

TELLURIDE AFFORDABLE HOUSING GUIDELINES

Amended June 9, 2025 (AMI Only)
Amended April 16, 2024 (AMI Only)
Amended June 1, 2023 (AMI Only)
Amended May 9, 2023
Amended June 6, 2022 (AMI Only)
Amended June 4, 2021 (AMI Only)
Amended July 13, 2020 (AMI Only)
Amended August 13, 2019
Amended May 2019 (AMI Only)
Amended September 25, 2018
Amended July 3, 2018
Amended April 3, 2018
Amended July 2017 (AMI Only)
Amended July 2016
Amended January 2016
Amended December 2014
Amended September 2012
Amended August 2012
Amended March 2012
Amended June 2011
Amended November 2010

Adopted September 18, 2007

TABLE OF CONTENTS

DEFINITIONS.....	iv
Part 1 COMMON POLICIES.....	1
Section 101 PURPOSE AND APPLICABILITY	1
Section 102 GENERAL AFFORDABLE HOUSING PROGRAM GOALS.....	1
Section 103 HOUSEHOLD QUALIFICATION, ELIGIBILITY, AND PRIORITY	2
Section 104 INITIAL HOUSEHOLD APPLICATION PROCESS	6
Section 105 CONTINUING HOUSEHOLD QUALIFICATION AND VERIFICATION.....	8
Section 106 SALE AND RESALE OF UNITS	10
Section 107 RENTAL PROCEDURES.....	16
Section 108 DEED RESTRICTION AND OPTION TO PURCHASE	18
Section 109 EXCEPTIONS, APPEALS AND GRIEVANCES	20
Section 110 LENDERS, LOANS AND INSURANCE	25
Part 2 HOUSING MITIGATION PROGRAM.....	27
Section 201 PURPOSE AND APPLICABILITY	27
Section 202 PROGRAM POLICY GOALS.....	27
Section 203 HOUSEHOLD QUALIFICATION AND ELIGIBILITY	27
Section 204 INITIAL HOUSEHOLD APPLICATION PROCESS	28
Section 205 CONTINUING QUALIFICATION.....	28
Section 206 SALE AND RESALE OF MITIGATION UNITS.....	28
Section 207 RENTAL PROCEDURES.....	30
Section 208 DEED RESTRICTION	30
Section 209 HOUSING MITIGATION PLAN.....	31
Section 210 STANDARDS OF SIZE AND CONSTRUCTION	32
Section 211 DEED RESTRICTING FREE MARKET UNITS	33
Part 3 TOWN CONSTRUCTED OWNERSHIP PROGRAM	35
Section 301 PURPOSE AND APPLICABILITY	35
Section 302 PROGRAM POLICY GOALS.....	35
Section 303 HOUSEHOLD ELIGIBILITY.....	35
Section 304 INITIAL HOUSEHOLD APPLICATION PROCESS	36
Section 305 CONTINUING QUALIFICATION.....	36
Section 306 SALE AND RESALE OF TOWN CONSTRUCTED UNITS	36
Section 307 RENTAL PROCEDURES.....	36
Part 4 EMPLOYEE DWELLING UNITS PROGRAM.....	38
Section 401 PURPOSE AND APPLICABILITY	38
Section 402 PROGRAM POLICY GOALS.....	38
Section 403 HOUSEHOLD ELIGIBILITY.....	38
Section 404 INITIAL HOUSEHOLD APPLICATION PROCESS	39
Section 405 CONTINUING QUALIFICATION.....	39
Section 406 SALE AND RESALE OF EMPLOYEE DWELLING UNITS	39
Section 407 RENTAL PROCEDURES.....	40
Section 408 DEED RESTRICTION FORM AND PROCESS.....	40
Section 409 STANDARDS OF SIZE AND CONSTRUCTION	40
Part 9 GENERAL MISCELLANEOUS PROVISIONS.....	41

<i>Section 901</i>	<i>LEGISLATIVE HISTORY</i>	41
<i>Section 902</i>	<i>AMENDMENTS</i>	42
<i>Section 903</i>	<i>ADMINISTRATIVE PROCEDURES</i>	42
Appendix A:	Income Eligibility Tiers	1
Appendix B:	Initial Sale Prices and Maximum Rental Rates	1
Appendix C:	Payment-In-Lieu Fee	1
Appendix D:	Lottery Point System	1
Appendix E:	Fee and Penalty Schedule	1
Appendix F:	Permitted Capital Improvements	1
Appendix G:	Affordable Housing Unit Inventory	1

DEFINITIONS

Definitions of terms and phrases contained within the Telluride Affordable Housing Guidelines:

Affordable Housing – As the context requires, either the required square footage of housing that must be provided to offset the housing impacts of new construction as further described in the [Telluride Land Use Code](#) and [Part 2 Housing Mitigation Program](#), or more generically any housing subject to a [Deed Restriction](#) regulating sale price, rental rate or occupancy and subject to these Guidelines.

