



## DEED RESTRICTION PROGRAM OVERVIEW

### INTRODUCTION

Deed restrictions are a tool that can be used to preserve year-round rentals and home ownership in our region. Deed-restricted homeownership can also be used to preserve long-term affordability in any community. However, the focus of this program is on year-round housing.

A deed restriction is a provision in a deed that imposes a limitation, condition, or other restriction upon how the grantee may use the property being conveyed by the deed. Deed restrictions can be specific to one parcel of property or can be common to all lots in a subdivision. They are a great housing tool if the community has interest in ensuring long-term affordability for housing.

Housing North's Deed Restriction Program is intended to preserve the supply and variety of housing options for current and future year-round residents in Charlevoix County, with the intent to expand this program to other communities if there is interest. In Charlevoix County, deed restrictions are one part of the City of Charlevoix's broader solution of making more housing opportunities available. By creating more housing that will always be primary residences, this program contributes to creating a more sustainable Charlevoix.

The program will ensure that the workforce can grow and remain in the community, and help balance the housing market that is faced with a growing percentage of the existing housing stock becoming summer homes or vacation rentals.

Our deed restrictions require that homes on the property be occupied by tenants or homeowners at least 10 out of 12 months every year. This ensures participating homes will always be available for residents who want to live in the community year-round. Right now we are accepting donations of deed restrictions from current or prospective property owners to voluntarily agree to require the residence to be inhabited only by year-round residents. This is a voluntary program, and when there is a funding source, cash can be negotiated with each property owner based on an assessment of the property.



## DEED RESTRICTIONS - FAQs



### 🏠 Is my property eligible for a deed restriction?

Yes, all properties can be deed restricted. Deed restrictions are actually connected to the land itself – not the structure built on it.

### 🏠 Why should I consider a deed restriction on my property?

When you deed restrict your property you support the community's goal to preserve year-round housing for year-round residents. This means there will be more people who will be supporting local businesses all year long and housing available for our workforce.

The Deed Restriction Program can provide cash to the property owner in exchange for an agreement to always require the housing unit to be inhabited by year-round residents. The funds you may receive in exchange for this deed restriction can be used to purchase a new property to participate in the program or to do some rehabilitation or additions to your current property.

### 🏠 There's money that I can receive for a deed restriction? How does this work?

Each deed restriction is unique to that home and neighborhood. While we encourage donations, if there is funding available, this will be negotiated on an individual basis. Please call us for more information and to begin the process.

### 🏠 Can I voluntarily put a deed restriction on my land as a donation to the program?

Yes. You can donate your deed restriction. Questions about whether this would have a tax benefit for you would best be addressed with your own tax attorney.

### 🏠 How do I apply?

Please contact Housing North, at 231-335-1685 or by emailing [yarrow@housingnorth.org](mailto:yarrow@housingnorth.org) and we will be happy to assist you.



## QUESTIONS ABOUT DEED RESTRICTED PROPERTY

### 1. How long does this requirement last for my property?

A deed restriction will continue to be in place for all future owners of your property.

### 2. What happens when I sell my property?

You should inform your realtor and future property owners of this deed restriction. Otherwise, there are no requirements for you to do anything different when you sell your property. A deed restriction is registered with the Charlevoix County Register of Deeds and will show up in a title search for your property.

### 3. Can I rent my property after signing the deed restriction?

Yes. You can rent your property for year-round occupancy. Your tenants must live in the home at least 10 out of 12 months every year. If the home will be your primary residence, you have the option to rent your home on a short-term basis if you choose to travel for 2 months or less as long as you still meet the requirement that you live in the home 10 months of the year and it remains your primary residence.

### 4. What will I have to do to show compliance with the deed restriction?

At the beginning of every calendar year you will be sent a form to fill out and sign that states you (or your tenants) are in compliance with the Deed Restriction Program. You may be asked to provide various forms of proof of year-round residence. If you rent your home, you will be required to coordinate the collection of the forms from your renter(s) to make this same statement and proof of residence.

### 5. What if I must move from the area? Do I have to sell my home?

You can continue to own the home and rent to others. You must rent to people who meet the requirements of the deed restriction. A temporary vacancy of your home while you search for renters or while you sell your home is acceptable.

### 6. What if my health changes and I must live somewhere else for an unknown period? Or what happens if a similar event happens in my life that temporarily impacts my ability to live in this deed restricted home?

Temporary changes to your living circumstances can be discussed with Housing North. It is our goal to work with you on accommodating temporary changes and to keep you living in the home year-round for the long term.



## MORE ABOUT THE PROGRAM

### 1. Why does the Deed Restriction Program exist? How does it help the community?

The housing market today is facing record increases in prices, record low supply of homes, and increasing competition for homes that will be used only for the summer or holidays and for commercial use as vacation rentals. This high demand for housing from all areas paired with low supply has driven housing prices up and beyond the reach of many people in our workforce. Securing your home forever as a home for our community's workforce will ensure businesses can expand and recruit workers, local workers who want a home within the city limits will have more choices, and the economic health of our community and families are more secure.

### 2. How is this program funded?

The initial funds that created this program were private donations to a fund administered by Housing North through the Housing YES Charlevoix group and other private donations. The stewardship of this program is managed by Housing North, a regional non-profit. Annual compliance requirements exist and are administered by the staff at Housing North including the Charlevoix County Housing Ready Program Director.

### 3. How is the program distinct and different from others?

There are no other programs that provide permanent protections on year-round housing. Markets can change and this program will ensure that the community will retain enough year-round residents to support local businesses with a consistent customer base and with enough employees.

### 4. What evidence do we have that the Program is managed effectively and efficiently?

The program requires annual compliance verification. Housing North staff have experience in compliance monitoring and will oversee record keeping and enforcement. All activities, including fundraising, will be coordinated with City staff. Deed restriction enforcement includes the City as an interested third party, whose legal counsel can fulfill the needs of any court action that may be needed.

### 5. I don't want a deed restriction, but I do want to support the program. How can I do this?

You can donate directly to the Deed Restriction Program by visiting the Housing North [donation page](https://housingnorth.org/donate) (housingnorth.org/donate), and specifying the Deed Restriction Program in the notes section.



## CONTACT INFORMATION

Organization	Phone Number	Contact Email	Website
Housing North PO Box 1434 Traverse City, MI 49685	231-335-1685	yarrow@housingnorth.org	www.housingnorth.org
Charlevoix County: Register of Deeds 301 State Street Charlevoix, MI 49720	231-547-7204	coblentzs@charlevoixcounty.org	www.charlevoixcounty.org
City of Charlevoix 210 State Street Charlevoix, MI 49720	231-547-3270		www.cityofcharlevoix.org/
Housing YES Charlevoix		team@CHX-Housing.org	https://chx-housing.org/