



Occupancy- or Employment-based Deed Restriction Programs



LOCAL IMPLEMENTATION



Implemented on Cape Cod

OVERVIEW

Deed restrictions are a common tool for creating and maintaining affordable housing units. Affordability restrictions typically limit the sale or lease of a property to households earning at or below a certain income threshold. However, seasonal communities throughout the country are starting to administer programs that use deed restrictions to preserve housing units for employees and year-round residents through employment and occupancy requirement. The conditions in the deed restriction bind both current and future homeowners. Often a homeowner receives a monetary incentive or payment from the program in exchange for placing the deed restriction on their property. Deed restrictions can usually be held by municipalities, non-profits, and other organizations.

CHALLENGES ADDRESSED



Not Allowed to Build Multi-family Housing



Too Expensive to Build New Housing



Too Expensive to Secure or Maintain Housing



Hard to Find Year-round Housing

POTENTIAL BENEFITS & CONSIDERATIONS

- Help provide housing opportunities for households that earn too much money to qualify for Affordable housing but do not earn enough to affordably secure a home in the free market
- Can be used to convert a short-term rental unit into a long-term or year-round unit
- These deed restrictions often do not strictly limit future resale values for the owner, though the restrictions will likely moderate resale values somewhat and ensure the home remains an opportunity for local employees or year-round residents
- Monitoring for compliance will require time and resources

RESOURCES & EXAMPLES

YES Deed Restriction Program - The YES Program in Town of Mountain Village, CO is a deed-restriction purchase program whereby the town will pay homeowners a portion of the home's value (15-20%) in exchange for placing a deed restriction on the property that requires a renter or buyer working a certain amount of hours in the town.

Model Year-round Deed Restriction - This model deed restriction developed for the Cape Cod Commission provides example language for an employment- or occupancy-based deed restriction.

CASE STUDY: VAIL INDEED PROGRAM

Vail InDEED is a deed restriction program created to incentivize homeowners and purchasers to deed restrict their property for employees and residents of Vail and Eagle County. It is one tool to help the Town meet the goal of maintaining and sustaining homes for residents within the community. These deed restrictions permanently remove housing units from the second home and temporary vacation rental market, retaining more housing for Vail's permanent residents and lessening the burden of competing with tourists and second homeowners for housing. The deed restrictions do not cap the resale value of the home, but it must continue to be occupied by a resident of the community.

Learn more about the Vail INDEED program [here](#).

