

PROCEDURES

- These Procedures are adopted pursuant to Section 13.3 of the Amended and Restated Deed Restriction and Covenant burdening certain real property in San Miguel County. Section 13.3 states:

The Parties recognize and agree that the County may from time to time adopt uniform procedures intended to further implement the provisions of this Covenant, including the administration of appeals to any decision rendered pursuant to this Covenant. The Procedures shall not materially differ from or alter any of the terms and conditions of this Covenant. Prior to adoption of the Procedures, the County shall make materials available for reasonable public review and comment and reasonable notice of the proposed action and right to review and comment shall be given the Subject Property Owner. The Procedures, when adopted, shall be made available at the County and Administrator offices.

- These Procedures apply only to property subject to the Amended and Restated Deed Restriction and Covenant and do not apply to any other Deed Restricted Property in San Miguel County.
- All capitalized terms shall have the same meaning as set forth in the Amended and Restated Deed Restriction and Covenant.
- The “Administrator,” as defined in the Amended and Restated Deed Restriction and Covenant is currently the San Miguel Regional Housing Authority (SMRHA).

I. PURCHASE

- A. Submission of Notice of Intent to Sell.** An Owner who desires to offer their property for sale shall submit a Notice of Intent to Sell (available from the SMRHA) to the SMRHA at least five days prior to offering the property for sale.
- B. Pre-Application/Pre-Contract Conference.** Ownership Applicants are encouraged to meet with SMRHA staff to review the Purchase Application and the documentation necessary for approval as a Qualified Purchaser prior to executing a Purchase Contract and prior to formally submitting a Purchase Application.
- C. Submission of Purchase Application.** Ownership Applicants are encouraged to formally submit a Purchase Application at least six weeks prior to the date that the Ownership Applicant’s earnest money on the Purchase Contract becomes non-refundable. The application and approval process can be time consuming and neither the County nor the SMRHA is responsible for an Ownership Applicant losing their earnest money due to a time delay. *[Ownership Applicants are strongly encouraged to include a clause in the Purchase Contract stating that the buyer will not lose their earnest money if the buyer is not approved as a Qualified Purchaser.]*
- D. Determination of Application Completeness.** Within two working days of receipt of a Purchase Application, the SMRHA shall complete a preliminary review to determine whether the Purchase Application is complete. If the Purchase Application is not complete, the SMRHA shall notify the Ownership Applicant of what materials are missing and the Ownership Applicant shall provide the missing materials to the SMRHA within ten working days of the date on which the SMRHA so notified the Ownership Applicant. If the Purchase Application is complete, the SMRHA shall so notify the Ownership Applicant. The SMRHA shall enter the date on which the Purchase Application is determined complete on the front page of the Purchase Application.

- E. Review and Decision by SMRHA.** Once a Purchase Application is determined complete, the SMRHA shall review the Purchase Application for compliance with the Current Local Employee Standard, the Retired or Disabled Local Employee Standard, or the Alternative Standard. Within five working days after the Purchase Application is determined complete, the SMRHA shall issue a written approval or denial of the Ownership Applicant as a Qualified Purchaser.
- F. Documentation.** Examples of documents that tend to verify an Ownership Applicant's compliance with the Current Local Employee Standard, the Retired or Disabled Local Employee Standard or the Alternative Standard include, but are not limited to: (a) fully executed lease or rental agreements; (b) a Landlord Verification of Residency Form (available from the SMRHA); (c) voter registration; (d) driver's license; (e) automobile registration; (f) utility bills; (g) copies of W2 forms or paycheck stubs; (h) copies of 1099 forms; (i) copies of recent federal tax returns, including all completed schedules; (j) copies of recent state tax returns; (k) copies of a current business license from either the Town of Telluride or the Town of Mountain Village or a personal property tax account number for personal property located on commercial real property within the Telluride R-1 School District; (l) copies of a current detailed work log or appointment book listing the number of hours worked each day for each employer, job or appointment, and customers' and/or clients' names and local addresses, to the extent permitted by law; (m) copies of invoices sent to customers and/or clients, particularly if the invoices reflect the amount of time spent on the job invoiced, and copies of payment for invoiced work, to the extent permitted by law; (n) a customer and/or client list that includes customer and/or client names with local telephone numbers and local addresses, type of work done, and approximate time spent with the customer and/or client per appointment, to the extent permitted by law; and (o) other miscellaneous documents such as business and personal banking records, utility bills, payments received, etc.

