



AGENDA
CITY OF SALIDA PLANNING COMMISSION
WORK SESSION

MEETING DATE: Tuesday, January 9, 2018
MEETING TIME: 6:00 p.m.
MEETING LOCATION: City Council Chambers, 448 E. 1st Street, Salida, CO

- I. Downtown Street Patio code Amendments
- II. Deed restriction – HPAC
- III. Community Survey questionnaire
- IV. Action plan – Community Development working plan
- V. Report from trip to City of Denver Community Development Dept.
- VI. Adjourn



PLANNING COMMISSION STAFF REPORT

MEETING DATE: January 9, 2018

AGENDA ITEM: I. Downtown Street Patio Code Amendments

FROM: Glen Van Nimwegen, AICP
Community Development Director

DISCUSSION:

The Planning Commission last discussed the changes at the September 25, 2017 meeting. The Commission wanted to allow additional discourse on the proposed changes. Attached are the proposed new standards. A potential timeframe for approval could be:

| | |
|---------------------|--|
| January 9: | Work Session with PC to consider amendments |
| February 13: | Work Session with PC to finalize amendments |
| February 26: | Recommendation by PC to City Council |
| March 6: | First reading by City Council |
| March 20: | Second reading and Public Hearing by City Council |
| April 19: | Changes become effective. |

Attachments

Exhibit A: New Review Standards

EXHIBIT B

PROPOSED ADDITION TO Sec. 16-4-190. Review Standards Applicable to Particular Uses

- (r) Downtown Street Patios. The Downtown Street Patio program allows the use of public street right-of-way in the downtown for outdoor dining and retail activities. Downtown is defined as that area zoned Central Business (C-2) and generally within the boundaries of Fourth Street, the Monarch Spur Trail, D Street and the Arkansas River. The purpose of this policy is to enliven the outdoor environment and promote economic vitality while protecting the health, safety and welfare of residents, pedestrians, businesses, and visitors.

(1) Siting and Use Standards

- a. A Downtown Street Patio will be allowed with approval of a conditional use permit subject to the standards below, issuance of a revocable license and all applicable fees are paid.
- b. Downtown Street Patios will be allowed from May 1 to October 1 of each year. The Patios must be removed from the right-of-way from October 8 to April 24 each year. Additional time may be granted through the conditional use process if the additional review standard to Section 16-4-110 (d) is met that:
 8. Downtown Street Patio Time Extension. The impact of the use of the patio beyond the prescribed time will not hinder special events, street maintenance and snow removal during the extended period. Impacts may be mitigated by the applicant agreeing to remove snow and ice and to remove the patio upon request for special events.

It shall be the applicant's responsibility to provide justification that the request for additional time meets this standard.

- c. Patios shall not exceed a size of eight (8) feet by twenty (20) feet within the roadway starting at the face of curb. The structures may extend from the face of curb, over the sidewalk up to one (1) foot.
- d. ADA ramps shall be integral to the design and not present an obstacle within the sidewalk.
- e. Patios shall not be located at intersections of streets or alleys in such a way as to block appropriate sight triangles.
- f. Once there is one (1) Downtown Street Patio established within a block to include both street frontages, an additional patio may only be allowed through the conditional use process if the additional review standard to Section 16-4-110 (d) is met:
 9. Additional Downtown Street Patio per Block. The additional patio will allow vehicle movements in the street; pedestrian passage and not overly restrict parking within the block.

It shall be the applicant's responsibility to provide justification that the additional patio meets this standard.

- g. The location of the patio must be in proximity to the front door of the business being served.
- h. Signage is not allowed on the patios except for customer menus and signage approved by the city for public purposes.
- i. Use of the patios shall be for retail food and beverage establishments and retail establishments that serve specialty foods and beverages (e.g. ice cream shops, coffee houses, and bars/distilleries/brew pubs) located within buildings in the downtown. Alternative uses may be considered through the conditional use process if an additional review standard to Section 16-4-110(d) is met that:
 10. Alternative Uses for Downtown Street Patios. The alternative use meets the intent of the Downtown Street Patio program by enlivening the outdoor environment and promotes

economic vitality while protecting the health, safety and welfare of residents, pedestrians, businesses, and visitors and by meeting the Siting and Use Standards above. The alternative use should have a high customer turnover; be an attraction; provide interest to pedestrian level views; and allowing the use al fresco adds to the intrinsic value of the use.

It shall be the applicant's responsibility to provide justification that the alternative use meets this standard.

- j. The applicant shall reduce the impact on parking in the downtown by providing a minimum of one (1) off-street parking space for customers or employees. The parking space shall either be owned or leased on-site or off-site. Verification shall be provided with the application. This requirement may be met by providing a fee-in-lieu of the parking space in an amount equal to and in addition to the lease amount as provided in the revocable license agreement. Proceeds will be dedicated to parking purposes for the downtown.
 - k. Installation of the Downtown Street Patio shall be approved by the Community Development Department.
 - l. A Downtown Street Patio may not be combined with encroachment permits for use of sidewalks in accordance with Section 11-4-20 of the Salida Municipal Code.
- (2) Revocable License Required. Business owners who receive conditional use approval for Downtown Street Patios will have to enter into a revocable license agreement with the City of Salida, as approved by the City Council, prior to installation of the patio.

DRAFT 12-29-2011



PLANNING COMMISSION STAFF REPORT

MEETING DATE: January 9, 2018

AGENDA ITEM: II. Deed Restriction - HPAC

FROM: Glen Van Nimwegen, AICP
Community Development Director

DISCUSSION:

A subcommittee of the Housing Policy Action Committee has been working on a draft deed restriction for affordable work force housing. As the Commission knows, many projects in the future will have the requirement for a certain number of units be limited to local employees who are within certain income levels (Area Median Income). To implement this condition we need to record a deed restriction against the property, and hopefully have an appropriate authority enforce the requirements. Progress is being made on setting up the Housing Authority within Chaffee County government.

Paige Judd would like to present to the Planning Commission the documents they have been working with from the city of Basalt, Colorado and Gunnison Valley Regional Housing Authority (GVRHA).

Attachments

Basalt Guidelines
GVRHA Affordable Housing Guidelines
GVRHA Deed Restriction Agreement

Exhibit “A”

TOWN OF BASALT COMMUNITY HOUSING GUIDELINES



Revised October, 2009

These Community Housing Guidelines shall remain in effect until such time as new or amended Guidelines are approved by the Town Council of the Town of Basalt.

PURPOSE

Basalt is located in a unique and highly desirable valley. The Town of Basalt recognizes that having a supply of Community Housing attainable by households earning lower and median incomes in the Town of Basalt is critical to retaining a diversified and sustainable town, having the character and sense of community of a town where people can live and work in the same area. The citizens of the Town of Basalt do not want Basalt to become an exclusive community. Historically, persons earning lower and median incomes have been able to attain housing in the Basalt area; and the Town of Basalt currently reflects a mix of socio-economic backgrounds. The Town further recognizes that there is a growing gap between housing costs and wages in Basalt. Therefore, the Town Council has determined that it needs to develop and maintain a community housing program.

The intent of this community housing program is to require new development to mitigate for a portion of the employees generated by such development and to reflect and maintain the Town's small town character and to enhance the livability of the town. The goal of these regulations is to require new development to provide community housing attainable by persons working in the Mid valley and having lower and median incomes paying not more than 28-36 percent of their household income for total housing expense, including debt service, homeowner's insurance, real estate taxes, association dues, land lease if any, and utilities.

The Town of Basalt should not lose ground on the existing level of community housing available in and around Basalt. This means: All new residential developments will integrate community housing into the development or, if integration is impractical, provide meaningful community housing in or near Basalt; methods will be developed to maintain the affordability of existing housing in Basalt; non-residential projects will mitigate for impacts they create for community housing; and existing community housing will not be lost through displacement or demolition.

Community housing should be disbursed throughout the community and, where possible, integrated into the existing community fabric. The Town encourages community participation in solving and benefiting from solutions to the community housing concerns.

The Town will emphasize programs that will result in the creation of community housing units -- by units being constructed or by existing units being permanently restricted for community housing, either through deed restrictions or other methods. As an example, the Town has identified as a priority an Accessory/Employee Dwelling Unit Program.

Community Housing will be transit friendly, integrate with intermodal transportation connections, and perpetuate the Town's history of pedestrian walkability and ease of mass transit use.

The Town will look at the total costs for all housing, including life cycle costs such as painting, building materials and energy costs. The Town will work toward a zero energy footprint for all housing.

The Town's housing program should acknowledge regional issues and encourage coordination among jurisdictions including community housing standards and requirements. The Town will seek out partnerships with other entities supporting community housing and develop reciprocal agreements. The Town will discourage jurisdiction shopping for development proposals.

The Town will support creative housing solutions, including projects that include sweat equity by those benefiting from the community housing.

The Town Council finds that an adequate supply of community housing in the Town is essential and necessary to preserve and maintain the health, welfare, safety, and quality of life for residents of the Town.

- 1. Stability of Economy.** An adequate supply of housing that is affordable to the local labor force is necessary for the local economy to remain stable and to grow in a healthy manner.
- 2. Increased Demand for Community Housing.** New development creates demand for workers in construction, maintenance, services and retail sales, increasing the demand for community housing.
- 3. Mitigation of Impact by New Development.** New development shall be required to provide community housing which mitigates the impacts that are attributable to such development in areas designated by the Town, where community housing has become limited and problematic for adequate workforce housing.

The purpose of these Community Housing Guidelines is to ensure that the housing needs of all economic segments of the community will be met.

1. Implementation of Comprehensive Plan Goals and Objectives.

The Housing Goals, Objectives, Policies and Programs of the Town's Master Plan shall be implemented through the community housing unit requirements set forth herein.

- 2. Mitigation of Housing Impacts by New Development.** New development shall be required to contribute to the community housing supply in the Town, as reasonable and appropriate with consideration to the development's impact on the supply of community housing available to the local labor force.

POLICY STATEMENTS

The purpose of this section is to assist the staff, the development community and the public in understanding the Town's philosophy regarding various aspects of the program. These policy statements will be reviewed and revised by the Town Council as needed.

- A. Mitigating Community Housing Impacts: The following list establishes the Town's options in order of preference depending on the site location.
 - 1. On-site housing or off-site housing in the Urban Growth Boundary (UGB) in circumstances where the Town Council determines that off-site housing is more appropriate;
 - 2. Off-site housing in the UGB, including buydown units; and
 - 3. Cash-in-lieu for up to 500 square feet of required commercial mitigation or inclusionary housing.
- B. Unit types: In areas where developers wish direction regarding the types of unit to construct, the Town would like to see the following:
 - 1. Family-oriented units; and
 - 2. Entry level units; and
- C. Community housing offered as mitigation shall provide for a balanced range of categories and, where possible, a diversity of unit types.

PART I. COMMUNITY HOUSING CATEGORIES

A. Area Median Income (AMI) Categories Required. The average price for all community housing sale units to be provided shall be dispersed over a range of unit prices affordable to individuals and households making below 150% of Basalt's AMI. Community Housing rental units also may be developed to satisfy commercial mitigation or inclusionary housing requirements as established in Article XIX of the Town Code. Applicants shall provide housing in the following three categories, in accordance with the distribution described below:

Category 1- Only those households earning between 60% to 80% of the Area Median Income (AMI) for Basalt (as defined in the definitions section of these guidelines), may qualify to purchase or rent a community housing unit which has been priced based on Category 1 AMI levels. Units developed and deed restricted as Category 1 units shall meet the following requirements:

1. For-sale units shall not have a maximum initial sales price greater than would be affordable for individuals or households making 70% of Basalt's AMI using the pricing methodology established in Section 1(B) and 1(C); and,
2. Rental units shall meet the maximum rent requirements set forth in Table II, Section 8(B) of these guidelines; and,
3. When built in combination with other community housing in a development, all of the community housing units shall meet the maximum average pricing requirements established in Town Code Section 16-416(b), *Residential Inclusionary Requirements* and Town Code Section 16-417(c), *Commercial Linkage Requirements*.

Category 2- Only those households earning between 81% to 120% of the Area Median Income (AMI) for Basalt (as defined in the definitions section of these guidelines), may qualify to purchase or rent a community housing unit which has been priced based on Category 2 AMI levels. Units developed and deed restricted as Category 2 units shall meet the following requirements:

1. For-sale units shall not have a maximum initial sales price greater than would be affordable for individuals or households making 100% of Basalt's AMI using the pricing methodology established in Section 1(B) and 1(C); and,
2. Rental units shall meet the maximum rent requirements set forth in Table II, Section 8(B) of these guidelines; and,
3. When built in combination with other community housing in a development, all of the community housing units shall meet the maximum average pricing requirements established in Town Code Section 16-416(b), *Residential Inclusionary Requirements* and Town Code Section 16-417(c), *Commercial Linkage Requirements*.

Category 3- Only those households earning between 121% to 150% of the Area Median Income (AMI) for Basalt (as defined in the definitions section of these guidelines), may qualify to purchase or rent a community housing unit which has been priced based on Category 3 AMI levels. Units developed and deed restricted as Category 3 units shall meet the following requirements:

1. For-sale units shall not have a maximum initial sales price greater than would be affordable for individuals or households making 135% of Basalt's AMI using the pricing methodology established in Section 1(B) and 1(C); and,

2. Rental units shall meet the maximum rent requirements set forth in Table II, Section 8(B) of these guidelines; and,
3. When built in combination with other community housing in a development, all of the community housing units shall meet the maximum average pricing requirements established in Town Code Section 16-416(b), *Residential Inclusionary Requirements* and Town Code Section 16-417(c), *Commercial Linkage Requirements*.

Households or individuals may rent or purchase a category level unit priced to be affordable for an individual or household in a higher income category, as follows:

If a for-sale, category-level unit has been advertised for sale for more than six (6) months after the issuance of a Certificate of Occupancy and the unit has been offered for sale during said six (6) month period, the owner may request that the Special Housing Evaluation Committee allow for the unit to be purchased by an individual or household in the next highest income category than that to which the unit is deed restricted. However, a Category 3 unit may not be purchased by an individual or household whose income and assets exceeds the income and assets permitted for ownership of a Category 3 unit. The Special Housing Evaluation Committee may approve or deny a request by the owner to allow the unit to be purchased by an individual or household in a higher income category than the unit is deed restricted upon considering the number of showings, the overall market trends; and the amount of other available inventory in the price range which the unit is deed restricted.

B. Calculation of Initial Sales Prices. In addition to the price thresholds established in Section A above, the initial sales price of a community housing unit shall be calculated by the Town based on a ninety-five (95) percent loan to value, 30-year mortgage based on a 6% fixed interest rate, with 20% of the housing payment for property insurance taxes, and HOA dues. The price shall include a landscaped lot and the unit shall be of comparable quality with similar fixtures (e.g. dishwashers, disposals, and energy efficient windows) to market rate units.

The initial sales price will be calculated by the Town 120-days prior to the anticipated date of a Final Certificate of Occupancy for the unit.

C. Number of persons by bedroom configuration used to establish sales price:

| Number of bedrooms, Non-detached structure | AMI Household Size for Initial Sales Price Determination |
|---|---|
| Studio | 1 person household |

| | |
|---|---------------------------|
| 1 | 2 persons per household |
| 2 | 2.5 persons per household |
| 3 | 3 persons per household |
| 4 | 3.5 persons per household |

| Number of bedrooms, Detached Single-Family Structure | AMI Household Size for Initial Sales Price Determination |
|---|---|
| 2 | 2.5 persons per household |
| 3 | 3 persons per household |
| 4 | 3.5 persons per household |

Community Housing Units that are ownership units shall have a minimum occupancy of one individual per bedroom for studios, 1-bedroom, and 2-bedroom units or three (3) individuals if the unit is three (3) bedrooms or larger.

D. Rental Community Housing

Rental Community Housing Units may be developed to mitigate for new commercial development or to satisfy inclusionary housing requirements as set forth in Article XIX, Chapter 16 of the Town Code. To qualify to rent a rental community housing unit, an individual must meet the qualifications established in Part II, Section 1 of these Guidelines and furnish the Town with the documents required in Part II, Section 2 of these guidelines. Generally, developers of rental community housing shall have the ability to select the renter of the units as long as the prospective renters are employed full-time in Basalt or the Basalt Employment Area and meet all of the occupancy, income, and asset requirements established in Part 1 of these guidelines. All prospective renters must be qualified by the Town prior to occupying a rental unit.

Only one person of a family must meet the employment requirements established herein to qualify to rent a community housing unit, but all of the family members’ income and assets that are going to occupy the community housing unit shall be used to determine if the family qualifies based on the income and asset restrictions set forth herein.

In rental community housing units, a minimum occupancy of one qualified individual per bedroom must be met; however, if the owner or property manager of a rental unit has advertised a vacant unit for over one month and made a good faith effort to lease the unit during this period, minimum occupancy requirements may be waived at the discretion of the Town. At such time as the rental unit again becomes vacant without successfully leasing it, the owner is again subject the minimum occupancy requirements. The Town may conduct random audits and investigate complaints or reports of non-compliance on an ongoing basis. The maximum occupancy in a rental unit shall be as set forth in Town Code Section 16-203, *Renting of Rooms*. In the case of an audit, owners of rental units must provide all reasonably requested information to the Town.

Minimum lease terms for renting a unit shall be six (6) months. Maximum lease terms for renting a community housing unit shall be one year. After the lease expires, occupants must re-qualify with the Town based on the employment, income, assets, occupancy, and other restrictions of these guidelines in order to continue to occupy the unit.

To ensure that the Town may administer rental units, in addition to the standard deed restriction described in these guidelines, developers constructing rental community housing units must file all necessary documents for Conveyance of an interest in the rental property, or other transaction(s) deemed necessary by the Town, to ensure that the rental units do not violate the prohibition of C.R.S. 38-12-301.

Table I below sets forth the maximum monthly rents that can be charged for newly deed restricted community housing units on the effective date of these guidelines. The maximum monthly rent of a unit shall be controlled by the Deed Restriction covering the unit executed by the initial developer.

TABLE I
Maximum Monthly Rents

| Unit Type | Studio | 1-Bedroom | 2-Bedroom | 3-Bedroom |
|------------|---------|-----------|-----------|-----------|
| Category 1 | \$768 | \$877 | \$932 | \$986 |
| Category 2 | \$928 | \$1,060 | \$1,126 | \$1,192 |
| Category 3 | \$1,088 | \$1,243 | \$1,320 | \$1,398 |

1. Units will be offered for rent to all qualified persons under the procedures established by the guidelines. The maximum rents shall be allowed to increase by a 3% simple annual increase or the percent of increase in Consumer Price Index (CPI) over the previous 12-month period, whichever is less. The maximum rents do not include utilities, trash, telephone, cable television charges, or snow removal.
2. All newly deed restricted community housing rental units must be in a marketable condition and comply with the Town’s adopted building code and with all rules, regulations, and codes of all governmental utilities and agencies having jurisdiction at the commencement of the lease term. Prior to rental at the beginning of each lease, the unit must be inspected and approved by a certified building inspector, architect or engineer approved by the Town for compliance with the Guidelines. Cost of such inspections shall be the responsibility of the applicant, and the results of such inspection must be approved by the Town.
3. Rental community housing units developed to mitigate for commercial development shall have an aggregate average rent and size that does not exceed the average between the

maximum 1-bedroom and the maximum 2-bedroom unit rents and sizes, while still complying with the maximum rents for the individual units by unit type

NOTE: A household may qualify to purchase a unit in a higher category.

E. Maximum Asset Limitations.

To qualify to purchase a community housing unit, an individual or household shall have a cumulative net worth, minus qualified retirement assets (as determined by the IRS), not in excess of 150% of the purchase price of the unit they are applying to purchase in addition to satisfying the income criteria set forth herein.

Individuals or households applying to rent a community housing rental unit shall be subject to asset limitations, and shall be required to be within the income ranges set forth herein.

F. Homeowner's Association (HOA) Dues and General Assessments

HOA dues and general assessments for deed restricted units located in a condominium or subdivision which also includes free market units shall, at a maximum, be proportional to the dues and general assessments paid by the most similar type of market rate units in the same development based on assessed value per square foot, provided, however, that in no case shall the dues or assessments of a community housing unit be less than 40% or more than 80% of the dues and general assessments paid by the same or similar types of market rate units in the same development.

The assessed value per square foot to be used in the determination of such dues and assessments shall be the lowest assessed value per square foot of any free-market residence in a development and the lowest assessed value per square of any community housing unit within the same development. The dues and general assessments shall be calculated based on the following equation:

Lowest assessed value per square foot of any community housing unit of the most similar type of unit in a development divided by the lowest assessed value per square foot of any market rate dwelling unit in the same development = Community Housing Unit Percentage of Assessed Value per Square foot of Market Rate Units

If the Community Housing Unit Percentage of Assessed Value per Square Foot of Market Rate Units is between 40% and 80%, then Community Housing Units shall pay HOA dues and general assessments equal to the percentage of assessed value per square foot of the market rate units.

By way of example, if a development has a Community Housing Unit Percentage of Assessed Value per Square Foot of Market Rate Units of 35%, the Community Housing Units in the

development shall be required to pay 40% of the HOA dues and general assessments of the market rate units in the same development.

A deed restricted community housing unit shall also have equal voting rights to a similarly sized market rate unit within the same association and there shall be at least one Community Housing Unit owner on the HOA Board for projects containing both free-market and Community Housing Units.

The Town Council, at its sole discretion, may impose more restrictive provisions or different HOA approval provisions regulating assessments as necessary to maintain the continuous affordability of community housing units. In buy-down situations where a developer is buying down a free-market unit to a Community Housing Unit to satisfy mitigation or inclusionary housing requirements, the Town will review HOA dues and assessments and may require the developer to place money in an escrow account or require the developer to provide some other mechanism to help subsidize the HOA dues and assessments for the buy-down Community Housing Unit to affordable levels.

G. Special Assessments

Special assessments for deed restricted units located in a condominium or subdivision which also includes free market units shall, at a maximum, be proportional to the special assessments paid by the market rate units in the same development based on Community Housing Unit Percentage of Assessed Value per Square Foot of Market Rate Units as defined in Section F above. The maximum and minimum percentages defined in Section F above shall also apply to special assessments.

A deed restricted community housing unit shall have equal voting rights to a similarly sized market rate unit within the same association with regard to matters related to general and special assessments. The Town, through land use reviews on a case by case basis, may at its sole discretion require more restrictive provisions or different approval provisions that meet the objectives of the limits outlined above be included in a development's approval documents to limit HOA dues and assessments with the intent of maintaining the affordability of the deed restricted community housing units. The Town must also review and approve covenants to ensure that there are provisions in the covenants exempting community housing units from the payment of assessments for luxury items such as common pools, spas, and athletic facilities and exempting community housing units from payment of HOA dues and assessments related the commercial uses in a mixed use development.

H. Capital Improvement Funds

In order to avoid high special assessments for Community Housing Units, the Town through the development review process will require provisions as deemed necessary in initial covenants to ensure that a sufficient capital improvement fund is established for developments containing community housing units.

PART II.

PURCHASING OR SELLING COMMUNITY HOUSING

SECTION 1 QUALIFICATIONS TO OCCUPY COMMUNITY HOUSING

In some circumstances, the deed restriction for an community housing unit requires owner occupancy, in which case, these qualifications are for such owner/occupier. In other circumstances, the deed restriction for a community housing unit allows employer ownership for occupancy by an employee, in which case, these qualifications apply to such employee/occupier. To initially qualify for and be eligible to *occupy* a community housing unit, a person must meet all of the following criteria:

- A. A qualified person must be a full-time employee working in the Roaring Fork Valley employed at a location or for a business with its principal office located in the employment area as defined in Part II, Section 4(A)(5) of these Guidelines, a retired person who has been a full-time employee in the Employment Area a minimum of ten years immediately prior to his or her retirement, or a disabled person who has been a full-time employee in the Employment Area a minimum of two years immediately prior to their disability (as defined in the Definitions); or the spouse or dependent of any such qualified employee, retired person, or disabled person.

Three (3) years of the ten year employment period for a retiree to obtain a unit may consist of volunteering for a 501(C)(3) non-profit entity at least 1,000 hours per year. Also a retiree must not retire before the age of 65 to obtain a community housing unit. Individuals and households that retire while they own a community housing unit shall be required to have been occupying a Basalt Community Housing unit for at least 10 years prior to retiring at age 65 or older to maintain occupancy of the unit upon retirement. Retiring individuals or households not meeting the above requirements will be required to sell their community housing unit upon retiring. Newly retiring individuals or households that were not living in a Basalt Community Housing Unit upon retiring are not eligible for a community housing unit even if they meet the requirements set forth in this paragraph.

- B. A qualified person, upon purchase of the unit, shall occupy the unit as their primary residence. The owner shall be deemed to have ceased to use the unit as his or her sole and exclusive place of residence by accepting permanent employment outside of the Employment Area, or residing in the unit fewer than nine (9) months out of any twelve (12) months.
- C. A qualified person must not own developed residential real estate or a mobile home in those portions of Eagle, Garfield, Gunnison or Pitkin Counties which are part of the Roaring Fork River drainage, or must list for sale, at competitive market prices, the residential real estate or mobile home prior to or simultaneously with closing on the community housing unit. If the property is not sold by the time of closing on purchase of the community housing unit, it must remain listed until sold. If the owner of the other residential property desires to rent that property prior to sale, the owner shall be required to rent such property as community housing in accordance with the Guidelines at the income category determined by the Town to

be appropriate under the circumstances. If an individual owns vacant land in those portions of Eagle, Garfield, Gunnison or Pitkin Counties, which are part of the Roaring Fork River drainage, while owning a community housing unit, as soon as the land is improved with a residence the individual must relinquish the community housing unit by listing and selling the ownership interest in that unit.

- D. A qualified person must have total current household income no greater than the maximum amount specified in Part I above for the particular category housing.
- E. Any individual or household who is under review for a possible non-compliance issue may not be qualified to purchase or rent community housing units, until the non-compliance issue has been satisfied. The owner **MUST** also be in good standing with their homeowners' association and a notarized document from the HOA will be required at the time of application.

