

Workforce Housing Preservation Program

Program Description and Guidelines June 2022

1. PROGRAM DESCRIPTION

Introduction

In 2017, the Placer County Board of Supervisors approved a series of tasks that comprise the County's Housing Work Plan. This work plan is aimed at identifying ways the County can improve local controls to address the housing crisis and state requirements. The work plan approaches the problem by targeting four main focus areas:

- Creating more incentives to build affordable and workforce housing
- Changing regulations to make building easier
- Advocating for state and federal assistance
- Furthering partnerships for meeting regional housing needs.

As one of many tools to facilitate housing, the Placer County Board of Supervisors directed staff on March 10, 2020 to implement a workforce housing deed restriction Program. The Workforce Housing Preservation Program is designed to help implement the County's Housing Work Plan by preserving and utilizing existing single family and multifamily housing stock as one means of supporting the county's permanent local resident workforce.

The Workforce Housing Preservation Program (WHPP) facilitates the purchase of residential deed restrictions in the unincorporated area of the County. The deed restrictions limit the occupancy of the home to the local resident workforce. Due to unique housing differences in the East Placer region, the Program includes an additional component specific to the eastern region, as described below in the Program Overview.

Program Overview

The WHPP is an incentive-based Program that facilitates housing for the local resident workforce. The Program would be available at the point of sale or construction of a single family or multifamily unit. Consistent with the State of California's legal framework for deed - restricted affordable housing, the WHPP implements a 55-year deed restriction on the property that automatically renews with each point of sale or transaction. In return for payment, the deed restriction is legally recorded, appears on the property title and is passed to future owners for a renewed 55 - year term. The Program is broken out into two components: 1) countywide component, and 2) East Placer region component. The countywide Program component is designed to provide developers with the ability to facilitate home ownership for low- to moderate-income households that are part of the local resident workforce. Developers can buy a deed restriction on a home to satisfy their affordable or employee housing mitigation requirement through this program. The County does not subsidize developer obligations; however, developers can work with the County to purchase deed restrictions that support the local resident workforce population consistent with the County's Program parameters. The East Placer Program may be implemented anytime funds are available and is designed to preserve regional housing stock for the local resident workforce in the East Placer region. This component is initially available for only new residential construction, and conversions of non-residential to residential purchases. The Workforce Housing Preservation Program will be monitored on an annual basis to determine effectiveness. Based on the Program's success, the Program may be extended or refined with Board approval.

Program Guidelines and participant criteria is described below.

2. PROGRAM GUIDELINES

A. Definitions

- I. "Approving Agent" is the Board of Supervisors for Placer County or its designee
- II. "Board" means the Board of Supervisors of Placer County

- III. "Date of Implementation" is the date the Program opened to the public
- IV. "Deed Documents" means the documents necessary to enter into a deed restriction agreement; including Subordination Agreement, Deed Restriction Agreement, Non-Monetary Note and Non-Monetary Deed of Trust
- V. "Deed Restriction Disbursement" is the value of the deed restriction grant paid by the Program Administrator to the Program Participant
- VI. "Developers" means a developer who has constructed a housing unit within Placer County for the Countywide Program or within the Tahoe Truckee Unified School District geographical boundary for the East Placer Program
- VII. "Fair Market Value" means the value of the Property as determined by the appraiser
- VIII. "Occupant" applies to all occupants in the Property
- IX. "Occupancy Criteria" means at least one occupant shall work 30 or more hours per week, or meet fulltime employment equivalency (as demonstrated through an employer verification or yearly revenue for self-employed individuals), at location within Placer County for Countywide Program or within the Tahoe Truckee Unified School District geographical boundary for East Placer Program
- X. "Potential Avalanche Hazard Area" means a location that is in a potential avalanche path as defined by a County planning document
- XI. "Program" or "WHPP" means the Workforce Housing Preservation Program
- XII. "Program Administrator" is the administrative group or agent designated by the Placer County Board of Supervisors who oversees the qualification, processing, and operation of the Program
- XIII. "Program Participant" is the applicant to the Program who is buying or constructing a residential property
- XIV. "Property" is the property on record receiving the deed restriction

B. Countywide Program

I. Eligibility Criteria for Occupants and/or Program Participant

a. Local Worker Buyers and/or Occupants:

- i. Gross annual household income of Occupants must be equal to or less than 120 percent (120%) of Placer County's median income, adjusted for household size as set forth by the California Department of Housing and Community Development.
- ii. Occupant household must have at least one member who is currently employed 30 or more hours per week, or who meets fulltime employment equivalency with employer verification, at an employment site in Placer County.
- iii. Occupant household must have at least one member whose work site is less than or equal to 20 driving miles from the Property.

Administrative Variance to Work Site. A twenty percent (20%) variance may be granted by the Program Administrator.

