

# **TOWN OF BRECKENRIDGE HOUSNG HELPS PROGRAM GUIDELINES**

## **I. Introduction**

The purpose of these Guidelines is to formalize the administrative rules, policies and standards that will be used to interpret and implement the Housing Helps Program. These Guidelines may be amended from time to time and any amendments made to these Guidelines shall be effective immediately upon approval by the Town.

## **II. Program Overview**

The Town of Breckenridge has implemented a program called Housing Helps to help create, maintain and preserve the housing inventory in the Upper Blue Basin for local workforce. The Housing Helps program was adopted in 2019, expanded in 2021, expanded further in 2022 and works by incentivizing existing homeowners and/or real estate buyers to place a deed restriction on their property to preserve the homes for local workers. By offering the program in conjunction with Summit County, all areas of the Upper Blue Basin are covered not just those within Town limits. Every application is reviewed by the Housing Staff utilizing the basic guidelines detailed in this document. Under Housing Helps the Town pays owners or buyers to record a deed restriction on homes that are currently unrestricted market rate homes. The amount that will be paid for a deed restriction will vary depending on the market and how well the home meets current needs within the community. The program allows for between 15% and 30% of the home value or home sale price to be paid in exchange for the deed restriction. Recipients may use the funds for down payment, home repairs, special assessments, or any other purpose. In return, the recipients are required to execute a deed restriction that requires the home to be occupied by a local worker.

## **III. Housing Helps Program Details**

### **Borrower Eligibility**

Anyone who owns or intends to purchase a property in the Upper Blue Basin, including investors are eligible to apply for Housing Helps funds. No credit score criteria, no first-time homebuyer requirement or income limits apply to the program.

### **Property Eligibility**

The property must be in the Upper Blue Basin from the base of Hoosier Pass to Farmers Corner. All property types that do not have a current deed restriction in place are eligible with the exclusion of mobile homes not permanently affixed to a foundation.

### **Program Application**

For consideration the Housing Helps application needs to be completed for the intended property. The program application can be found at <https://www.townofbreckhousing.com/housing-helps>.

## **Type of Funds**

Grant Funds from a Town (as defined in the Fannie Mae selling guide B3-4.3-06).

## **Usage of funds**

There are no limitations on the usage of the funds. As part of a purchase the buyer can use the funds for closing costs, down payment and additional pre-paid items. The funds are distributed directly to the title company who is responsible for the disbursement of funds upon closing.

## **Repayment terms**

There are no repayment terms. The grant is provided in return for the deed restriction in order to preserve local workforce housing.

## **Program Tiers**

- Light Deed Restriction – grant between 15 – 19% of the purchase price or value of the property, no appreciation cap on the deed restriction, property must be occupied by a person employed a minimum of 30 hours per week in Summit County.
- Full Deed Restriction – grant between 20 – 30% of the purchase price or value of the property up to a maximum grant amount of \$450,000. 3% appreciate cap on the deed restriction, property must be occupied by a person employed a minimum of 30 hours per week in Summit County.

## **Requirements within the Deed Restriction**

- The property must be occupied as a primary residence by a person (s) employed a minimum of 30 hours per week in Summit County. Remote work will be reviewed on a case-by-case basis with a priority given to remote workers that support businesses that operate within the community. Retirement as described in the Town’s Housing Guidelines is exempt from the minimum work requirement.
- The property cannot be used as a seasonal/ vacation home or short-term rental.
- Owner is obligated to complete annual verification to confirm compliance with the restrictive covenant.
- Complete light and full employee housing restrictive covenant can be found on the website.

## **Considerations used in determining amount of funds provided within the program tiers**

- Location of the property to be deed restricted. Proximity to Town Core and transportation generally warrants a higher range within the tier.
- Value of the property and requested amount of funds. Looking to have loan to value criteria that is generally accepted among the lending community. Valuation methods that are

commonly used are the offer to purchase, neighborhood comps from an independent third party and assessor's data.

- Current Occupancy of the property.
- Type of property and size/ bedroom/ bathroom count of the property. How well the type/ size of property meets the current needs based upon the most recent Housing Needs Assessment.
- Current restrictions in place for the property that limit occupancy. Properties that exclude short term rentals within their Neighborhood/ Condo Covenants generally warrant a reduction in the maximum amount of funds granted.
- General conformity of the Neighborhood where proposed property is located and if it is historically a predominantly local workforce neighborhood.

#### **IV. General Questions and Answers:**

##### **Why Should I Consider Deed Restricting My Property?**

The Town's goal is to help locals stay in the community where they can live, work, play, and raise their families. The most recent Housing Needs Assessment indicates there is a significant shortage of housing to serve the needs of local families and employees. This impacts the ability of businesses to recruit and retain employees and provide the products and services needed, effecting the overall character of our community. By deed restricting your property you are helping the Town retain a variety of housing options for locals.

##### **What Happens to the Deed Restriction When I Sell the Property?**

The deed restriction will remain with the property in perpetuity and future owners will be subject to the same restricted use.

##### **Are There Tax Implications Associated With the Payment I Received?**

You should check with your financial or legal advisor as the Town cannot provide any financial or legal advice. Under this program the Town is acquiring a deed restriction from you and the Town will not issue a 1099 for the proceeds that you receive.

##### **Are There Local Lenders Familiar With the Housing Helps Program?**

You may use a lender of your choice but please confirm they will loan subject to the Town's Housing Helps Deed Restriction. We have been in communication with local lenders including 1st Bank, BOK Financial, Bank of England, Sulquist and Fairway. Each are familiar with the program and have successfully provided financing on these properties.

##### **How Much Money Will be paid for the Deed Restriction?**

Every property is different and there is no set amount that the Town will pay for a deed restriction. The value will vary depending on the size of the unit, the location of the unit, the proximity to jobs and or transit, and how well the unit meets the housing needs in the community. The Town will evaluate the

property and total transaction parameters in accordance to these guidelines in determining the final price that is acceptable to you and the Town.

**How will the Town determine the Value of the Property?**

The Town may compare other similar properties or may review appraisals or other information from real estate professionals to determine a reasonable and acceptable value. For acquisitions the Town will use the negotiated contract price as the value.

**If my Application is Accepted When Will the Funds be Available?**

Once an agreement is reached, funds are generally available within 4-6 weeks.

**V. Program Administration**

The Housing Helps program is administered by the Town of Breckenridge Housing Division. Properties located within Town limits are administered solely by the Town of Breckenridge while those outside Town limits within the Upper Blue Basin are administered in conjunction with Summit County Government.