SECTION 2 HOW TO QUALIFY FOR COMMUNITY HOUSING

A. INITIAL QUALIFICATION: In order to determine that a person or household desiring to purchase an community housing unit meets all of the criteria set forth in Section 1 above, the Town or its administrative assignee shall request any combination, or all, of the following documentation as proof of residency, income, and employment (*all information and documentation is confidential*):

1. Federal income tax returns for the last two years. Prospective purchasers must also furnish a current income statement and a current financial statement, in a form acceptable to the Town, verified by applicant to be true and correct; or other documentation acceptable to the Town. When current income is twenty percent (20%) more or less than income reported on tax returns, the applicant's income will be averaged based upon current income and the previous year's tax returns to establish an income category for the purpose of purchasing a unit.
2. Verification of employment in the Employment Area (i.e., wage stubs, employer name, address, and phone number, plus evidence of legal residency [or I.N.S. Form I-9, Employment Eligibility Verification] or other appropriate documentation as requested by the Town).
3. Verification of residency and physical address.
4. Copy of valid Colorado Driver's License.
5. Verification of telephone service (date of installation, person listed to).
6. Vehicle registration and/or voter registration.
7. Any other documentation which the Town deems necessary to make a determination.
8. The applicant desiring to purchase a unit will be required to sign a release so that the Town can obtain a copy of the completed loan application submitted to any prospective lender. An applicant shall prequalify for financing which shall not exceed the price of the community housing unit they are applying to purchase. A prequalification for financing letter shall be submitted to the Town to qualify to purchase a community housing unit. If an owner of a Community Housing Unit is refinancing, the owner shall also notify the Town and provide proof that the amount of the refinance loan does not exceed the allowable resell price of the unit.

9. If you have been divorced and you receive any sort of alimony or child support, a copy of the divorce Decree must indicate that it has been entered of record and all exhibits and supplements must be attached.

SECTION 3 QUALIFICATIONS TO RESIDE IN COMMUNITY HOUSING

A. To **REMAIN ELIGIBLE** to reside in an community housing unit, a person must meet the requirements of Part II, Section 1, A, B and C. The status of Renters/Tenants of Community Housing Units will be reviewed and verified by the Town every two years or more often at the sole discretion of the Town to ensure that they continue to meet the requirements of the Guidelines, including but not limited to: Minimum Occupancy, Income and Asset Limitation, Property Ownership, and Employment. The Town or the Town's designee will notify the landlord to provide the tenant written notice of the requalification at least thirty (30) days prior to the expiration of the two years. The landlord shall disclose in the lease that the tenants must requalify every two years. Individuals that rent a Community Housing Unit must requalify and meet the employment, occupancy, income, asset, and other requirements specified herein upon expiration of their lease.

Individuals that own Community Housing Units must 1) remain a qualified employee or retiree, 2) continue to occupy the unit as their primary residence as defined in these Guidelines, and 3) not own any other residential property within the Roaring Fork Valley as defined in these Guidelines. The Town or the Town's housing designee will require all owners to complete and sign a Requalification Affidavit on a bi-yearly basis. The Town Manager may waive the employment requirement on a temporary basis for an owner or renter who fails to satisfy the employment requirement upon requalification, subject to the satisfying the following criteria:

1. The individual demonstrates that they are actively pursuing employment in the employment area established in Part II, Section 4(A)(5); and,
2. The duration of the exemption from the employment requirement shall not exceed six (6) months.

SECTION 4 PROCEDURES FOR SALE AND PURCHASE OF AN COMMUNITY HOUSING UNIT

A. LISTING UNIT FOR SALE

1. An owner of an community housing unit desiring to sell should consult with the Town and review the Deed Restriction covering the unit to determine the maximum sales price permitted and other applicable provisions concerning a sale. Unless otherwise provided in the Deed Restriction, the unit may be listed for sale with a local real estate sales office

or may be sold by the owner. The Town may keep a list of persons who have qualified for ownership; however, if the Town provides any such names, the Town shall only do so as an accommodation and shall not act as a real estate broker.

2. Units that are developed to satisfy inclusionary housing requirements shall be sold through the Town lottery process established in Part II, Section 4(A)(5) below. Units developed to satisfy commercial mitigation requirements will be marketed and initially sold by the developer to individuals and families that qualify under the provisions established in these Guidelines. The developer of commercial mitigation units may elect to sell commercial mitigation units through the Town lottery process. All potential occupants of Community Housing Units shall be qualified in advance of occupancy by the Town subject to the provisions of these Guidelines. Community Housing Units developed in excess of commercial mitigation and inclusionary housing requirements may be sold by the developer without using a lottery unless the developer chooses for the units to be sold by the Town through the lottery process.
3. In pursuit of the above, the Town staff will be acting on behalf of the Town. It should be clearly understood by and among all parties to a sales transaction that the Town staff members are not acting as representatives or agents to the transaction, but as representatives of the Town and its interest in community housing.
4. All purchasers and sellers are advised to consult legal counsel regarding examination of title and all contracts, agreements and title documents. The retention of such counsel, licensed real estate brokers, or such related services, shall be at purchaser's or seller's own expense. Any fees paid to the Town are to be paid regardless of any actions or services that the purchaser or seller may undertake or acquire.
5. The Town will conduct a lottery for each applicable community housing unit or group of units pursuant to Part II, Section 4(A)(2) of these guidelines and resales of all community housing units. No waiting list will be maintained and a new and separate application must be submitted for each newly available unit or group of units.

To assure the Occupancy Priorities designated in Section 5, Part II are used, the Town shall conduct the Lottery for available community housing units as follows:

- i. The Lottery shall include all applications, which are submitted and complete as of the date designated by the Town.
- ii. All complete applications, which fall into Occupancy Priority One, shall be included in Lottery Round One. Lottery applicants in Round One that have lived continuously in the Roaring Fork Valley between Aspen and Glenwood Springs (inclusive of the Town limits of Aspen and Glenwood Springs) for more than five (5) years directly prior to applying for the lottery shall get two (2) opportunities in the random drawing; lottery applicants that have lived in the Roaring Fork Valley between

Aspen and Glenwood Springs (inclusive of the Town limits) for five (5) years or less shall get one opportunity in the random drawing. Each application, upon being drawn by random selection, shall be assigned a numerical position based upon the order drawn.

iii. Following the random drawing and assignment of a numerical position for the applications in Occupancy Priority One in the Lottery Round One, a separate Lottery Round Two, shall be conducted in a similar manner for applications in Occupancy Priority Two. The same lottery process will be conducted for Occupancy Priorities Three and Four. A numerical position shall be assigned to each application based upon order drawn in each Lottery Round.

iv. Available community housing units and the first choice of an available unit will be offered to the qualified applicant first drawn in Lottery Round One. Subsequent offers will be made to other qualified applicants in the order drawn in Lottery Round One.

v. Remaining community housing units, if any, will be offered to Applicants in the order drawn in Lottery Rounds Two, Three, and Four in sequence following those in Lottery Round One.

vi. The Town shall determine the length of time an offer of a community housing unit shall be available to an Applicant before the offer is considered withdrawn or void. If an offer is not accepted by a ready and willing Applicant within a designated time, the offer shall be considered withdrawn and an offer to the next sequential qualified Applicant, based upon the Lottery, shall be made.

B. DEED RESTRICTION: The purchaser must execute, in a form satisfactory to the Town and for recording with the County Clerk and Recorder concurrent with the closing of the sale, a document acknowledging the purchaser's agreement to be bound by the recorded Deed Restriction covering the sale unit.

C. ADDITIONAL INFORMATION:

1. Any co-ownership interest other than joint tenancy or tenancy-in-common must be approved by the Town.
2. Co-signers of debt recorded against a unit may be approved for ownership of the unit but shall not occupy the unit unless qualified by the Town for occupancy.
3. If a unit is listed for sale and the owner must relocate to another area, the unit may, upon approval of the Town, be rented to a qualified individual, at the owner's cost as defined in Section 5 below for a maximum period of two (2) years. A letter must be sent to the Town requesting permission to rent the unit until sold. A minimum six (6) month written lease must be provided to the tenant with a sixty (60) day move out clause upon

notification when the unit is sold. All tenants must be qualified by the Town and the unit must be leased for the terms set forth in the Deed Restriction on the unit or, if there are no such provisions in the Deed Restriction, upon terms approved by the Town. Prior to the Town's qualification of a tenant, said tenant shall acknowledge as part of the lease that said tenant has received, read and understands any existing homeowners' association covenants, rules and regulations for the unit and shall abide by them. Enforcement of said covenants, rules and regulations shall be the responsibility of the homeowners' association. A copy of the executed lease shall be furnished by the owner or tenant to the Town.

SECTION 5 OCCUPANCY PRIORITIES

All complete applications will be assigned by the Town to one of following four Occupancy Priorities:

1. Occupancy Priority One: A prospective occupant that is an essential employee as defined herein, working full-time in the Town of Basalt;

2. Occupancy Priority Two: A prospective occupant that is a non-essential employee working full-time in the Town of Basalt or mobile home park resident living in the floodplain.

A mobile home park resident living in the floodplain shall mean an employee with a job or principal office from Aspen to Glenwood Springs that as of December 1, 2007 lived in one of the mobile homes to be removed because of floodplain concerns identified in the 2002 River Stewardship Plan. In order to qualify under the mobile home park provision in Priority Two, the prospective occupant must demonstrate to the satisfaction of the Town that the mobile home they lived in has been permanently removed from the floodplain and not replaced with another unit in the floodplain;

3. Occupancy Priority Three: A prospective occupant that is an essential employee as defined herein, working full-time in Eagle or Pitkin Counties in the Roaring Fork River Valley;

4. Occupancy Priority Four: A prospective occupant that is an employee in the employee working full-time in Eagle or Pitkin Counties in the Roaring Fork River Valley.

The occupancy priorities and requirements may be waived by the Town Council through a one-step Special Housing Review for replacement housing or projects consisting of 100% community housing. Also, consideration may be given by the Town for other funding entities such as Eagle and Pitkin Counties or private employers that are funding community housing projects that include units beyond the number of units necessary to satisfy inclusionary housing requirements or units being developed for dedication to the Town.

All completed and verified eligible applications shall be placed in the Lottery for community housing.

SECTION 6 LEAVE OF ABSENCE FOR OWNERS OF COMMUNITY HOUSING UNITS

If an owner of an community housing unit must leave the Employment Area for a limited period of time and desires to rent the unit during their absence, a leave of absence may be granted by the Town for one year upon clear and convincing evidence which shows a bona fide reason for leaving and a commitment to return to the area. A letter must be sent to the Town, at least 30 days prior to leaving, requesting permission to rent the unit during the leave of absence. Notice of such intent to rent and the ability to comment shall be provided to any applicable homeowners' association at the time of request to the Town. The leave of absence shall be for one year and may, at the discretion of the Town, be extended for one year, but in no event shall the leave exceed two years. The rent shall be the owner's cost. Owner's cost as used herein includes the monthly mortgage principal and interest payment, plus owners' association fees, plus utilities remaining in owner's name, plus taxes and insurance prorated on a monthly basis, plus land lease costs if any, plus \$20 per month.

The owner shall rent to an employee/qualified resident that meets the provisions of Part II, Section 1, A, B and C. Prior to the Town's qualification of tenant, said tenant shall acknowledge as part of the lease that said tenant has received, read and understands the homeowners' association covenants, rules and regulations for the unit and shall abide by them. Enforcement of said covenants, rules and regulations shall be the responsibility of the homeowners' association. A copy of the executed lease shall be furnished by the owner or tenant to the Town. Additionally, an owner may request a one-time leave of absence for one (1) year by Special Housing Review with all the above conditions applying.

SECTION 7 SPECIAL HOUSING REVIEW

A Special Housing Review for a variance from the strict application of these Guidelines may be requested if an unusual hardship can be shown, and the variance from the strict application of the Guidelines is consistent with the Community Housing goals, purpose and policy. In order to request a Special Housing Review, a letter must be submitted to the Town stating the request, with documentation regarding the unusual hardship. The applicant shall submit any additional information reasonably requested by the Town. A Special Housing Review meeting will then be scheduled in a timely manner. The Special Housing Evaluation Committee may grant the request, with or without conditions, if the approval will not cause a substantial detriment to the public good and without substantially impairing the goals and purpose of the Guidelines, and if an unusual hardship is shown.

PART III.

**INFORMATION FOR DEVELOPMENT OF
COMMUNITY HOUSING**

Part III of the Guidelines contains information to be used by developers of community housing units in the Town of Basalt whether required in connection with an application for free-market development or otherwise.

**SECTION 1
MINIMUM SQUARE FOOTAGE FOR
NEWLY DEED RESTRICTED COMMUNITY HOUSING UNITS**

Table II below sets forth the allowable size range for each unit type and category. The minimum and maximum square footage requirements may be reduced or increased upon approval by the Town Council based on a finding that the development satisfies, or is required to adjust to, other physical factors or considerations including, but not limited to, design for livability, common storage, other amenities, location or site designs.

TABLE II

UNIT SIZE RANGE FOR EACH UNIT TYPE AND INCOME CATEGORY

| <u>Unit Type</u> | <u>Categories 1 & 2 Square Feet</u> | <u>Category 3 Square Feet</u> |
|------------------------|---|-----------------------------------|
| Studio | 415-800 | 500-885 |
| 1 Bedroom | 580-965 | 690-995 |
| 2 Bedroom | 750-1,135 | 900-1,285 |
| 3 Bedroom | 1,000-1,385 | 1,200-1,585 |
| Single-Family Detached | 1,100-1,700 | 1,400-2,000 |

The average size of all Category-level Community Housing Units developed in any one development project shall be a minimum of 950 square feet. Square footage calculations shall be required for the community housing component of a project and must be verified by the Building Department prior to issuance of any building permits for either the free market or community housing component of the project. The Building Department shall retain a set of approved building permit drawings for the project and the Building Department or Town may check the actual construction of the community housing units for compliance with the approved building permit plans.

SECTION 2
MAXIMUM SALES PRICES FOR NEWLY DEED RESTRICTED
COMMUNITY HOUSING UNITS AND FOR COMMUNITY LOTS

The maximum initial sales price for newly deed restricted community housing units shall be as established in Part I, Subsections A, B, and C of these guidelines. The maximum allowable annual appreciation for a community housing unit shall be the lesser of CPI or 3%.

Resident occupied (RO) units may not be used to satisfy inclusionary housing or commercial mitigation requirements but may be used to reduce the inclusionary housing requirements as described in Town Code Section 16-416, Residential Inclusionary Requirements. For units developed as RO to reduce inclusionary housing requirements, newly developed multi-family RO units shall have an initial sales price not to exceed \$500,000 and newly developed single-family RO units shall have an initial sales cap not to exceed a sales price not to exceed \$900,000. The initial sales price cap on these RO units shall increase annually by 3% simple annual increase or the percent of increase in Consumer Price Index (CPI) over the previous 12-month period, whichever is less. RO unit owners shall be required to live in their unit 9 months out of the calendar year and shall have a simple annual appreciation cap of 5%.

NOTES:

1. Units will be offered for sale to all qualified persons under the procedures established by the Guidelines.
2. All newly deed restricted community housing sales units must be in a marketable condition and comply with the Town's adopted Building Code and with all rules, regulations, and codes of all governmental utilities and agencies having jurisdiction. Prior to sale the unit must be inspected and approved by a certified building inspector, architect or engineer approved by the Town for compliance with the Guidelines. Cost of such inspections shall be the responsibility of the applicant, and the results of such inspection must be approved by the Town.

SECTION 3
COMMUNITY HOUSING DEDICATION FEE (Payment-In-Lieu Fee)

Payment-In-Lieu Schedule

- A. Pursuant to the applicable Town Code, an applicant for a development may, under certain conditions and subject to certain requirements, satisfy an community housing requirement by payment of an community housing dedication fee (payment-in-lieu fee). The number of employees (community housing residents) required to be housed is determined by the Town

Code. The time of payment of the fee is prior to the issuance of a building permit for any aspect of the development.

- B. All fees shall be paid to the Town Finance Director. A receipt shall be issued by the Finance Director to the applicant for submission to the Building Department as verification of payment.

**Table III
Payment-in-lieu Schedule**

| | |
|------------|--|
| Category 1 | \$329.02 per square foot of Community Housing Requirements |
| Category 2 | \$232.55 per square foot of Community Housing Requirements |
| Category 3 | \$176.88 per square foot of Community Housing Requirements |

**Methodology
Payment-in-lieu¹ schedule**

The payment-in-lieu schedule is based on the methodology established in the 2009 Town of Basalt Community Housing-Strategy Support Study. In calculating the fee-in-lieu of community housing that is required by the requirements established in the Town Code, an Applicant shall use the payment-in-lieu schedule per Category included in Table III above. As is described in Town Code Section 16-416, *Residential Inclusionary Requirements*, to pay cash-in-lieu to satisfy inclusionary housing requirements, the average between the Category 2 and the Category 3 payment in Table III shall be used in calculating the payment-in-lieu. As is described in Section 16-417, *Commercial Linkage Requirements*, to pay cash-in-lieu to satisfy commercial linkage requirements, the Category 2 payment in Table II shall be used in calculating the payment-in-lieu.

**SECTION 4
CONVEYANCE OF VACANT LOTS**

Pursuant to the Town Code, an applicant for a development, under certain conditions and subject to certain requirements, may satisfy the community housing requirement by the conveyance of vacant lots. Acceptance of the lots shall be at the sole discretion of the Town Council.

- A. All lots must be fully developed and ready for construction, i.e., improved lots with water, sewer, roads, telephone, electricity and gas (if available) in place to the property line. A soils report, prepared by a qualified engineer and based upon test holes within the building envelope of each lot, stipulating that the lot is suitable for construction of the intended dwelling type without requiring unusual excavation, foundation work or accommodation of

other unusual conditions such as hydro-compactive soils or sink holes shall accompany the conveyance.

- B. All lots shall be conveyed to the Town concurrent with recordation of final plat for the project.
- C. At the time of conveyance, the developer shall establish an escrow account in an amount sufficient to cover 125% of the estimated costs required to complete the improvement of the lots in accordance with Item A above. Improvements as noted in Item A above, shall be completed within one year from the date of conveyance of the property to the Town.
- D. The Subdivision Improvements Agreement and the Protective Covenants shall incorporate the conditions stated in subsections A, B and C above.

SECTION 5 DEED RESTRICTING EXISTING DWELLING UNITS

- A. Pursuant to the Town Code, an applicant for a development, under certain conditions and subject to certain requirements, may satisfy the community housing requirement by deed restricting existing unrestricted housing to comply with the Guidelines. Acceptance of existing units shall be at the sole discretion of the Town Council.
- B. If accepted by the Town, existing units must be upgraded in accordance with the following criteria, unless a variance from these requirements is approved by the Town Council: all units must be freshly painted; all appliances must be purchased within the last five years and be in good condition and working order; new carpet shall be provided (unless carpet has been purchased in last five years and is in good condition and repair); the exterior walls shall be freshly painted within one year of dedication; a general level of upgrade to yards and landscaping shall be provided; and windows, heating, plumbing and electrical systems, fixtures and equipment shall be in good condition and working order. The roof must have a remaining useful life of at least ten (10) years. All units shall meet the minimum standards of the Town's adopted building code and the condition of all units shall be verified by the Town Building Inspector. Applicant shall provide a Building Inspection Report by a qualified building inspector approved by the Town describing the condition, at a minimum, of all of the above items. Applicant shall bear the costs and expenses of any required upgrades to meet the above standards as well as any structural/engineering reports required by the Town to assess the suitability for occupancy and compliance with the Town standards of the proposed units.

SECTION 6 EXECUTION OF DEED RESTRICTIONS BY APPLICANTS

Deed Restrictions must be submitted by the applicant to the Town, which shall have an approved, executed and recorded Deed Restriction for the required commitment by the applicant prior to issuance of any building permit for the project. Prior to issuance of any Certificate of Occupancy, the Deed Restriction shall be amended, if necessary, to reflect changes approved by the Town which may have occurred during construction or conversion of the unit(s) (i.e., net livable square footage), executed and recorded.

PART IV. GRIEVANCE PROCEDURES

A grievance is any dispute that a unit owner or purchaser may have with the Town with respect to action or failure to act in accordance with the individual's rights, duties, welfare or status. A grievance may be presented to the Town's Special Housing Evaluation Committee under the following procedures.

SECTION 1 FILING A GRIEVANCE

A. Any grievance must be presented in writing to the Town. It may be simply stated, but shall specify: (1) the particular ground(s) upon which it is based; (2) the action requested; and (3) the name, address, telephone number of the complainant and similar information about his or her representative, if any.

B. Upon presentation of a written grievance, a hearing before the Special Housing Evaluation Committee shall be scheduled as soon as reasonably practicable. The matter may be continued at the discretion of the Committee. The complainant shall be afforded a fair hearing providing the basic safeguard of due process, including notice and an opportunity to be heard in a timely, reasonable manner.

C. The complainant and the Town shall have the opportunity to examine and, before the hearing at the expense of the complainant, to copy all documents, records and regulations of the Town that are relevant to the hearing. Any document not made available after written request may not be relied upon at the hearing.

D. The complainant has the right to be represented by counsel.

SECTION 2 CONDUCT OF THE HEARING

A. If the complainant fails to appear at the scheduled hearing, the Committee may make a determination to postpone the hearing or make a determination based upon the written documentation and the evidence submitted.

B. The hearing shall be conducted by the Committee as follows: Oral or documentary evidence may be received without strict compliance with the rules of evidence applicable to judicial proceedings.

C. The right to cross-examine shall be at the discretion of the Committee and may be regulated by the Committee as it deems necessary for a fair hearing.

D. Based on the records of proceedings, the Committee will provide a written decision and include therein the reasons for its determination.

PART V. DEFINITIONS

Accessory Dwelling Unit See Town Code.

Community Housing - Dwelling units deed restricted to the housing size and type for individuals meeting income and minimum occupancy guidelines approved by the Town.

Buydown Unit - Free-market unit which the Town or a developer acquired and deed restricted to community housing.

Capital Improvements - Unless otherwise defined in the Deed Restriction covering the community housing unit, any fixture erected as a permanent improvement to real property excluding repair, replacement, and maintenance costs.

Consumer Price Index (CPI) - The Consumer Price Index that is used for purposes of the Guidelines and for purposes of the Deed Restriction is the *Consumer Price Index - U.S. City Average and Regions, Urban Wage Earners and Clerical Workers (CPI-W), All Items*, Updated information is received on a monthly basis from the U.S. Department of Labor, Bureau of Labor Statistics.

Cosigner - A joint signatory of a promissory note who shall not occupy the unit unless qualified by the Town for occupancy.

Deed Restriction - A contract entered into between the Town and the owner or purchaser of real property identifying the conditions of occupancy and resale.

Dependent - A minor child (21 years or younger) or other relative of the owner of an community housing unit, which child or relative is taken and listed as a dependent for federal income tax purposes by such owner or his or her present or former spouse (said dependent must also be related by blood or adoption and residing with the individual at least six months and one day [183 days] out of every 12-month period of time).

Disabled Person - A person who meets the definition of "individual with a disability" contained in 29 U.S.C. Section 706(8), and/or as defined in the Americans with Disabilities Act of 1990; and/or a person who has a "handicap," as defined in C.R.S. 24-34-301(4), the Colorado Anti-discrimination Act.

Employee/Qualified Resident/Buyer - A person who is employed on the basis of a minimum of 1,500 hours worked per calendar year in the Employment Area, which averages 35 hours a week, 10 months a year; or 32 hours a week, 11 months a year, physically working in the Employment Area and who resides in the unit a minimum of nine (9) months out of the year. Volunteering for a 501(C)(3) non-profit entity within the Employment Area for at least 1,000 hours per year also qualifies to satisfy the employment requirements. A qualified employee, resident, buyer shall meet the employment, income and asset, and occupancy requirements established herein for the category of unit that they are purchasing or occupying.

Employer - A person who works or performs service for a business

Employee (Non-Profit) - A person who works or performs service for a non-profit organization. Employees include artists, performers, musicians, organizers, bookkeepers, etc., but excluding construction workers. Non-profit organizations include any certified non-profit organization providing services to and located in the Employment Area.

Employee Dwelling Unit - See Town Code.

Employee Housing - See definition for Community Housing.

Essential Employee- Full-time employees working for organizations that provide services or essential utilities (water, sewer, electric, gas) needed for the health, safety, and welfare of the community. Examples of essential employees include, but are not limited to the Town utility and public works staff, police, firefighters, and teachers. Determinations about whether a certain occupation qualifies as an essential employee shall be made by the Special Housing Evaluation Committee.

Family-Oriented Unit - A dwelling unit attached or detached, 3 bedrooms or more, with direct ground floor access to a useable yard area.

Fee Simple Estate - The maximum possible estate that one can possess in real property; complete and absolute ownership of indefinite duration, freely transferable, and inheritable.

Gross Income - The total income, including alimony and child support, derived from a business, trust, employment and from income-producing property, before deductions for expenses, depreciation, taxes, and similar allowances.

Household - All individuals who will be occupying the unit regardless of legal status.

Household Income - Combined gross income of all individuals who will be occupying the unit regardless of legal status. Adjustments to the gross for business expenses can be made for persons who are self-employed.

Income Category – Income categories are measured by maximum gross household income and household net assets. Housing units are categorized to reflect which income levels they are to service. A person or household can purchase a unit in a *higher* income category, but not in a lower income category than is reflected by their household gross annual income and net assets.

Minimum Occupancy - One person per bedroom. A minor child or dependent shall be granted equal status as a person with ownership interest.

Present Value - For the purposes of these Guidelines and any Deed Restrictions containing such terms, the present value shall be the cost or price of any capital improvements as established at the time of such improvement and shall be neither appreciated nor depreciated from such time.

Primary Residence - The sole and exclusive place of residence. The owner shall be deemed to have ceased to use the unit as her sole and exclusive place of residence by accepting permanent employment outside of the Employment Area, or residing in the unit fewer than nine (9) months out of any twelve (12) months.

Purchaser - A person who is buying or has purchased a deed restricted unit which is subject to these Guidelines, and any qualifying potential purchaser or past owner of any such deed restricted unit, but only with respect to any issue arising under these Guidelines.