- b. **Developers:** Developers may be Program Participants in constructing housing units and deed restricting them to satisfy their affordable or employee housing mitigation requirement. In this case, all Occupants must meet Occupancy Criteria.

II. Property:

- a. The Program Administrator will determine eligible homes for participation in this Program based on sale price and what is considered affordable for a household meeting 120% area median income limits.
- b. The Property shall be located in unincorporated Placer County.
- c. The Property shall not be located in a Potential Avalanche Hazard Area.

III. Conditions

- d. The Program Participant shall be required to make all repairs and replacements necessary to keep the home in good condition and repair.
- e. The Program Participant shall comply with all applicable laws, rules, ordinances, orders, and regulations of all federal, state, county, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials. If new construction, the Property shall pass a final building permit inspection prior to the completion of a disbursement.
- f. Program Participant shall consent to recordation of a lien against the Property in the amount of the funds disbursed plus a reasonable estimation of interest and fees.
- g. Program Participants may not rent their Property on a short-term basis.
- h. Program Participants may rent their Property to a qualified Occupant who meets local employment and income criteria described in Section B.I.

C. East Placer Program

I. Eligibility Criteria for Program Participants

- a. Local Worker Buyers and Occupants: A household must have at least one member who is currently employed 30 or more hours per week, or who meets fulltime employment equivalency with employer verification, at an employment site within the Tahoe Truckee Unified School District geographical boundary or who may work outside of the Tahoe Truckee Unified School District Boundary but maintains permanent employment within East Placer County Boundaries and serves the Tahoe Truckee Unified School District Boundaries.
- b.
- c. Developers: Developers may be Program Participants in constructing housing units and deed restricting them to satisfy their affordable or employee housing mitigation requirement. In this case, all Occupants must meet Occupancy Criteria.

II. Property:

- d. The Property shall be located in unincorporated Placer County within the Tahoe Truckee Unified School District geographical boundary.
- e. The Property shall not be located in a Potential Avalanche Hazard Area.

III. Conditions

- a. The Program Participant shall be required to make all repairs and replacements necessary to keep the home in good condition and repair.
- b. The Program Participant shall comply with all applicable laws, rules, ordinances, orders, and regulations of all federal, state, county, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials.
- c. Program Participant shall consent to recordation of a deed restriction and deed of trust, against the Property in the amount of the funds disbursed plus a reasonable estimation of interest and fees.
- d. Program Participants may rent their property on a short-term basis for no more than 30 days each calendar year.
- e. Program Participants may rent their Property to a qualified Occupant who meets local employment criteria described in Section C.I.
- f. Program Participants must work within the Tahoe Truckee Unified School District geographical boundary for at least seven years after initial Program participation before retiring.

D. Determining the Deed Restriction value

- I. The County will use the following methods to determine the deed restriction grant value, based off the fair value of the property:
 - a. County Assessor recent sale price (within last three months, if possible) information for similar properties
 - b. Appraisal, paid by Program Participant, completed by a certified Member Appraisal Institute (MAI) or other qualified real estate appraiser approved in advance by the County
 - c. Program Participant and the County may establish the Fair Market Value of the Property by mutual agreement in lieu of an appraisal
- II. The County will consider the following criteria and findings to determine the Deed Restriction Disbursement:
 - a. The Property provides housing to a permanent year-round resident participating in the local workforce
 - b. The market value of the deed restriction is comparable in value to other existing deed restrictions in the community as demonstrated by a licensed real estate appraiser
 - c. Most cost effective and efficient use of the County's limited supply of financial resources
 - d. Fair market value is paid for the deed restriction relative to current market conditions
 - e. The amount contributed by the Program Participant to the down payment

E. Deed Restriction Processing and Approval

- I. Program Participants will be given the opportunity to submit complete applications through a secure online database.
- II. The Program Administrator will review complete applications on a first come first serve basis and determine eligibility based on the supporting documentation that participant submitted.
- III. Program Participants will be provided with the necessary program forms, disclosures, information, and contact information, in order to ensure a greater understanding of the program.
- IV. All Program Participants shall verify on their application that all information provided is true and accurate. If any of the information is determined by the County to be inaccurate or non-verifiable, the applicant may be subject to disqualification by the County from the application and/or approval process.
- V. The Program Administrator shall review the packet for completion and compliance with the terms listed for the particular Program for which the Program Participant is applying. Once the Program Administrator verifies the packet is complete and eligible, the Program Administrator will prepare the Packet for presentation to the Approving Agent.
- VI. Upon the approval of the County Housing Funding Committee, the Program Administrator shall prepare the Deed Documents for signature, execution, and recording. The Deed Documents shall include, but not be limited to, a, Restricted Deed (recordable), Non-Monetary Promissory Note, Non-Monetary Deed of Trust (Recordable), and Subordination Agreement. Once the Deed Documents are recorded or upon request from the title company, funds will be transferred to the Program Participant or escrow in the event of down payment assistance. The Program Administrator and Program Participant will work together to transfer the funds.

