



County of El Dorado

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Legislation Text

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Human Services Department recommending Program Guidelines for Deed Restrictions and Affordable Housing Projects and relevant Program documents to assist the County in working with developers of market rate units to provide Deed Restricted affordable units in the unincorporated areas of El Dorado County and with buyers of said units during the period of affordability.

BUDGET SUMMARY:		
Total Estimated Cost		\$0.00
Funding		
Budgeted	\$	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$	
Change To Net County Cost		\$0.00

Fiscal Impact/Change to Net County Cost: No change.

Reason for Recommendation:

Developers of market rate units can choose to include affordable units in new or conversion developments through the execution of a Developer's Agreement. The Developer's Agreement restricts the sale of a designated number of units within the development to households earning at or below moderate income. The Program Guidelines for Deed Restrictions and Affordable Housing Projects have been developed to assist the County in working with the developers to provide affordable Deed Restricted units within projects with single family components that are developed and available for sale in the unincorporated area of El Dorado County. The Guidelines provide requirements for Developers for selection of affordable units within a development, specifying unit size and design, establishment of the initial sales price and procedures for the initial sale of the units, including the selection procedure for the initial income-qualified buyers. Upon initial sale of the affordable units, a Buyer executes a Buyer's Agreement, which reserves the units as affordable for a term of no less than twenty (20) years. The Guidelines also provide buyers of the affordable units with residency requirements, and resale procedures, including equity recapture. Each time a Deed Restricted unit is sold, the buyer is required to execute the Affordable Housing Program Buyer's Acknowledgments (Acknowledgments), Buyer's Resale and Program Restrictions (Restrictions) and the Note Securing the Buyer's Agreement (Note). The Buyer's Agreement and the Program documents are executed simultaneously with the mortgage lender's documents through the escrow process at time of sale. The Acknowledgments and Restrictions reiterate the residency requirements, resale restrictions of the Buyer's Agreement and refinancing terms and procedures. The Note secures the equity generated during the resale of a Deed Restricted Unit. Copies of the Deed

Restrictions and Affordable Housing Projects Program Guidelines, Affordable Housing Program Buyer's Acknowledgments, Buyer's Resale and Program Restrictions, and the Note Securing the Buyer's Agreement are attached and on file with the Board Clerk.

Action to be taken following Board approval:

County staff to follow approved guidelines and utilize approved Program documents in working with developers and buyers of for sale affordable Deed Restricted housing units.

Contact: Doug Nowka, 621-6163

Concurrences: County Counsel and Risk Management have approved the Affordable Housing Program Guidelines and all Program documents.