Qualified Person - A person meeting the income limitations who meets the profile requirements (part of which requirements include being a qualified employee, a retired person, a disabled person, or dependent(s) of any of these as such terms are defined herein) established by the Town from time to time and in effect at any time.

Retirement Age - Should an owner of a deed restricted unit retire before the age of 65 and not satisfy the definition of an Employee/Qualified Resident/Buyer, that individual must sell the unit. Such individual may go through Special Housing Review to ask for a waiver to maintain ownership of his/her unit.

R.O. (resident occupied) – The R.O. category has no income or asset limits for the buyer or employee who rents from an employer. Unit must be occupied by the owner or an employee of the employer-owner. RO units may or may not include some type of appreciation cap depending on the type of RO unit.

Special Housing Evaluation Committee –Town Manager, Town Planning Director, Public Works Director, and Police Chief or their designees.

Square Footage – See Town Code.

2016 GVRHA AFFORDABLE HOUSING GUIDELINES

Approved by GVRHA Board of Directors – May 2016

TABLE OF CONTENTS

Mission Statement & Purpose 3

Part I GVRHA Goals 4

Part II Affordable Housing Income Categories 5

 Section 1 Income Categories 6

 Table I Maximum Incomes by Category 7

Part III Renting Affordable Housing 8

 Section 1 Tenant Qualifications to Rent Affordable Housing 9

 Section 2 Initial Qualifications to rent 10

 Section 3 Maintaining Eligibility for Rental of Affordable Housing 12

 Section 4 Management of Rental Units 13

 Section 5 Rental Sign-up Policy 13

Part IV Purchasing Affordable Housing 14

 Section 1 Qualifications to Purchase Affordable Housing 14

 Section 2 Initial Qualification to Purchase 16

 Section 3 Maintaining Eligibility for Ownership of Affordable Housing 18

 GVRHA Responsibilities 18

 Owner Responsibilities 18

 Section 4 Priorities for Persons Bidding to Purchase an Affordable Housing Unit 20

 Studio Units 21

 One-Bedroom Units 21

 Two-Bedroom Units 21

 Three-Bedroom Units 22

 Exceptions to Priorities Subject to (Special Review) 23

Part V Information for Development 24

 Section 1 Minimum Livable Square Footage 24

 Section 2 Maximum Sales Prices 25

 Section 3 Maximum Rental Rates 26

Part VI Lottery Process 28

Part VI Procedures for the Sale of a Category Affordable Housing Unit 29

 Section 1 Listing a Unit with the GVRHA 29

 Section 2 Advertising The Sale: Bid Periods 30

 Section 3 Fees for Listing and Sales 30

 Section 4 Deed Restriction 30

 Section 5 Co-Ownership and Co-Signature 31

 Section 6 Sale of Single-Family Lots 31

 Section 7 Leave of Absence for Owners of Affordable Housing Units 31

 Leave of Absence Request Procedure 31

 Section 8 Roommates in Sales Units 32

 Section 9 Capital Improvement Policy & Minimum Standards to Receive Full Value 33

 Permitted Capital Improvements 34

 Minimum Standards for Seller to Receive Sale’s Full Value 35

Part VII Special Review 37

Part VIII Grievance Procedures 38

Part IX Definitions 39

MISSION STATEMENT & PURPOSE

“The Gunnison Valley Regional Housing Authority’s MISSION is to advocate, promote, plan and provide the long-term supply of desirable and affordable housing in Gunnison County in order to maintain a well-rounded community.”

- GVRHA Mission Statement Adopted January 16, 2013

Each year the Gunnison Valley Regional Housing Authority (“GVRHA”) establishes these Guidelines that govern the development of, admission to and occupancy of deed-restricted affordable housing units for residents throughout Gunnison County. These Guidelines support the GVRHA’s goals and are not intended to supersede Codes of Gunnison County, the City of Gunnison, the Town of Crested Butte, the Town of Mt. Crested Butte or the International Building Code.

These Affordable Housing Guidelines respond to housing needs in communities throughout Gunnison County. The Guidelines are used to:

- Review Land Use Applications
- Establish Employee Housing Income Categories
- Establish Employee Housing Rental Rates
- Establish Employee Housing Sales Prices
- Establish Criteria for Qualifying and Occupancy of Units
- Develop and Prioritize Current and Long-range Housing Programs
- Provide Information, Support and Process for Developing Affordable Housing

It is the intent of the Regional Housing Authority to provide affordable housing opportunities for persons who are currently or have actively been employed or self-employed in Gunnison County, and who also provide goods and services to individuals, businesses or institutional operations in Gunnison County.

NOTE: These Affordable Housing Guidelines will remain in effect until such time as the Board of Directors for the Gunnison Valley Regional Housing Authority Board approve new or amended Guidelines. These Guidelines will, at the minimum, be amended and approved in January of each year to reflect changes in income levels and rental/sales pricing for the upcoming calendar year.

PART I

GUNNISON VALLEY REGIONAL HOUSING AUTHORITY GOALS

The 2013 GVRHA Housing Guidelines established nine goals that reflect the overall mission of the GVRHA, which is to meet the housing needs of persons living in the Gunnison Valley. The goals are intended to provide a long-range vision for the production of affordable employee housing within the Gunnison Valley Region.

The following goals will be reviewed and revised by the GVRHA Board of Directors on an annual basis.

1. Promote the development and maintenance of housing that is affordable to many economic sectors of the population. A variety of mechanisms shall be used to encourage a diversity of housing types and sizes as well as a diversity of ownership, rental and residence tenure for the units.
2. Work with Gunnison County and all municipalities within the county and municipal planning agencies to encourage the development of affordable housing and eliminate constraints to such housing development. Counsel government staff and agencies as to possible housing-friendly changes to zoning and land use policies.
3. Participate in available federal and state housing support and assistance programs to acquire funding for the provision of affordable housing. In addition, work with all municipalities and private interests to access funding and/or land resources for housing production.
4. Whenever possible, provide housing that is within close proximity to the employment locations of residents. In particular, provide housing opportunities that are relatively close to employment centers in the Gunnison Valley and new employment centers.
5. Maintain the affordability of existing and newly-constructed housing stock. Techniques that can be used include rental agreements, deed restrictions, ownership of land and subsequent leasing of that land. The Board intends to work closely with the GVRHA to utilize these techniques. (In specific cases, affordability must take into account HOA/Association fees and HUD-mandated utility allowances).
6. Form working relationships with housing providers. Assist the private sector with the construction and maintenance of affordable, employee units. Encourage public-private partnerships.
7. Encourage "housing mobility" for current renter households by providing affordable, ownership opportunities. The transition out of a rental unit, in turn, will increase the availability of rental units to low-moderate income households.
8. Promote well-designed, energy-efficient housing units. Attention should be paid to solar access, community-oriented development and the livability of each affordable housing unit.
9. Promote equal opportunity in housing throughout Gunnison County.

PART II AFFORDABLE HOUSING INCOME CATEGORIES

Rental rates and sales prices are established in these Guidelines and they apply to employees of **Category 1** through **Category 6** income levels as related to housing costs in Gunnison County. In order to carry out this objective, deed-restricted housing units are categorized with the intent to reflect which income levels they are to service as set forth in Sections 1 and 2 below.

- Category 1* *Very Low Income*
- Category 2* *Lower Income*
- Category 3* *Moderate Income*
- Category 4* *Middle Income*
- Category 5* *Upper Middle Income*
- Category 6* *Upper Income*

SECTION 1 INCOME CATEGORIES

Current income amounts are derived from 2014 data provided by the US Dept of Housing and Urban Development (HUD) and the U.S. Census Bureau regarding Area Median Income Levels (AMI) for Gunnison County. Future increases to these amounts are determined annually based upon current year HUD Data Sets, the CPI or 3%, whichever is lower, of the existing maximum income levels.

The maximum gross household income (as defined in the Definitions Section) for each income category is set forth in **Table I**.

The following procedure may be utilized by a qualified household with a Category 1, 2 or 3 income level, but net assets greater than Category 3, desiring to rent or purchase a Category 4, or 5 Unit:

If the household's net assets exceed the Category 3 net asset limit, each \$50,000 of assets over \$175,000 (the Category 3 asset limit) will be treated as \$4,500 of annual income and added to the Gross Household Income. However, should a household's net assets exceed \$400,000, that household will be ineligible for GVRHA-controlled, deed-restricted housing. NOTE: THIS PROCEDURE ONLY ALLOWS FOR A HOUSEHOLD TO MOVE INTO CATEGORY 4 OR ABOVE HOUSING UNIT (with corresponding sales prices).

**TABLE I
MAXIMUM INCOMES BY CATEGORY**

Maximum rental incomes are different than maximum sales incomes. Due to the nature of the working adult in Gunnison County and the wages that are required to maintain a consistent employee base, the GVRHA and its Board of Directors have recognized the need for a higher allowable income adjusted by the number of adults and the bedroom mix. Maximum sales incomes are not attributed to the number of bedrooms, but will remain the same per household, with an adjustment to dependents only. *NOTE: When Gunnison County encounters more than a 2.5% drop in the AMI, these Housing Guidelines will suspend adopting such change. The Housing Guidelines will come back in line with HUD AMI levels once the AMI comes to a level that would incorporate a less-than-two percent drop from the level that was maintained. Additionally, HUD-calculated increases to the AMI of more than two percent (2%) will be incorporated in the income levels of these Guidelines, but a maximum change of 2% will be made to the Maximum Sales Calculations. It is the intent of these Guidelines that, over time, the Guidelines will calculate Maximum Sales prices to coincide with HUD-mandated AMI levels.*

TABLE Ia. MAXIMUM INCOMES for RENTAL UNITS

| | 60% | 80% | 100% | 120% |
|------------------------|-------------------|-------------------|-------------------|-------------------|
| No. of Adults | CATEGORY 1 | CATEGORY 2 | CATEGORY 3 | CATEGORY 4 |
| 1 | \$ 30,120 | \$ 40,150 | \$ 50,200 | \$ 60,250 |
| 2 | \$ 50,200 | \$ 66,950 | \$ 84,000 | \$ 100,850 |
| 3 | \$ 63,600 | \$ 84,800 | \$ 95,800 | \$ 114,800 |
| Net Asset Limit | \$ 100,000 | \$ 125,000 | \$ 150,000 | \$ 175,000 |

TABLE I. MAXIMUM INCOMES for SALES/Ownership UNITS

| | 60% | 80% | 100% | 120% | 160% | 200% |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Household Size | CATEGORY 1 | CATEGORY 2 | CATEGORY 3 | CATEGORY 4 | CATEGORY 5 | CATEGORY 6 |
| 1 | \$ 30,120 | \$ 40,150 | \$ 50,200 | \$ 60,240 | \$ 80,320 | \$ 100,400 |
| 2 | \$ 34,440 | \$ 45,900 | \$ 57,400 | \$ 68,880 | \$ 91,840 | \$ 114,800 |
| 3 | \$ 38,760 | \$ 51,650 | \$ 64,600 | \$ 77,520 | \$ 103,360 | \$ 129,200 |
| 4 | \$ 43,020 | \$ 57,350 | \$ 71,700 | \$ 86,040 | \$ 114,720 | \$ 143,400 |
| 5 | \$ 46,500 | \$ 61,950 | \$ 77,500 | \$ 93,000 | \$ 124,000 | \$ 155,000 |
| 6 | \$ 49,920 | \$ 66,550 | \$ 83,200 | \$ 99,840 | \$ 133,120 | \$ 166,400 |
| Net Asset Limit | \$ 100,000 | \$ 125,000 | \$ 150,000 | \$ 175,000 | \$ 225,000 | \$ 300,000 |

PART III RENTING AFFORDABLE HOUSING

SECTION 1 TENANT QUALIFICATIONS TO RENT AFFORDABLE HOUSING

1. To qualify, be eligible, and remain eligible to *rent and reside* in an affordable-housing unit (Category 1, 2, 3, or 4), except for approved seasonal housing units, a person/household may not exceed the following:

TABLE Ia. MAXIMUM INCOMES for RENTAL UNITS

| | 60% | 80% | 100% | 120% |
|------------------------|-------------------|-------------------|-------------------|-------------------|
| No. of Adults | CATEGORY 1 | CATEGORY 2 | CATEGORY 3 | CATEGORY 4 |
| 1 | \$ 30,250 | \$ 40,350 | \$ 50,400 | \$ 60,500 |
| 2 | \$ 50,450 | \$ 67,250 | \$ 84,000 | \$ 100,850 |
| 3 | \$ 63,900 | \$ 85,200 | \$ 106,450 | \$ 127,750 |
| Net Asset Limit | \$ 100,000 | \$ 125,000 | \$ 150,000 | \$ 175,000 |

2. To qualify for tenancy, a person/household must be a full-time employee working in Gunnison County for an employer whose business address is located within Gunnison County, whose business employs employees within Gunnison County, whose state business license denotes an address in Gunnison County, and/or the business taxes are paid in Gunnison County (if an employer is not physically based in Gunnison County, an employee must be able to verify that they physically work in Gunnison County a minimum of 1500 hours per calendar year for individuals, businesses or institutional operations located in Gunnison County); or be a retired person who has been a full-time employee in Gunnison County a minimum of four years immediately prior to his or her retirement (as further defined in the Definition section); or be a handicapped person residing in Gunnison County who has been a full-time employee for a Gunnison County employer a minimum of four years immediately prior to their disability as defined in these Guidelines.
3. The occupying qualified household, at the time of a qualified employee's death, are permitted to remain for the balance of the lease term. The remaining member of the household can remain in the unit beyond the lease term IF the qualified member worked as a qualified employee for at least four years or the remaining member of the household becomes a qualified employee.
4. In a two-person household of two adults only (no dependents as defined in the Guidelines), both adults must be working in Gunnison County to qualify for an additional bedroom.
5. Upon rental of the unit, employee(s) must occupy the unit as their primary residence.
6. The tenant must not own residential real estate or a mobile home, or have an interest in an LLC pertaining to such developed real estate or a mobile home, in those portions of the Ownership Exclusion Zone ("OEZ") as defined in the Definitions Sections of these Guidelines. If the tenant owns developed residential real estate or a mobile home within the OEZ, the tenant will have 180 days to sell said property. Documentation shall be provided to the GVRHA on how the property is to be disposed. WAIVERS: There may be specific

conditions whereby a waiver may be granted to the OEZ requirement.

7. The tenant must not own developed residential real estate or a mobile home in the OEZ as defined in **Part X, Definitions**. There may be specific conditions whereby a waiver will be given on a case-by-case basis.
8. Household income and assets may be no greater than the maximum amount specified for the applicable Category 1, 2, 3, or 4. Assets which have been assigned, conveyed, transferred or otherwise disposed of within the last two years without fair consideration in order to meet the net asset limitations shall be valued at fair market prices. Maximum net asset limits for households, which consist of at least one qualified employee of retirement age, shall be 150% of the applicable income category. Fair Market Value will be determined by an appraiser of GVRHA's choice and paid by tenant.
9. If the tenant's residency began prior to ownership by the City, County or the GVRHA (public?) as a result of a "Buy down" situation, and the tenant's residency has been continuous since that time, the tenant must qualify *only* as a full-time employee. The tenant does not have to qualify under the income or asset provisions. The tenant will be required to pay rent commensurate with his or her household income regardless of the price category of the unit.

If a tenant or potential tenant is under review for a non-compliance issue, the tenant or potential tenant will not be approved and/or his or her lease will not be renewed until the non-compliance issue is satisfied.

10. An emergency worker may be placed in the top position of the rental sign-up list if approved as a qualified Emergency Worker through GVRHA review and as defined under the **Definitions** section herein. The applicant's supervisor must request the priority, in writing, to the GVRHA's Executive Director. It is the responsibility of the supervisor to prove to the GVRHA that the employee is a required emergency response priority. When the GVRHA approves an individual or household for priority status, written verification must be provided to the appropriate governing body. At such time, the GVRHA will place the individual at the top of the rental sign-up list for the applicable project(s). Such residents must verify their continued service (see **Definitions**) to that agency for their lease to be renewed. This requirement expires after two years of residency/service.
11. Roommates are permitted under the Guidelines. Individuals residing in two or three bedroom units must, at all times, have the unit filled with qualified tenants. In case of the vacancy of any bedroom, the remaining tenant(s) must find a new qualified person within forty-five (45 days). All tenants shall be qualified through the GVRHA prior to occupancy within that unit's category requirements and must be part of the lease.
12. All qualification requirements must be verified every two years by the GVRHA staff unless the property has a yearly verification requirement.
13. The use and occupancy of the rental units shall be limited exclusively to housing for 'natural person(s)' who meet the enclosed Tenant Qualifications.

SECTION 2 INITIAL QUALIFICATION TO RENT

In order to determine that a person or household desiring to rent an affordable housing unit meets all of the criteria set forth in Part II, Section 1, PRIOR to occupancy, the GVRHA must review and have on file specific documentation which provides proof of: residency, employment, income and assets. The GVRHA may request any or all of the following documentation. (All information and documentation received will remain confidential.) It is understood that applicants who are working in traditional jobs are able to provide traditional forms of documentation to verify eligibility. It is also understood that some applicants are working in non-traditional jobs whereby traditional documentation may not be available. In these circumstances, GVRHA may require non-traditional forms of documentation to determine eligibility. If documents provided are still not to GVRHA's satisfaction, the applicant may appeal to the Special Review Committee.

1. **Income Verification:**

- a. Copy of the previous year's (most current) completed, executed and filed tax return , including federal and state returns and any applicable schedules.
- b. Current income and financial statement verified by the applicant to be true and correct. If there is a variance of 20% or more between the last two years' tax returns, the two years' incomes will be averaged. This will establish the income category. If someone did not have to file an income tax return or just started working full-time, their current income (based on a full year) will be used to establish the household category.
- c. Social Security report of employer(s) and location(s).

If the above information is not available, the applicant must provide other documentation as requested by the GVRHA and to satisfaction of the GVRHA staff.

2. **Employment Verification:** To Establish program eligibility, the GVRHA may request all or part of the following documentation. In certain instances, such requests may not be limited to the following: (Background and credit checks will be performed after passing this initial qualification level).

- a. All W-2 and/or 1099 forms from the current or previous year (a potential tenant who has applied for a specific unit must provide documentation of employment for the full term that was specified on the Sign-Up sheet).
- b. Recent paystubs (if W-2's are not available).
- c. Employer(s) name, address, telephone and dates of employment.
- d. GVRHA's "Employment Verification Form" [signed by employer(s)].
- e. Evidence of legal residency.
- f. Landlord verification of residency, stating specific dates.
- g. Valid Colorado Driver License.
- h. Valid Gunnison County Voter Registration.
- i. Court-approved Divorce Decree or Separation Agreement, including alimony, division of assets, custody and child support. A copy must indicate that it has been entered in the record with all exhibits and supplements attached.
- k. A picture I.D. (driver's license, state issued ID card, passport, etc.) is required.

If the above information is not available, the applicant must provide other documentation as requested by the GVRHA and to the satisfaction of GVRHA staff.

3. **SELF-EMPLOYMENT:** When someone is self-employed and works too few or no hours for an employer, then the number of hours worked in Gunnison County must be clearly documented by providing some, if not all, of the following:
 - a. A complete copy of the applicant's most recent tax returns, including Federal tax returns, Schedule C (profit and loss statement) and all other completed schedules, and State tax returns and copies of most recent W2's and or 1099's for each job (if applicant received W2's and/or 1099's).
 - b. Copies of any paycheck stubs received by the employee or an up-to-date profit and loss statement.
 - c. A copy of a current business license for a business in the applicable municipality, if required.
 - d. Copy of a lease if the applicant rents office space located in Gunnison County.
 - e. The following documentation must be provided if a, b, c and d above does not verify the employment requirement and the residency requirement.
 - 1) *A copy of a current detailed work log or appointment book for the last year (or at least the last quarter) listing hours worked each day for each job or appointment and clients/customers' names and local addresses. Time spent in marketing, accounting and other administrative tasks in support of the business will also count towards the 1,500 hours per year employment requirement if the applicant can clearly demonstrate to the GVRHA that this is the case.*
 - 2) *Copies of invoices sent to clients/customers, particularly if the invoices reflect the amount of time spent on the job invoiced (and copies of payment for invoiced work);*
 - 3) *A Client/Customer_List, which would provide client names with local telephone numbers and local addresses, type of work done, and approximate time spent with client per appointments in a year.*
 - 4) *Any additional documentation the GVRHA may require verifying the applicant is employed in Gunnison County and occupying the unit as their primary residence, such as business and personal banking records, utility bills, payments received, etc.*

It is the responsibility of the applicant to clearly demonstrate that he/she is meeting the full-time employment and residency criteria. If the household does not specifically fall under the current policy, the household may request a Hearing before the Board for review.

Due to the need for an employer to house their employees on-site, for rental units owned by employers, if the deed-restricted housing is located on-site of the business, the employer may choose the tenant. If the income and/or assets are greater than the maximum allowed for that specific unit, that employee's income and/or assets shall be waived. All other qualifications must be adhered to.

Note: Applicants for Affordable Housing must attest on the application that all information provided is true and accurate. If any of the information is determined to be false or non-verifiable, the applicant may be subject to disqualification by the GVRHA. If any of the information is determined to be false or non-verifiable after the applicant has qualified, the lease will be terminated immediately. If such documentation is determined to be false, the applicant may be denied future participation in the affordable housing program.

SECTION 3

MAINTAINING ELIGIBILITY FOR RENTAL OF AFFORDABLE HOUSING

The status of Renters/Tenants of Affordable Housing Units shall be reviewed and verified every two years to ensure that they continue to meet the requirements of the Guidelines, including but not limited to: Minimum Occupancy, Income and Asset Requirements, and Employment. The GVRHA shall notify the landlord to provide the tenant written notice of the requalification at least thirty (30) days prior to the expiration of the two years. The GVRHA Rental Approval form should accompany this notice. The landlord shall disclose in the lease that the tenants must re-qualify every two years. Breach by the tenant and/or owner of the Guidelines or agreement /deed restriction will be considered a violation and result in denying any further participation in the affordable housing program. See Part VI, Compliance.

GVRHA Responsibilities:

1. If a complaint is received, it is forwarded to GVRHA staff, who researches the complaint. If staff finds grounds to move forward, the first compliance letter will be mailed within 30 calendar days of receipt of the complaint. The bi-annual requalification request will be treated as a compliance letter.
2. If the tenant and/or landlord (whichever applies) does not respond within two weeks to the initial compliance letter, a second compliance letter will be sent. The first and second compliance letters will be sent by regular mail.
3. If the tenant and/or landlord does not respond to the second compliance letter within two weeks, and/or if the compliance situation is not fully resolved within 60 calendar days from the date of the first letter, a Notice of Violation (NOV) letter will be sent to the landlord. The NOV will provide the landlord an option if they wish to dispute the violation by requesting a GVRHA Board Grievance Hearing in writing within 15 calendar days from the date of the NOV letter. The NOV letter will be sent by regular and certified mail. GVRHA staff will also notify the GVRHA Board when a NOV letter is sent. For confidentiality purposes, the landlord situation will be referred to by a case number only, with no mention of client name or address, and will briefly outline the case.
4. If the landlord does not respond or does not request a GVRHA Board hearing, or the landlord does not request a Board hearing within the specified deadline, GVRHA staff will send a final letter to the landlord. For ownership units, the final letter will state the owner has 30 days to list his/her unit with the GVRHA and that appreciation has stopped. For rental units, the tenant will be notified that applicable lease will terminate by a date agreed upon by the GVRHA and the Property Manager (end of lease term or the Property Manager may choose to pursue legal eviction). The final letter will be sent by regular and certified mail.
5. Should a tenant or owner be receiving unemployment benefits, the tenant or owner must still meet the 1500-hour per calendar year work requirement.

Landlord Responsibilities:

1. The landlord shall provide disclosure in the lease that tenants must be qualified every two years and must reapply in the second year.
2. The landlord shall provide the tenant written notice of the requirement for requalification at least thirty

(30) days prior to the expiration of the two years. The GVRHA Rental Approval form should accompany this notice.

3. Provide the GVRHA a copy of the lease signed by both parties, prior to tenant occupancy.

Tenant Responsibilities:

1. Tenant must meet all of the Initial Qualifications stated previously in Part III, Section 1. Should a tenant not meet the income/asset requirements of the category unit, the tenant shall have one year to come into compliance or find another place. A tenant who has entered into the bidding process to purchase a deed-restriction unit and is looking for other rental opportunities has one additional year to reside in the unit. However, the rent shall be increased to the category that matches the tenant's income.
2. Once a tenant receives a letter from the GVRHA, the tenant must provide the completed form and/or any additional documentation requested by the deadline stated in the letter.
3. If a tenant wishes to dispute a NOV, the tenant must submit a written request for a Board Grievance Hearing within the deadline stated in the tenant's NOV letter.
4. Once a tenant receives a final letter, the tenant will be notified their lease will terminate by a date agreed upon between the GVRHA and the designated Property Manager.
5. If the client does not respond by the final deadline, legal counsel will follow-up with appropriate legal action.
6. The tenant must pay a requalification fee, as stated in the Fee Schedule adopted on a yearly basis, when the documentation is filed with the GVRHA.

SECTION 4 MANAGEMENT OF RENTAL UNITS

Private management companies manage most of the deed-restricted rental properties. Each specific complex may differ in its rental procedures. ***Persons desiring to rent a Deed-Restricted unit must meet employment, income and asset requirements, as well as minimum occupancy.*** Please contact the GVRHA or individual property managers for specific rental information.

If a qualified tenant of a deed-restricted rental unit requests NW Colorado Legal Services ("NWCLS") to resolve a housing dispute, NWCLS will contact the landlord to initiate mediation between the landlord and the tenant. If the landlord refuses to participate in the mediation process, NWCLS may directly assist the tenant to pursue their legal claim. If the parties are unable to resolve their dispute, NWCLS will refer the parties to private counsel, or for qualified tenants, NWCLS will attempt to place their case with a pro bono attorney for direct representation.

