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**SAN MIGUEL REGIONAL HOUSING AUTHORITY**  
**REGULAR MEETING**

**February 6, 2023 @ 1 PM**

<b>Via Zoom</b>	<b>ID#: 484.178.1222</b>	<b>PW: SMRHA2023</b>
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- I. CALL TO ORDER**
- II. PUBLIC DISCUSSION**  
*No more than five minutes per person.*
- III. REVIEW OF AGENDA**
- IV. APPROVAL OF MINUTES**  
December 5, 2022
- V. WORKSESSION ITEMS**  
Training for Upcoming Ridgway Project - Paul Major, Rural Homes
- VI. ACTION ITEMS**  
Recommendation of Updated MFU Covenant. Action. Lois Major
- VII. MANAGER REPORT**
- VIII. OTHER BUSINESS**
- IX. ADJOURN**

**NEXT SCHEDULED MEETING**

**March 6, 2023**

**1:00 PM**

*This agenda is subject to change including the addition of items or the deletion of items at any time. The lengths of discussions may be shorter or longer, at the Board's discretion. If you are planning to come speak to a matter, let the SMRHA Manager know by calling 970-728-3034, ext. 4.*



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**SAN MIGUEL REGIONAL HOUSING AUTHORITY**  
**REGULAR MEETING MINUTES**  
**MONDAY, DECEMBER 5, 2022 @ 1 PM**

**The following Board Members were present via Zoom:**

- Lance Waring, San Miguel County Commissioner
- Mike Bordogna, San Miguel County Manager
- Scott Robson, Telluride Town Manager
- Adrienne Christy, Telluride Town Council Member
- Pamela Shifrin, At-Large Board Member

**The following were also in attendance via Zoom:**

- Courtney McEleney, SMRHA Manager
- Lois Major, Special Counsel to the SMCHA

**I. CALL TO ORDER**

The Regular Meeting of the San Miguel Regional Housing Authority Board was called to order by Lance Waring on Monday, December 5, 2022 at 1:02 p.m. via Zoom.

**II. PUBLIC DISCUSSION**

No public items were received.

**III. REVIEW OF AGENDA ITEMS**

No additions or subtractions of the Agenda were considered.

**IV. APPROVAL OF MINUTES**

Upon motion by Adrienne Christy and seconded by Mike Bordogna the minutes of November 7, 2022 were unanimously approved.

**V. ACTION ITEMS**

**A. Approval of new Rio Vista II DR and Guidelines. Motion.**

Lois discussed the proposed changes to the Rio Vista II Deed Restriction and Guidelines including a new fee structure. Mike proposed the transfer fee should be split and suggested a reduction in property ownership distance from 150 miles to 75 miles. Upon further discussion, Lois suggested the Seller pay the 1% County Administration Fee and the Board agreed. A change from 150-mile property ownership to 75-mile radius was also agreed upon. The Board decided to add the ability to request an Exception to Net Assets up to 2.5x the purchase price.

Upon motion by Mike Bordogna and seconded by Pam Shifrin, the new Rio Vista II Deed Restriction and Guidelines were approved unanimously with the following changes that were discussed: changing the property ownership limitation from 150 miles to 75 miles, making the seller responsible to pay the 1% County Administration fee, and allowing Exceptions to be heard for Net Assets up to 2.5 the purchase price.

B. Approval of 2023 SMRHA Budget. Motion.

Courtney reviewed the requested changes from the November meeting.

Upon motion by Scott Robson and seconded by Adrienne Christy, the 2023 SMRHA Budget was approved unanimously.

#### **VI. MANAGER REPORT**

SMRHA Manager reviewed the Manager Report focusing on the offer made for the Administrative Coordinator position, the Lawson Hill foreclosure, and accepting new vouchers in 2023.

#### **VII. OTHER BUSINESS**

No other business was discussed.

#### **VIII. ADJOURN**

Upon motion by Scott Robson and seconded by Adrienne Christy, the Regular Meeting of the San Miguel Regional Housing Authority (SMRHA) Board was adjourned by Lance Waring on December 5 at 1:43 p.m. via Zoom.