Affordable Housing Program or Housing Program – The set of regulations which apply to [Affordable Housing Units](#) as part of the Town's overall Affordable Housing Program and/or the three (3) specific programs as defined in [Part 2 Housing Mitigation Program](#), [Part 3 Town Constructed Ownership Program](#) and [Part 4 Employee Dwelling Units Program](#) of these Guidelines. Unless specifically excluded, all Housing Programs are subject to the regulations in [Part 1 Common Policies](#).

Affordable Housing Unit (AHU) – The [Land Use Code](#) defines Affordable Housing Unit as "a dwelling unit approved pursuant to Article 3 Division 7 with a restricted rent or sale price and occupancy requirements as described in the Telluride Affordable Housing Guidelines, as amended." Pursuant to these Guidelines, an AHU is a deed-restricted property that is subject to these Guidelines and any additional covenants that may run with the land. Mitigation Unit (MU), Town Constructed Unit (TCU), and Employee Dwelling Unit (EDU) are each a type of [Affordable Housing Unit](#) subject to these Guidelines, and may also be referred to as a [Housing Unit](#).

Alter or Alteration – Any change, addition, or modification in ownership, construction, or occupancy of an Affordable Housing Unit.

Applicant – A [Household](#) or individual that has submitted the required application for Qualification as a renter, tenant, occupant, or buyer of an [Affordable Housing Unit](#), for inclusion in a housing lottery, or for [Exceptions](#), appeals, or grievances under these Guidelines.

Area Median Income (AMI) – A statistical number based on Household size and income for residents of San Miguel County Colorado used as a basis for the [Income Eligibility Tier](#) applied to a specific [Affordable Housing Unit](#). See [Appendix A](#).

Assets – Anything owned which has tangible, intangible, commercial, or exchange value. Assets consist of specific property or claims against others, in contrast to obligations due others. For purposes of these Guidelines, Assets are real or personal property including without limitation retirement accounts, education accounts, patents and causes of action, stock in a corporation or interest in any other type of business entity, interest in the estate of a decedent, property of a person, association, corporation, or estate that is applicable or subject to the payment of debts, and 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. Assets are evaluated at current [Fair Market Value](#), not accounting book value.

Gross Assets – All Assets combined.

Household Gross Assets – Combined Assets of all [Household](#) members, including children.

Household Net Assets – Household Gross Assets less [Household Gross Liabilities](#).

Net Assets – Gross Assets minus [Gross Liabilities](#).

Bedroom – An area designed to be used for sleeping purposes that must contain a closet, have access to a bathroom and meet applicable Town building code requirements for light, ventilation, sanitation and egress.

Capital Improvements (Allowed) – See Permitted Capital Improvements.

Commercial Property – Property which is used for any of the following uses as defined by the Land Use Code: Commercial; Industrial; Accommodations (including Hotel, Lodge, Boarding and Rooming houses, Lock-off units, and Short-term Dwelling Units); Agriculture.

Compliance Check – Periodic verification of ongoing Qualification to own or occupy an Affordable Housing Unit.

Consumer Price Index (CPI) – An index periodically published by the U.S. Department of Labor, Bureau of Labor Statistics. The two indices used for purposes of these Guidelines and for purposes of Affordable Housing Unit Deed Restrictions are the Consumer Price Index, All Items, U.S. City Average, Urban Wage Earners and Clerical Workers (CPI-W) Not Seasonally Adjusted or its successor index; and the Consumer Price Index, All Items, Denver-Aurora-Lakewood CPI-W Not Seasonally Adjusted or its successor index.

Deed Restriction – A contract prepared by THA Staff in coordination with Town legal counsel and entered into between THA, the Town and the Owner or buyer of real property identifying and burdening the conditions of use, occupancy and Sale of the property in accordance with these Guidelines, which may not be altered without the written consent of all parties.

Dependent – A minor child (eighteen (18) years of age or younger) or other person related by blood or adoption to a Tenant or Owner of an Affordable Housing Unit and declared as a Dependent for federal income tax purposes by such Tenant or Owner, or by Tenant's or Owner's present or former spouse.