SECTION 5 RENTAL SIGN-UP POLICY

The GVRHA advertises any vacancies in the classified section of the local weekly newspapers. Any interested party may sign up for that specific unit in the GVRHA office at 202 E. Georgia in Gunnison. Staff reviews the sign-up list and contacts the household with the most years worked full-time in Gunnison County. The interested applicant(s) must provide proof of their work history in Gunnison County for all the years stated on the sign-up sheet.

**PART IV
PURCHASING AFFORDABLE HOUSING**

**SECTION 1
QUALIFICATIONS TO PURCHASE AFFORDABLE HOUSING**

1. To qualify, be eligible, and remain eligible to *purchase and reside in* an affordable-housing unit, a person/household must meet the following criteria and must not exceed the maximum income as stipulated in the table below. Once ownership is established for each specific unit, the household does not have to continue to comply with income, assets or minimum occupancy.

TABLE I. MAXIMUM INCOMES for SALES/Ownership UNITS

| | 60% | 80% | 100% | 120% | 160% | 200% |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Household Size | CATEGORY 1 | CATEGORY 2 | CATEGORY 3 | CATEGORY 4 | CATEGORY 5 | CATEGORY 6 |
| 1 | \$ 30,120 | \$ 40,150 | \$ 50,200 | \$ 60,420 | \$ 80,320 | \$ 100,400 |
| 2 | \$ 34,440 | \$ 45,900 | \$ 57,400 | \$ 68,880 | \$ 91,840 | \$ 114,800 |
| 3 | \$ 38,760 | \$ 51,650 | \$ 64,600 | \$ 77,520 | \$ 103,360 | \$ 129,200 |
| 4 | \$ 43,020 | \$ 57,350 | \$ 71,700 | \$ 86,400 | \$ 114,720 | \$ 143,400 |
| 5 | \$ 46,500 | \$ 61,950 | \$ 77,500 | \$ 93,000 | \$ 124,000 | \$ 155,000 |
| 6 | \$ 49,920 | \$ 66,550 | \$ 83,200 | \$ 99,840 | \$ 133,120 | \$ 166,400 |
| Net Asset Limit | \$ 100,000 | \$ 125,000 | \$ 150,000 | \$ 175,000 | \$ 225,000 | \$ 300,000 |

NOTE: A household can qualify to purchase a unit in a higher category.

2. To qualify for ownership, at least one person in a qualifying household must be a full-time employee working in Gunnison County for an employer whose business address is located within Gunnison County, whose business employs employees within Gunnison County, whose state business license denotes a Gunnison County address, and/or the business taxes are paid in Gunnison County (if an employer is not physically based in Gunnison County, an employee must be able to verify that they physically work in Gunnison County a minimum of 1500 hours per calendar year for individuals, businesses or institutional operations located in Gunnison County); or be a retired person who has been a full-time employee in Gunnison County a minimum of four years immediately prior to his or her retirement (as further defined in the Definition section); or be a handicapped person residing in Gunnison County who has been a full-time employee for a Gunnison County employer a minimum of four years immediately prior to their disability as defined in these Guidelines.

3. At the time of a qualified employee's death the surviving household members are permitted to remain in the unit. If the remaining household member is a minor child (under the age of 18), the ownership of said unit may remain with the household; however, upon completion of high school and/or a four-year higher educational program, the minor child must return to Gunnison County and begin working full time to retain ownership of the unit.
4. In a two-person household of two adults only (no dependents as defined in the Guidelines), income-earning adults must be working in Gunnison County to qualify for an additional bedroom. Both qualified adults must continue to work in Gunnison County until they become a qualified retiree as stated in the Guidelines.
5. Upon purchase of the unit, employee(s) shall occupy the unit as the primary residence and maintain at least the minimum work requirement until retirement age as specified in these Guidelines.
6. The purchaser/owner must not own developed residential real estate or a mobile home in the OEZ as defined in Part X, Definitions. If such property is owned, the purchaser/owner must list for sale, at competitive market prices, the residential real estate or mobile home prior to or simultaneously with closing on the affordable housing unit and still meet the asset/income limitations as set forth in Table I. The purchaser must provide the GVRHA with a copy of the appraisal of the property. Upon the sale, a copy of the closing documents indicating the sale price must be provided to the GVRHA. If the property is not sold by the time of closing on the affordable-housing unit, it must remain listed until sold. The owner has 180 days to sell the free- market unit. After such time, the owner must list and sell the deed-restricted unit according to their deed-restriction.
7. The purchaser/owner must have total current household income and assets no greater than the maximum amount specified in Part III, Section 1, for the particular category. At no time can a member of the same household bid separately UNLESS they provide proof of a legal separation and/or divorce. At no time can a member of a household in a specific category bid on a lower category unit. Assets which have been assigned, conveyed, transferred, or otherwise disposed of within the last two years without fair consideration in order to meet the net asset limitations shall be valued at fair market prices. Fair Market Value will be determined by an appraiser (approved by the GVRHA) and paid by owner. Maximum net asset limits for households, which consist of at least one qualified employee of retirement age, shall be 150% of the applicable income category. This is applicable at the time of purchase ONLY. After purchase, owners must continue to work full-time in Gunnison County until retirement age as stated in the Guidelines, not only any other residential property within the OEZ AND live in the unit at least nine months out of each calendar year to continue to own and reside in GVRHA deed-restricted housing. For the purposes of entering a lottery, an individual can be a member of one household at one time. Each name can appear only one time in a lottery.
8. The ownership of any property owned by a qualifying buyer shall be considered in determining Maximum Net Assets.
9. Each owner is required to sign a Requalification Affidavit every two years verifying continuation of work in Gunnison County, not owning other residential property in the OEZ and residing in the unit at least nine months out of each calendar year.

NOTE: Any individual or household who is under review for a possible non-compliance issue may not enter any new lotteries, including in-complex bids, until the non-compliance issue has been satisfied. The owner MUST also be in good standing with their homeowners' association and a notarized document from the HOA will be required at the time of application.

SECTION 2 INITIAL QUALIFICATION TO PURCHASE

In order to determine that a person or household desiring to purchase an affordable housing unit meets all of the criteria set forth in Part III, Section 1, the GVRHA must review and have on file specific documentation which provides proof of: residency, employment, income and assets. The GVRHA may request any or all of the following documentation. **NOTE: All information and documentation received will remain confidential.**

It is understood that applicants who are working in traditional jobs are able to provide traditional forms of documentation to verify eligibility. It is also understood that some applicants are working in non-traditional jobs whereby traditional documentation may not be available. In these circumstances, the GVRHA may require non-traditional forms of documentation to determine eligibility. If documents provided are still not to the GVRHA's satisfaction, the applicant may appeal to the Special Review Committee.

1. Income Verification:

- a. Copies of the past two years completed, executed and filed tax returns, including federal and state returns and any applicable schedules, with W2's attached.
- b. Current income and financial statement verified by the applicant to be true and correct. If there is a variance of 20% or more between the last two years' tax returns, the two years' incomes will be averaged. This will establish the income category. If someone did not have to file an income tax return or just started working full-time, their current income (based on a full year) will be used to establish the household category.
- c. Social Security report of employer(s) and location(s), or W2's for all the years worked in Gunnison County.

If the above information is not available, the applicant must provide other documentation as requested by the GVRHA and to GVRHA staff satisfaction.

2. Employment Verification:

- a. All W-2 forms from a minimum of the previous three (3) years (purchase); paystubs will be accepted if W-2's cannot be provided.
- b. Recent pay stubs.
- c. Employer(s) name, address, telephone and dates of employment.
- d. GVRHA's **Employment Verification Form** [signed by employer(s)].
- e. Evidence of legal residency.
- f. Landlord verification of residency, specific dates.
- g. Valid Colorado Driver's License.
- h. Valid Gunnison County Voter Registration Card.
- i. Court approved Divorce Decree or Separation Agreement including alimony and child support. A copy must indicate that it has been entered in the record with all exhibits and supplements attached.
- j. Applicants desiring to purchase a unit will be required to sign a release in order for the GVRHA

to obtain a copy of the loan application from the lender.

- k. Any additional information the GVRHA will require verifying the applicant's full-time residency in their unit, e.g., business and personal banking records, utility bills, Picture I.D., etc.

NOTE: If the above information is not available, the applicant must provide other documentation as requested by the GVRHA.

- 3. When someone is self-employed and works too few or no hours for an employer, then the number of hours worked in Gunnison County must be clearly documented by providing:
 - a. A complete copy of the applicant's most recent tax returns, including Federal tax returns , Schedule C (profit and loss statement) and all other completed schedules, and State tax returns and copies of most recent W2's, 941's, and/or 1099's for each job (if applicant received W2's, 941's and/or 1099's).
 - b. Copies of any paycheck stubs received by the employee and/or an up-to-date profit and loss statement.
 - c. A copy of a current applicable business license for a business address in Gunnison County.
 - d. Copy of a lease for any office space rented by the applicant located in Gunnison County.
 - e. The following documentation must be provided if a, b, c and d above does not verify the employment requirement and the residency requirement.
 - 1) A copy of a current detailed work log or appointment book for the last year (or at least the last quarter) listing hours worked each day for each job or appointment and clients' names and local addresses. Time spent in marketing, accounting and other administrative tasks in support of the business will also count towards the 1,500 hours per year employment requirement if the applicant can clearly demonstrate to the GVRHA that this is the case.
 - 2) Copies of invoices sent to clients, particularly if the invoices reflect the amount of time spent on the job invoiced (and copies of payment for invoiced work);
 - 3) A Client List, which would provide client names with local telephone numbers and local addresses, type of work done, and approximate time spent with client per appointments in a year.
 - 4) Any additional documentation the GVRHA may require to verify the applicant is employed in Gunnison County and occupying the unit as their primary residence, such as business and personal banking records, utility bills, payments received, etc.

It is the responsibility of the applicant to clearly demonstrate that he/she is meeting the full-time employment and residency criteria. The applicant must provide documentation to the GVRHA's satisfaction. If the household does not specifically fall under the current policy, the household may request a Hearing before the Special Review Committee for review.

Note: Applicants for GVRHA deed-restricted housing must attest on the application that all information provided is true and accurate. If any of the information is determined to be false or non-verifiable, the applicant may be subject to disqualification by the GVRHA.

SECTION 3

MAINTAINING ELIGIBILITY FOR OWNERSHIP OF AFFORDABLE HOUSING

There is not a requalification requirement to meet Income, Asset and Minimum Occupancy for persons who have purchased and own an affordable-housing unit. The household must remain a qualified employee or retiree, continue to occupy the unit as their primary residence as defined in these Guidelines, and not own any other property within the OEZ as defined in these Guidelines, and as they are amended from time to time. GVRHA will require all owners to complete and sign a Requalification Affidavit on a biennial basis.

The GVRHA has the right to request additional documentation through an audit or follow-up on a complaint to show proof of employment and residency. Additional documentation may include items previously stated in Section 1 above.

All qualification items under Part III, Section 1, 1-5 shall apply to continue ownership.

GVRHA RESPONSIBILITIES

1. If a complaint is received, it is forwarded to the Compliance Officer, who researches the complaint. If staff finds grounds to move forward, the first compliance letter will be mailed within 30 calendar days of receipt of the complaint or if the bi-annual Affidavit has not been returned. The bi-annual affidavit will be treated as a compliance letter.
2. If the owner does not respond within two weeks to the initial compliance letter, a second compliance letter will be sent. The first and second compliance letters will be sent by regular mail.
3. If the owner does not respond to the second compliance letter within two weeks, and/or if the compliance situation is not fully resolved within 60 calendar days from the date of the first letter, a Notice of Violation (NOV) letter will be sent to the owner. The NOV will provide the owner an option if they wish to dispute the violation by requesting a Board Grievance Hearing in writing within 15 calendar days from the date of the NOV letter. The NOV letter will be sent by regular and certified mail. The GVRHA will also notify the Board when a NOV letter is sent. For Board update purposes, the owner will be referred to by a case number only, with no mention of client name or address, and will briefly outline the case.
4. If the owner does not respond or does not request a Board hearing, or the owner does not request a Board hearing within the specified deadline, the GVRHA will send a final letter to the owner. The final letter will state the client has 30 days to list their unit with the GVRHA and that their appreciation has stopped. The final letter will be sent by regular and certified mail.

OWNER RESPONSIBILITIES

1. Owner must meet and maintain all of the initial qualifications previously stated in Section 1 except for the income/asset qualification.
2. When vacant land is owned in the OEZ as defined in Part X, Definitions, and the same qualified household owns an affordable-housing unit, the land must remain unimproved. When that land is improved with a certified residential unit(s), the individual must relinquish the GVRHA deed-restricted unit by listing and selling that deed restricted unit.

3. Ownership of Other Property :

- Persons owning improved residential property while at the same time residing in GVRHA deed restricted housing (NOT FREE MARKET HOUSING) prior to *ADOPTION DATE*, will be allowed to retain ownership of that specific free market residential property and still continue to reside in their current GVRHA deed-restricted home. However, once the free market residential property is sold, the person residing in affordable housing may not acquire additional residential property within the OEZ while still residing in GVRHA deed-restricted housing.
- No household that currently owns any property in the recently expanded OEZ (see definition in GVRHA Guidelines) can retain ownership of OEZ property for longer than 180 days after closing on any new purchase of GVRHA deed restricted housing. Failure to sell the OEZ property within 180 days of closing on GVRHA housing will trigger the requirement to list and sell the GVRHA housing immediately. Price, salability, financing, or other market factors that may affect the ability to sell the OEZ property are not factors that can delay the need to sell the GVRHA property.

NOTE: A business owner, who owns a deed restricted unit, has an opportunity to purchase another unit in the OEZ as defined in Part X, Definitions, under the following conditions:

- the business owner would contact the GVRHA that a unit has been found in the free market that they would like to purchase;
- the business owner would then discuss with the GVRHA the needs of the owner;
- the specific Category would be agreed to by both parties (the owner and GVRHA), and
- the GVRHA has the option to approve the request as long as a recorded deed restriction is placed on the free market property relating to the business.
- if an agreement cannot be reached between GVRHA and the business owner, regarding how to manage the purchase of the property, said disagreement is equivalent to a denial by the GVRHA.

The employer would only be allowed to rent the unit to a qualified employee in Gunnison County. Should the Owner be unable to lease the unit to a qualified employee within 180 days of initial advertisement, the owner would be allowed to rent to an individual employed somewhere in the OEZ as defined in the **Definitions Section**, as long as the employees have the top priority to rent that unit, with the second priority going to someone employed in Gunnison County, with the last priority to any other qualified employee.

4. Owner must make timely payment of all regular and special assessments duly imposed upon the property by the applicable homeowners' association.
5. Once an owner receives a NON-COMPLIANCE NOTICE ("NCN") from the GVRHA, the owner must provide the applicable completed form and/or additional documentation in the manner outlined in the non-compliance NOTICE.
6. Should the owner be found out of compliance, the appreciation on the unit will be suspended until compliance is re-established.
7. If an owner wishes to dispute the NCN, the owner must submit a written request for a Board Grievance Hearing within the deadline stated in the NCN. The owner will then be scheduled for a hearing at the next available Board meeting. The Owner and the GVRHA will each be allowed one extension of the originally scheduled Board meeting. Per the GVRHA Guidelines and Grievance procedures, "the decision of the Board

shall be binding and the GVRHA shall take all action necessary to carry out their decision."

8. Once an Owner receives a Final NOTICE of Non-compliance, the Owner shall list his/her unit for sale within 30 days.
9. If the Owner does not respond and/or if the Owner does not list said unit by the final deadline, legal counsel will follow-up with appropriate action.

SECTION 4

PRIORITIES FOR PERSONS BIDDING TO PURCHASE AN AFFORDABLE HOUSING UNIT

When necessary, the GVRHA will operate a lottery for the sale of affordable housing properties. The qualified person(s) submitting the highest bid price, which does not exceed the maximum bid price, during the bid period shall have the first right to negotiate the purchase of the unit. If two or more qualified bids are submitted at the highest bid price, they shall receive preference and be prioritized for selection as the top bidder in the following order:

1. Persons with a present ownership interest Joint or Tenants In Common, in the affordable housing unit.
2. Person(s) chosen by the remaining owner(s) to purchase the interest of another owner, as long as the household is qualified as defined herein. ANY OTHER OWNERSHIP INTEREST MUST BE APPROVED BY SPECIAL REVIEW IF NOT UNDER A COURT ORDER DUE TO DISSOLUTION PROCEDURES AND SOLD TO A QUALIFIED EMPLOYEE.
3. Qualified spouses and/or children of current owners, including joint custody of the children, and/or qualified parent(s) meeting minimum occupancy. A transfer between siblings is permitted; however, any person who is gaining ownership by a transfer between a family member (as defined in these Guidelines) must qualify fully under that specific category. Any transfer must be to an actively employed Gunnison County employee as defined herein. For example, if the unit is a Category 3 unit, the sibling must qualify as a fully qualified Category 3 person with a work history of at least the last four years. *Transfer within immediate family to a qualified buyer requires a \$100 transfer fee, and must be approved by the GVRHA prior to the transfer. The qualified buyer is also required to enter into a new deed restriction during the transfer process.*
4. Persons living in and owning another unit within the complex who meet minimum occupancy standards. A person must have owned his/her in-complex unit for at least one year prior to receiving the in-complex priority; however, a household who has owned less than one year can also receive an in-complex priority if a person with at least one year ownership in that complex has not applied or will be in the next highest priority. However, in new developments, the initial owner of a new unit may exercise the "in-complex" priority prior to a one-year ownership as long as minimum occupancy is met and the household still qualifies within the category of the unit opening up. If there are more than one in-complex bids meeting minimum occupancy¹, a lottery will be held by giving the number of chances as stipulated below. On an in-complex move, a unit must open up to bid to other qualified persons before receiving the in-complex priority. For new multi-phase projects, the in-complex priorities will apply after completion of each phase; however, the initial owner may exercise the "in-complex" priority prior to a one-year ownership within the phase associated with that household's unit and may not exercise the in-complex priority in any other additional employee-housing phases of the project. The in-complex priority DOES NOT apply to any single-family homes.

¹ Minimum Occupancy (Definitions) as used herein is one person (with an ownership interest) per bedroom and/or a Dependent. A Dependent can be counted towards a bedroom's occupancy as stipulated in the Definitions Section.

NOTE: No bids will be accepted for a household that is in a higher category than the dwelling unit that is being sold. Priorities for the lottery process are as follows for each specific unit size.

STUDIO UNITS

1. A single person with four or more consecutive years of employment in Gunnison County immediately prior to application for purchase.
2. A household greater than one with four or more consecutive years of employment in Gunnison County immediately prior to application for purchase.
3. A household with one to four years of consecutive years of employment in Gunnison County immediately prior to application for purchase.
4. A household with less than four years of consecutive years of employment in Gunnison County immediately prior to application for purchase.

ONE-BEDROOM UNITS

1. A household of one or more qualified employees with three (3) or more consecutive years of employment in Gunnison County immediately prior to application for purchase.
2. A household of one or more qualified employees with one to three consecutive years of employment in Gunnison County immediately prior to application for purchase.
3. A household of one or more qualified employees with less than one consecutive year of employment in Gunnison County immediately prior to application.

TWO-BEDROOM UNITS

1. A household of at least two qualified employees or one qualified employee and one dependent which said employee(s) has three (3) or more consecutive years of employment in Gunnison County immediately prior to application for purchase.
2. A household of at least two qualified employees or one qualified employee and one dependent which said employee(s) has worked one to three consecutive years of employment in Gunnison County immediately prior to application for purchase.
3. A household of at least two qualified employees or one qualified employee and one dependent which said employee(s) has worked less than one consecutive year of employment in Gunnison County immediately prior to application.
4. A household of one with three (3) or more consecutive years of employment in Gunnison County immediately prior to application for purchase.
5. A household of one with one to three years of consecutive years of employment in Gunnison County immediately prior to application for purchase.
6. A household of one with less than one year of consecutive employment in Gunnison County immediately prior to application for purchase.

THREE-BEDROOM UNITS

1. A household of at least two qualified employees and one dependent, or one qualified employee with two dependents which said employee(s) has four or more consecutive years of employment in Gunnison County immediately prior to application for purchase.
2. A household of at least two qualified employees and one dependent, or one qualified employee and two dependents which said employee(s) has worked one to four consecutive years of employment in Gunnison County immediately prior to application for purchase.
3. A household of at least two qualified employees and one dependent, or one qualified employee and two dependents which said employee(s) has worked less than one consecutive year of employment in Gunnison County immediately prior to application.
4. A household of at least two qualified employees or one qualified employee and one dependent which said employee(s) has four or more consecutive years of employment in Gunnison County immediately prior to application for purchase.
5. A household of at least two qualified employees or one qualified employee and one dependent which said employee(s) has worked one to four consecutive years of employment in Gunnison County immediately prior to application for purchase.
6. A household of at least two qualified employees or one qualified employee and one dependent which said employee(s) has worked less than one consecutive year of employment in Gunnison County immediately prior to application.
7. A household of one with four or more consecutive years of employment in Gunnison County immediately prior to application for purchase.
8. A household of one with one to four years of consecutive years of employment in Gunnison County immediately prior to application for purchase.
9. A household of one with less than four years of consecutive years of employment in Gunnison County immediately prior to application for purchase.

If you have left Gunnison County and then returned, you may only become re-eligible for affordable housing if you meet all of the following criteria: 1) worked in Gunnison County at least three (3) years prior to your absence; 2) your absence has been for no longer than two years; 3) currently employed for at least 30 hrs/wk in Gunnison County; and 4) annual income will be based on current annual income or annual income in Gunnison County prior to your absence, whichever is greater.

Each household in the top priority will receive the following number of chances. These chances relate only to those households who have worked in Gunnison County three (3) years or more. Any other applicant who has worked in Gunnison County less than three (3) years, will receive only one chance if a separate lottery is held.

| | | |
|--|---|---------|
| Working in Gunnison County greater than 3 years, less than 5 years | 5 | chances |
| Working in Gunnison County greater than 5 years, less than 8 years | 6 | chances |
| Working in Gunnison County greater than 8 years, less than 10 years | 7 | chances |
| Working in Gunnison County greater than 10 years, less than 15 years | 8 | chances |
| Working in Gunnison County greater than 15 years | 9 | chances |

After prioritization, names of bidders with the highest bids of equal amounts and equal priority status shall be placed in a lottery which will be held within a reasonable amount of time following the deadline for bids.

If the terms of the proposed purchase contract, other than maximum price, as initially presented to the owner, are unacceptable to the owner, there shall be a mandatory negotiation period of three (3) business days. During this period, the owner and potential buyer shall endeavor to reach an agreement regarding said terms, including but not limited to the closing date and financing contingencies. If the owner and buyer have not reached an agreement at the end of the negotiation period, the next bidder's offer will then be presented to the owner for consideration. A new three-business day negotiating period will begin. All follow-up qualified bids will be processed in a like fashion until the unit is sold or all bids are rejected. If the owner rejects all bids, the unit shall be placed back on the market for new bids or withdrawn from sale. The owner shall be subject to the provisions of Part V, Section 3, paragraph 1, regarding sales fees.

NOTE: If a unit has been expanded to include another bedroom, minimum occupancy shall be based on the original bedroom count (e.g., for a 1-bedroom unit expanded to a 2-bedroom unit, a single person household would meet minimum occupancy, and the unit would be marketed as a one-bedroom unit). This standard is in place to maintain capital improvements limitations; thus, maintaining affordability for a specific Income/Household Category..

EXCEPTIONS TO PRIORITIES SUBJECT TO (SPECIAL REVIEW):

1. Emergency workers (see Definitions) meeting minimum occupancy may qualify for placement into the top lottery priority (except paragraphs 1, 2, 3 and 4, of Part III, Section 6). The employee may compete with other applicants in that category (with a maximum of 5 chances) upon approval from the GVRHA Board of Review. In order to receive the emergency worker priority, the emergency worker must have been in service to the community with that agency for a least one year. The worker will be required to be in service to the agency as a qualification of ownership until they have completed four years of service. If the worker leaves the emergency status position before that time, they will be required to list their unit for sale to a qualified employee. (The option for Special Review of circumstances for leaving is open to emergency workers.)
2. After in-complex bidders, first priority for mobility disability units shall be given to physically disabled persons prioritized by length of residency and who meet the definition of a mobility disability. The applicant must meet GVRHA's Guidelines criteria for a mobility disability as well as other minimum occupancy criteria to receive this priority.
3. Persons removed from their residence in an applicable Municipality or Gunnison County due to conversion or reconstruction of their residence by government action may receive higher priority upon Special Review.
4. It is within the discretion of the GVRHA to determine that any deed-restricted unit located in a condominium or subdivision, which also includes free-market units, has been rendered unaffordable as a deed-restricted unit as a result of general or special assessments. The owner(s) of the deed-restricted unit will have the highest priority to move into a like unit at the same category of the unit currently owned.

The GVRHA, the applicable Municipality, or Gunnison County will have the highest priority to purchase the unit that the owner is currently in at the maximum resale price according to the deed-restriction recorded on said property and subject to the provisions of these Guidelines. The GVRHA may release the deed-restriction on said property and sell the property at fair-market value as a free-market property.

The GVRHA will be reimbursed the amount of the purchase price of said unit plus a 2% sales fee with the balance of the funds going to the applicable Municipality or County for future development of deed-restricted housing. If the GVRHA, Municipality or County paid in any additional assessments, those funds shall also be reimbursed to GVRHA, Municipality or County. The GVRHA shall only approve deed-restricted units in mixed projects IF the condominium declarations include adequate provisions limiting assessments on the deed-restricted units so that they will remain affordable.

PART V
INFORMATION FOR DEVELOPMENT OF AFFORDABLE HOUSING

Part VII of these Guidelines contains information to be used by developers of affordable housing units in Gunnison County or Municipalities within the County whether required in connection with an application for free-market development or other proposals containing an affordable housing component.