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TO: SMRHA Board  
CC: Courtney McEleney, SMRHA Manager; and Amy Markwell, SMC Attorney  
FROM: Lois Major  
DATE: January 13, 2023  
MEETING: February 6, 2023  
RE: Multi-Family Housing: Deed Restriction Review and Discussion-Part 2

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**1. Purpose:** To review and discuss the restrictions and permissions of multi-family housing units (MFHU) through the Covenant and the LUC and to recommend action to the SMCHA Board.

**2. Overview:** Pursuant to the San Miguel Land Use Code, a Multi-family Unit is a dwelling unit in a structure containing three (3) or more such units not including hotels and lodges, but including town houses, with accessory use facilities limited to an office, laundry, recreation facilities and off-street parking used by the occupants. The definition also includes one or more dwelling units located within an office, retail, or service commercial building, including Live-work Housing Unit(s). Ownership of multi-family units is available to a broad range of persons and entities. According to the LUC the ownership of MFHUs is available to “any person, group, organization, agency or other entity may own one or more MFHU”. You may own more than one MFHU. However, if you own other (non-MFHU) San Miguel County deed-restricted property you may not also own MFHUs.

The SMCHA developed a MFHU Covenant Template in 2016 which has been updated in 2020 to include, the Schedule of Violations and Fines and the 100-year deed restriction term. It was amended again in 2022 adopting the addendum which requires the ownership entity (if it is not an individual) to declare its members and contact information and to advise SMCHA or its designee regarding any change in ownership of the entity. The LUC and the MFHU template are both subject to the Procedures adopted in 2022.

Although there are not too many MFHU in existence (Namely, Hunter’s Gulch and Rio Vista 1), several are on the horizon.

**3. Background:** The RHA Board discussed this topic during the properly noticed November 7, 2022 meeting. The RHA board suggested some changes and raised some concerns. Specifically, The RHA Board agreed that who occupies the units is important and that local business owners who also own and occupy other DR-property should be given the opportunity to own at least one MFHU. Concerns about out-of-area owners was raised and it was questioned whether they could be excluded. Highlights from the 11/1/22 meeting include:

- a) no out-of-area owners should own multi-family units.
- b) current out-of-area owners should be grandfathered in
- c) new arrangements should be handled as an Exception and set a rental cap.
- d) make it possible to own and occupy a DR unit in the R-1 TSD and buy a maximum of one MFHU with a rental price cap.
- e) Make d), above, an administrative exception.

- f) Local business owners should be allowed to own some number of units but no consensus on the number during the meeting.
- g) Beef up rental work and residency requirements?

#### 4. Direction Going Forward:

- a) Grandfather in all current Owners of MFHU.
- b) Limit MFHU purchase to Qualified Employees and Qualified [LOCAL] Entity Owners (QEO). A new definition of QEO would be created to include a definition similar to the one adopted by the CHA for Pinion Park Norwood.
- c) For QEO consider imposing a rental cap as part of the Exception Agreement. NOTE: Rental caps are a statewide concern and have been held to be unenforceable laws. However, in exchange for an exception, a QEO could agree to a rental cap.
- d) Create Exception for QEO who are prohibited from owning MFHU because they own and occupy deed-restricted housing in the Telluride R-1 School District. Consider imposing rental cap as noted above.

**5. New Language suggestions:** These new definitions could be incorporated into the MFHU Template to further the direction of the RHA. Please note that these are definitions taken from the Pinion Park Norwood Covenant and Guidelines. The number in parentheses are the location in from the Pinion Park Norwood Covenant (“C”) or Guidelines (“G”). Using the same language will continue the county’s effort to keep regulations and definitions as consistent as possible.