- VII. Non-occupant co-borrowers are allowed under both the Countywide and East Placer programs, provided the co-borrowers also sign the deed restriction.

F. Monitoring and Compliance

- I. Program Participants are required to certify that the Property is occupied on a full-time basis by Occupants with at least one member of the household meeting employment criteria. The Program Administrator will monitor the deed restrictions annually. By March 1st of each year, each Program Participant and Occupant, if applicable, shall provide the following certifications and information as proof of occupancy requirements.
 - a. Occupant's W-2 or most recent pay stubs.
 - b. Occupant's tax returns.
 - c. Occupant's lease agreement, if applicable.
- II. If any of the required information is not available, the Program Participant shall provide other documentation as requested by the Program Administrator. The sufficiency of any such alternative documentation will be determined by the Program Administrator at its sole discretion.
- III. The Program Administrator may inspect the participating property with prior notice to Program Participant.
- IV. Failure to comply with the annual verification will result in notification of violation with a deadline for compliance, followed by additional enforcement as laid out in the Noncompliance Section (H) of this document.

G. Future Sale of the Residence and Release from the Deed Restriction

- I. Future Sales:
 - a. The deed restriction will auto-renew the 55-year term with each future sale of the Property.
 - b. Occupancy requirements for the Program will apply to all future Program Participants and Occupants.
 - c. In the event a Program Participant wishes to sell the Property, the Program Participant shall notify the Program Administrator 15 days prior to listing and/or entering contract on Property for purposes of monitoring the transaction (or sale).
 - d. Program Participants are required to complete a Notice of Intent to Transfer (Exhibit D):
 - a. Send a certified letter (Exhibit D) to the County of Placer that includes the following: Participant Name(s), Parcel Number, Property Address and Program Participants contact information.
 - e. Program Participant will be required to inform real estate brokerages about program participation and will be responsible to ensure that all advertisements include the following language: This home is a part of Placer County's Workforce Housing Preservation Program (WHPP) and buyers must meet Program Participant requirements as set forth in the Placer County Workforce Housing Preservation Program Guidelines and must be approved applicants prior to closing escrow on the home.
 - f. Program Participant is responsible to notify Program Administrator within 48 hours of an accepted purchase contract for the sale of the home and will be required to provide Program Administrator with: A copy of the purchase agreement, Preliminary title report, title and escrow contact information, and any other pertinent information in order to allow the Program Administrator the necessary time to ensure the selected buyer meets the program guidelines.

- II. Program Termination:
 - a. In the event a Program Participant decides to terminate the deed restriction, the Program Participant shall notify the Program Administrator.
 - b. The Program Administrator will present the Program Participant with a termination fee of whichever is greater: 1) the original Deed Restriction Disbursement plus interest calculated at three percent (10%) per year from date of deed restriction recordation compounded annually or 2) the original Deed Restriction Disbursement plus interest calculated at the rate of appreciation on the fair market value of the house since the date of deed restriction recordation.
 - c. Upon Program Participant's repayment of all monies owed, a release of lien will be recorded in favor of the Program Participant.

H. Noncompliance with Conditions of the Deed Restriction Program

- I. In the event a Program Participant participating in the Program fails to comply with the Program requirements, the Residence shall be terminated from the Program and the Program Participant shall owe the County a termination fee of:
 - a. 1) the original Deed Restriction Disbursement plus interest calculated at three percent (10%) per year from date of deed restriction recordation compounded annually or 2) the original Deed Restriction Disbursement plus interest calculated at the rate of appreciation on the fair market value of the house since the date of deed restriction recordation, whichever is greater
 - b. Appraisal, title and escrow fees.

I. Monitoring and Adaptive Management

- I. To ensure Program effectiveness, the Program Administrator will monitor the Program annually and evaluate data and trends such as but not limited to:
 - a. Types of housing Residences & prices of housing Residences in Program
 - b. Frequency of how often Residences in Program sell
 - c. Sale prices of Residences in Program
 - d. Owner or renter occupancy
 - e. Changes to workforce population in East Placer
 - f. Changes to percentage of owner-occupied properties in East Placer
- II. The Program Administrator will also present Program updates to the Board of Supervisors on an annual basis. The Program Administrator will evaluate that data to gauge effectiveness of the Program and adapt and update the Program on an as-needed basis, with Board of Supervisors approval.

Exhibit B

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

**County of Placer
Community Development Resources Agency
3091 County Center Drive
Auburn, CA, 95603**

No Fee to Record Per G.C. §27383

(Space Above for Recorder's Use)

USE DEED RESTRICTION

APN: _____

The County of Placer, a political subdivision of the State of California ("County") and _____ an individual, or ("Declarant") enter into the following use deed restriction ("Deed Restriction") concerning the property described as APN: _____ with an address of: _____ ("Property" or "Premises"), as more particularly described in Attachment 1. County and Declarant are sometimes hereinafter each singularly referred to as "Party" and collectively referred to as the "Parties."