SECTION 1
NET MINIMUM LIVEABLE SQUARE FOOTAGE FOR
NEWLY DEED-RESTRICTED AFFORDABLE HOUSING UNITS

Tables III, A and B set forth the allowable Minimum Net Livable Square Feet (see Definitions) for each unit type and category. Developers may choose to construct larger units; however, allowable rental and sales prices for such larger units may not exceed the maximum levels set forth in Tables IV and V. The minimum net livable square foot requirements may be reduced upon demonstration to and approval by the Gunnison Valley Regional Housing Authority that the development satisfies, or is required to adjust to, other physical factors or considerations including, but not limited to, design for livability, common storage, other amenities, location or site-specific designs.

TABLE III, A: MINIMUM NET LIVEABLE SQUARE FEET FOR EACH OWNERSHIP UNIT TYPE AND CORRESPONDING INCOME CATEGORY

| Unit Type | Category 1 | Category 2 | Category 3 | Category 4 | Category 5 | Category 6 |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Square Feet | Square Feet | Square Feet | Square Feet | Square Feet | Square Feet |
| 1 Bedroom | 550 | 600 | 750 | N/A | N/A | N/A |
| 2 Bedroom | 750 | 850 | 950 | 1100 | N/A | N/A |
| 3 Bedroom | 1000 | 1075 | 1200 | 1350 | 1450 | 1700 |
| 4-Bedroom | 1,150 | 1,200 | 1300 | 1450 | 1550 | 1850 |

TABLE III, B: MINIMUM NET LIVEABLE SQUARE FEET FOR EACH RENTAL UNIT TYPE AND CORRESPONDING INCOME CATEGORY

| Unit Type | Category 1 | Category 2 | Category 3 | Category 4 |
|------------------|-------------|-------------|-------------|-------------|
| | Square Feet | Square Feet | Square Feet | Square Feet |
| Studio | 450 | 525 | 625 | N/A |
| 1 Bedroom | 550 | 600 | 725 | N/A |
| 2 Bedroom | 750 | 825 | 950 | 1,050 |
| 3 Bedroom | 975 | 1,050 | 1,200 | 1,275 |

NOTE: Net Livable Square Footage (see Definitions) calculations shall be required for the affordable housing component of a project and must be verified by the relevant Building Department prior to issuance of any building permits for either the free market or affordable housing component of the project. Said Building Department shall retain a set of approved building permit drawings for the project. The relevant Building and Planning Departments shall coordinate with the GVRHA to verify the construction of the affordable housing units with the approved building permit plans.

SECTION 2
MAXIMUM SALES PRICES FOR NEWLY DEED RESTRICTED
AFFORDABLE HOUSING UNITS AND FOR AFFORDABLE LOTS

Table IVA sets forth the Maximum Sales Prices for newly deed-restricted affordable housing units to the initial purchaser. The maximum resale price of a unit shall be controlled by the Deed Restriction covering the unit executed by the initial purchaser upon closing of the initial purchase. *NOTE: The following prices are MAXIMUM limits. A developer should not assume that constructing units and marketing them at the maximum sales price will be satisfactory to the GVRHA. Prices are dependent upon unit size, location, and levels of public buy-down of land and construction costs/fees.*

TABLE IV: MAXIMUM SALES PRICES FOR COMMUNITY HOUSING UNITS

| UNIT TYPE | Calc Factor | CATEGORY 1 | CATEGORY 2 | CATEGORY 3 | CATEGORY 4 | CATEGORY 5 | CATEGORY 6 |
|-----------|-------------|------------|------------|------------|------------|------------|------------|
| 1-BDRM | 1.5 | \$ 84,584 | \$ 112,843 | \$ 140,973 | N/A | N/A | N/A |
| 2-BDRM | 2.5 | \$ 95,874 | \$ 127,854 | \$ 159,769 | \$ 191,684 | N/A | N/A |
| 3-BDRM | 3.5 | \$ 114,472 | \$ 142,865 | \$ 178,565 | \$ 214,265 | \$ 285,731 | \$ 357,131 |
| 4-BDRM | 4 | \$ 128,015 | \$ 156,441 | \$ 195,534 | \$ 234,628 | \$ 312,881 | \$ 391,069 |

NOTE: The above table should be used in cases where a unit owner does not pay homeowners fees and land lease payments each month. The cost for Taxes and Insurance are deducted at a rate of 10% of housing costs. In cases where Homeowner's Fees are required of a deed restricted unit, the portion of the Homeowner's Fees that cannot be directly attributed to payment of shared utilities, water/sewer or refuse, shall be deducted from available income in order to calculate a Maximum Sales Price for the deed restricted unit.

NOTES:

1. Single-family lots shall be developed with homes of three bedrooms or larger and shall be prioritized for lottery as set forth in Part V, herein.
2. Sales units will be offered for sale through the GVRHA to all qualified persons under the procedures established by these Guidelines.
3. In the event affordable housing units associated with a lodge, agricultural operation or commercial development are retained by the owner/operator of the development, persons employed directly by such owner/operator shall be given first priority to purchase; however, said persons must meet the GVRHA's Guidelines for occupancy, income and assets criteria in order to qualify to occupy the unit(s). In the event there are no household(s) directly employed by the owner who qualify, the unit shall then be offered to other qualified households according to Part III, Section 5 of these Guidelines.
4. All newly deed restricted affordable housing sales units must be in a marketable condition and comply with the local, applicable Building Code and with all rules, regulations, and codes of all governmental utilities and agencies having jurisdiction. Prior to sale, the unit must be inspected and approved by a certified building inspector, architect, or engineer approved by the GVRHA for compliance with the Guidelines. Cost of such inspections shall be the responsibility of the applicant, and the results of such inspection must be approved by the GVRHA.

SECTION 3
MAXIMUM MONTHLY RENTAL RATES FOR
NEWLY DEED RESTRICTED AFFORDABLE HOUSING UNITS

Table V sets forth the maximum monthly rental rates which may be charged by the developer for newly deed restricted affordable housing units. The rental rates apply and shall be in effect for a twelve (12) month period from the commencement date of the initial lease with the first tenant of the newly deed restricted unit. Thereafter, the maximum monthly rental rate may be increased only if, and to the extent that, the maximum rents outlined by the Housing Guidelines then in effect permit an increase in rental rates.

TABLE V: MAXIMUM ALLOWABLE RENTS,
GUNNISON VALLEY REGIONAL HOUSING AUTHORITY

| | CATEGORY 1 | CATEGORY 2 | CATEGORY 3 | CATEGORY 4 |
|--------|------------|------------|------------|------------|
| Studio | \$ 509 | \$ 669 | N/A | N/A |
| 1-BDRM | \$ 588 | \$ 712 | \$ 888 | N/A |
| 2-BDRM | \$ 704 | \$ 847 | \$ 1,030 | \$ 1,224 |
| 3-BDRM | \$ 847 | \$ 997 | \$ 1,183 | \$ 1,405 |

Note: Maximum allowable rents in the above table are rents that would be utilized in scenarios where federal tax credits or other subsidies are not utilized by the developer. Those operating under the restrictions of LIHTC or other funding systems must follow the rules and rental guidelines of those, specific systems. The GVRHA will assist in the coordination of development efforts with the Colorado Housing & Finance Authority (CHFA) and private-sector development groups. Lease periods and rental rates shall be dictated primarily by the CHFA, HUD and the IRS.

The GVRHA is the body responsible for enforcing the rents outlined herein. The GVRHA, typically, does not feel that rental units for Categories 4 and above are appropriate; therefore, these categories are not listed. In addition, the restriction of rents to Category 3 levels may not always be considered as the provision of "affordable units," and will be up to the discretion of the GVRHA. Developers seeking density bonuses from a government body and/or financial assistance from a municipality, the county, or the GVRHA should be aware of these maximum rent levels.

NOTES:

1. Units constructed prior to the effective date of these Guidelines shall charge rents that do not exceed those set forth in Part IV.
2. Rental rates shall apply whether the units are provided furnished or unfurnished.
3. Rental rates in Table V include, and may not be increased to pay for, the cost of utilities in common areas, condominium dues, management costs and taxes. In the event that utilities are commonly metered, a charge to the tenant may be made in addition to the maximum rents in Table V for the tenant's share of such utilities attributable to the tenant's net living area. Tenants shall be responsible for individually metered utilities.

4. Prior to occupancy of a deed restricted rental unit. A proposed tenant must be qualified by GVRHA for occupancy and provide to the Authority all verification materials required under these Guidelines. The occupant must provide owner/landlord with proof of verification and qualification by the Authority prior to occupancy. The owner shall be required to provide a copy of the lease agreement with the tenant to the GVRHA for approval, which shall be given or denied within five working days after receipt by the two bodies. Leases shall meet occupancy standards and allowed rental rates, and shall be for a minimum term of six (6) consecutive months. An executed copy of the lease shall be provided to GVRHA prior to occupancy by tenant.
5. In the event affordable housing units associated with a lodge, commercial, agricultural operation, or residential development are retained by the owner/operator of the development, persons employed directly by such owner/operator meeting the income, occupancy, and asset standards may be given first priority to rent. In the event there are no persons directly employed by the owner who qualify, the unit shall then be offered to other qualified persons according to the procedures contained in Part II of the Guidelines.
6. All newly deed restricted affordable housing rental units must comply with the applicable Building Code and with all rules, regulations, and codes of all governmental bodies and agencies having jurisdiction. The owner of affordable housing rental units, at his/her cost and expense, must keep and maintain the interior and exterior of the total structure (including all residential units therein) and the adjacent open areas in a safe and clean condition and in a state of good order and repair, reasonable wear and tear and negligent or intentional damage by tenants excepted.

PART VI LOTTERY PROCESS

Priority for purchasing via the Housing Lottery is given to those persons who have worked in Gunnison County a minimum of four consecutive years. An initial lottery is held for persons who have priority status. A subsequent lottery may be held if necessary. Any persons employed in Gunnison County and meeting the criteria are eligible to participate in the Housing Lottery, however, demand for housing is so great that it is unlikely in the foreseeable future that a non-priority lottery will need to be held.

1. The lottery is held the Monday after the listing period has ended, unless otherwise specified. Should there be an in-complex bid, the lottery will not be held. If there is more than one in-house bid, a lottery will be held for those in-complex households only. Should all in-house people decline the unit or not get financing, the lottery will be held for the households who entered the lottery prior to the deadline.
2. All top priority qualified households who have bid on the unit are entered into the lottery.
3. The names are printed out and verified prior to running the lottery to ensure that a household has not been excluded. The names are verified by the bid sheets and by the receipts provided to each bidder. This list will be posted on the outside door of the Courthouse Plaza Building by Noon, the Friday before the lottery is held.
4. The lottery shall be run on the date specified in the advertisement.
5. Once the lottery has been run, the list is printed out and the names are, again, verified to ensure that all households were included in the lottery. If there is a problem, the problem is noted on the printout and explained as to why the lottery has to be rerun. The lottery is then rerun with the correction(s) made.
6. The file of the lottery winner is pulled and reviewed for completion.
7. Once the winner's information is verified, the winner is notified by the GVRHA and an appointment is scheduled.
8. The lottery is then classified as "official" and the names posted on the bulletin board in the GVRHA office and can then be found on the GVRHA website, www.gvrha.org.
9. If the winner of the lottery does not proceed to contact the GVRHA and sign the contract within five (5) business days, the next in line is notified and so on, until the unit is under contract for purchase.

NOTE: The GVRHA has the right to disqualify a potential winner, if the winner's qualification information cannot be verified, is incomplete, or inaccurate at the time of contract. The GVRHA will allow assistance from the potential winner within the five-day grace period noted in Part IV, (9), above.

PART VII PROCEDURES FOR THE SALE OF A CATEGORY AFFORDABLE HOUSING UNIT

SECTION 1 LISTING A UNIT WITH THE GVRHA

1. An owner of an affordable housing unit desiring to sell shall consult with the GVRHA and review the Deed Restriction covering the unit to determine the maximum sales price permitted and other applicable provisions concerning a sale.
2. Unless otherwise provided in the Deed Restriction, the unit must be listed for sale with the GVRHA and the GVRHA staff will administer the sale in accordance with the Guidelines in effect at the time of listing.
3. The sale of an Accessory Dwelling Unit (ADU) deed-restricted as a "for-sale" unit must be through the GVRHA lottery process.
4. There shall be a minimum listing period of three months before a unit's price can be readjusted. Any termination in the listing may require the payment of administrative and advertising costs.
5. The GVRHA acts as a Transaction Broker representing both Buyer and Seller. Questions will be answered and help provided to any potential purchaser or seller EQUALLY in accordance with the current Guidelines.
6. The GVRHA is responsible for preparing all documents pertaining to the sale and purchase of Category Units.
7. All purchasers and sellers are advised to consult legal counsel regarding examination of title and all contracts, agreements and title documents. The retention of such counsel, licensed real estate brokers, or such related services, shall be at purchasers or sellers own expense.
8. The fees paid to the GVRHA are to be paid regardless of any actions or services that the purchaser or seller may undertake or acquire.
9. A seller in the process of purchasing a different unit may find it necessary to secure additional financing should the property listed for sale not close prior to the closing date on the newly purchased property.
10. A **Seller's Property Disclosure Form** will be completed by the Seller at the time of listing. This will be reviewed with the Executive Director or Transaction Broker. Each seller will be provided a copy of the Minimum Standards required in order for the Seller to receive maximum value. It is required that the Seller shall provide the Buyer with a clean, working unit upon delivery of deed. Holes in the walls will be filled, carpets steam cleaned, damaged windows will be repaired, appliances will be in working order, and the plumbing shall be in working order. A final inspection of the unit shall be conducted by the Buyer on the day of closing. If the unit is not left in satisfactory condition, at the sole discretion of the GVRHA, monetary compensation shall be held in escrow at closing from the Seller's proceeds until the repairs and/or cleaning are completed. The repairs and/or cleaning shall be paid from this fund. Any monies left over shall then be distributed to the Seller. The escrow amount shall be determined by the GVRHA.

SECTION 2 ADVERTISING THE SALE: BID PERIODS

1. After a unit is listed for sale with the GVRHA, the GVRHA, at its expense, arranges to advertise the unit for sale in the local weekly papers. Upon listing, there is an initial two-week bid period during which the unit is advertised with one open house date for showing. GVRHA will accept in-complex bids the first week only. Such deadline will be stated in the Guidelines. After the deadline, any bid from an in-complex owner will be treated as all other bids. The initial two-week bid period ends on the Wednesday after the second week of advertising. If there are no bids received in the initial bid period, there will follow consecutive one-week bid periods, ending Wednesday, until the unit is sold.
2. Prospective purchasers are encouraged to investigate sources of financing prior to submitting a bid for affordable housing and can obtain names of lenders from the GVRHA. Staff are available to assist interested parties with the purchase procedure and to answer any questions about the process.
3. If more than one bid is received during any bid period, bids are prioritized according to the Guidelines. If more than one bid is in top priority, a lottery is held.

SECTION 3 FEES FOR LISTING AND SALES

There are two fees involved in the listing and sale of a Deed Restricted Affordable Housing unit -- a Listing Fee, a Sales Fee, and an Agent Fee. The Sales Fee and Transaction Fee is equal to two percent (2%) of the sale's price of the property plus five hundred dollars (\$500), unless otherwise specified in the Deed Restriction. Also, unless otherwise specified in the Deed Restriction, the GVRHA will collect half of the total Sales Fee (the Listing Fee) at the time of the listing (calculated on 90% of Maximum Sales Price). If a sale is completed by the GVRHA, the Listing Fee is considered part of the overall Sales Fee and will be applied to the total Sales Fee payable at closing. The GVRHA may instruct the title company to pay said fees to the GVRHA out of the funds held for the Seller at the closing. In the event that the Seller: a) fails to perform under the listing contract, b) rejects all offers at maximum price in cash or cash-equivalent terms, or c) withdraws the listing after advertising has commenced, that portion of the Listing Fee spent by the GVRHA for those purposes will not be refunded. In the event that the Seller withdraws for failure of any bids to be received at maximum price or with acceptable terms, the advertising and administrative costs incurred by the GVRHA shall be deducted from the fee. The balance will be credited to the Seller's sales fee when the property is sold.

SECTION 4 DEED RESTRICTION

The purchaser must execute, in a form satisfactory to the GVRHA and for recording with the Gunnison County Clerk concurrent with the closing of the sale, a document acknowledging the purchaser's agreement to be bound by the recorded Deed Restriction covering the sale unit. This form is either a Memorandum of Acceptance that relates to a Master Deed Restriction, or a Deed Restriction. The form is provided for signature by the GVRHA at the time of closing, and will be recorded along with the other documents that are required to be recorded.

SECTION 5 CO-OWNERSHIP AND CO-SIGNATURE

1. Any co-ownership interest other than Joint Tenancy or Tenancy-In-Common must be approved by the GVRHA.
2. Co-signers (persons providing security or assuming partial responsibility for the loan) may be approved for ownership of the unit but shall not occupy the unit unless qualified by the GVRHA. An additional document will be required for the non-qualifying owner to sign at the time of closing and will be provided by the GVRHA. If title to a Unit transfers solely to a non-qualified co-signer, the Unit must be placed up for sale as per the Unit's Deed Restriction Agreement.

SECTION 6 SALE OF RESIDENTIAL LOTS

The applicable Municipality or County will receive sales proceeds from residential lots when the land is being provided as mitigation of affordable housing impacts for a development or growth. Said Municipality or County may also request that Affordable Housing Units be constructed as part of development mitigation policy.

The property owner or developer will receive sales proceeds from single-family lots when the land is not being provided as mitigation of affordable housing impacts for a development or growth.

SECTION 7 LEAVE OF ABSENCE FOR OWNERS OF AFFORDABLE HOUSING UNITS

An owner of an affordable-housing unit must reside in their unit at least nine months out of the year and work at least 1500 hours per calendar year. There are instances in someone's life where they must leave Gunnison County for a limited period of time and desire to rent their unit during their absence. In those instances, a Leave of Absence may be granted by the GVRHA. The homeowner must provide clear and convincing evidence, which shows a bona fide reason for leaving and a commitment to return to the Gunnison area. A leave of absence can be requested for up to one year, with the possibility for an extension for up to one more year. At no such time shall a leave of absence be approved for longer than two years.

LEAVE OF ABSENCE REQUEST PROCEDURE

1. A **LEAVE OF ABSENCE REQUEST FORM** must be completed and returned to the GVRHA at least 30 days prior to leaving Gunnison County. This form must be obtained by the applicant from the GVRHA.
2. Notice of such intent to rent an affordable dwelling unit and the ability to comment shall be provided to any applicable homeowners' association at the time of request for their input and recommendation.

Terms and Conditions:

1. The unit may be rented during said period so long as the Deed Restriction covering the unit permits the rental. A three to six month leave of absence may be granted upon approval of the GVRHA and the appropriate HOA.
2. In the event that a maximum rental rate is not set forth in the Deed Restriction, the rent shall be charged based on the owner's costs plus \$50. For someone who no longer has debt on their unit, the rent would be calculated beginning with the rental amount associated with the Guidelines in effect at the time they bought the unit, and then appreciated forward per Table VI in the Guidelines.
3. Owner's cost as used herein includes the monthly mortgage principal and interest payment, condominium fees, utilities remaining in owner's name, taxes (if not part of the mortgage payment) and insurance prorated on a monthly basis, plus \$50 per month.
4. Prior to the GVRHA's qualification of tenant, said tenant shall acknowledge as part of the lease that said tenant has received, read and understands the homeowners' association covenants, rules and regulations for the unit and shall abide by them. Enforcement of said covenants, rules and regulations shall be the responsibility of the homeowners' association.
5. A copy of the executed lease shall be furnished by the owner or tenant to the GVRHA and homeowners' association.
6. Should the homeowners' association or GVRHA recommend denial of the owner's request for a leave, the GVRHA will conduct a Special Review with the owner, homeowners' association representative(s) present or a member of GVRHA.
7. A short-term rental may be permitted, with the consent of the GVRHA and the Homeowners' Association, to faculty or employees of a non-profit group and who shall be qualified without meeting income and assets only for a short-term rental (three months or less).

**SECTION 8
ROOMMATES IN SALES UNITS**

Owners are allowed to have roommates; however, there are certain conditions that must be followed when renting a room.

Terms and Conditions:

1. Roommates are permitted as long as the owner is a qualified employee and residing full-time in their unit.
2. An owner may rent a unit or room to a qualified employee if it is permissible under the Deed Restriction and or covenants of the Homeowner's Association covering the unit. The owner must continue to reside in the unit as a sole and exclusive place of residence.
3. An owner may rent a room to a qualified employee for as short a period of time as one month. However, the rent cannot exceed the amount as stipulated in paragraph 2 above.

The owner shall be deemed to have ceased to use the unit as his or her sole and exclusive place of residence by accepting permanent employment outside of Gunnison County, or residing in the unit fewer than nine (9) months out of any twelve (12) consecutive months.

SECTION 9 CAPITAL IMPROVEMENT POLICY AND MINIMUM STANDARDS TO RECEIVE FULL VALUE AT TIME AT RESALE

Capital improvements and upkeep on deed-restricted units are necessary to enhance the longevity of the affordable housing unit. A maximum sales price will be affected, either higher or lower, relating to the condition of the unit and if the unit meets the minimum standard criteria. Any owner wishing to utilize the new capital improvement policy will be required to enter into the deed restriction that is currently being used at the time of the request.

An owner will be required to maintain a minimum standard for the unit purchased. See Table I, Minimum Standards for Seller to Receive Full Value. Prior to any sale of a unit, the GVRHA Staff will determine a maximum sales price. The GVRHA shall conduct an inspection and a list provided to the Seller as to the items that will need to be done PRIOR to closing to get full value. The Buyer also has the right to pay for a formal inspection of the unit during the inspection period stated in the Sales Contract. If said inspection reflects items not met on the Minimum Standards for Seller to Receive Full Value table, the Seller shall be required to remedy those items. If the unit meets the standard criteria, the Property or Unit shall not be sold for an amount ("Maximum Resale Price") in excess of the lesser of the purchase price PLUS:

- An increase of three percent (3%) of such price per year from the date of purchase to the date of Owner's notice of intent to sell (prorated at the rate of .25 percent for each whole month for any part of a year); OR
- An amount based upon the Consumer Price Index [All Items, U.S. City Average, Urban Wage Earners and Clerical Workers (Revised), published by the U.S. Department of Labor, Bureau of Labor Statistics] calculated as follows: the Owner's purchase price divided by the Consumer Price Index published at the time of Owner's purchase stated on the Settlement Statement, multiplied by the Consumer Price Index current at the date of intent to sell; AND
- Any GVRHA-approved capital improvements.

Homeowners Requesting the Ability to Use this Capital Improvement Policy:

If an owner requests to utilize the capital improvement policy, such owner shall be required to enter into a new, updated deed restriction.

Capital improvements can be added to the maximum resale price. A 10% Capital Improvement maximum will be established for each new owner. All capital improvements will be depreciated. Certain capital improvements will not be counted towards the 10% cap. Each capital improvement will depreciate according to the depreciation schedule stated in an approved handbook. The current source is the Marshall Swift Residential Handbook. Any capital improvements associated with health and safety, energy efficiency, water conservation, and green building products will be exempt from the 10% capital improvement cap; however, such capital improvements shall be depreciated according to the depreciation schedule stated in an approved handbook. An owner should check with the GVRHA prior to starting any improvement to verify that the cost can be recouped.

It will be up to the homeowner to maintain the unit in good condition. This maintenance includes, but is not limited to, the condition of the roof, boiler or water heater, and all appliances. Educational programs shall be scheduled for existing homeowners' associations and newly developed homeowners' associations as to what their responsibilities are in maintaining a project in good condition

Permitted Capital Improvements

1. The term "Permitted Capital Improvement" as used in the Agreement shall only include the following:
 - a. Improvements or fixtures erected, installed or attached as permanent, functional, non-decorative improvements to real property, excluding repair, replacement and/or maintenance improvements;
 - b. Improvements for energy and water conservation;
 - c. Improvements for the benefit of seniors and/or handicapped persons;
 - d. Improvements for health and safety protection devices (including radon);
 - e. Improvements to add and/or finish permanent/fixed storage space;
 - f. Improvements to finish unfinished space;
 - g. Permanent Landscaping; such as trees, shrubs, bushes, paved walkways and approved structures (excludes flower beds and annual plantings)
 - h. The cost of adding decks and balconies, and any extension thereto; and/or
2. Permitted Capital Improvements as used in this Agreement shall NOT include the following:
 - a. Jacuzzis, saunas, steam showers and other similar items;
 - b. Upgrades or addition of decorative items, including lights, window coverings and other similar items.
 - c. Upgrades of appliances, plumbing and mechanical fixtures, carpets and other similar items included as part of the original construction of a unit and/or improvements required to repair and maintain existing fixtures, appliances, plumbing and mechanical fixtures, painting, and other similar items, unless replacement is energy efficient or for safety and health reasons.
3. All Permitted Capital Improvement items and costs shall be approved by the GVRHA staff prior to being added to the Maximum Resale Price as defined herein. In order to get credit for an improvement where a building permit is required, the improvement will not be counted unless a Letter of Completion was obtained by the applicable Building Department.

MINIMUM STANDARDS FOR SELLER TO RECEIVE FULL VALUE

- Thoroughly cleaned Dwelling Unit
- Carpets steam-cleaned two or three days prior to closing
- All major scratches, holes, burn marks repaired in hardwood floors, linoleum, tile, counter tops, etc.
- No broken windows
- All screens in windows (if screens were originally provided)
- All doors will be in working order with no holes
- All locks on doors will work
- All keys will be provided; e.g., doors, mail box, garage
- All mechanical systems shall be in working order
- Walls paint ready
- Normal wear and tear on carpet; if carpet has holes, stains, etc., the carpet and padding shall be replaced or escrow funds at current market value per square foot for a comparable product shall be held at the time of closing to be used by the new buyer
- No leaks from plumbing fixtures
- No roof leaks
- Any safety hazards shall be remedied prior to closing
- All light fixtures shall be in working order

DEFINITIONS

A Clean Unit: All rooms will be cleaned as stated below.