- a) **QUALIFIED ENTITY OWNER** - an Owner who is a Business Owner, Land Contributor, Local Government or Special District located in and serving the County, with a local workforce working in the School District, that has been certified as Qualified by the HA to own a Housing Unit and who has agreed to the rental restrictions set forth in the Deed Restriction and these Guidelines. (G 1.72)
- b) **BUSINESS OWNER** - a person or entity that owns or operates a business located in and serving the County, with a local workforce working in the School District, and who has been certified by the Housing Authority to own a Housing Unit and who has agreed to the rental restrictions set forth in the Deed Restriction and these Guidelines. Note: Businesses who are in the business of residential property management, residential property rentals, mobile home park ownership or rental and/or residential property ownership may not be certified as a Business Owner. (G 1.7)
- c) **SPECIAL DISTRICT**- is a quasi-municipal corporation and political subdivision of the State of Colorado formed to provide necessary public services that the county or municipality cannot otherwise provide. The formation and operation of a special district is governed by Title 32 of the Colorado Revised Statutes and other applicable laws. (G 1.85)
- d) **Qualified Owners.** Qualified Entity Owners shall be exempt from the Initial Qualification Standards and Eligibility Criteria. Tenants of all Qualified Entity Owner Housing Units shall meet the requirements above as required by Section 7, below. (G 3.3)

- e) Qualified Entity Owners. Qualified Entity Owners shall be subject to verification of Qualification of Entity Status. Tenants of all Qualified Entity Owner Housing Units shall meet all continuing requirements of the Covenant and Guidelines. Failure to do either or both is a material breach of the Covenant. (G 5.3)
- f) Qualified Entity Owner Units: Qualified Entity Owners are required to rent their Housing Units and all applicants interested in renting the Housing Unit shall apply to and be qualified by the HA under the standards delineated in Section 3. HOUSEHOLD QUALIFICATION, ELIGIBILITY AND PRIORITY. Qualified Entity Owners must fulfill the Minimum Household Size and not exceed the Maximum Household Size (Section 3.2.2 Chart). Qualified Entity Owners may rent to unrelated/non-Household applicants and treat each as a separate Household for purposes of qualification as described in 7.2 Room Rental, below. (G 7.1.2)
- g) All other rules and regulations apply to Qualified Entity Owners Housing Units. (G 7.1.3)
- h) Initial Qualification. 3.3.0 Qualified Entity Owners: Land Contributors, Business Owners, Local Governments, and Special Districts are exempt from the Initial Qualifications in 3.3.1 but shall comply with all Occupancy Qualification and Rental Standards required by the Covenant and Guidelines. (C 3.1).
- i) Businesses who are in the business of residential property management, residential property rentals, mobile home park ownership or rental and/or residential property ownership may not be certified as a Business Owner. (C 3.3.1.h.)

**6. Occupants:**

- a) Current Requirements: all occupants are subject to the standard initial qualification and on-going qualification standards. The on-going standards dovetail with the LUC or the MFHU Covenant. In a nutshell, the Occupant must earn more than 50% of their income from working in the Telluride R-1 School District and occupy the Unit as their sole and primary residence. The occupant may not own other residential property in the Telluride R-1 School District. There are no income or asset limits.
- b) Proposed Requirements: The proposed requirements would make it easier to advise prospective occupants as well as make it easier for the Administrator to verify compliance.

Occupants must work (or show a verifiable intent to work) a minimum of 1200 hours per year with an average of 30 hours per week for 8 of 12 months on a rolling 12-month basis, with a minimum of 40 hours in each of the 8 months counted and must occupy the Unit as their primary residence for 8 of 12 months on a rolling 12-month basis. The Occupant must earn over 50% of their income in the from working for which their presence is required within the boundaries of the Telluride R-1 School District. The occupant may not own other residential property in the Telluride R-1 School District.

**7. Rentals:**

**a) Current Period of lease.**

1. LUC. The LUC had a provision that requires a 12-month lease but also one that prohibits renting for less than 30 days. It remains unclear.
2. The Covenant has a nine (9) month lease requirement to comport with the Lawson Hill Property Owner Group’s declarations that prohibit rentals of less than 273 days (approximately 9 months).

c) **Proposed Period of Lease:** Minimum Lease period of nine (9) months. In cases where an exception is required, impose a rental cap in line with HUD Guidelines. See chart below. Are these numbers adequate or should there be an allowed local surcharge?