The documentation listed above is illustrative of the type of documentation that may provide the information necessary to establish that a person meets or complies with an applicable requirement or standard. Submission of all listed documentation does not guarantee approval, and failure to submit any such documentation does not necessarily preclude approval

II. RENTAL

- A. Submission of Notice of Intent to Rent.** An Owner who desires to offer their property for rent shall submit a Notice of Intent to Rent (available from the SMRHA) to the SMRHA at least five days prior to offering the property for rent. The Notice of Intent to Rent shall include: (1) a statement as to whether the Owner will continue to occupy the property as his or her Primary Residence and share occupancy with a tenant(s), or if the property will not be Owner occupied during the term of the rental; and (2) if the Owner intends to rent the Property through an agent, the agent's name and contact information.
- B. Determination of Completeness of Notice of Intent to Rent.** If the Notice of Intent to Rent is not complete, or if the SMRHA determines that additional process is required (for example, an exception may be necessary) the SMRHA shall, within two working days after receipt, notify the Owner that it is not complete and identify what additional information and/or process is required. The Owner shall provide the SMRHA with the additional information no later than five working days after receiving notification that such additional information and/or process is required.
- C. Review and Decision by SMRHA.** If the Owner will continue to occupy the property and will share occupancy with a tenant(s), the SMRHA shall issue a written Approval to Rent within five

working days after the Notice of Intent to Rent is submitted. If the property will not be Owner occupied, the SMRHA will not issue an approval to rent until the Owner receives an appropriate exception from the County, if required.

- D. Approval of Tenant(s).** Any person who desires to occupy property subject to the Amended and Restated Deed Restriction and Covenant as a renter shall submit a Rental Application to the SMRHA. If the Rental Application is not complete, the SMRHA shall, within two working days after receipt, notify the applicant that it is not complete and identify what additional information is required. The applicant shall provide the SMRHA with the additional information no later than five working days after receiving notification that such additional information is required. No later than five working days after the Rental Application is determined complete, the SMRHA shall issue a written approval or denial for the applicant to occupy the property.

III. EXCEPTIONS

- A. Submission of Exception Application.** Any person seeking an Exception shall submit an Exception Application to the SMRHA, which shall include: (1) the standard(s) that the applicant seeks an exception to or if the applicant is requesting an exception to the prohibition on ownership of other Residential Property; (2) an affidavit from the applicant describing the circumstances and reasons why an Exception is necessary; (3) proof of history of employment in the Telluride R-1 School District, if applicable; (4) the nature and extent of the applicant's community commitments and involvement; (5) a statement describing any change in circumstances warranting the requested Exception; (6) the compelling circumstances that the applicant believes justify the Exception, together with supporting documentation or information if available; and (7) an Exception fee in an amount set by BOCC Resolution.
- B. SMRHA Staff Review.** SMRHA Staff shall review the Exception Application and may request additional information or documentation from the applicant within ten working days of receipt of the Exception Application. The applicant shall provide any such information or documentation within ten working days of the date that SMRHA Staff requests such additional information or documentation. If the applicant does not provide such additional information or documentation when requested then SMRHA Staff will review the application with only the information and documentation that the applicant has submitted.
- C. SMRHA Review.** The SMRHA shall schedule the Exception Application for review at a public meeting and SMRHA Staff shall provide a written recommendation to approve, deny, or approve with conditions at least two working days before the public meeting. The applicant may submit additional information or documentation in support of the Exception request up to and including the date of the public meeting. The SMRHA shall review the Exception Application at the scheduled public meeting and at the conclusion of the meeting shall: (1) approve of the Exception Application, which approval shall become effective upon execution of an Exception Agreement between the SMRHA and the applicant; (2) issue a written denial of the Exception Application which shall state the reasons for denial; or (3) continue consideration of the Exception Application to a specified date and time. An applicant may withdraw an Exception Application at any time.

IV. APPEALS

- A. Appeal of SMRHA Staff Decision.** Any person who is affected or aggrieved by a decision of the SMRHA Staff may appeal the decision to the SMRHA by preparing a letter addressed to the SMRHA requesting an appeal. The SMRHA shall consider the appeal at the next regularly

scheduled meeting that is more than two weeks after the date that the SMRHA receives the letter requesting the appeal. At the public meeting, the SMRHA shall either affirm or reverse the staff decision, or shall continue the meeting to a specified date and time. All materials that any party to the appeal would like the SMRHA to consider must be submitted to the SMRHA no later than five working days prior to the date of the meeting, and, to the extent permitted by law, shall be included in the public record.

- B. Appeal of SMRHA Decision.** Any person who is affected or aggrieved by an SMRHA decision may appeal the decision to the County by preparing a letter addressed to both the SMRHA and to the County, requesting such appeal. The County shall consider the appeal at the next regularly scheduled meeting that is more than two weeks after the date that the County receives the letter requesting the Appeal. At that time, the County shall either affirm or reverse the SMRHA's decision, or shall continue the meeting to a specified date and time. All materials that were included in the public record for the hearing before the SMRHA, plus any additional materials that any party to the appeal would like the County to consider, must be submitted to the County no later than five working days prior to the date of the public meeting, and, to the extent permitted by law, shall be included in the public record.