KITCHEN:

- Range -Inner and outer services will be cleaned.
- Range hood and Exhaust Fan
- Refrigerator and Freezer - Inner and outer surfaces of refrigerator and freezer will be clean. Freezer will be defrosted.
- Cabinets and Countertops - Exterior and interior surfaces of cabinets and drawers will be clean. Door and drawer handles, if provided, shall be clean and in place.
- Sink and Garbage Disposal - Sink and plumbing fixtures will be clean. If garbage disposal provided, this must be in working order.
- Dishwasher – If provided prior to move-in, must be in working order and inner and outer surfaces shall be clean.

BLINDS, WINDOWS, SCREENS:

- Mini-blinds, Venetian Blinds, Vertical Blinds, and Pull Shades - Will be clean.
- Windows - All window surfaces, inside and outside of the window glass, shall be clean.
- Screens - Screens will be clean and in place with no holes or tears.

CLOSETS:

- Closets, including floors, walls, hanger rod, shelves and doors, shall be clean.

LIGHT FIXTURES:

- Light fixtures will be clean and shall have functioning bulbs/fluorescent tubes.

BATHROOMS:

- Bathtub, Shower Walls, Sinks -Bathtubs, shower walls and sinks shall be clean.
- Toilet and Water Closet - Water closets, toilet bowls and toilet seats will be clean. If the toilet seat is broken or peeling, the seat shall be replaced.
- Tile - All tile and grout will be clean.
- Mirrors and Medicine Cabinets - Shall be cleaned inside and out.
- Shelves and/or Other Cabinetry - Shall be cleaned inside and out.

WALLS, CEILINGS, PAINTED DOORS AND BASEBOARDS:

- Painted surfaces must be cleaned with care to ensure the surface is clean without damaging the paint.

FLOORS:

- Floor cleaning includes sweeping and mopping and could include stripping, waxing and buffing. Types of floor surfaces include wood, wood parquet tiles, linoleum, asphalt tile, vinyl tile, mosaic tile, concrete and carpet. If carpet, all carpets shall be cleaned at least two days prior to closing.

INTERIOR STORAGE/UTILITY ROOMS:

- Storage/utility rooms shall be cleaned. Properly cleaned storage/utility rooms will be free from odors, removable stains, grease marks or accumulations.

WALLS PAINT-READY:

- All holes shall be patched; all posters, pictures, etc., shall be removed from all walls; all nails, tacks, tape, etc., shall be removed from all walls; and all walls shall be clean and ready for the new buyer to paint. If wallpaper has been placed on the wall and in good condition, the wallpaper can remain; if the wallpaper is peeling off, the wallpaper must be removed and walls made paint-ready.

WINDOWS:

- If a window is broken, including the locking mechanism, the window shall be replaced.

NOTE: Safety Hazards. Any item(s) that provides a safety hazard shall be fixed. This would include, but is not limited to, exposed electrical wiring, ventilation for gas hot water system, etc.

PART VIII

SPECIAL REVIEW

A Special Review for a variance from the strict application of these Guidelines may be requested if an unusual hardship can be shown, and the variance from the strict application of the Guidelines is consistent with the Housing Program intent and policy. In order to request a Special Review, a letter must be submitted to the GVRHA Executive Director stating the request, with documentation regarding the unusual hardship. The applicant shall submit any additional information reasonably requested by the GVRHA and a Special Review meeting will be scheduled in a timely manner (within 10 business days).

The Special Review Committee may grant the request, with or without conditions, if the approval will not cause a substantial detriment to the public good and without substantially impairing the intent and purpose of the Guidelines, and if an unusual hardship is shown.

PART IX GRIEVANCE PROCEDURES

A grievance is any dispute that a tenant or purchaser (see Definitions) may have with the GVRHA with respect to action or failure to act in accordance with the individual tenant's or purchaser's rights, duties, welfare or status. A grievance may be presented to the GVRHA Board of Directors under the following procedures.

I. FILING A GRIEVANCE

A. Any grievance must be presented in writing to the GVRHA. It may be simply stated, but shall specify: 1) the particular ground(s) upon which it is based; 2) the action requested; and 3) the name, address, telephone number of the complainant and similar information about his/her representative, if any.

B. Upon presentation of a written grievance, a hearing before the GVRHA Board of Directors shall be scheduled for the next scheduled Board meeting. The matter may be continued at the discretion of the Board. The complainant shall be afforded a fair hearing providing the basic safeguard of due process, including notice and an opportunity to be heard in a timely, reasonable manner.

C. The complainant and the GVRHA shall have the opportunity to examine and, before the hearing at the expense of the complainant, to copy all documents, records and regulations of the GVRHA that are relevant to the hearing. Any document not made available after written request may not be relied upon at the hearing.

D. The complainant has the right to be represented by counsel.

II. CONDUCT OF THE HEARING

A. If the complainant fails to appear at the scheduled hearing, the Board may make a determination to postpone the hearing or make a determination based upon the written documentation and the evidence submitted.

B. The hearing shall be conducted by the Board as follows: Oral or documentary evidence may be received without strict compliance with the rules of evidence applicable to judicial proceedings.

C. The right to cross-examine shall be at the discretion of the Board and may be regulated by the Board as it deems necessary for a fair hearing.

D. Based on the records of proceedings, the Board will provide a written decision and include therein the reasons for its determination. The decision of the Board shall be binding on the GVRHA that shall take all actions necessary to carry out the decision.

PART X DEFINITIONS

Accessory Dwelling Unit - The residential dwelling unit must be a private unit, with a private entrance, a full bath and a kitchen as defined in these Guidelines.

Affordable Housing / Employee Housing / Work Force Housing - Dwelling units restricted to the housing size and type for individuals meeting asset, income and minimum occupancy guidelines approved by the Municipal Council, Board of County Commissioners and/or the GVRHA, whichever shall apply.

Gunnison Valley Regional Housing Authority - GVRHA.

Assets - Anything owned by an individual that has commercial or exchange value. Assets consist of specific property or claims against others, in contrast to obligations due others. See also definition for Gross Assets and Net Assets.

Basement - As defined by the applicable City or County Land Use Code.

Bedroom - A room designed to be used for sleeping purposes that shall contain closets, have access to a bathroom and meets applicable City or County International Building Code requirements for light, ventilation, sanitation and egress.

Buy Down Unit - Free-market residential dwelling unit that the government (Municipality, Gunnison County, GVRHA) and/or private sector acquired and deed-restricted to affordable housing category.

Capital Improvements - Unless otherwise defined in the Deed Restriction covering the affordable housing unit, any fixture erected as a permanent improvement to real property excluding repair, replacement, and maintenance costs.

Caretaker Dwelling Units - The unit must be a totally private unit, with a private entrance, a

full bath and a kitchen as defined in these Guidelines.

Category - Income limit category, sales price category, or maximum rental rate category as determined by the GVRHA Housing Guidelines according to household income and net assets.

Consumer Price Index (CPI) - The Consumer Price Index that is used for purposes of the Guidelines and for purposes of the Deed Restriction is the *Consumer Price Index - U.S. City Average and Regions, Urban Wage Earners and Clerical Workers (CPI-W)*, All Items (1967=100). Updated information is received on a monthly basis from the U.S. Department of Labor, Bureau of Labor Statistics.

Co-signer - A joint signatory of a promissory note who shall not occupy the unit unless qualified by the GVRHA.

Deed Restriction - A contract entered into between the GVRHA and the owner or purchaser of real property identifying the conditions of occupancy and resale. Such document shall be recorded with Gunnison County.

Dependent - a "dependent" is either a "qualifying child" or a "qualifying relative." Generally, a "qualifying child" is: (a) a child (including stepchild, adopted child, or eligible foster child), or a sibling (or stepsibling) of the applicant or resident, or a descendant of either; (b) has resided in the principal abode of the applicant or resident for **at least 100 days out of a calendar year**; (c) has not attained age 19 (or is a student who has not attained age 24 as of the end of the year); and (d) has not provided more than half of his or her support for that year. A child who does not satisfy the qualifying child definition may be a "qualifying relative."

Generally, a "qualifying relative" is an individual who: (a) is a child (including stepchild, adopted child, or eligible foster child), a sibling (including stepsiblings), the taxpayer's father or mother or an ancestor of

either of them, a stepparent, a niece or nephew, an aunt or uncle, certain in-laws of the taxpayer, or an individual, other than a spouse, who resides in the principal abode of the taxpayer and is a member of the household; (b) has gross income in the relevant calendar year not exceeding the exemption (\$5,200 for 2010); (c) receives more than half of his/her support for the year from the taxpayer; and (d) is not a qualifying child of any other taxpayer for the calendar year.

In the case of divorced families with children, to obtain a bedroom, each child shall be used once for proving minimum occupancy. Should both parents enter the same lottery, the top winner only shall be allowed to purchase the unit; the other parent shall be able to use the child(ren) to obtain one additional bedroom only.

Disabled Person - See definition for Disability.

Dormitory - A structure or portion thereof under single management that provides group sleeping accommodations for occupants in one (1) or more rooms for compensation. Standards for use occupancy, and design of such facilities shall be approved by the GVRHA. See Part III, Sec. 4.

Emergency Worker - An employee or volunteer of a community based organization that provides on-scene assistance giving emergency personal care to victims, including, but not limited to the following: Fire Department Workers, Mountain Rescue, Sheriff's Deputies, Police Officers, Hospital Emergency Room Technicians, Social Service Workers (mental health and abuse case workers), Ambulance Drivers, Emergency Medical Technicians, Communications Dispatchers through the Sheriff's Office or Police Department, etc.

Employee/Qualified Resident/Buyer - A person who is employed for an employer as defined below on the basis of a minimum of 1,500 hours worked per calendar year in Gunnison County, which averages 35 hours a week, 10 months a year; or 32 hours a week, 11 months a year, physically working in Gunnison County and must reside in the unit a minimum of nine (9) months out of the year.

Employer (Gunnison County Employer) - A business whose business address is located within Gunnison County, whose business employs employees (as defined herein) within Gunnison County, who work in Gunnison County, and whose business taxes are paid in Gunnison County. If an employer is not physically based in Gunnison County, an employee must be able to verify that they work in Gunnison County for individuals, businesses or institutional operations located in Gunnison County.

Employee (Non-Profit) - A person who works/performs for a non-profit organization. Employees include artists, performers, musicians, organizers, bookkeepers, etc., but excluding construction workers. Non-profit organizations include any certified non-profit organization providing services to and located in Gunnison County.

Employee Dwelling Unit - This is a deed-restricted unit that is required to be rented out. Also see the Gunnison County Land Use Code, Section 3-150-120.

Employee Housing. See definition for Affordable/Employee Housing.

Family - For purposes of transferring property only, a family (or immediate family) is defined as a husband, wife, domestic partner, mother, father, brother, sister, son, daughter, either biologically or by legal adoption. Any transfer to a family member must fall under this definition.

Family-Oriented Unit - A dwelling unit attached or detached; 3 bedrooms or more, with direct ground floor access to a useable yard area.

Fannie Mae (FNMA) - Federal National Mortgage Association, a quasi-governmental agency that purchases mortgage loans in the secondary loan market.

Fee Simple Estate - The maximum possible estate that one can possess in real property; complete and absolute ownership of indefinite duration, freely transferable, and inheritable .

Financial Statement - A statement detailing all

personal assets, liabilities, and net worth (the difference between assets and liabilities) as of a specific date. GVRHA may provide an Asset Declaration Form upon request.

Fixture - 1) A tangible thing which previously was personal property and which has been attached to or installed on land or a structure thereon in such a way as to become a part of the real property; 2) Any non-portable lighting device built in or attached securely to the structure; 3) The permanent parts of a plumbing system and fixtures.

Gross Assets - Anything which has tangible or intangible value, including property of all kinds, both real and personal; includes among other things, patents and causes of action which belong to any person, as well as any stock in a corporation and any interest in the estate of a decedent; also, the entire property of a person, association, corporation, or estate that is applicable or subject to the payment of debts. Gross assets shall include funds or property held in a living trust or any similar entity or interest, where the person has management rights or the ability to apply the assets to the payment of debts. Gross assets shall not include, pension plans

Gross Income - The total income to include alimony and child support derived from a business, trust, employment and from income-producing property, before deductions for expenses, depreciation, taxes, and similar allowances.

Disability – With respect to a person, a physical or mental impairment which substantially limits one or more major life activities; a record of such impairment; or being regarded as having such impairment. This term does not include the current, illegal use of or addiction to a controlled substance. (If conflicts arise during application of this definition, the GVRHA will follow strict definitions of 'disability' as outlined by US Dept. of Housing and Urban Development).

Household - All individuals occupying the residential unit regardless of legal status and/or a

married couple, whether both will be living in the unit or not.

Household - Lotteries - All individuals who will be occupying the unit regardless of legal status and/or a married couple, whether both will be living in the unit or not. All married couples may only enter into a lottery once and cannot bid separately.

If two separate households (single, file separate income tax returns as single, etc.) enter together into one lottery, the combined income and assets will be carried forward to other single lotteries for a one-year period of time. Should circumstances change within the one-year time frame, the employee may request a change in category once during that one-year time frame.

Household Net Assets - Combined net assets of all individuals who will be occupying the unit regardless of legal status.

Household Income - Combined gross income of all individuals who will be occupying the unit regardless of legal status. See definition of Household - Lotteries above for further clarification. Adjustments to the gross for business expenses can be made for persons who are self-employed.

In-Complex (In House) Bid - Priority bid granted to person(s) having lived in their unit in a given complex for a minimum of one year. If a new project is built in phases, the in-complex priority does not go into effect until all affordable housing phasing of the project is completed.

Joint Tenancy - Ownership of real estate between two or more parties who have been named in one conveyance as joint tenants. Upon the death of one tenant, surviving joint tenant(s) have the right of survivorship.

Kitchen - For Accessory Dwelling Units, Caretaker Dwelling Units and all other deed-restricted units, a minimum of a two-burner stove with oven, standard sink, and a refrigerator plus freezer. The oven must be able to bake and broil and be at least 5 cubic feet; the sink must measure at least 14" W X 16" D X 5.25" H; refrigerator must be at least 5.3 cubic feet and include at least a .73 cubic foot freezer.

Leasehold Interest - A time-restricted interest in real property created by a lease whether written or oral; a tenancy in real property.

Lottery - A drawing to select a winner from equal applicants of highest priority.

Maximum Bid Price - Unless otherwise defined in the Deed Restriction covering the unit, the owner's purchase price multiplied by the appreciation (as permitted by the Deed Restriction) plus the accepted level of capital improvements costs as defined in the Deed Restriction and these Guidelines.

Minimum Occupancy - One person (with a leasehold/ownership interest) per bedroom. A minor child or dependent shall be granted equal status as a person with leasehold/ownership interest. In a two adult household, both adults must be working in Gunnison County in order to qualify for an additional bedroom.

Mortgagee - A lender in a mortgage loan transaction.

Mortgagor - A borrower in a mortgage loan transaction.

Net Assets - Gross assets minus liabilities. Retirement accounts will be reviewed on a case-by-case basis to determine whether or not they shall be included as a net asset.

Net Livable Square Footage - Is calculated on interior living area and is measured interior wall to interior wall, including all interior partitions. Also included, but not limited to, habitable basements and interior storage areas, closets and laundry area. Exclusions include, but are not limited to, uninhabitable basements, mechanical areas, exterior storage, stairwells, garages (either attached or detached), patios, decks and porches.

Nondiscrimination Policy - GVRHA shall not discriminate against anyone due to race, color, creed, religion, ancestry, national origin, sex, age, marital status, physical handicaps, affectional or sexual orientation, family responsibility, or political affiliation, resulting in the unequal

treatment or separation of any person, or deny, prevent, limit or otherwise adversely affect, the benefit of enjoyment by any person of employment, ownership or occupancy of real property, or public service or accommodations.

Ownership Exclusion Zone (OEZ) - Any developed residential property that has an address within Gunnison, Delta, Hinsdale, Montrose and/or Saguache Counties.

On-Site / Off-Site - Location of deed restricted property used for mitigation purposes: either next to or attached to the development (on-site) or at a separate location approved by the GVRHA (off-site).

Pre-qualification - A borrower's tentative mortgage approval from a lender. **Present Value** - *For the purposes of these Guidelines and any Deed Restrictions containing such terms, the present value shall be the cost or price of any capital improvements as established at the time of such improvement and shall be neither appreciated nor depreciated from such time.*

Primary Residence - The sole and exclusive place of residence. The owner or renter shall be deemed to have ceased to use the unit as his/her sole and exclusive place of residence by accepting permanent employment outside of Gunnison county, or residing in the unit fewer than nine (9) months out of any twelve (12) consecutive months (unless permitted by GVRHA).

Purchaser - A person who is buying or has purchased a deed restricted unit which is subject to these Guidelines, and any qualifying potential purchaser or past owner (claiming rights when he/she was a purchaser) of any such deed restricted unit, but only with respect to any issue arising under these Guidelines.

Qualified Resident - Person(s) meeting the income, asset, employment, and residency requirements and property ownership limitations, including retired and handicapped persons, or dependent(s) of any of these (as such terms are defined herein) established by the GVRHA.

Requalification - Requirements which

renters/ tenants and owners of affordable housing must meet bi-annually to ensure continued eligibility (every two years).

Resale Agreement - A contract entered into between the GVRHA and the owner or purchaser of real property identifying the conditions of occupancy and resale (also commonly referred to as a Deed Restriction).

Residential Dwelling Unit – Any residential property that has an address within the Ownership Exclusion Zone.

Retirement Age – The age where an employee can retire and maintain eligibility to continue to reside in affordable housing is 65 years of age.

Seasonal Employee - A person working not less than 35 hours per week during the Winter Season (generally November through April) and/or Summer Season (generally June through August).

Self-Employed - You are self-employed if you carry on a trade or business as a sole proprietor or an independent contractor; you are a member of a partnership that carries on a trade or business; you are otherwise in business for yourself; and you work for profit or fees. You must show a profit on an income tax return at least three out of every five years. The trade or business is required to provide goods and services to individuals, businesses or institutional operations in Gunnison County.

Storage Space - Space intended and commonly utilized as location for preservation or later use or disposal of items. To be used for storage purposes only and shall not contain plumbing fixtures or mechanical equipment that support the principal residential use.

Student – A student enrolled in an accredited school full-time, and/or an intern who is a student or recent graduate undergoing supervised practical training full-time and working in a temporary capacity for a Gunnison County business; and/or a full-time combination of work in Gunnison County and school; such student shall be 18 years of age or older.

Tenancy In Common – Co-ownership in which individual holds an undivided interest in real property without right of survivorship. Upon the death of one of the owners, the ownership share of the descendant is inherited by the party or parties designated in the decedent's will.

Tenant - A person who is leasing or has leased a deed restricted unit which is subject to these Guidelines, and any qualifying potential lessee or past lessee of any such deed restricted unit, but only with respect to any issue arising under these Guidelines.

MASTER DEED RESTRICTION AGREEMENT
FOR THE OCCUPANCY AND RESALE of _____, Gunnison, Colorado

THIS MASTER DEED RESTRICTION, OCCUPANCY AND RESALE AGREEMENT (the "Agreement") is made and entered into this _____ day of _____ 20____, by _____ (hereinafter referred to as "Owner"), for the benefit of the parties and enforceable by Gunnison County (hereinafter referred to as "County") and the GUNNISON VALLEY REGIONAL HOUSING AUTHORITY (hereinafter referred to as "GVRHA"), a duly constituted multi-jurisdictional Housing Authority and established pursuant to the **INTERGOVERNMENTAL AGREEMENT** by and between the Town of Crested Butte ("Crested Butte"), the Town of Mt. Crested Butte, the City of Gunnison ("Gunnison") and Gunnison County, Colorado (the "County"), dated July 10, 2012 and identified in Gunnison County, Colorado records as **Legal Instrument No. 2012-138**.

WITNESSETH:

WHEREAS, Owner owns the real property described in Exhibit "A" attached hereto and incorporated herein. For purposes of this Agreement, the real property and all dwellings, appurtenances, improvements and fixtures associated therewith shall hereinafter be referred to as the "Property"; and

WHEREAS, as a condition of the approval granted by the Gunnison County Commissioners located in Gunnison County, Colorado for approval of the Sale of subject Property, the Owner is required to enter into this Agreement; and

WHEREAS, Owner agrees to restrict the acquisition or transfer of the Property to "Qualified Buyers," as that term is defined in this Agreement, who fall within the **Category 3 (100% of Gunnison County AMI)** income level established and adopted by the GVRHA from time to time in its *Affordable Housing Guidelines*. In addition, the Owner agrees that this Agreement shall constitute a resale agreement setting forth the maximum resale price for which the Property may be sold ("Maximum Resale Price") and the terms and provisions controlling the resale of the Property. Finally, by this Agreement, Owner restricts the Property against use and occupancy inconsistent with this Agreement.

WHEREAS, "Qualified Buyers" are natural persons meeting the income, residency and all other qualifications set forth in the GVRHA's *Affordable Housing Guidelines* (hereinafter the "Guidelines"), or its substitute, as adopted by the GVRHA, or its successor, and in effect at the time of the closing of the sale to the Qualified Buyer, and who must represent and agree pursuant to this Agreement to occupy the Property as their sole place of residence, not to engage in any business activity on the Property, other than that permitted in that zone district or by applicable ordinance, not to sell or otherwise transfer the Property for use in a trade or business; and to continue meeting the employment, residency and other requirements as stated in this Agreement.

WHEREAS, an "Owner" is a person or persons who is/are a Qualified Buyer who acquires an ownership interest in the Property or Unit in compliance with the terms and provisions of this Agreement, or any other person or legal entity owning an interest in the Property or Unit; it being understood that such person, persons or entity shall be deemed an "Owner" hereunder only during the period of his, her, their or its ownership interest in the Property and shall be obligated hereunder for the full and complete performance and observance of all covenants, conditions and restrictions contained herein during such period.

WHEREAS, this document supersedes any previous deed restriction agreement for occupancy and resale associated with the subject property.

WHEREAS, the "Property" is the land and single-family home located at _____, Gunnison, CO 81230 and also represented as _____, Unit _____.

NOW, THEREFORE, for value received, the receipt and sufficiency of which are hereby acknowledged, Owner hereby represents, covenants and agrees as follows:

I. USE AND OCCUPANCY

The use and occupancy of the Property shall henceforth be limited exclusively to housing for natural persons who meet the definition of Qualified Buyers and their families, and the other requirements of this Agreement and the Gunnison Valley Regional Housing Authority Affordable Housing Guidelines referred to above.

II. REQUIREMENTS

An Owner, in connection with the purchase of this Property or Unit, must: a) occupy any Unit within this Property as his or her sole place of residence during the time that such unit is owned; b) not own, directly or indirectly through a legal entity, any interest alone or in conjunction with others, in any developed property or dwelling units in accordance with the limitations established by the Guidelines as amended from time to time; c) not engage in any business activity on or in such Unit, other than permitted in that zone district or by applicable ordinance; d) sell or otherwise transfer such Unit only in accordance with this Agreement and the Affordable Housing Guidelines; e) not sell or otherwise transfer such Unit for use in a trade or business; f) not permit any use or occupancy of such Unit except in compliance with this Agreement; g) continue to meet the residence and employment requirements of a Qualified Buyer established by the GVRHA Guidelines and as they are amended from time to time; and h) continue to meet the other requirements of the applicable GVRHA Guidelines and this Agreement. Recertification of employment, residency and the ownership of other property shall be required as stipulated in the GVRHA Guidelines.

III. DEFAULT ON LOAN

It shall be a breach of this Agreement for Owner to default in payments or other obligations due or to be performed under a promissory note secured by a first deed of trust encumbering the Property or a Unit or to breach any of Owner's duties or obligations under said deed of trust. It shall also be a breach of this Agreement for Owner to default in the payment of real property taxes or obligations to the Homeowners' Association for general or special assessments. Owner must notify the GVRHA, in writing, of any such default, including notification received from a lender, or its assigns, of past due payments or default in payment or other obligations due or to be performed under a promissory note secured by a first deed of trust, as described herein, or of any breach of any of Owner's duties or obligations under said deed of trust, within five calendar days of Owner's notification from lender, or its assigns, or any other creditor specified herein, of said default or past due payments or breach.

Upon notification of a default as provided above, Gunnison County or the GVRHA or its assigns may offer loan counseling or distressed loan services to the Owner, if any of these services are available, and is entitled to require the Owner to sell the Property to avoid the commencement of any foreclosure proceeding against the Property or a Unit.

Upon receipt of notice as provided in paragraphs 3a and b, the GVRHA or Gunnison County shall have the right, at its sole discretion, to cure the default or any portion thereof. In such event, the Owner shall be personally liable to the GVRHA or the County for past due payments made by the GVRHA or the County together with interest thereon at the rate specified in the promissory note secured by the first deed of trust, plus one percent (1%), and all actual expenses of the GVRHA or Town incurred in curing the default. The Owner shall be required by GVRHA or the County to execute a promissory note secured by deed of trust encumbering the Property in favor of the GVRHA or the County for the amounts expended by the GVRHA or the County as specified herein, including future advances made for such purposes. The Owner may cure the default and satisfy its obligation to the GVRHA or the County under this subparagraph at any time prior to execution of a contract for sale, upon such reasonable terms as specified by the GVRHA or the County. Otherwise, Owner's indebtedness to the GVRHA or the County shall be satisfied from the Owner's proceeds at closing.

In addition, upon receipt of notice as provided in Paragraphs 3a and 3b, the GVRHA or the County shall have the option, exercisable in the GVRHA's or the County's sole discretion, to purchase the Owner's Dwelling Unit and Improvements for ninety-five percent (95%) of the Maximum Resale Price. If the GVRHA or the County desires to exercise said option, it shall give written notice thereof to the Owner within sixty (60) days following the GVRHA's and the County's receipt of the notice as provided in Paragraphs 3a and 3b. In the event the GVRHA or the County timely exercises said option, the closing of the purchase of the Unit and Improvements shall occur within sixty (60) days following the date of the GVRHA's or the County's notice to the Owner of the exercise of said option.

IV. DEFAULT ON ASSOCIATION ASSESSMENTS

It shall be a violation of the Agreement for the Owner, the Association, or a Qualified Buyer to default in the payment of general or special assessments to the Homeowner's Association, and such person shall be subject to enforcement as provided herein. In addition, upon sale of a unit as to which the payment of such obligations is in default, the assessments shall be paid at closing.