RECITALS

A. WHEREAS, Declarant and the County entered into an agreement to restrict the occupancy of the Property to those persons meeting specific residency and employment criteria as set forth below.

B. WHEREAS, Declarant has agreed to place the restrictions set forth below for a term of 55 years and which term renews with each conveyance of title.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the sufficiency of which is mutually acknowledged, the Parties agree as follows:

1. **Covenant Running With the Land.** In consideration of monies received, Declarant does hereby covenant and agree to restrict, and does by this instrument intend to restrict, the future use of the Property for a term of 55 years, renewed upon conveyance and as set forth below, by the establishment of this covenant running with the land. The County shall cause to be recorded this Deed Restriction against the Property in the Official Records of the Placer County at Declarant's expense.

2. **Restrictive Covenants.** The following restrictive covenants shall apply to the Property:

Definitions. The following definitions shall apply to terms used in this Declaration:

- a. **Program Participant** shall mean the applicant to the Program who is buying or constructing a residence in the County of Placer.
- b. **Qualified Resident** shall mean the occupant of the residence who meets the eligibility criteria outlined in the Workforce Housing Preservation Program Guidelines.
- c. **Owner** shall mean any person who acquires an ownership interest in the Property, subject to the conditions contained herein, and may include either a Qualified Owner or Non-Qualified Owner, as the context requires.

- d. **Qualified Owner** shall mean the owner of the residence who meets the criteria outlined in the Workforce Housing Preservation Program Guidelines.
- e. **Non-Qualified Owner** shall mean any person who does not meet the definition of Qualified Owner including persons who originally qualified as a Qualified Owner but whose circumstances change and who no longer meet the definition of Qualified Owner.
- f. **Primary Residence** shall mean the occupation and use of a residence as the primary residence, which shall be determined by the County taking into account the following circumstances:
 - i. Voter Registration in Placer County (or signing an affidavit stating that the applicant is not registered to vote in any other jurisdiction);
 - ii. Stated address on California Driver's License or California Identification Card;
 - iii. Stated address on motor vehicle registration;
 - iv. Stated residence for income and tax purposes;
 - v. Such other circumstances as well as such processes for verification and investigation deemed appropriate by the County in determining the applicant is continuously occupying and using the residence as a primary residence; and
 - vi. Primary residence status may be maintained if unforeseen circumstances arise that requires the Qualified Resident to temporarily leave the residence for a period not to exceed _____ with the intent to return, and the residence is leased to another Qualified Resident after receiving approval from the Program Administrator.
- g. **Second Home** shall mean the status of the Property when used by any person who has a primary residence other than the Property.
- h. **Short Term Rental** shall mean the rental or lease of the Property for a period of time that is fewer than thirty (30) days; and
- i. **County** shall include employees of County, its agents, contractors and vendors retained by County who are tasked with enforcing the restrictive covenants contained herein.

3. **Ownership and Use of the Property.**

- a. **Notice.** Prior to acquiring the Property, Program Participant acknowledges Participant is required to notify any lender, appraiser and title company assisting the Program Participant in acquiring the Property, of Participant's intent to enter into this Deed Restriction and cause such Deed Restriction to be recorded against the Property. The Program Participant shall provide notice to and obtain a Subordination Agreement from their Lender subordinating the Lender's interest to this Deed Restriction.
- b. **Ownership.** Ownership of the Property shall be limited to a Qualified Owner who may take title with such Qualified Owner's spouse or civil union partner [if the Qualified Owner is a natural person who is a Program Participant].
- c. **Occupancy and Use.** The Owner or Program Participant shall occupy and use the Property as their Primary Residence. Program Participants may rent their Property to a qualified Occupant who meets Occupancy Criteria described in Section B.1 and C.I of the Workforce Housing Preservation Program Guidelines. In the East Placer Program, Program Participants may rent their Property on a short-term basis for no more than 30 days each calendar year; Program Participants may rent their Property to a qualified Occupant who meets Occupancy Criteria described in Section C.I; and Program Participants must work within the Tahoe Truckee Unified School District geographical boundary for at least seven years after initial Program participation before retiring. Use for lease of the Property which is not allowed or is prohibited by this Deed Restriction shall constitute a default and shall be subject to the enforcement provisions and remedies contained in this Deed Restriction.
- d. It shall not be deemed a violation of Sections 3(a) or (b) above if:

