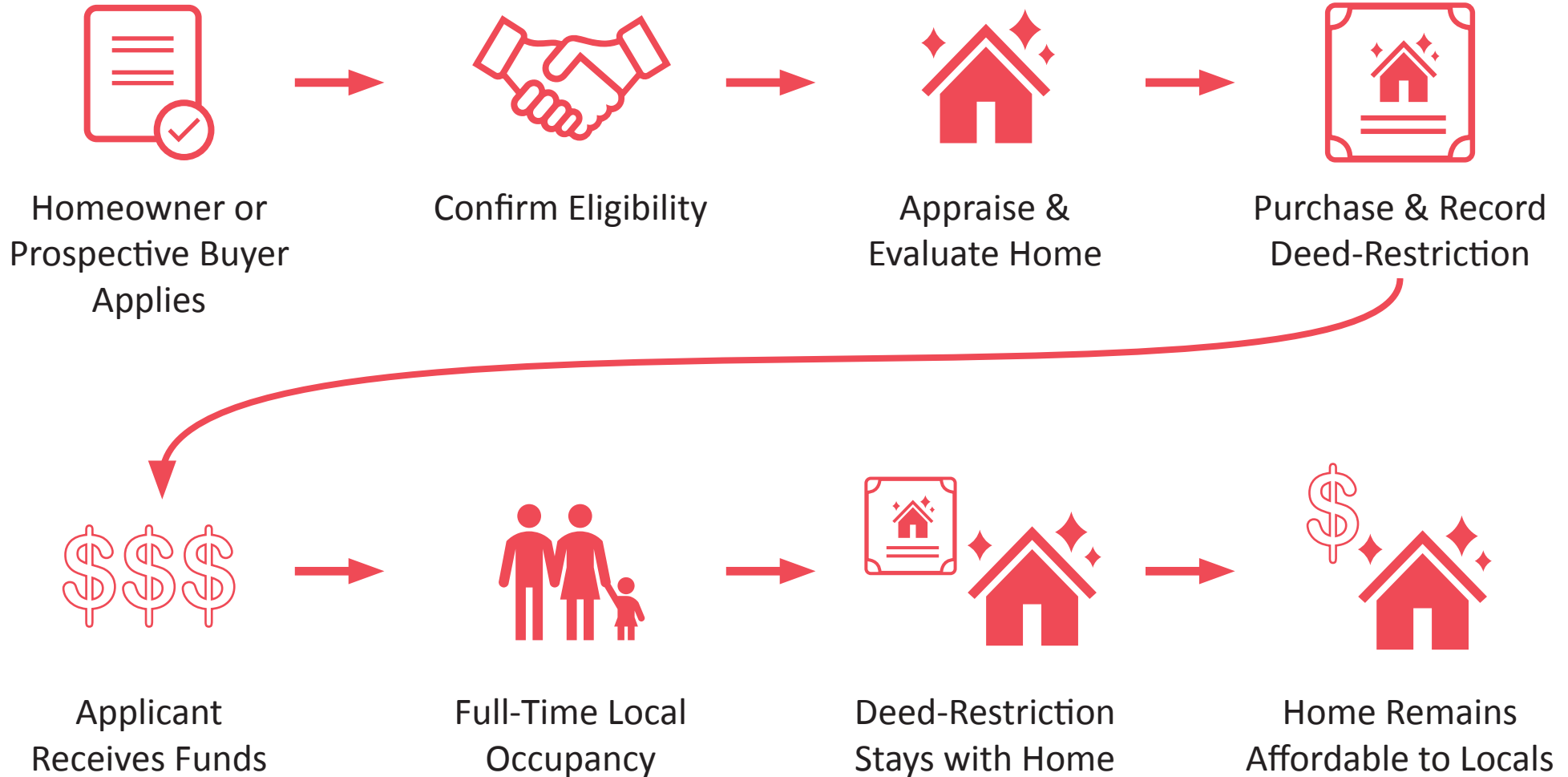
■ **Peer programs generally focus on “locals” and “workforce” (~120% AMI and up)**

- Local income and residency
- No short term rentals
- No asset or income limit
- Similar to BCHA Category-L Restriction

■ **Option to consider more affordable/restrictive program**

- Local income and residency
- No short term rentals
- Income and asset restrictions: matching affordable categories

How It Works



■ How is the restriction's value determined?

- Depends on details of restriction and home value
- Typically 10-20% for a “workforce” / “local” restriction

■ Option 1: Formula with Maximums

- Example: 15% of the appraised value, not to exceed \$100,000

■ Option 2: Evaluation and Negotiation

- Appointed advisory body negotiates with homeowner
- Consider variety of factors: unit type, location, how unit meets goals and needs of community

■ **How much for a pilot project?**

- Recent peer programs have launched with \$1M
- \$500,000- \$1,000,000 appraised value range
- Restrictions cost 10-20% of appraised value
- ~10-15 restrictions

Program Eligibility

■ Residency and Local Employment

- Resident: 10 month minimum / year (own or rent)
- Worker: Average 30 hours / week for local business
- Retiree: Provisions for retirement

■ Income

- “Locals” programs often have no limit
- Minimum % for household earned locally
- Maximum % AMI: Income-category restrictions

■ Assets

- “Locals” programs typically have no limit
- Maximum % of sale price
- AMI category limits

■ Other Property

- Some prohibit other residential property in region

■ **Restriction Length**

- Permanent (legally questionable)
- Finite: 40-99 years (e.g.)
- Option for renewals with sales / transactions
- Working with legal counsel to determine limits in Idaho

Methods for Limiting Appreciation

■ Index-Based Formulas

- Inflation (CPI)
- Prime Rate / Interest Rates
- Growth in AMI

■ Income-Based (BCHA Method)

- Based on income needed to pay mortgage, fees, etc. within established income category

■ Fixed-Share

- Percentage of overall appreciation is kept by seller
- Remainder returns to program / reinvested

■ None - Market Establishes Price

- Common in peer “locals” programs
- Restriction has impact on market appreciation

■ **Deed-Restriction Purchase Program Takeaways**

- Long-term affordability, resident stability, and community benefits of local homeownership and occupancy
- Requires public investment in subsidy and administration
- Need to educate community and lenders
- Details and specifics of program can be tailored to community need

Program Recommendations + Council Guidance

■ Eligibility - 2 Programs (Locals & Restricted Affordable)

- Residency + Local Employment (average full-time + year round)
- Income
 - ◇ Categories 4, 5, & 6: AMI Limits; min. percentage earned locally
 - ◇ Category L: No limit; min. percentage earned locally
- Assets
 - ◇ Categories 4, 5, & 6 asset limits
 - ◇ Category L: No maximum (local percentage limits passive income)
- No other residential real estate

■ Restriction Valuation

- Fixed Formula (% of appraised value, with maximum)

■ Appreciation

- Income-based for restricted categories
- Market-based for Category L

■ Funding

- \$1,000,000 for pilot program