V. ENFORCEMENT

In the event that the GVRHA and the County determine that sale of the Property is necessary as a result of breach of this Agreement, Owner shall immediately execute a standard Listing Contract on forms approved by the Colorado Real Estate Commission with the GVRHA, providing for a 30-day listing period. At that time, the Owner shall deposit with the GVRHA an amount equal to one percent (1%) of the estimated value of the Unit. If a sales contract has not been executed within the initial 30-day period, Owner shall extend the listing period for an additional 180 days, provided such extension does not conflict with the statutory rights of any secured creditors. The GVRHA shall promptly advertise the Property for sale by competitive bid to Qualified Buyers. At the time of closing, the Owner shall pay to the GVRHA an additional fee as stated in the *Gunnison Valley Affordable Housing Guidelines*. In the event of a listing of the Property pursuant to this Paragraph 5, the GVRHA is entitled to require the Owner to accept the highest of any qualified bids that is equal to the lesser of: (i) an amount that at least satisfies the Owner's financial or other obligations due under the promissory note secured by a first deed of trust and any deed of trust in favor of the GVRHA, as described herein, or (ii) the Maximum Resale Price (as hereinafter defined), and to sell the Property to such qualified bidder. The listing and sale of the Property or Unit shall be subject to such listing, sales and other fees and expenses as may be imposed by the GVRHA from time to time as set forth in the Affordable Housing Guidelines.

VI. AGREEMENT RUNS WITH THE LAND

This Agreement shall constitute covenants running with the Property, as a burden thereon, for the benefit of, and shall be specifically enforceable by the GVRHA and the Board of County Commissioners for the County (also referred to herein as the "County"), and their respective successors and assigns, as applicable, by any appropriate legal action including but not limited to specific performance, injunction, reversion, or eviction of non-complying owners and/or occupants.

VII. VOLUNTARY SALE

In the event that an Owner desires to voluntarily sell the Property or Unit, the Owner shall execute a standard Listing Contract on forms approved by the Colorado Real Estate Commission with the GVRHA providing for a 180-day listing period, or such other time period as required by the GVRHA Affordable Housing Guidelines in effect at time of listing. The GVRHA shall promptly advertise the Property or Unit for sale by competitive bid to Qualified Buyers. The listing and sale of the Property or Unit shall be subject to such listing, sales and other fees and expenses as may be imposed by the GVRHA from time to time as set forth in the *Affordable Housing Guidelines*.

VIII. GVRHA and COUNTY RIGHT TO ACQUISITION

Notwithstanding any provision herein to the contrary, the GVRHA or County shall have the right, in its sole discretion, (i) to acquire any Property for the purpose of resale thereof to a Qualified Buyer; (ii) following its acquisition of any Property or Unit, to repair, replace, redevelop, remove and maintain such Property or Unit prior to resale to a Qualified Buyer; and/or (iii) amend or replace this Deed Restriction Agreement following the acquisition.

IX. MAXIMUM RESALE PRICE

In no event shall the Property or a Unit be sold for an amount ("Maximum Resale Price") in excess of the lesser of:

(Original Purchase Price) plus an increase of three percent (3%) of such price per year from the date of purchase to the date of Owner's notice of intent to sell (prorated at the rate of .25 percent for each whole month for any part of a year); or

An amount [based upon the Consumer Price Index, All Items, U.S. City Average, Urban Wage Earners and Clerical Workers (Revised), published by the U.S. Department of Labor, Bureau of Labor Statistics] calculated as follows: the Owner's purchase price divided by the Consumer Price Index published at the time of Owner's purchase stated on the Settlement Statement, multiplied by the Consumer Price Index current at the date of intent to sell. In no event shall the multiplier be less than one (1). For purposes of this Agreement, "date of intent to sell" shall be the date of execution of a listing contract when required by this agreement, or if a listing contract is not otherwise necessary, the date shall be determined to be the date upon which a requirement for the Owner to sell is first applicable.

NOTHING HEREIN SHALL BE CONSTRUED TO CONSTITUTE A REPRESENTATION OR GUARANTEE BY THE GVRHA OR GUNNISON COUNTY THAT ON RESALE THE OWNER SHALL OBTAIN THE MAXIMUM RESALE PRICE.

X. PERMITTED CAPITAL IMPROVEMENTS

- a. Subject to the limitations of this Section, for the purpose of determining the Maximum Resale Price in accordance with this Section, the Owner may add to the amount specified in Paragraph 9 above, the cost of Permitted Capital Improvements, as set forth in Exhibit "B" attached hereto or otherwise allowed by the Affordable Housing Guidelines and as they are amended from time to time, in a total amount not to exceed \$, which is ten percent (10%) of the listed purchase price set forth in paragraph 9a above. In calculating such amount, only those Permitted Capital Improvements identified in Exhibit "B" hereto or otherwise allowed by the Affordable Housing Guidelines from time to time shall qualify for inclusion. All such Permitted Capital Improvements installed or constructed over the life of the unit shall qualify, and will be depreciated based on the Depreciation Schedule used by GVRHA at the time of listing.
- b. Permitted Capital Improvements shall not include any changes or additions to the Property made by the Owner during construction or thereafter, except in accordance with Paragraph 9a above. Permitted Capital Improvements shall not be included in the GVRHA's listed purchase price, even if made or installed during original construction.
- c. In order to qualify as Permitted Capital Improvements, the Owner must furnish to the GVRHA the following information with respect to the improvements that the Owner seeks to include in the calculation of Maximum Resale Price:
 - (1) Original or duplicate receipts to verify the actual costs expended by the Owner for the Permitted Capital Improvements;
 - (2) Owner's affidavit verifying that the receipts are valid and correct receipts tendered at the time of purchase; and
 - (3) True and correct copies of any building permit or certificate of occupancy required to be issued by the Aspen/Gunnison County Building Department with respect to the Permitted Capital Improvements.

All capital improvements will be depreciated. Certain capital improvements will not be counted towards the 10% cap. Each capital improvement will depreciate according to the depreciation schedule stated in an approved handbook. The current source is the **Marshall & Swift Residential Handbook**. Any capital improvements associated with health and safety, energy efficiency, water conservation, and green building products will be exempt from the 10% capital improvement cap; however, such capital improvements shall be depreciated according to the depreciation schedule stated in an approved handbook.

For the purpose of determining the Maximum Resale Price in accordance with this Section, the Owner may also add to the amounts specified in Paragraphs 9 and 10a, the cost of any permanent improvements constructed or installed as a result of any requirement imposed by any governmental agency, provided that written certification is provided to the GVRHA of both the applicable requirement and the information required by Paragraph 10c, (1) – (3).

In order to obtain maximum resale price, Owner must ensure that the unit meets GVRHA's generally applicable minimum standards for a seller of a deed-restricted unit to receive full value as determined by GVRHA in its discretion. This shall include requirements to clean the home, ensure that all fixtures are in working condition, and to repair damage to the unit beyond normal wear and tear and as stated in the *Minimum Standards for Seller to Receive Full Value at Resale*, Exhibit "C". If the Seller does not meet this requirement, GVRHA may require that Seller escrow at closing a reasonable amount to achieve compliance by GVRHA, or reduce the maximum resale price accordingly.

XI. GRIEVANCES

All disputes between the Owner and the administrative staff of the GVRHA shall be heard in accordance with the grievance procedures set forth in the GVRHA's *Affordable Housing Guidelines*.

XII. CLOSING COSTS

Owner shall not permit any prospective buyer to assume any or all of the Owner's customary closing costs (including, but not limited to, title insurance, sales fee, pro ration of taxes, homeowners dues, etc., as are customary in Gunnison County) nor accept any other consideration which would cause an increase in the purchase price above the bid price so as to induce the Owner to sell to such unit to

a prospective buyer.

XIII. MULTIPLE QUALIFIED BIDS

In the event that one qualified bid is received equal to the Maximum Resale Price herein established, the Property shall be sold to such bidder at the Maximum Resale Price; and in the event Owner receives two or more such bids equal to the Maximum Resale Price, the Qualified Buyer shall be selected according to the priority for Sale Units set forth in the Affordable Housing Guidelines; and, in the event that more than one such qualified bidder is of equal priority pursuant to the Affordable Housing Guidelines, the Qualified Buyer shall be selected by lottery among the qualified bidders of the highest priority, whereupon the Property or Unit shall be sold to the winner of such lottery at the Maximum Resale Price. If the terms of the proposed purchase contract, other than price, as initially presented to the Owner, are unacceptable to the Owner, there shall be a mandatory negotiation period of three (3) business days to allow the Owner and potential buyer to reach an agreement regarding said terms, including but not limited to, the closing date and financing contingencies. If, after the negotiation period is over, the Owner and buyer have not reached an agreement, the next bidder's offer will then be presented to the Owner for consideration and a three (3) business day negotiating period will begin again. The Owner may reject any and all bids; however, the Owner is subject to the provisions in the Affordable Housing Guidelines pertaining to the listing fee. Bids in excess of the Maximum Resale Price shall be rejected. If all bids are below the Maximum Resale Price, the Owner may accept the highest qualified bid. If all bids are below the Maximum Resale Price and two or more bids are for the same price, the Qualified Buyer shall be selected by lottery from among the highest qualified bidders.

XIV. NON-QUALIFIED TRANSFEREES

In the event that title to the Property or a Unit vests by descent in, or is otherwise acquired by, any individual and/or entity who is not a Qualified Buyer as that term is defined herein (hereinafter "Non-Qualified Transferee(s)"), the Property or Unit shall immediately be listed for sale as provided in Paragraph 7 above (including the payment of the specified fee to the GVRHA), and the highest bid by a Qualified Buyer, for not less than ninety-five percent (95%) of the Maximum Resale Price or the appraised market value, whichever is less, shall be accepted; if all bids are below ninety-five percent (95%) of the Maximum Resale Price or the appraised market value, the Property or Unit shall continue to be listed for sale until a bid in accordance with this section is made, which bid must be accepted. The cost of the appraisal shall be paid by the Non-Qualified Transferee(s).

- a. Non-Qualified Transferee(s) shall join in any sale, conveyance or transfer of the Property or Unit to a Qualified Buyer and shall execute any and all documents necessary to do so; and
- b. Non-Qualified Transferee(s) agree not to: (1) occupy the Property or Unit; (2) rent all or any part of the Property or Unit, except in strict compliance with Paragraph 15 hereof; (3) engage in any other business activity on or in the Property or Unit; (4) sell or otherwise transfer the Property or Unit except in accordance with this Agreement and the Affordable Housing Guidelines, or (5) sell or otherwise transfer the Property or Unit for use in a trade or business.
- c. The GVRHA, the City, the County, or their respective successors, as applicable, shall have the right and option to purchase the Property or Unit, exercisable within a period of fifteen (15) calendar days after receipt of any sales offer submitted to the GVRHA by a Non-Qualified Transferee(s), and in the event of exercising their right and option, shall purchase the Property or Unit from the Non-Qualified Transferee(s) for a price of ninety-five percent (95%) of the Maximum Resale Price, or the appraised market value, whichever is less. The offer to purchase shall be made by the Non-Qualified Transferee within fifteen (15) days of acquisition of the Property or Unit.
- d. Where the provisions of this Paragraph 14 apply, the GVRHA may require the Owner to rent the Property or Unit in accordance with the provisions of Paragraph 16, below.

XV. OWNER RESIDENCE, EMPLOYMENT AND CONTINUING COMPLIANCE

The Property and all Units shall be and is/are to be utilized only as the sole and exclusive place of residence of an Owner. In the event an Owner changes place of residence or ceases to utilize the Property or Unit as his sole and exclusive place of residence, ceases to be a full-time employee in accordance with the GVRHA *Affordable Housing Guidelines* as they are amended from time to time, or otherwise ceases to be in compliance as a Qualified Buyer with the GVRHA's Housing Guidelines as they are amended from time to time, or this Agreement, the Property or Unit MUST be offered for sale pursuant to the provisions of Paragraph 6 of this Agreement. An Owner shall be deemed to have changed his or her place of residence by becoming a resident elsewhere or accepting employment

outside Gunnison County, or residing on the Property or Unit for fewer than nine (9) months per calendar year without the express written approval of the GVRHA or the County, or by ceasing to be a full-time employee as required by the *Affordable Housing Guidelines* as amended from time to time. Where the provisions of this Paragraph 15 apply, the GVRHA or County may require the Owner to rent the Property or Unit in accordance with the provisions of Paragraph 16, below pending a sale of the property.

If at any time the Owner of the Property or Unit at any time also owns directly or indirectly through a legal entity any interest alone or in conjunction with others in any developed residential property or dwelling unit(s) located in Gunnison, Delta, Hinsdale, Montrose or Saguache Counties, (within the "OEZ" as defined in the *Affordable Housing Guidelines* as they are amended from time to time) the Owner agrees to immediately list said other property or unit for sale and to sell his or her interest in such property at fair market value to like units or properties in the area in which the property or dwelling unit(s) are located. In the event said other property or unit has not been sold by Owner within three hundred sixty-five (365) days of its listing for any reason, then Owner hereby agrees to immediately list this Property or Unit for sale pursuant to the provisions of Paragraph 6 of this Agreement. Should the Owner not receive a full- priced bid, then said Owner must accept the first reasonable offer for said unit as deemed appropriate by the GVRHA.

XVI. RENTAL

Owner may not, except with prior written approval of the GVRHA and the County, and subject to the GVRHA's any conditions of approval, rent the Property or Unit for any period of time. Prior to occupancy, each tenant must be approved by the Homeowner's Association, if applicable, and the GVRHA in accordance with the income, occupancy and all other qualifications established by the GVRHA in its *Affordable Housing Guidelines*. The GVRHA or the County shall not approve any rental if such rental is being made by Owner to utilize the Property or Unit as an income producing asset, except as provided below, and shall not approve a lease with a rental term in excess of twelve (12) months. A signed copy of the lease must be provided to the GVRHA prior to occupancy by each tenant. Any such lease approved by the GVRHA shall show the length of the lease and the monthly rent. The monthly rent cannot exceed the Owner's costs, which include the monthly expenses for the cost of principal and interest payments, taxes, property insurance, condominium or homeowners assessments, utilities remaining in Owner's name, plus an additional amount as stated in the *Affordable Housing Guidelines* and as they are amended from time to time, and a reasonable (refundable) security deposit.

The requirements of this paragraph shall not preclude the Owner from sharing occupancy of the Property or Unit with non-Owners on a rental basis provided Owner continues to meet the obligations contained in this Agreement, including Paragraph 15.

IN NO EVENT SHALL THE OWNER CREATE AN ADDITIONAL DWELLING UNIT, AS DEFINED IN THE GUNNISON COUNTY LAND USE CODES, IN OR ON THE PROPERTY.

NOTHING HEREIN SHALL BE CONSTRUED TO REQUIRE THE GVRHA OR THE COUNTY TO PROTECT OR INDEMNIFY THE OWNER AGAINST ANY LOSSES ATTRIBUTABLE TO THE RENTAL, INCLUDING (NOT BY WAY OF LIMITATION) NON-PAYMENT OF RENT OR DAMAGE TO THE PREMISES; NOR TO REQUIRE THE GVRHA TO OBTAIN A QUALIFIED TENANT FOR THE OWNER IN THE EVENT THAT NONE IS FOUND BY THE OWNER.

XVII. COMPLIANCE REVIEW AND REMEDIES FOR BREACH

All existing and potential Owners shall promptly provide to the GVRHA all such information as the GVRHA deems reasonably necessary at any time to verify compliance with this Agreement. The GVRHA shall maintain the confidentiality of any financial data provided by any existing or potential Owner, except for such disclosures as are necessary with respect to any litigation, enforcement or other legal proceedings. In the event that GVRHA has reasonable cause to believe the Owner is violating the provisions of this Agreement, the GVRHA, by its authorized representative, may inspect the Property or Unit between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, after providing the Owner with no less than 24 hours' written notice.

The GVRHA, through its employees or agents, in the event a violation or potential violation of this Agreement is discovered, shall send a notice of violation to the Owner and the County describing the nature of the violation and allowing the Owner fifteen (15) days to cure. Said notice shall state that the Owner may request a hearing before the GVRHA Board of Directors within fifteen (15) days to dispute the merits of the allegations. If no hearing is requested and the violation is not cured within the fifteen (15) day period, the violation shall be considered final and the Owner shall immediately list the Property for sale in accordance with this Agreement. The failure to request a hearing shall constitute the failure to exhaust administrative remedies for the purpose of judicial review. If a hearing is held before the GVRHA Board, (i) the decision of the GVRHA Board based on the record of such hearing shall be final for the purpose of determining if a violation has occurred, and (ii) the GVRHA Board shall have absolute discretion to determine the appropriate action to be taken to either remedy the violation or require the Owner to list the Property for sale in accordance with this Agreement.

There is hereby reserved to the parties hereto, any and all remedies provided by law for breach of this Agreement or any of its terms. In the event the parties resort to litigation with respect to any or all provisions of this Agreement, the prevailing party shall awarded damages and costs, including reasonable attorneys' fees.

In the event the Property or Unit is sold and/or conveyed without compliance herewith, such sale and/or conveyance shall be wholly null and void and shall confer no title whatsoever upon the purported Buyer. Each and every conveyance of the Property or Unit, for all purposes, shall be deemed to include and incorporate by this reference, the covenants herein contained, even without reference therein to this Agreement. The Owner shall be liable for all GVRHA's costs and reasonable attorneys' fees incurred in setting aside any such transaction.

In the event that the Owner fails to cure any breach, the GVRHA or the County may resort to any and all available legal action, including, but not limited to, specific performance of this Agreement or a mandatory injunction requiring sale of the Property or Unit by Owner as specified in Paragraphs 3, 14, 16, and 17. The costs of such sale, including reasonable attorneys' fees, shall be taxed against the proceeds of the sale with the balance being paid to the Owner.

In the event of a breach of any of the terms or conditions contained herein by the Owner, his or her heirs, successors or assigns, the GVRHA's initial listed purchase price of the Property or Unit as set forth in Paragraph 9a of this Agreement shall, upon the date of such breach as determined by the GVRHA, automatically cease to increase as set out in Paragraph 9 of this Agreement, and shall remain fixed until the date of cure of said breach.

XVIII. FORECLOSURE

- a. If any Property or Unit is sold as a foreclosure sale or otherwise acquired by any person or entity in lieu of foreclosure, the GVRHA and the Board, as the designee of the GVRHA, or the County shall have the option to acquire such Property or Unit within thirty (30) days after (i) the issuance of a public trustee's deed to the purchaser, or (ii) receipt by the GVRHA of written notice from such person or entity of the acquisition of such Lot in lieu of foreclosure, as applicable, for an option price not to exceed (a) in the event of a foreclosure, the redemption price on the last day of all statutory redemption periods and any additional reasonable costs incurred by the holder during the option period which are directly related to the foreclosure or (b) in the event of a transfer in lieu of foreclosure, the amount paid, or the amount of debt forgiven, by the transferee plus the reasonable costs incurred by the transferee with respect to its acquisition of such Property or Unit. Notwithstanding any provision herein to the contrary, except for persons or entities having a valid lien on a Property or Unit, only Qualified Buyers may acquire an interest in a Property or Unit at a foreclosure sale or in lieu of foreclosure. If any person or entity having a lien on a Property or Unit is not a Qualified Buyer and acquires an interest in such Property or Unit in a foreclosure sale or in lieu of foreclosure, the provisions of Paragraph 14 shall apply. It is the GVRHA's intent that the terms and provisions of this Agreement shall remain in full force and effect with respect to the Property and all Units until modified, amended or terminated in accordance with paragraph 38 hereof.
- b. In the event that GVRHA or the Board, as the designee of the GVRHA, or the County exercise the option described above, the GVRHA and/or its designee or the County, may sell the Property or Unit to Qualified Buyers as that term is defined herein, or rent the Property or Unit to qualified tenants who meet the income, occupancy and all other qualifications, established by the GVRHA in its Affordable Housing Guidelines until a sale to a Qualified Buyer is affected.
- c. Notwithstanding the foregoing, in the event of foreclosure by the holder of the first deed of trust on such Property or Unit, if the holder of such deed of trust is the grantee under the public trustee's deed and GVRHA or the County does not exercise its option to purchase as provided in paragraph 27, then GVRHA and the County agree to release the Property or Unit from the requirements of this Deed Restriction.

XIX. GENERAL PROVISIONS

Notices. Any notice, consent or approval which is required to be given hereunder shall be given by mailing the same, certified mail, return receipt requested, properly addressed and with postage fully prepaid, to any address provided herein or to any subsequent mailing address of the party as long as prior written notice of the change of address has been given to the other parties to this Agreement.

Exhibits. All exhibits attached hereto (Exhibits "A", "B" and "C") are incorporated herein and by this reference made a part hereof.

Severability. Whenever possible, each provision of this Agreement and any other related document shall be interpreted in such a manner as to be valid under applicable law; but if any provision of any of the foregoing shall be invalid or prohibited under said applicable law, such provisions shall be ineffective to the extent of such invalidity or prohibition without invalidating the remaining provisions of such document.

Choice of Law. This Agreement and each and every related document are to be governed and construed in accordance with the laws of the State of Colorado.

Successors. Except as otherwise provided herein, the provisions and covenants contained herein shall inure to and be binding upon the heirs, successors and assigns of the parties.

Section Headings. Paragraph or section headings within this Agreement are inserted solely for convenience of reference, and are not intended to, and shall not govern, limit or aid in the construction of any terms or provisions contained herein.

Waiver. No claim of waiver, consent or acquiescence with respect to any provision of this Agreement shall be valid against any party hereto except on the basis of a written instrument executed by the parties to this Agreement. However, the party for whose benefit a condition is inserted herein shall have the unilateral right to waive such condition, provided that such waiver is in writing.

Gender and Number. Whenever the context so requires herein, the neuter gender shall include any or all genders and vice versa and the use of the singular shall include the plural and vice versa.

Personal Liability. The Owner agrees that he or she shall be personally liable for any of the transactions contemplated herein.

Further Actions. The parties to this Agreement agree to execute such further documents and take such further actions as may be reasonably required to carry out the provisions and intent of this Agreement or any agreement or document relating hereto or entered into in connection herewith.

Modifications. The parties to this Agreement agree that any modifications of this Agreement shall be effective only when made by writings signed by both parties and recorded with the Clerk and Recorder of Gunnison County, Colorado. Notwithstanding the foregoing, the GVRHA reserves the right to amend this Agreement unilaterally where deemed necessary to effectuate the purpose and intent of this Agreement, and where such unilateral action does not materially impair the Owner's rights under this Agreement.

Mortgagee Right to Cure. Nothing herein shall be deemed to impair any right of a mortgagee of a Unit from curing any default by an Owner of his or her financial obligations with respect to such Unit.

In witness whereof the undersigned execute this Master Deed Restriction Agreement.

GUNNISON COUNTY, COLORADO

_____ Date _____

STATE OF COLORADO)
)ss
COUNTY OF GUNNISON)

The foregoing Master Deed Restriction was acknowledged before me this ____ day of _____, 20____ by _____ as _____ of _____, Gunnison, Colorado.

Witness my hand and official seal. My commission expires: _____

Notary Public

GUNNISON VALLEY REGIONAL HOUSING AUTHORITY

_____ Date _____

STATE OF COLORADO)
)ss
COUNTY OF GUNNISON)

The foregoing Master Deed Restriction was acknowledged before me this ____ day of _____, 20____ by _____ as _____ of _____, Gunnison, Colorado.

Witness my hand and official seal. My commission expires: _____

Notary Public

OWNER

_____, Owner

Date

STATE OF COLORADO)
)ss
COUNTY OF GUNNISON)

The foregoing Master Deed Restriction was acknowledged before me this ____ day of _____, 20____ by _____ as Owner of _____, Gunnison, Colorado.

Witness my hand and official seal. My commission expires: _____

Notary Public

EXHIBIT "A"
Legal Description

EXHIBIT "B"
Permitted Capital Improvements

1. The term "Permitted Capital Improvement" as used in the Agreement shall only include the following:
 - a. Improvements or fixtures erected, installed or attached as permanent, functional, non-decorative improvements to real property, excluding repair, replacement and/or maintenance improvements;
 - b. Improvements for energy and water conservation;
 - c. Improvements for the benefit of seniors and/or handicapped persons;
 - d. Improvements for health and safety protection devices;
 - e. Improvements to add and/or finish permanent/finished storage space;
 - f. Improvements to finish unfinished space.
 - g. Landscaping;
 - h. The cost of adding decks and balconies, and any extension thereto; and/or
 - i. Improvements associated with health and safety, energy efficiency, water conservation, and green building products.

2. Permitted Capital Improvements as used in this Agreement shall **NOT** include the following:
 - a. Jacuzzis, saunas, steam showers and other similar items;
 - b. Upgrades or addition of decorative items, including lights, window coverings and other similar items;
 - c. Upgrades of appliances, plumbing and mechanical fixtures, carpets and other similar items included as part of the original construction of a unit and/or improvements required to repair and maintain existing fixtures,
 - d. Appliances, plumbing and mechanical fixtures, painting, and other similar items, unless replacement is energy efficient or for safety and health reasons.

3. All Permitted Capital Improvement items and costs shall be approved by the GVRHA staff prior to being added to the Maximum Resale Price as defined herein. In order to get credit for an improvement where a building permit is required, the improvement will not be counted unless a Letter of Completion was obtained by the Building Department.

4. The Permitted Capital Improvements shown herein shall be subject to such additions, deletions and modifications as may be set forth in the Affordable Housing Guidelines from time to time; provided that if any improvement is made at a time when it would be deemed a Permitted Capital Improvement hereunder or under the Affordable Housing Guidelines, such improvement shall be deemed a Permitted Capital Improvement at all times notwithstanding any modification of the Affordable Housing Guidelines.