- i. The resident Program Participant becomes disabled and is no longer able to work as determined by Placer County in its sole exclusive discretion; or
 - ii. The resident Program Participant has lost full-time employment and is actively seeking reemployment, not to exceed ninety (90) days after loss of employment; or
 - i. The Property is unoccupied and the Owner of the Property is actively seeking to sell or lease the Property to a Program Participant, provided that the period of vacancy of the Property shall not exceed three (3) months.
 - ii. The Program Participant has retired after working at least seven years after initial Program participation before retiring.
- e. Owner covenants that the Owner shall not permit any occupancy, use or lease of the Property in violation of this Section 3.
- f. Owner covenants that any lease of the Property shall include a reference that such lease is subject to the terms and conditions of this Deed Restriction, including but not limited to restrictions on the use and occupancy of the property and cooperation in providing required documentation for verification of Program Participant and Primary residence status.
- g. No later than March 31 of each year, the Owner of the Property shall submit to the County a certification setting forth evidence establishing that the Property's occupancy and use complies with this Deed Restriction on a form provided by the County, which form shall be sent to the address of record of the Owner according to the Placer County Assessor's office.
- h. The Program Participant shall be required to make all repairs and replacements necessary to keep the home in good condition and repair.

4. **Resale Controls.** The Property may not be sold or otherwise transferred to any person other than a Qualified Owner in accordance with the procedures for prior verification contained in this Section 4.

- a. Fifteen days prior to listing or marketing the home for sale, the Owner shall deliver to the County via Certified Mail a written notice of intent to sell the Property, which notice shall include the name(s) of the Buyer(s) and all information required to determine whether the Buyer(s) meets the definition of Qualified Owner.
- b. Seller must notify County in writing within five (5) calendar days of a fully executed purchase agreement, including the following information: the name(s) of the Buyer(s) and all information required to determine whether the Buyer(s) meets the definition of Qualified Owner, as well as all requested documents related to the sale of the home.
- c. Once the County has received complete information concerning the prospective Buyer(s), County shall review the information and make a written determination as to whether the Buyer(s) meets the definition of a Qualified Owner, within a reasonable time and not to exceed 14 days.
- d. County may require the Buyer to reimburse the County for any additional costs that are incurred in the review and determination of whether a Buyer(s) meets the definition of a Qualified Owner, including but not limited to legal costs, title review costs, and investigation costs if reasonably required by the County to complete its investigation.
- e. The Owner may sell and convey the Property to the Buyer(s) that is determined in writing by the County to be a Qualified Owner.

- f. Upon sale and conveyance of the Property by Owner to a Buyer, the Buyer shall be subject to the same occupancy and use restrictions set forth in this Deed Restriction.

5. **Default by Owner.** If the County has reasonable cause to believe that the occupancy or use of the Property is in violation of any provision of this Deed Restriction, the County may inspect the Property between the hours of 8:00a.m. and 5:00p.m., Monday through Friday, after providing the Owner and occupants with at least twenty-four (24) hours written notice. Notice to the occupants may be given by posting notice on the door to the Property. This Deed Restriction shall constitute permission to enter the Property during such times upon such notice without further consent. A default by Owner shall include breach of the covenants set forth in this Deed Restriction, including without limitation any of the following:

- a. Transfer or conveyance of the Property to a person or entity that is not a Qualified Owner.
- b. Acceptance of the Property by a person or entity that is not a Qualified Owner.
- c. Transfer or conveyance of the Property to a person who is a Qualified Owner prior to obtaining certification from the County that such person is a Qualified Owner.
- d. Any ownership, use or occupancy of the Property in violation of Section 3 above.
- e. Failure to submit an annual certification of occupancy and use as described in Section 3(g) above.
- f. Failure to make payments and comply with the terms of any deed of trust placed on the Property.
- g. Any action by the Owner to encumber the Property in a manner that conflicts with the terms of this Deed Restriction or renders compliance with the terms of this Deed Restriction impossible or impractical.
- h. Refusal to make all repairs and replacements necessary to keep the home in good condition and repair.

6. **Notice and Cure.** In the event a violation of this Deed Restriction is discovered, the County shall send a written Notice of Default to the Owner detailing the nature of the default and providing sixty-five (65) days for the Owner to cure such default. Notwithstanding the foregoing or any other term of this Deed Restriction, a default for lease or use of the Property as a Short Term Rental or a Second Home shall be cured by the Owner immediately. The notice shall state that the Owner may request an appeal of the violation finding in writing within _____ (__) days of such notice, in which event the County shall administratively review the finding and, if the violation finding is upheld, the Owner may request in writing within _____ (__) days of such administrative decision a hearing before the Placer County Board of Supervisors. A decision by the Placer County Board of Supervisors may only be judicially appealed in the _____ Court.