Developed Residential Property – Property that contains at least one (1) dwelling unit as defined in the Land Use Code.

Disability – A disability as that term is defined in 42 USC § 12102, as may be amended. See also Mobility Disability.

Earned Income – See Income.

Eligibility – The minimum standards of income and Household size that are applied to a Qualified Household according to [Section 103.3](#) as well as any additional Eligibility standards specific to a Housing Program.

Eligibility Tier – See Income Eligibility Tier.

Essential Response Personnel – Those required to report to their designated work location to ensure the operation of essential functions during an emergency. Qualified Essential Response Personnel are employees or volunteers on call twelve (12) hours per day, a minimum of eight (8) times per month or its equivalent working for a community-based organization that provides on-scene assistance and personal care to victims. Community based organizations include without limitation the Fire Department, Mountain Rescue, Marshal's and Sheriff's Departments, Hospital Emergency Services, Emergency Medical Services, Social Services, and Emergency Dispatch. Emergency Service Organizations must demonstrate the need of that agency to house Essential Response Personnel in the Telluride area by requesting a formal approval through the THA Subcommittee.

Employee – A person who is self-employed or is working for another person and is compensated for such work on an hourly, weekly, monthly or commission basis or any combination of such compensation. See also Qualified Employee.

Employee Dwelling Unit (EDU) – A Designated Employee Dwelling Unit as defined in the Land Use Code and referred to herein as an EDU. EDUs are subject to the provisions of Article 3 Division 7 of the Land Use Code as amended, and to the provisions of [Part 4 Employee Dwelling Units Program](#) of these Guidelines.

Exception – A variance from these Guidelines granted through the Exception Procedure set forth in [Section 109.2](#). See also [Section 903.4](#) Administrative Exceptions.

Fair Market Value – The price at which bona fide non-distress Sales have been consummated for Assets of like type, quality, and quantity in a particular market.

Family – See Immediate Family.

Fixture – 1) A tangible item which previously was personal property and 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; or 3) The permanent parts of a plumbing system and fixtures.

Free Market – A property that is not subject to any Deed Restriction or covenant regulating sale price, rental, use, occupancy or terms of Sale.

Gross Assets – See Assets.

Gross Income – See Income.

Gross Liabilities – See Liabilities.

Guest – A person with whom a Household shares the same living quarters who has no proprietary interest including no Leasehold Interest in the Affordable Housing Unit, who is not on the title to the Housing Unit, who does not provide financial assistance to the Household, and whose stay is limited to less than thirty (30) days every six (6) months. See also Temporary Occupant.

Guidelines – These Telluride Affordable Housing Guidelines or specific provisions thereof as the context requires, adopted by the Telluride Housing Authority and the Town Council of the Town of Telluride as may be required, and amended from time to time, that provide definitions, standards and procedures to be applied to specific Affordable Housing Units.

Household – All individuals who are or will occupy an Affordable Housing Unit including without limitation Owners, Tenants and Immediate Family but excluding Guests and Temporary Occupants.

Household Income – See Income.

Household Gross Assets – See Assets.

Household Gross Liabilities – See Liabilities.

Household Net Assets – See Assets.

Housing Unit – See Affordable Housing Unit.

Housing Program – See Affordable Housing Program.

HUD – See United States Department of Housing and Urban Development.

Immediate Family – The Qualified Employee and the spouse of the Qualified Employee and their Dependents, siblings, parents and/or children, all of whom may be related either biologically, by marriage, by civil union and/or by legal adoption, and regardless of age. Immediate Family also includes: a minor child for whom the Qualified Employee or the spouse of the Qualified Employee becomes a legal guardian and a minor child for whom the Qualified Employee or

the spouse of the Qualified Employee becomes a legal foster parent. Such children shall be treated as biological children and have the same Immediate Family status, regardless of age.

Income –

Earned Income –

- i. Income derived from one's own labor or through active participation on a regular, continuous, and substantial basis in a business and including retirement funds from deferred income earned from employment, Social Security benefits, disability, alimony and child support; and
- ii. Net income derived from a business or self-employment after reasonable deductions for documented expenses, depreciation, business taxes, and similar allowances.
- iii. For Qualified Retired, retirement and/or pension income, regardless of origin, is considered earned within the Telluride R-1 School District.

Gross Income – The total of all income from whatever source before income taxes, withholdings, and pre- and post-tax deductions. Applicant representations of Gross Income are subject to verification and evaluation of reasonableness by THA.

Household Income – Combined Gross Income of all individuals in a Household.