HUD Final fiscal year 2023 & Final fiscal year 2022  
Fair Market Rental Rates by Unit Size for San Miguel County

Year	Studio	1 Bd	2 Bd	3 Bd	4 Bd
2022	\$1,112	\$1,296	\$1,673	\$2,137	\$2,687
2023	\$1,144	\$1,300	\$1,711	\$2,082	\$2,763

d) **Enforcement:** The Owner is required to verify the rental occupant is qualified before the lease is signed. If the rental occupant is unqualified the rental occupant and the Owner will be considered in violation. The Schedule of Fines imposes a fee for this violation. This standard is necessary to put the onus of compliance on the Owner, see: Covenant §1.2.3. The Subject Property Owner shall not permit any ownership, use or occupancy of the Subject Property except in compliance with this Covenant.

**8. Direction to SMCHA and SMRHA staff:** Based upon your discussion, please move to make recommendations for changes to the MFHU Covenant accordingly.

Possible Motion: I MOVE to recommend to SMCHA changes to the MFHU Covenant as follows:

- Grandfather in all current Owners of MFHU.
- Limit MFHU purchase to Qualified Employees and Qualified [LOCAL] Entity Owners (QEO).
- Create a new definition of QEO would be created to include a definition similar to the one adopted by the CHA for Pinion Park Norwood.
- For QEO impose a rental cap as part of the Exception Agreement.
- Create Exception for QEO who are prohibited from owning MFHU because they own and occupy deed-restricted housing in the Telluride R-1 School District. Impose rental cap as part of the Exception Agreement.
- Adopt new work/income requirements for occupants as stated in 6.b., above.
- Require minimum 9-month lease.
- Other \_\_\_\_\_

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**Attachment:** Memo from November 7, 2022 meeting.

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TO: SMRHA Board  
CC: Courtney McEleney, SMRHA Manager; and Amy Markwell, SMC Attorney  
FROM: Lois Major  
DATE: November 1, 2022  
MEETING: November 7, 2022  
RE: Multi-Family Housing: Deed Restriction Review and Discussion

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**1. Purpose:** To review and discuss the restrictions and permissions of multi-family housing units (MFHU) through the Covenant and the LUC. Should they be clarified, expanded, tightened, or left as is?

**2. Overview:** Pursuant to the San Miguel Land Use Code, a Multi-family Unit is a dwelling unit in a structure containing three (3) or more such units not including hotels and lodges, but including town houses, with accessory use facilities limited to an office, laundry, recreation facilities and off-street parking used by the occupants. The definition also includes one or more dwelling units located within an office, retail, or service commercial building, including Live-work Housing Unit(s). Ownership of multi-family units is available to a broad range of persons and entities. According to the LUC the ownership of MFHUs is available to “any person, group, organization, agency or other entity may own one or more MFHU”. You may own more than one MFHU. However, if you own other (non-MFHU) San Miguel County deed-restricted property you may not also own MFHUs.

The SMCHA developed a MFHU Covenant Template in 2016 which has been updated in 2020 to include, along with the other templates, the Schedule of Violations and Fines and to incorporate the 100-year deed restriction term and amended again in 2022 adopting the addendum which requires the ownership entity (if it is not an individual) to declare its members and contact information and to advise SMCHA or its designee regarding any change in ownership of the entity.

Current MFHUs include Hunter’s Gulch and Rio Vista 1. There may be others built and there are more units yet to be built.

**3. Ownership:** The MFHU Covenant allows for a variety of owners with most restrictions focusing on occupancy.

**4. Occupancy:** Occupancy, whether owner-occupied or through rental, is limited to persons who qualify under the affordable housing guidelines (LUC) or the newly adopted multi-family covenant (MFHU Covenant). An Owner-occupant may not own multiple MFHUs.