If no administrative or County appeal is timely requested in writing and the violation is not cured within sixty-five (65) days of mailing the notice of default, the Owner shall be deemed to be in violation of this Deed Restriction. If an administrative or County appeal is requested, the decision of the County shall be final for the purpose of determining if a violation has occurred and, if such violation is not cured within sixty-five (65) days of such final determination, the Owner shall be deemed to be in violation of this Deed Restriction. If a decision of the County is judicially appealed, an order of the Court confirming the violation shall be final for the purpose of determining if a violation has occurred and, if such violation is not cured within sixty-five (65) days of such final determination, the Owner shall be deemed to be in violation of this Deed Restriction.

In the event of any lease to a person who is not a Program Participant, or use of the Property as a Short Term Rental or Second Home, any amounts collected or receipt of other things of value by the Owner or assigns under such leases shall be paid to the County as a material requirement of curing the default.

7. **Remedies.** In the event of violation, non-performance, default or breach of any term of this Deed Restriction by the Owner, County shall have the right to enforce Owner's obligations herein by an action for any equitable remedy, including injunction or specific performance, as well as pursue an action to recover damages. In addition, any amount due and owing to the County shall bear interest at the rate of _____ (___%) per month, compounded annually until paid in full. The County shall be entitled to recover any costs related to the enforcement of this Deed Restriction, including but not limited to, attorney's fees, court filing costs, and county recording costs. In addition to any other remedy provided by law or equity, the County may attach a lien for any amount due to County upon the Property. The Owner expressly waives any objection to the attachment of a lien for amounts due to the County. In the event of a transfer or conveyance of the Property which violates the terms of this Deed Restriction and constitutes a violation of this Deed Restriction, both the grantor and grantee shall be jointly and severally liable for any damages and costs due under this Deed Restriction.

8. **Consensual Lien.** For the purpose of securing each Owner's compliance with and performance of this Deed Restriction, Owner hereby grants to the County a lien against the Property in an amount equal to the cost reasonably incurred by the County in enforcing the servitudes and burdens imposed by this Deed Restriction upon the Property in the prosecution of legal action against any owner or former owner who violates the covenants and restrictions set forth herein and against any person or entity who occupies the burdened Property in violation of this Deed Restriction or who fails to file the annual reports required by Section 3(g). Each person or entity who accepts or claims ownership of, or a right to occupy the Property, hereby consents to the foregoing lien.

9. **Liquidated Damages.** In the event of a violation of the Deed Restriction by the Owner, the determination of actual monetary damages would be difficult to ascertain. Therefore the County and Owner hereby agree that liquidated damages shall be calculated and applied in the amount of THREE HUNDRED DOLLARS (\$300.00) per day for each day that the Owner is in violation of this Deed Restriction and has failed to timely cure the violation. Liquidated Damages shall be in addition to the County's ability to recover costs as set forth in Section ____ above. Liquidated Damages shall be in addition to the County's right to seek equitable remedies of injunction and/or specific performance. In the event of any unauthorized lease or use of the Property as a Second Home or Short Term Rental, any amounts collected or receipt of other things of value by the Owner or assigns under such leases shall be paid to the County as liquidated damages as demanded by the County (in lieu of the \$300 daily liquidated damages), including such amounts collected or received by the Owner prior to receipt of a Notice of Default and prior to expiration of a sixty-five (65) day period to cure, and such amounts shall be in addition to the right of the County to recover costs and seek equitable remedies.

10. **Release of Deed Restriction in Event of Foreclosure or Deed in Lieu**

- a. An Owner shall notify the County, in writing, of any notification received from a lender of past due payments or defaults in payments or other obligations within five (5) days of receipt of such notification.
- b. An Owner shall immediately notify the County, in writing, of any notice of foreclosure under the first deed of trust or any other subordinate security interest in the Property, or when any payment on any indebtedness encumbering the Property is required to avoid foreclosure of the first deed of trust or other subordinate security interest in the Property.
- c. Within sixty (60) days after receipt of any notice described herein, the County may (but shall not be obligated) to proceed to make any payment required to avoid foreclosure. Upon making any such payment, the County shall place a lien on the Property in the amount paid to cure the default and avoid foreclosure, including all fees and costs resulting from such foreclosure.
- d. Notwithstanding any other provision of this Deed Restriction, (but subject to Section 11(g), in the event of a foreclosure, acceptance of a deed-in-lieu of foreclosure, or assignment, this Deed Restriction shall remain in full force and effect, including without limitation Section 4 hereof, restricting Transfer of the Property.
- e. The County shall have thirty (30) days after issuance of the public trustee's deed or the acceptance of a deed in lieu of foreclosure by the holder in which to purchase by tendering to the holder, in cash or certified funds, an amount equal to the bid price or

the redemption price paid by the holder, interest in the amount of _____ (___) percent per annum from the date of the issuance of the public trustee's deed or the recording of a deed in lieu of foreclosure through the date of the Town's purchase.