Unearned Income – Income derived from investments, rental property, trusts, inheritance, etc. and any other passive activity.

Income Eligibility Tier (Tier) – The standard of Household Income that applies to a particular Affordable Housing Unit. Not all Affordable Housing Units have an Income Eligibility Tier. See [Appendix A: Income Eligibility Tiers](#).

Initial Sale Price (ISP) – The sale price established in the initial Deed Restriction for a Mitigation Unit developed as part of the [Part 2 Housing Mitigation Program](#) recorded in the developer's Deed Restriction as the Original Purchase Price (OPP) or the Initial Sale Price (ISP) and calculated according to [Section 206.1](#).

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 – A room or place for the preparation and cooking of food which contains facilities for the boiling, heating, reheating, baking, frying, etc. of food which, at a minimum, includes a two-burner stovetop, a sink and an oven.

Land Use Code – [Chapter 18 "Land Use Code"](#) of the Telluride Municipal Code.

Leasehold Interest – A less than fee simple estate that a Tenant possesses in real property.

Leave of Absence – An Exception from the requirement that a Qualified Household maintain the Affordable Housing Unit in question as its primary place of residence granted according to the Exception Procedure in [Section 109.2](#).

Liabilities – Financial obligations owed through the transfer of money, Assets, goods or services.

Gross Liabilities – The total amount owed to other persons or entities including loans, liens, mortgages, accounts payable, and other financial obligations as defined by generally accepted accounting practice.

Household Gross Liabilities – Combined Gross Liabilities of all members of a Household.

Luxury Items – Luxury Items are non-essential appliances, Fixtures or upgrades. See [Appendix F](#).

Maximum Rental Rate – The maximum amount per month including utilities that a Qualified Household may be charged when leasing an Affordable Housing Unit.

Maximum Sale Price (MSP) – The maximum amount that an Affordable Housing Unit may be sold for to a Qualified Owner. Unless otherwise defined in the Deed Restriction covering the unit, the Owner's Maximum Sale Price is determined according to [Section 106.4](#).

Mitigation Unit (MU) – An Affordable Housing Unit as defined in and subject to the provisions of [Article 3 Division 7 of the Land Use Code](#) and to [Part 2 Housing Mitigation Program](#) of these Guidelines. Affordable Housing Units are referred to herein as Mitigation Units which may be created to satisfy Land Use Code requirements to mitigate development impacts on employee housing.

Mobility Disability – A permanent or long-term Disability which limits an individual's independent, purposeful physical movement of the body or of one or more extremities, and which requires the individual to use a wheelchair, scooter, or other similar personal mobility device for mobility.

Net Assets – See Assets.

Notice of Violation – A formal written notice from the Town or the THA to an Affordable Housing Unit Owner or Tenant who is in violation of provisions of the Deed Restriction for the Affordable Housing Unit or of the provisions of the Telluride Affordable Housing Guidelines.

Option to Purchase – A legal document signed by the Mortgagee, and where applicable a co-signer, acknowledging the provisions of the Deed Restriction and granting a right to the Town or the THA to purchase the Affordable Housing Unit in a foreclosure under certain conditions.

Original Developer – The person or entity who owns an Affordable Housing Unit when the Unit receives an initial certificate of occupancy after construction, or who placed the initial Deed Restriction on a free-market unit to meet mitigation requirements. In the case of an entity, the Original Developer shall constitute all persons or other entities having an interest in the Original Developer entity equivalent to the percentage of interest owned on the day the certificate of occupancy is received or Deed Restriction executed. Any subsequent single or cumulative transaction representing a change of ownership interest in the Original Developer entity of fifty percent (50%) or greater shall constitute a change of ownership of the Affordable Housing Unit, which may render the new Owner an unqualified Owner and necessitate Sale of the Affordable Housing Unit to a Qualified Owner.

Original Purchase Price (OPP) – The price paid for the Affordable Housing Unit by the current Owner(s) and used as a basis to determine the Maximum Sale Price. The OPP is recorded in the Deed Restriction attached to each Affordable Housing Unit.

Owner – Owner means an individual or individuals who have a legal right to a property by deed, Tenancy In Common, Joint Tenancy or Tenancy in the Entirety or other relationship and who have a proprietary interest in a property.

Permitted Capital Improvements – Unless otherwise defined in the Deed Restriction for an Affordable Housing Unit, a Permitted Capital Improvement is any Fixture or improvement ***approved by THA Staff prior to erection, construction or installation*** that is not a Luxury Item and is erected, constructed or installed as a permanent improvement to real property or non-recurring expenses for physical improvements that provide a long-term upgrade or improvement to the deed-restricted Affordable Housing Unit. See [Appendix F](#).