All occupants are subject to the standard initial qualification and on-going qualification standards. The on-going standards dovetail with the LUC or the MFHU Covenant. In a nutshell, the Occupant must earn more than 50% of their income from working in the Telluride R-1 School District and occupy the Unit as their sole and primary residence. The occupant may not

own other residential property in the Telluride R-1 School District. There are no income or asset limits.

## **5. Rentals:**

### **5.1** *Period of lease.*

1. LUC. The LUC had a provision that requires a 12-month lease but also one that prohibits renting for less than 30 days. It remains unclear.
2. The Covenant has a nine (9) month lease requirement to comport with the Lawson Hill Property Owner Group's declarations that prohibit rentals of less than 273 days (approximately 9 months).

### **5.2** *Work history:* Rental occupants must either work the requisite hours or demonstrate an intent to work which has been applied by RHA staff as having secured a job which would fulfill the 1032 hour requirement. This section could benefit from clarification.

### **5.3** *Enforcement:* The Owner is required to verify the rental occupant is qualified. If the rental occupant is unqualified the rental occupant and the Owner will be considered in violation. This standard is necessary to put the onus of compliance on the Owner, see: Covenant §1.2.3. The Subject Property Owner shall not permit any ownership, use or occupancy of the Subject Property except in compliance with this Covenant.

## **6. Concerns and discussion:**

**6.1 Business Owners.** As the prices of deed-restricted housing outpaces the average worker's reach and dreams of home ownership are not a priority, business owners have voiced interest in owning deed-restricted units that can be rented to their employees. The MFHU is a good fit for those business owners *unless* that business owner lives in deed-restricted housing. In such a situation the business owner is prohibited from owning the MFHU first through its primary covenant and again through the MFHU Covenant.

- a) Is this a situation that you would like to see changed? If so, an administrative exception could be created to allow for Business Owners to Own DR property and also own DR rental MFHUs.
- b) If it is ok for Business Owners, what about regular people who own and reside in DR property and can afford to purchase & own DR rental MFHUs.

**6.2 Out of Area Owners:** Entities with no other ties to the community may own and rent MFHUs. Is this preferred to having local Business Owners own and rent them?

## **7. Direction to SMCHA and SMRHA staff:** Based upon your discussion, please direct SMCHA and SMRHA staff to draft policies or addendum to the MFHU Covenant and schedule for another work session or action item as deemed appropriate.

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**LUC Provisions of note:**

**LUC 5-1303 Employee Housing Impact Fee**

IX. c. Mitigation: Multi-Family Development (three (3) units or more) will be required to provide employee housing Impact Mitigation.

**LUC 5-1305 B. X** “Live-work Housing” shall mean a multi-family structure located within the Low Intensity Industrial (I) Zone containing Affordable Housing dwelling units, and industrial space. The number of industrial units may not exceed the number of Affordable Housing dwelling units in each structure.

**LUC 5-1305 C.** Any person, group, organization, agency or other entity may own one or more Affordable Housing "Multi-family Units" (as defined in Article 6 of this Land Use Code). Ownership of Multi-family units shall be subject to the Owner limiting occupancy of the Affordable Housing Multi-family Unit only to qualified Employees. On or prior to assuming ownership of an Affordable Housing Multi-family Affordable Unit, the Owner shall execute and record an Acknowledgement of Deed Restriction in the property records of San Miguel County.

**MFHU Covenant sections of note.**

**Definitions: 14.28. Multi-family Unit.** A dwelling unit in a structure containing three (3) or more such units not including hotels and lodges, but including town houses, with accessory use facilities limited to an office, laundry, recreation facilities and off-street parking used by the occupants. One or more dwelling units located within an office, retail or service commercial building, including Live-work Housing Unit(s), shall be considered multi-family dwelling unit(s).