- f. Notwithstanding Section 10(d) above, in the event that the Property is encumbered by a mortgage or deed of trust insured by the U.S. Department of Housing and Urban Development ("HUD") and representing a purchase money first priority mortgage or deed of trust, this Deed Restriction shall automatically and permanently terminate upon foreclosure of such mortgage or deed of trust, upon acceptance of a deed in lieu of foreclosure of such mortgage or deed of trust or upon assignment of such mortgage or deed of trust to HUD.

11. **Option to Purchase.** In the event of default by the Owner which is not cured, or upon receipt of a notice of foreclosure or other notice of default provided by the holder of a deed of trust, lien or other encumbrance as provided in Section 10 above (whichever is earlier), the County shall have the option to purchase ("**Option to Purchase**") the Property in accordance with the procedures and terms set forth as follows:

- a. The County shall have an Option to Purchase for sixty-five (65) days ("**Option Period**").
- b. The County shall have a right of entry onto and into the Property during the Option Period to inspect the Property.
- c. The County shall have the right, but not the obligation, to purchase the Property for the amount due to the holders of any deeds of trust, liens or other encumbrances (together with interest, fees and costs expressly chargeable under said encumbrances), which amounts shall be paid in order of priority of the holders of such deeds of trust, liens or other encumbrances provided that this Deed Restriction shall remain in effect and burden the Property after acquisition by the County and upon re-conveyance to a subsequent Qualified Owner.
- d. The County shall have the right to assign the County's right to purchase the Property to any Qualified Owner provided that this Deed Restriction shall remain in effect and burden the Property.
- e. Reserved
- f. Escrow closing costs shall be shared equally between the Owner and County. Taxes shall be prorated through escrow.
- g. If the County does not exercise the Option to Purchase during the Option Period, then the holder of a deed of trust shall nonetheless remain subject to the provisions of this Deed Restriction as provided in Section 10(d) above, subject however, to Section 10(f) above. In the event that the County's Option to Purchase arises from a default by Owner and not a notice of foreclosure or notice of default submitted by the holder of a deed of trust, then the County may unilaterally extend the Option Period until such time as the County exercises the Option to Purchase or the Owner cures any and all defaults.

12. **Tax Sale.** In the event of a tax sale, this Deed Restriction shall remain in full force and effect, shall run with and burden the land and shall constitute a condition of the subdivision and land use approval which shall survive any sale of the Property through a tax lien sale process.

13. **Declarant's Reserved Rights.** Declarant reserves to itself, and to its representatives, heirs, successors, assigns, transferees, agents, and lessees, all rights inuring from ownership of the Property not otherwise restricted or prohibited by virtue of this Deed Restriction, including, but not limited to, the right to engage in or permit others to engage in all uses of the Property that are not expressly prohibited by this Deed Restriction, and are not inconsistent with the purposes of this Deed Restriction.

14. **Successors and Assigns Bound.** Declarant hereby agrees and acknowledges that the Property shall be held, sold, conveyed, owned, and used subject to the applicable terms, conditions and obligations imposed by this Deed Restriction relating to the use of the Property, and matters incidental thereto. Such terms, conditions, and obligations are a burden and restriction on the use of the Property, as applicable.

The provisions of this Deed Restriction shall (subject to the limitations contained herein and without modifying the provisions of this Deed Restriction) be enforceable as equitable servitudes and conditions, restrictions and covenants running with the land, and shall be binding on the Declarant and upon each and all of its respective heirs, devisees, successors, and

assigns, grantees, mortgagees, lienors, officers, directors, employees, agents, representatives, executors, trustees, successor trustees, beneficiaries, administrators, any person who claims an interest in the Property, and upon future owners of the Property and each of them.

15. **No Other Restrictions**. This Deed Restriction imposes no other obligations or restrictions on Declarant, and neither its successors, nor any other person or entity claiming under them, shall be in any way restricted from using the Property except as provided herein or as otherwise provided in the Placer County Code.

16. **General Provisions**.

a. **Controlling Law**. The interpretation and performance of this Deed Restriction shall be governed by the laws of the State of California and applicable federal law.

b. **Liberal Construction**. Any general rule of construction to the contrary notwithstanding, this Deed Restriction shall be liberally construed to effect the purposes of this Deed Restriction. If any provision in this Deed Restriction is found to be ambiguous, an interpretation consistent with the purposes of this Deed Restriction that would render the provision valid shall be favored over any interpretation that would render it invalid.

c. **Severability**. If any provision of this Deed Restriction or the application thereof is found to be invalid, the remaining provisions of this Deed Restriction or the application of such provisions other than that found to be invalid shall not be affected thereby.

d. **Termination of Rights and Obligations**. A party's rights and obligations under this Deed Restriction terminate upon transfer of the party's interest in the Deed Restriction or Property, except that liability for acts, omissions or breaches occurring prior to transfer shall survive transfer.

e. **Captions**. The captions in this Deed Restriction have been inserted solely for convenience of reference and are not a part of this Deed Restriction and shall have no effect upon its construction or interpretation.