Policy Statement – A directive formally adopted by the THA Board to clarify and aid in the application and enforcement of these Guidelines.

Prequalification – A borrower's tentative mortgage approval from a lender.

Presence Required Employment – Employment which requires an Applicant to be physically present in the Telluride R-1 School District to perform tasks or services and/or requires the person(s) benefitting from the tasks or services to be present in the Telluride R-1 School District. In determining whether Presence Required Employment exists for a particular Applicant, THA Staff or the THA Subcommittee or the THA Board, as appropriate, shall consider the above description together with the totality of circumstances regarding: (i) whether the employing business is formed under Colorado law and registered to an address in the Telluride R-1 School District; (ii) whether an employing business has a local business and sales tax license; (iii) whether sales taxes are actually collected from the employing businesses within the Telluride R-1 School District and what percentage of overall sales result in local sales tax remittance; (iv) whether the employing business has a permanent office or facility with businesses conducted daily within the Telluride R-1 School District; and (v) what size workforce the employing business maintains within the Telluride R-1 School District. Presence Required Employment specifically excludes work for remote clients, sales to remote customers, or work performed for foreign businesses that do not have a physical presence in the Telluride R-1 School District.

Primary Residence – A Household's sole and exclusive place of residence.

Priority – The order in which Affordable Housing Units are offered to Applicant Households based on the applicable selection procedure for the Affordable Housing Unit in question (e.g. a lottery, waiting list or bidding procedure). Priority is created by resolution of the Telluride Town Council and not all Affordable Housing Units are subject to Priority.

Program – See Affordable Housing Program.

Qualification – The minimum standards of employment, Earned Income, residency, property ownership, and/or Net Assets that are applied to a Qualified Household according to [Section 103](#) and [Section 105](#) as well as any additional standards specific to a Housing Program.

Qualified Disabled – A person with a Disability who is a member of a Household who has a verifiable history of employment meeting the applicable ownership or rental Employment Standard requirements on a rolling twelve (12) month basis for at least five (5) of the seven (7) years immediately prior to application for Qualified Disabled. The provision of a definition for Qualified Disabled does not preclude THA Staff or the THA Subcommittee from considering a reasonable accommodation request by a person with a Disability seeking an Exception to these Guidelines that is necessary for that person to have an equal opportunity to participate in or take full advantage of an Affordable Housing Program opportunity, or to use and enjoy an Affordable Housing Unit, so long as the request does not fundamentally change the General Affordable Housing Program Goals as stated in [Section 102](#).

Qualified Employee – An Employee who is qualified under the terms of these Guidelines for the purposes of initial and/or continuing Household Qualification.

Qualified Holder – A Qualified Holder as defined by C.R.S. § 38-38-100.3(20), as may be amended.

Qualified Household – A Household that has been certified by THA as qualified to own or occupy an Affordable Housing Unit according to the Affordable Housing Program governing the Affordable Housing Unit.

Qualified Owner – A person or entity who is permitted to own an Affordable Housing Unit pursuant to the unit's governing Housing Program.

Qualified Retired – A person sixty-five (65) years or older who is a member of a Household who has a verifiable history of employment meeting the applicable ownership or rental Employment Standard requirements for the ten (10) years immediately prior to application for Qualified Retired.

Sale – For purposes of the Guidelines, the exchange of an Affordable Housing Unit for an agreed amount of money or other consideration in which title to the Affordable Housing Unit is Transferred in whole or in part to a new Qualified Household or Qualified Owner.

Telluride Housing Authority (THA) – The Telluride Housing Authority of the Town of Telluride, referred to herein as THA. As used in these Guidelines, THA may also mean the THA Board of Directors, the THA Subcommittee, or THA Staff as the context requires.

THA Board – The Board of Directors of the Telluride Housing Authority.

THA Staff – The person or persons who the Telluride Housing Authority or its designee employs for the purpose of administering and enforcing these Guidelines.

THA Subcommittee – A committee comprised of a subset of members of the THA Board appointed to oversee and administer the affairs of Telluride Housing Authority.

Temporary Occupant – A person reported to and approved by THA Staff with whom a Household shares the same living quarters who has no proprietary interest including no Leasehold Interest in the Affordable Housing Unit, who is not on the title to the Unit, who does not provide financial assistance to the Household, and who either provides or receives, without financial gain, elder care, child care, rehabilitation assistance, or similar services to or from members of the Household on a temporary basis.

