

Memorandum

To: Vail Town Council

From: George Ruther, Director of Community Development
Steve Lindstrom, Chair of the Vail Local Housing Authority

Date: March 7, 2017

Subject: Chamonix Vail – Deed Restriction Requirements Recommendation

I. Purpose of this Public Hearing

The purpose of this public hearing is to present the Vail Local Housing Authority recommendation for the deed restriction requirements for Chamonix Vail. At the conclusion of the presentation, the Vail Town Council will be asked to make a final determination on the deed restriction requirements. A final determination on this matter is needed to remain on schedule for an April start.

The Chamonix Neighborhood development helps the Vail Town Council achieve its adopted goal of “growing a thriving and balanced community”.

II. Project Goals and Objectives

A list of project goals and objectives has been adopted for the future development on the Chamonix site. The project team has continually relied upon these goals and objectives for direction throughout the planning process. On April 15, 2014, the Vail Town Council affirmed and adopted the following project goals and objectives:

- Optimize the use of the site for **affordable for-sale housing** (15 - 25 DU's per acre)
- Design a **context sensitive design solution** (design review guidelines)
- Ability to be **phased over time** (min. two phases)
- Deliver **desirable, marketable and diverse** types of housing products (duplexes; one, two & three bedroom flats; townhomes, etc.)
- **Maximize the town's limited financial resources**
- **Build responsibly** given the existing site configuration, topography and natural features of the site
- Develop a **diversified cost/sales structure to respond to a wider range of buyers** (i.e. pricing structure based upon income)

III. Chamonix Vail Deed Restriction Requirements

A deed restriction will be recorded against all of the homes at Chamonix Vail. Once recorded, the deed restriction shall run with the land and remain in perpetuity, unless otherwise removed,

subject to mutual agreement by all affected parties. The Chamonix Vail Deed Restriction shall apply only to properties constructed on the Chamonix Vail property, and therefore, the requirements do not apply to any other deed restricted properties in Vail. The purpose of the deed restriction is to ensure that the ongoing ownership and occupancy of the homes achieves the Town's identified objectives for Chamonix Vail of:

- 1) maintaining, sustaining and creating community
- 2) ensuring the availability and affordability of housing over time
- 3) sustaining a year round workforce
- 4) protecting and preserving the deed restriction

To that end, the following requirements are included in the Chamonix Vail Deed Restriction:

- Occupancy shall be limited to Owners choosing to continuously occupy the homes, make the home their permanent place of residence, and work at least 30 hours per week at a business licensed within Eagle County.
- Future transfer of ownership shall be through the Town of Vail to a Qualified Buyer.
- "Non-Qualified Owners" shall be prohibited.
- Provisions shall exist for circumstances of inheritance.
- Owners may rent part of their homes provided certain requirements are met.
- The Town of Vail shall maintain a first option to purchase on all transfers.
- Owner shall be afforded an opportunity to obtain a "Maximum Resale Price" cap upon the sale of a Chamonix Vail home.
- Acceptance of a deed in lieu of foreclosure assignment shall cause the deed restriction to remain in full force and effect.
- Terms shall be provided to address matters of breach of the deed restriction.
- A partial reimbursement for certain capital improvements costs may be added to the Maximum Resale Price upon sale.
- Owners may not own other residential property in Eagle County.

A complete copy of the recommended Chamonix Vail Deed Restriction has been attached for reference.

IV. Vail Local Housing Authority Recommendation

The Vail Local Housing Authority (VLHA) has reviewed the Chamonix Vail Deed Restriction. Upon review and consideration of the deed restriction, the VLHA forwards the following recommendation to the Vail Town Council:

- To maintain affordability over time, the Maximum Resale Price should be correlated to historical changes, (+/-) in the Area Median Income, Median Family Income, Consumer Price Index, etc. within Eagle County, Colorado. Over the past two decades these indexes have changed 1.64% to 2.48%, respectively. For ease of implementation a 1.5% per Annum adjustment is recommended.
- To avoid unintended consequences of residential property ownership, a Qualified Buyer may own residential property, land and/or homes, outside of Eagle County, Colorado.

V. Vail Town Council Instruction

The Development Team is prepared to move forward on the next steps of finalizing the Chamonix Vail Deed Restriction. To do so, the Team is seeking instruction from the Vail Town Council.

Does the Vail Town Council support the recommendation of the Vail Local Housing Authority and the proposed requirements contained within the Chamonix Vail Deed Restriction? If so, the Team will take the steps necessary to finalize the deed restriction. **If not, what specific changes to the deed restriction are required?**