17. **Modification**. This Deed Restriction shall not be amended, released, terminated, or removed from the Property without the prior written consent of the County.

County of Placer, a political subdivision
of the State of California

DATED: _____

By: _____

Its: Director, Community Development
Resource Agency

DATED: _____

By: _____

Approved as to Form:

County Counsel

**ATTACHMENT 1
LEGAL DESCRIPTION**

(Intentionally blank, to be attached upon sale/transaction of property)

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (the "Agreement") is entered into this ____ day of _____, 20__ (the "Effective Date") by and between the County of Placer, California and _____ a financial institution with an address of _____ ("Lender"), each referred to as "Party" or collectively as "Parties".

WHEREAS, the Deed Restriction Agreement dated _____, recorded on _____, as Document No. _____ of Placer County Official Records burdens the real property more particularly described as _____ (the "Property") with a deed restriction limiting the use of the Property (the "Deed Restriction");

WHEREAS, the owner of the Property has requested Lender to issue a loan secured by a deed of trust encumbering the Property; and

WHEREAS, Lender is willing to subordinate the loan to the Deed Restriction under the terms of the Agreement.

NOW THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the sufficiency of which is mutually acknowledged, the Parties agree as follows:

1. Subordination. Lender unconditionally subordinates its lien under the deed of trust on the Property issued by Lender on _____, 20__ (the "Deed of Trust") to the Deed Restriction. Lender agrees that its lien on and all other rights and interests in the title to the Property resulting from the Deed of Trust will remain subordinate to all rights and interest in the title to the Property resulting from the Deed Restriction, regardless of any renewal, extension or further modification of the Deed of Trust.

2. Notice. If Lender accepts a deed in lieu of foreclosure of the Deed of Trust, Lender shall give the County written notice within 20 days after the deed is recorded with the Clerk Recorder of Placer County, California.

3. Miscellaneous.
 - a. Modification. This Agreement may only be modified by mutual, written agreement of the Parties.
 - b. Integration. This Agreement and any attached exhibits constitute the entire agreement between the Parties, superseding all prior oral and written communications.
 - c. Severability. If any provision of this Agreement is determined to be void by a court of competent jurisdiction, such determination shall not affect any other provision hereof, and all remaining provisions shall remain in full force and effect.
 - d. Governing Law and Venue. This Agreement shall be governed by the laws of the State of California, County of Placer, and any legal action concerning the provisions hereof shall be brought in Placer County.
 - e. Agreement Binding; Assignment. This Agreement and the terms, covenants and conditions herein contained, shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the Parties.
 - f. Third Parties. There are no intended third-party beneficiaries to this Agreement.
 - g. No Joint Venture. Notwithstanding any provision hereof, the County shall never be a joint venture in any private entity or activity which participates in this Agreement and the County shall never be liable or responsible for any debt or obligation of any participant in this Agreement.
 - h. Notice. Any notice under this Agreement shall be in writing and shall be deemed sufficient when directly presented or sent pre-paid, first class United States mail to the Party at the address set forth on the first page of this Agreement.
 - i. Recording. This Agreement shall be recorded with the Placer County Recorder's Office.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

Date: _____

COUNTY OF PLACER

[Print name and title]

Date: _____

LENDERS SIGNATURE

[Print name and title]

EXHIBIT D

**Workforce Housing Preservation Program - Notice of Intent to Transfer
(Please Print or Type_**

1. Date: _____

Attention Placer County, Housing Department, WHPP Program, 3091 County Center Drive 290
Auburn CA 95603

From: _____
[Name of owner(s)] ("Owner(s)")

Address of Home: _____

Owner Contact information: _____

2. Date Owner purchased Home: _____

3. Purchase Price paid by Owner when purchased: _____

4. Date Owner intends to vacate Home: _____

5. Date Residence will be placed on market: _____

I certify that I have not yet listed this home for sale with a multiple listing service or entered into any binding agreements on this property.

I certify that I will inform my real estate brokerage about my participation in the WHPP program

I certify that I am responsible to ensure all advertisements shall include the following language: Buyers This home is a part of Placer County's Workforce Housing Preservation Program (WHPP) and buyers must meet Program Participant requirements as set forth in the Placer County Workforce Housing Preservation Program Guidelines and must be approved applicants prior to closing escrow on the home in the Program.

I acknowledge that I am responsible to notify the Program Administrator within Five Calendar (5) Days of an accepted purchase contract for the sale of the home.

I understand that I must provide Program Administrator with: A copy of the purchase agreement, Preliminary title report, title and escrow contact information, and any other pertinent information in order to allow the Program Administrator the necessary time to ensure the selected buyer meets the program guidelines.

By: _____
Owner

By: _____
Owner