Tenancy In Common – Co-ownership in which individual holds an undivided interest in real property as if he were sole Owner.

Tenancy in the Entirety – A special Joint Tenancy between two (2) lawfully married individuals which places all title to property (real or personal) into the marital unit, with both spouses having an equal, undivided interest in the whole property.

Tenant – A person who has temporary use and occupancy of real property owned by another and subject to these Guidelines.

Tier – See Income Eligibility Tier.

Town – The Town of Telluride, Colorado, a Colorado home rule municipality.

Town Council – The Town Council of the Town of Telluride.

Town Constructed Unit (TCU) – An Affordable Housing Unit constructed, financed or otherwise procured by the Town or the THA and subject to the provisions of [Part 3 Town Constructed Ownership Program](#) of these Guidelines.

Transfer – Any transaction, conveyance, settlement, disposition, assignment, or event which introduces a new ownership interest in a Housing Unit, or changes the percentage of current ownership interest in a Housing Unit.

Undeveloped Residential Property – Vacant property which allows residential uses, and uses accessory thereto, as defined in the Land Use Code.

Utility Allowance – The amount dedicated for Tenant paid utilities based upon the utility allowance schedule developed by HUD for rent subsidized units in San Miguel County.

United States Department of Housing and Urban Development (HUD) – The Federal agency established by the Department of Housing and Urban Development Act, 42 U.S.C. § 3532-3537, effective November 9, 1965.

Volunteer Community Service – Work which is performed locally for a recognized non-profit community organization which benefits San Miguel County and for which no monetary or other material compensation is received.

[Remainder of page intentionally left blank]

Part 1 COMMON POLICIES

Section 101 PURPOSE AND APPLICABILITY

The purpose of the Telluride Affordable Housing Guidelines is to provide a comprehensive and consistent set of provisions that apply to housing created by the Town of Telluride and/or the Telluride Housing Authority through either the Land Use Code or through direct construction of Housing Unit or the financing thereof.

- 101.1** The Guidelines are split into Parts and Appendices. However, due to the interdependence of the many aspects of the programs, they must be read as a whole. This Part 1 summarizes key provisions common to all Housing Programs covered by the Guidelines unless otherwise noted under a specific Housing Program. Parts 2 through 8 are reserved for specific Housing Programs, and [Part 9 General Miscellaneous Provisions](#) outlines administrative procedures.
- 101.2** Each Housing Program is also subject to provisions that are unique to that program.
- 101.3** Every Sale or rental of a Housing Unit is initially subject to the Guidelines in effect at the time of Sale or rental. Subsequently, Owners and Tenants are expressly subject to the Guidelines in effect as amended during their ownership or lease. However, Maximum Sale Price shall always be determined by the Deed Restriction for a Housing Unit. THA requires execution and filing of a new Option to Purchase and Deed Restriction with updated terms at the time of any Sale or Transfer in interest of a Housing Unit. Refinances may require filing of a new Option to Purchase and Deed Restriction but do not require a Qualified Owner who is also a Qualified Household to requalify under [Section 103.2](#) Household Initial Qualification Standards or [Section 103.3](#) Household Eligibility Criteria at the time of refinance, unless a Transfer or Sale of interest in the Housing Unit is also occurring.
- 101.4** THA Staff is charged with administration and enforcement of the Guidelines. To provide THA Staff with clarification of intent of provisions of these Guidelines, Policy Statements may be adopted by resolution of the THA Board at a properly noticed public meeting.
- 101.5** These rules have binding effect on all individuals and courts and run with a Housing Unit in perpetuity in accordance with the recorded Deed Restriction. In addition to any remedy provided by law for enforcement of the Deed Restriction and these Guidelines, THA Board is authorized to establish fees or penalties for violations (see [Appendix E](#)) not to exceed the general penalty parameters of [Telluride Municipal Code § 1-4-10\(a\)\(2\)](#).

Section 102 GENERAL AFFORDABLE HOUSING PROGRAM GOALS

- 102.1** Provide affordable Employee housing. The primary goal of the Affordable Housing Programs is to provide Affordable Housing for residents and their families who make a living primarily from Presence Required Employment. This is accomplished primarily by regulating and restricting occupancy of Housing Units to Qualified Households and Ownership to Qualified Owners.
- 102.2** Promote economic diversity within the Telluride community. Diversity may be encouraged, for example, by limiting Eligibility for ownership or occupancy to

Qualified Households that meet specific economic means criteria which may include both Household Income and Household Net Assets.