**2.2. Owner of Multi Family Units.** Any person, group, organization, agency or other entity may own one or more Affordable Housing "Multi-family Units" unless Ownership Applicant owns other single-family residential deed-restricted property in the R-1 School District. Ownership Applicant must be in full compliance with the terms and conditions of its existing deed restrictions and covenants before certification by Administrator as Qualified Purchaser.

**6.3. Multi-Family Unit Owner Standard.** The Subject Property Owner supplies documentation that the Administrator acknowledges is sufficient to verify the following:

- (a) The Subject Property Owner occupies the Subject Property subject to Section 3 above; OR
- (b) The Subject Property Owner rents the Subject Property to a Qualified Occupant, subject to a minimum six (6) lease, who meets the Continuing Residence Standard in 7.2. below and meets the Continuing Employment Standard in 7.3 below; and
- (c) The Subject Property Owner is in full compliance with all other deed-restriction covenants in R-1 School District.

6.4. **Multiple Residential Units.** In the event there is more than one residential dwelling unit in the Subject Property, Subject Property Owner may occupy one such residential dwelling unit and rent the other(s) subject to the terms and conditions in paragraph 4.

Section 9. **Ownership of Other Multi-family Units Allowed.**

**9.1.** Any person, group, organization, agency or other entity may own one or more Affordable Housing "Multi-family Units" defined below, Definitions, Section 14.28.

Section 10. **Ownership of Other Residential Property Prohibited.**

**Prohibition for Subject Property Occupants.** Subject Property Occupants as well as their Spouses and Dependents, if any, may not own more than a 10% interest, direct or indirect, in other Residential Property in the Telluride R-1 School District. This prohibition includes partial or full corporate ownership established to provide a beneficial interest sufficient to permit the use and occupancy by the owner or part owner of such property. Except as otherwise provided in this Section 10, and unless granted an exception pursuant to Section 11, failure to comply with this Section 10.1 is a violation of this Covenant and shall be addressed in accordance with the provisions of Section 12 of this Covenant.



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## MANAGER REPORT

### February 6, 2023

#### Administration

- Administrative Coordinator is training. She is currently in the process of learning our property database Kintone, Hard Files, Electronic Files, DR Qualifications, Housing Voucher and processing rental applications and renewals.
- Administrative Coordinator is creating procedural documentation as she trains.
- SMRHA is back on track regarding lease renewals and tenants in our tickler system
- 2023 Compliance notification is up on smrha.org.
- Manager and Coordinator will be taking HIPAA Training in February.
- Manager begins HR Trainings.
- \$63,000 in Reserves.
- SMRHA is calculating all Maximum Sales Prices for DR units with appreciation caps for SMC Assessor office.
- Moving to online forms.

#### Deed Restriction

- **SMC:**
  - 2 December Closings, 1 January Closing
  - 2 Rental Applications
  - 2 Open NOV's
  - Pinion Park: 2 new applications
  - Updating Purchase/Rental Applications & Compliance Forms
- **TOT:**
  - 5 Rental Applications in December/January
  - 2 On-Going Compliance Issues
  - Ongoing review of TAHG

#### Foreclosures

- 103 Timberline Ct. in Lawson Hill Foreclosure auction pushed back to March 2023

#### Housing Voucher

- SMRHA will start to take new Vouchers by March 2023



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## SAN MIGUEL REGIONAL HOUSING AUTHORITY 2023 BOARD MEETINGS

**1 P.M.**

*(unless otherwise noted)*

<b>Via Zoom</b>	<b>ID#: 484.178.1222</b>	<b>PW: SMRHA2023</b>
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January 3 - CANCELED

February 6

March 6

April 3

May 1

June 5

July 5

August 7

September 5

October 2

November 6

December 4

*The Meeting Dates and Times are subject to change as are the Agendas, including the addition of items or the deletion of items at any time. If you are planning to come speak to a specific matter, please let the SMRHA Manager know by calling Courtney at 970-728-3034, ext. 4.*

*Packet materials are available from the San Miguel Regional Housing Authority by contacting the SMRHA Office no later than 24 hours prior to the meeting.*