



CITY COUNCIL ACTION FORM

DEPARTMENT	PRESENTED BY	DATE
City Attorney	Nina P. Williams - City Attorney	March 3, 2024

ITEM

Inclusionary Housing Deed Restriction discussion

BACKGROUND

The purpose of the City's Inclusionary Housing Deed Restriction is to accomplish the goals and directives of Salida's Inclusionary Housing ordinance (Chapter 16, Article XIII, of Salida Municipal Code).

We discussed Inclusionary Housing Deed Restrictions and obtained general policy direction at your April 15, 2024 work session. The CAF from that meeting is attached to this memo, for reference. At that work session, Council reiterated the importance of the Purposes and Objectives of the Inclusionary Housing ordinance. Council also confirmed that these Inclusionary Housing Deed Restrictions should remain in perpetuity, recorded onto and burdening the property for generations to come, versus a temporary restriction for a few years or 1-2 families/occupants.

Despite the importance of certain language within the Deed Restriction form, as well as the legal advice surrounding same and Council's direction last April, we have been asked if the City can remove certain language under the Foreclosure section of the Deed Restriction that was unacceptable to some lenders. We believe we can recommend a second-best alternative that may be an appropriate revision to Council, and also which should be acceptable to more lenders.

This amendment-option comes from the Town of Avon's Deed Restriction template. It would give the City the "option to purchase" the property in the event of a foreclosure. However, if the City did not exercise its option to purchase, then the City would agree to release the property from the requirements of the Deed Restriction.

The City Attorney will summarize and discuss further during Monday's work session, and obtain general feedback from City Council regarding whether she should update the form Inclusionary Housing Deed Restriction template (referenced in Salida Municipal Code section 16-13-20(d)).