- 102.3** Ensure ongoing affordability of Housing Units. Most Housing Units are subject to price and appreciation limitations for Sale, resale and/or rental. These limitations are intended to ensure affordability for both the current Household and for the long-term affordability of the Housing Unit.
- 102.4** Provide for clear, fair, and consistent administration of Housing Programs. These Guidelines establish standards and procedures for the Town's Affordable Housing Programs. There are circumstances however, that may not fit clearly within the specific provisions of the Guidelines but still meet these General Affordable Housing Program Goals. For these cases, Exception and appeal processes have been established as set forth in [Section 109](#).
- 102.5** **DISCLAIMER:** The Town and the THA expressly disclaim any and all warranties, express or implied, including without limitation fitness for a particular purpose with respect to the provision of Housing Units. The Town and the THA do not represent, warrant or promise to construct, finance or otherwise produce, in whole or in part, any Housing Units pursuant to these Guidelines or under any other programs. No Applicant may rely upon any promise implied or expressed that Housing Units shall be constructed, financed or otherwise produced, in whole or in part, by the Town or the THA. In no event shall the Town or the THA be liable to any Applicant for any direct, indirect, incidental, punitive, or consequential damage of any kind whatsoever, including without limitation lost profits, lost sales, lost business, lost opportunity, lost information, lost or wasted time. None of the information contained in these Guidelines constitutes an offer to sell or the solicitation of an offer to buy a Housing Unit.

Section 103 HOUSEHOLD QUALIFICATION, ELIGIBILITY, AND PRIORITY

- 103.1** There are three (3) levels of evaluation to determining the qualification of Applicants for the purchase or initial or continued occupancy of Housing Units, known as Qualification, Eligibility and Priority.
- Qualification*** refers to the most general requirements similar for all Housing Programs, and includes both Initial Qualification Standards and Continuing Qualification Standards. A Qualified Owner or Qualified Household must maintain Qualified status for the duration of ownership or rental of a Housing Unit. Failure to maintain Qualification will require vacation or Sale of the Housing Unit (see [Section 105](#)).
- Eligibility*** refers to additional requirements specific to a particular Housing Unit or a specific Housing Program. Eligibility only applies at the time of initial rental or purchase of a Housing Unit.
- Priority*** refers to the rules governing the order in which Applicants are offered Housing Units available for Sale or rent. Priority only applies at the time of initial rental or purchase of a Housing Unit, and may not apply to all Housing Units.
- 103.2 Household Initial Qualification Standards**
- A. "Qualified Household" Defined - Qualified Households must:**
1. Meet the Employment Standard;

2. Meet the Earned Income Standard;
3. Meet the Residency Standard;
4. Meet the Property Ownership Standard; and
5. Meet the Net Assets Standard.

B. Employment Standard

1. **Ownership** - At least one member of a Household who will hold title to the Housing Unit must be a Qualified Employee by demonstrating and verifying a minimum of one-thousand four hundred (1,400) hours of Presence Required Employment, which amount includes a minimum of forty (40) hours per month for at least twelve (12) of the sixteen (16) months immediately prior to submission of an application.
2. **Rental and/or Occupancy** - Each person applying to rent or occupy a room in a Housing Unit or, at least one member of each Tenant Household if occupying the entire Unit, must be a Qualified Employee by demonstrating and verifying a minimum of one-thousand four hundred (1,400) hours of Presence Required Employment, which amount includes a minimum of forty (40) hours per month for at least twelve (12) of the sixteen (16) months immediately prior to submission of an application, or by providing verifiable documentation of intent to work one thousand four hundred (1,400) hours within twelve (12) months of application, or a lesser amount commensurate with the term of the proposed lease (e.g. seven hundred (700) hours for a six (6) month lease).
3. **Qualifying Volunteer Hours** - Up to ten percent (10%) of the required employment hours may be filled by verifiable Volunteer Community Service.
4. **Exemptions** - Members of an Applicant Household who have been determined by THA to be Qualified Retired or Qualified Disabled and those who are Immediate Family of a Qualified Employee in the Household are exempt from the Employment Standard.

C. Earned Income Standard

1. Seventy-five percent (75%) of a Household's Gross Income earned in the twelve (12) months prior to application for Qualification must be Earned Income within the boundaries of the Telluride R-1 School District unless an Exception is granted pursuant to [Section 109.2](#).