EXHIBIT "C"

MINIMUM STANDARDS FOR SELLER TO RECEIVE FULL VALUE AT RESALE

- Clean unit
- Carpets steam-cleaned two or three days prior to closing
- All scratches, holes, burned marks repaired in hardwood floors, linoleum, tile, counter tops etc.
- No broken or foggy windows
- All screens in windows (if screens were originally provided)
- All doors will be in working order with no holes
- All locks on doors will work
- All keys will be provided; e.g., door, mail box, garage
- All mechanical systems shall be in working order
- Walls paint ready
- Normal wear and tear on carpet; if carpet has holes, stains, etc., the carpet and padding shall be replaced or escrow funds at current market value per square foot for a comparable product shall be held at the time of closing to be used by the new buyer
- No leaks from plumbing fixtures
- No roof leaks
- Any safety hazard remedied prior to closing
- Satisfaction of radon issue if found at time of inspection
- All light fixtures shall be in working order

DEFINITIONS:

CLEAN UNIT:

All rooms will be cleaned as stated below:

- Kitchen:**
 - Range – Inner and outer services will be cleaned.
 - Range hood and Exhaust Fan
 - Refrigerator and Freezer – Inner and outer surfaces of refrigerator and freezer will be clean. Freezer will be defrosted.
 - Cabinets and Countertops – Exterior and interior surfaces of cabinets and drawers will be clean. Door and drawer handles, if provided, shall be clean and in place.
 - Sink and Garbage Disposal – Sink and plumbing fixtures will be clean. If garbage disposal provided, this must be in working order.
 - Dishwasher – If provided, must be in working order and inner and outer surfaces shall be clean.
- Blinds, Windows, Screens:**
 - Mini-blinds, Venetian Blinds, Vertical Blinds, Pull Shades – Will be clean.
 - Windows – All window surfaces, inside and outside of the window glass, shall be clean.
 - Screens – Screens will be clean and in place with no holes or tears.
- Closets:** Closets, including floors, walls, hanger rod, shelves and doors, shall be clean.
- Light Fixtures:** Light fixtures will be clean and shall have functioning bulbs/florescent tubes.
- Bathrooms:**
 - Bathtub, Shower Walls, Sinks – Bathtubs, shower walls and sinks shall be clean.

- Toilet and Water Closet – Water closets, toilet bowls and toilet seats will be clean. If the toilet seat is broken or peeling, the seat shall be replaced.
 - Tile – All tile and grout will be clean.
 - Mirrors and Medicine Cabinets – Mirrors and medicine cabinets shall be cleaned inside and out.
 - Shelves and/or Other Cabinetry – All other shelving or cabinetry shall be cleaned inside and out.
- **Walls, Ceilings, Painted Doors and Baseboards:** Painted surfaces must be cleaned with care to ensure the surface is clean without damaging the paint.
- **Floors:** Floor cleaning includes sweeping and mopping and could include stripping, waxing and buffing. Types of floor surfaces include wood, wood parquet tiles, linoleum, asphalt tile, vinyl tile, mosaic tile, concrete and carpet. If carpet, all carpets shall be cleaned at least two days prior to closing.
- **Interior Storage/Utility Rooms:** Storage/utility rooms shall be cleaned. Properly cleaned storage/utility rooms will be free from odors, removable stains, grease marks or accumulations.

Safety Hazard: Any item that provides a safety hazard shall be fixed. This would include, but is not limited to, exposed electrical wiring, satisfaction of any radon issue found, ventilation for gas hot water system, etc.

Walls Paint-Ready: All holes shall be patched; all posters, pictures, etc., shall be removed from all walls; all nails, tacks, tape, etc., shall be removed from all walls; and all walls shall be clean and ready for the new buyer to paint. If wallpaper has been placed on the wall and in good condition, the wallpaper can remain; if the wallpaper is peeling off, the wallpaper must be removed.

Windows: If a window is broken, including the locking mechanism, the window shall be replaced. If the window has a fog residue in the inside, it shall be replaced.



Return Date: April 10, 2015

Your input is important to help the City plan future projects and set budget priorities.

1. Are you a resident of the City of Salida?
 Yes No

2. How long have you lived in Salida?
 Less than 2 years 2-4 years
 5-10 years 11-20 years
 20 + years

3. What is your age?
 Under 25 25-35
 36-45 46-55
 56-65 66 and older

4. Do you live in Salida year round?
 Yes No

5. Do you rent or own your home in Salida?
 Rent Own

6. Do you plan to move in the next five years?
 Yes, out of Salida
 Yes, but within the Salida area
 No

7. Why do you live in Salida? (Check all that apply)
 I was born here To be with family/ friends
 Employment Recreational amenities
 Retirement More affordable than other
 To raise kids Climate
 Small town feel Friendliness
 Art community Other _____

8. How do you find out about local events or issues? (Check all that apply)
 Channel 10
 City website (CityofSalida.com)
 Chamber Announcements
 Flyers and posters
 Official posting
 Colorado Central Magazine
 Email distributions
 Word of mouth
 The Mountain Mail
 Radio announcements
 Internet social media (Twitter, Facebook, etc.)
 Other _____

9. What should be the one main economic development focus of the City?
 Tourism Support local businesses
 Recreation & trails Education
 Events Manufacturing
 Renewable energy Workforce training
 Other _____

10. What is your employment status? (Check one)
 Self employed Part time
 Seasonal Full Time
 Retired Actively volunteering
 Unemployed Stay at home parent
 Multiple Part-Time Jobs

11. What are the 3 most important issues that will be facing the City of Salida in the next 5 years?
 Creating new employment opportunities
 Second home growth
 Affordable housing
 City infrastructure maintenance
 Preservation of small town character
 Renewable energy initiatives
 Water
 Attracting businesses to Salida
 Preservation of views
 Development of recreation amenities
 Highway improvements
 Sprawl developments
 Historic preservation of downtown
 Local food production
 Other _____

12. What are your two (2) primary modes of transportation?
 Walk Bike
 Car Shuttle/Taxi
 Other _____

13. What three (3) improvements would you spend tax dollars on for the Salida Transportation System?
 New sidewalks Bike lanes
 Existing sidewalks ADA access
 New trails Downtown parking
 Improved streets Regional transportation
 In town shuttle Other _____
 Bike parking

14. What would you consider to be the most serious problem facing Salida today? (Check one)
 Crime/ Drug Prevention
 Growth
 Traffic
 Economy
 Second Home Ownership
 Community Controversy
 Other _____

15. Should the City use tax payer dollars to fund public art?
 Yes No

Many Colorado communities require permits for vacation rentals. Restrictions include: limits on occupancy numbers, increased permit fees, and requiring vacation rentals to pay commercial utility rates.

16. **Should the City have more strict regulations on short-term vacation rentals?**

- Yes No

17. **If you had a \$ 1 million budget to spend on City projects and services, how would you allocate it?**

- Economic development \$ _____
 Affordable housing \$ _____
 Recreation \$ _____
 Hot Springs Pool/ City park improvements \$ _____
 Capital Improvements on streets \$ _____
 Renewable energy projects \$ _____
 Routine maintenance of City streets \$ _____
 Preserving lands for open space \$ _____
 Highway improvements \$ _____
 Public safety \$ _____
 Other _____ \$ _____
Total= \$ _____

18. **Which statement best represents your opinion on growth management? (Check one)**

- The City should be more involved in regulating new developments
 The City should be less involved with regulating new developments
 The City should maintain the same level of regulation that exists today
 The public process should be expanded to allow for more public input on new development
 No regulation/Allow unregulated development

19. **How much growth would you like to see in the Salida Region? (Check one)**

- Zero growth
 Less growth than in recent years
 About the same as in recent years
 Some growth
 Maximum build out/ No growth control

20. **Are you taking any of these steps to reduce your impact on the environment or to save money?**

(Check all that apply)

- Recycling
 Composting
 Buying local
 Improving energy efficiency in your home
 Reducing auto fuel use
 Backyard vegetable gardening
 Other _____

21. **Should the City financially support the efforts described in #20?**

- Yes No

22. **Over the last five years has the City of Salida been moving in the right direction?**

- Yes No

If no, why? _____

Please rate each of the following issues in order of importance to you

| | not important | | | | | important | | | | |
|-------------------------------------|---------------|---|---|---|---|-----------|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |
| Affordable Housing | | | | | | | | | | |
| Arts & Culture | | | | | | | | | | |
| Economic Development | | | | | | | | | | |
| City streets | | | | | | | | | | |
| Highway Improvements | | | | | | | | | | |
| Historic Preservation | | | | | | | | | | |
| Job Opportunities | | | | | | | | | | |
| Open Space Areas/ Parks & Trails | | | | | | | | | | |
| Sidewalks | | | | | | | | | | |
| Preservation of Community Character | | | | | | | | | | |
| Programs for Youth | | | | | | | | | | |
| Public Parking | | | | | | | | | | |
| Public Safety | | | | | | | | | | |
| Recreation Opportunities | | | | | | | | | | |
| Renewable Energy | | | | | | | | | | |
| Special Events | | | | | | | | | | |
| Tourism | | | | | | | | | | |

How is the City of Salida doing on:

| | poor | | | | | excellent | | | | |
|-------------------------------|------|---|---|---|---|-----------|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |
| Animal Control | | | | | | | | | | |
| City Council | | | | | | | | | | |
| City Staff | | | | | | | | | | |
| Code Enforcement | | | | | | | | | | |
| Communication with Citizens | | | | | | | | | | |
| Community Involvement/Support | | | | | | | | | | |
| Crime Prevention | | | | | | | | | | |
| Drug Enforcement | | | | | | | | | | |
| Emergency Response | | | | | | | | | | |
| Fire Prevention | | | | | | | | | | |
| Handling Citizen Complaints | | | | | | | | | | |
| Historic Preservation | | | | | | | | | | |
| Hot Springs Pool | | | | | | | | | | |
| Land Use Planning & Zoning | | | | | | | | | | |
| Municipal Water Quality | | | | | | | | | | |
| Recreation Programs | | | | | | | | | | |
| SteamPlant Arts & Culture | | | | | | | | | | |
| Sewage Treatment | | | | | | | | | | |
| Street Maintenance | | | | | | | | | | |
| Water/Sewer Utility Billing | | | | | | | | | | |
| Traffic Enforcement | | | | | | | | | | |

Save a Stamp! Take the survey online at www.cityofsalida.com

Please return to: City Hall Community Survey 448 E. 1st St. Suite 112 Salida, CO 81201 Return Date: April 10, 2015



PLANNING COMMISSION STAFF REPORT

MEETING DATE: January 9, 2018

AGENDA ITEM: IV. Community Development Work Plan

FROM: Glen Van Nimwegen, AICP
Community Development Director

DISCUSSION:

Staff has put together a list, with potential time frames, of all of the projects that are on the Department's plate. When we say the Department's plate, this of course is a shared plate with the Planning Commission. This year promises to be very busy, with a number of zoning cases filling your agendas as well.

We would like to take some time to review the Work Plan, but also explain some new projects to the Commission. The Council has recently directed staff to update our Three Mile Plan, a document that addresses future annexations; and would like us to begin a process to rethink the Highway 50 Corridor. Staff has also prepared a proposed amendment to the Highway 50 Corridor Overlay zoning district which we will have ready for your January 22 meeting.

Attachments

Community Development Work Plan
Work Force Housing Strategies
Amendment to Section 16-5-60 Highway 50 Corridor Overlay

Salida Community Development Department Work Plan 2018

| I. Land Use Policy | Lead | Others | Housing Strategy Votes | 2018 | | | | 2019 | | | | Comments | |
|---|---|--------------|---------------------------|------|----|----|----|------|----|----|----|----------|---|
| | | | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | |
| | | | | | | | | | | | | | |
| A | Three Mile Plan and County IGA | CD | RPC | | | | | | | | | | Council Direction to Re-Activate; Create 3 Mile Plan |
| B | Highway 50 Corridor Plan, Phase 1 Vision | CD/PC | | | | | | | | | | | Council Request |
| C | Identify Potential LIHTC Sites | CD | County | 8 | | | | | | | | | Plan to have Housing Director assistance |
| D | Identify and Potentially Zone Additional MF Sites | CD/PC | GIS | 9 | | | | | | | | | Identification Phase Only |
| II. Chapter 16 Development Code Amendments | | | | | | | | | | | | | |
| A | Downtown Street Patio Revisions | CD | | | | | | | | | | | Effort Started in 2017 Q2 |
| B | Highway 50 Corridor Overlay | CD | | | | | | | | | | | Limit Increased Height Requests |
| C | Table 16F Use Table and Process | CD | | 4 | | | | | | | | | First Step to Determine Allowed Uses and Process |
| D | Density in R-3 and R-4 | CD | | 12 | | | | | | | | | Proposed by Housing Task Force |
| E | Parking in Multi-Family | CD | | 7 | | | | | | | | | Spaces per Unit? Or Proximity to Downtown |
| F | Dormitories, Single Room Occupancies, Co-Habitation | CD | | | | | | | | | | | Other Housing Option |
| G | Subdivision Process | CD | | | | | | | | | | | Process Needs to be Reversed |
| H | Development Agreements | CD | | | | | | | | | | | Streamline |
| I | Planned Developments | CD | | | | | | | | | | | Section Needs Work |
| J | Landscape Standards | CD | Tree Board | | | | | | | | | | As Requested by Tree Board |
| K | Short Term Rentals | CD | Administration | | | | | | | | | | To Be Determined |
| III. Other | | | | | | | | | | | | | |
| A | Utility System Development Fees | CD | Utilities | | | | | | | | | | Initial amendment to reduce system fees for deed restricted housing in 2018 Q1. |
| B | Delay Payment of Fees | CD | Administration | 4 | | | | | | | | | System Development Fees Due Prior to C of O |
| C | 2015 International Building Code | County | CD | | | | | | | | | | County Planning and Building effort |
| D | Deed Restriction | CD | HPAC | | | | | | | | | | HPAC is working on draft. Will require city attorney review. |
| E | Form Housing Authority | County | HPAC | 25 | | | | | | | | | County Administration effort |
| F | Utilize ED Fund to Pay System Development Fees | CD | City Council | 10 | | | | | | | | | There have been individual requests. Need Policy. |
| G | Receive Bond Approval to Construct WF Housing | City Council | | 8 | | | | | | | | | From Housing Strategy |
| H | Parking Study of Downtown | CSU Denver | CD | | | | | | | | | | CSU masters planning student project. |

CITY OF SALIDA WORK FORCE HOUSING STRATEGIES

| Action | Responsibility Center | | | Recommended by CCHNA? | Degree of Difficulty | Time Frame (Months) | Average Median Income Levels | | | | PC | | Public | | Total | |
|--------------------------------------|--|----------------|----------|-----------------------|----------------------|---------------------|------------------------------|--------|---------|--------|-------|-----|--------|-----|-------|----|
| | Salida | Chaffee County | Others ? | | | | < 60% | 60-80% | 80-120% | > 120% | Green | Red | Green | Red | | |
| A Land Use Policy | | | | | | | | | | | | | | | | |
| 1 | Negotiate % of WF Housing through Annexation | Yes | No | No | Yes | Low | 3 | | ● | ● | ● | 1 | | | -2 | -1 |
| 2 | Negotiate % of WF Housing through Planned Development | Yes | No | No | Yes | Low | 3 | | ● | ● | ● | 1 | | | -1 | 0 |
| 3 | Pursue Inclusionary Zoning Ordinances and Linkage Fee | Yes | No | No | No | High | 12 or > | ● | ● | ● | ● | 3 | | 1 | -1 | 3 |
| 4 | Identify and Market Low Income Housing Tax Credit Project | Yes | Yes | Land Owner | N A | High | 12 or > | ● | ● | | | 3 | | 5 | | 8 |
| 5 | Identify and Zone Additional Land for Multi-Family Housing | Yes | No | Land Owner | Yes | Low | 12 | | ● | ● | ● | 1 | | 8 | | 9 |
| 6 | Invest in Infrastructure | Yes | No | No | Yes | High | 12 | ● | ● | | | 1 | | 8 | | 9 |
| B Development Code Amendments | | | | | | | | | | | | | | | | |
| 1 | Increase Density for Rental in R-3, R-4 and RMU | Yes | No | No | Yes | Medium | 3 - 6 | | ● | ● | ● | 2 | | 10 | | 12 |
| 2 | Increase Building Coverage for Rental in R-3, R-4 and RMU | Yes | No | No | Yes | Medium | 3 - 6 | | ● | ● | ● | | | 1 | | 1 |
| 3 | Increase paving coverage for rental in R-3, R-4 and RMU | Yes | No | No | Yes | Medium | 3 - 6 | | ● | ● | ● | | | 1 | | 1 |
| 4 | Increase Height for WF Housing | Yes | No | No | Yes | High | 3 - 6 | | ● | ● | ● | 1 | | 3 | -10 | -6 |
| 5 | Reduce parking requirements for MF Housing | Yes | No | No | Yes | Medium | 3 - 6 | | ● | ● | ● | | | 7 | | 7 |
| 6 | Reduce Process for Multi-Family Development | Yes | No | No | N A | Low | 3 - 6 | | | ● | ● | 1 | | 4 | | 5 |
| C Organization | | | | | | | | | | | | | | | | |
| 1 | Form County Housing Authority | Support | Yes | No | Yes | Med-High | 18 | ● | ● | ● | ● | 1 | | 1 | -1 | 1 |
| 2 | Expand Salida Housing Authority | Yes | No | B of Directors | Yes | Medium | 12 | ● | ● | ● | ● | | -1 | | -2 | -3 |
| 3 | Form Multi-Jurisdictional Housing Authority | Yes | Yes | UAACOG | Yes | Med-High | 18 | ● | ● | ● | ● | 6 | | 19 | | 25 |
| 4 | Form Community Housing Development Organization (CHDO) | Yes | Yes | Yes | Yes | CHT | Exists | ● | ● | ● | ● | | | 4 | | 4 |
| D Financial Tools | | | | | | | | | | | | | | | | |
| 1 | Delay Payment of Fees | Yes | Maybe | No | Yes | Med-High | 6 | | ● | ● | ● | | | 4 | | 4 |
| 2 | Create Fund to Pay Sewer and Water Taps (ED Fund) | Yes | No | No | Yes | Low | 3 | ● | ● | ● | ● | 1 | | 9 | | 10 |
| 3 | Pay or Waive Open Space Fees | Yes | No | No | N A | Medium | 6 | ● | ● | ● | ● | | -3 | 1 | | -2 |
| 4 | Pay School Impact Fees | Yes | No | No | N A | Medium | 6 | ● | ● | ● | ● | | | 2 | | 2 |
| 5 | Dedicated Property Tax | No | Yes | Voters | Yes | High | 18 | ● | ● | ● | ● | 2 | -1 | | -1 | 0 |
| 6 | Dedicated Lodging Tax | Yes | Yes | Voters | No | High | 18 | ● | ● | ● | ● | | | 2 | -3 | -1 |
| 7 | Dedicated Sales Tax | Yes | Yes | Voters | Yes | High | 18 | ● | ● | ● | ● | 1 | | 2 | -2 | 1 |
| 8 | Implement Head Tax per employee | Yes | Yes | Voters | Yes | High | 18 | ● | ● | ● | ● | | | | -2 | -2 |
| 9 | Implement Use Tax | Yes | Yes | Voters | Yes | High | 18 | ● | ● | ● | ● | | | | | 0 |
| 10 | Excise Tax on per square foot of new development | Yes | Yes | Voters | Yes | High | 18 | ● | ● | ● | ● | | | | -5 | -5 |
| 11 | Tax Short Term Rentals | Yes | No | No | N A | High | 18 | ● | ● | ● | ● | 2 | | | -7 | -5 |
| 12 | Receive Bond Approval to Construct WF Housing Project | Yes | No | Voters | N A | Medium | 18 | ● | ● | | | 1 | | 7 | | 8 |

Sec. 16-5-60. - Highway 50 Corridor Overlay (50 CO).

- (a) Purpose. The purpose of the Highway 50 Corridor Overlay (50 CO) is to establish standards for the efficient, well-ordered and safe development of one (1) of the primary entrances to the City which is also one (1) of its major highways. A combination of landscape and architectural standards and provisions for pedestrian and vehicle access will provide for attractive and functional development while allowing continued commercial growth within this corridor.
- (b) Applicability. The standards of the Highway 50 Corridor Overlay (50 CO) shall apply to parcels which front Highway 50. In no instance shall this Chapter require changes or renovation to existing properties or structures when no development applications are required to be submitted. Interior renovations are not subject to these regulations; however, new construction, a change of use of the property or an expansion of use will be applicable. These regulations shall only be applicable when development is proposed by an applicant.
- (c) Standards. The standards listed below shall apply to development in the Highway 50 Corridor Overlay (50 CO). These standards shall be in addition to those of the underlying zone district in which the property is located and in addition to the other applicable standards of this Chapter. No building or other development permit shall be issued for a structure in the Highway 50 Corridor Overlay (50 CO) absent compliance of the structure with the following standards:
 - (1) Access.
 - (i) Vehicular access. Vehicular access to the property shall be obtained using curb cuts which are shared with other properties whenever feasible and provided for with appropriate easements. Curb cuts shall meet the Colorado Department of Transportation's "Highway Access Code." The provisions of Highway 50 Corridor Overlay (50 CO) shall be complied with in addition to, and to the extent not in conflict with, the State Highway Access Code. Any access onto the highway requires approval from the Colorado Department of Transportation.
 - (2) Streetscape and Lighting.
 - (i) Sidewalks. Sidewalks shall be provided within the Highway 50 Corridor Overlay (50 CO). Sidewalks fronting Highway 50 shall be detached sidewalks with a width of six (6) feet. The parkway located between the curb or travel lane and the sidewalk shall be four (4) feet wide. A sidewalk design may be modified, with approval from the Administrator, if attaching to an existing sidewalk that does not meet this standard or if the existing site development is such that the standard sidewalk and parkway width requirements would adversely affect existing required parking or would not fit between the road edge and front of an existing building. When extraordinary conditions prohibit the installation of the sidewalk, a fee-in-lieu may be allowed. Installation of improvements within the Colorado Department of Transportation's right-of-way requires approval via a Utilities/Special Use permit from the Colorado Department of Transportation.
 - (ii) Parkway. The parkway located between the curb or travel lane and the sidewalk shall be four (4) feet in width. The parkway shall be stamped, colored concrete as proposed in the Highway Corridor Improvement Plan or as approved by the Public Works Director.
 - (iii) Lighting. Streetlights shall be installed in the parkway. The streetlights shall meet the model and specifications identified in the Highway Corridor Improvement Plan. Approximate streetlight locations are shown in the Highway Corridor Improvement Plan. Exact locations will be subject to the approval of the Public Works Director.
- (3) Building Setbacks. To create a consistent image throughout the corridor, new construction should be developed in a manner that complements the historic pattern of buildings being located close to the highway.
- (4) Landscaping Standards. The minimum landscape area applicable to any property in the Highway 50 Corridor Overlay (50 CO) shall be that required in the underlying zone district. At a

PUBLIC NOTICE

NOTICE OF PUBLIC HEARING BEFORE
THE PLANNING COMMISSION FOR
THE CITY OF SALIDA CONCERNING A
PROPOSED AMENDMENT TO CHAPTER
16 LAND USE AND DEVELOPMENT OF THE
SALIDA MUNICIPAL CODE

**TO ALL MEMBERS OF THE PUBLIC
AND INTERESTED PERSONS: PLEASE
TAKE NOTICE** that on January 22, 2018,
at or about the hour of 6:00 p.m., a public
hearing will be conducted by the City of
Salida Planning Commission at City
Council Chambers, 448 East First Street,
Suite 190, Salida, Colorado on a proposed
amendment to Section 16.5.60 Highway 50
Corridor Overlay to add new paragraph (6)
(iv) to add a process and criteria for which
additional building height may be requested
for properties within the corridor adjacent to
Highway 50.

Any recommendation by the Planning
Commission for the Planned Development
shall be forwarded to the City Council for
review and public hearing.

Interested persons are encouraged to attend
the public hearing. Further information on
the application may be obtained from the
Community Development Department, (719)
530-2631.

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minimum, this landscaping shall be located along the road frontages identified herein and shall also be located within and around the parking areas, as described in Section 16-8-90 below.

- (i) Highway frontage buffer. There shall be an average of one (1) tree planted per thirty (30) feet of the property's highway frontage adjacent to the highway. These trees shall be planted on the subject property, along the property's frontage adjacent to the highway, and may be clustered.
 - (ii) Side road buffer. If the subject property is a corner lot, there shall also be an average of one (1) tree planted per forty (40) feet of the property's side road frontage. These trees shall be planted in a minimum four-foot-wide landscape strip along either side of the pedestrian path. These trees shall be planted on the subject property, along the property's frontage adjacent to the side road and may be clustered.
- (5) Storage Areas. Storage areas shall be visually screened from pedestrian paths and the highway, using a fence, wall, trees or large shrubs. Storage areas include, but are not limited to, outside storage areas, open areas where machinery or heavy equipment is parked, loading docks and trash receptacles.
- (6) Architectural Standards.
- (i) Materials. With new construction, including an addition, two (2) or more materials must be used for exterior materials excluding roofing and structural materials. Exposed tilt-up concrete is prohibited and metal shall not exceed twenty-five percent (25%) of the surface area of exterior materials excluding roofs.
 - (ii) Façade treatment. Long, blank walls must be avoided. The principal materials used on building façades should be wood (including siding), stone, brick or stucco. The façades of buildings must be broken up by the use of different materials or architectural treatments.
 - (iii) Fenestration. A minimum of twenty percent (20%) of the front façade of a building which houses a principal use on the parcel shall be glass. When a building containing a principal use is completely screened from the view from the highway, the structure shall be exempt from the fenestration requirement.
 - (iv) Building Height. Additional height may be considered through the Planned Development process if it results in achieving one or more goals of the Comprehensive Plan regarding infill development, redevelopment, economic development or the provision of affordable housing. Approval of the additional height must meet the criteria contained in Section 16-7-40(8).
- (7) Other Standards. Other standards throughout this Chapter may apply to a particular development. Additional standards include Use and Dimensional Standards, Off-Street Parking Standards, Landscaping and Illumination Standards, Sign Standards and Improvement Standards. The Administrator can assist with any questions as to the applicability of a particular standard.

(Ord. No. [2014-05](#), 5-6-2014)

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