D. Residency Standard

1. Applicants for purchase of a Housing Unit must have lived in the four-county region (San Miguel, Montrose, Dolores, and Ouray) a minimum of the twelve (12) months immediately prior to application.
2. Applicants for purchase or rental of a Housing Unit must intend to occupy the Housing Unit as their Primary Residence, and will be required to do so on an ongoing basis.

E. Property Ownership Standard

1. For purposes of this Section, "Ownership by any member of a Household" means ownership interest in any form, direct or indirect, including without

limitation ownership of or membership in a business or entity that owns real property, a Leasehold Interest in real property for longer than a period of one (1) year, or being named as a beneficiary of a trust which owns real property. A Household may not circumvent this Section by declaring indirect or non-controlling interest in real property subject to this Section.

2. Ownership by any member of a Household of property that is Commercial Property or Undeveloped Residential Property, or is Developed Residential Property outside the boundaries of San Miguel, Montrose, Ouray and Dolores Counties is permitted and does not require an Exception.
 3. Ownership by any member of a Household of Developed Residential Property within the boundaries of San Miguel, Montrose, Ouray and Dolores Counties is restricted as follows:
 - i. **If the residential property is deed restricted as affordable or employee housing**, the Household is required to enter into a contractual agreement with the Town or its designee setting forth the terms of the agreement to sell the other residential property. The Household is required to be under contract to sell the property within four (4) months and to close the Sale within six (6) months of taking title to the Housing Unit.
 - ii. **If the property is any other form of Developed Residential Property**, the Household is required to:
 - a. Sell the other property under the terms of [Section 103.2E.3.i](#); OR
 - b. Apply for and be granted an Exception according to the Exception Procedure in [Section 109.2](#) for consideration of the terms under which ownership of other Developed Residential Property will be allowed.
- (1) In determining the terms under which ownership of other Developed Residential Property will be allowed, the THA Subcommittee or THA Board, as appropriate, shall take into consideration the location of the other Developed Residential Property, the current Affordable Housing needs in that county and within the Telluride R-1 School District, and the practicality of requiring the other property to be leased to a Qualified Household.
 - (2) It is the stated intent of THA to only allow ownership of other Developed Residential Property within the boundaries of San Miguel, Montrose, Ouray and Dolores Counties if the Household demonstrates a commitment to utilizing the property to meet local or regional Affordable Housing needs.
 - (3) Exceptions granted for ownership of Developed Residential Property in San Miguel County will require the Household to enter into a contractual agreement with the Town or its designee that provides for rental of the other property to a Qualified Household under the rental procedures in [Section 107](#). The property must be leased beginning no more than ninety (90) days after purchase of the Housing Unit or other property and

must be continuously leased, reasonable turnover and maintenance time excepted, so long as the Household owns the Housing Unit. If the property remains vacant or out of lease for more than thirty (30) consecutive days, THA may give notice requiring the Owner to sell either the Housing Unit or the other Developed Residential Property within one (1) year from the date of the notice, and will impose daily penalties for non-compliance (see [Appendix E](#)).

- (4) The Fair Market Value of any interest in real property owned by any member of a Household will be taken into consideration when determining whether the Household exceeds the limitations of the [Section 103.2F](#) Net Assets Standard or the [Section 105.4E](#) Continuing Net Assets Standard.

F. Net Assets Standard

1. Household Net Assets shall not exceed two (2) times the Original Purchase Price (OPP) of the Housing Unit. As defined, Assets of all members of a Household, including children, must be included in the determination of a Household's Net Assets.
2. A one-time gift of up to thirty percent (30%) of the OPP used only as a down payment for the purchase of a Housing Unit will be considered an asset and not income for the purposes of initial Qualification.
3. **Exclusion from Assets** – An Applicant may apply to THA Staff for an exclusion or partial exclusion to Assets for money held in verifiable education, healthcare, and retirement accounts. In determining whether an account is eligible for such an exclusion, THA Staff, the THA Subcommittee or the THA Board, as appropriate, shall consider whether the holder or beneficiary of the account would be penalized for early withdrawals for any reason, or whether withdrawals without penalty are restricted to withdrawals for qualified retirement, medical, or educational expenses. It is the intent of this Section to only allow exclusions for accounts functionally equivalent to a 401(k), 401(a), Roth IRA retirement account, 529 education account, or a Health Savings Account established while an Applicant was enrolled in a high deductible health plan.
4. **Disposition of Assets** – Any member of a Household who has assigned, conveyed, transferred or otherwise disposed of Assets within the last two (2) years without receiving Fair Market Value for the Assets to qualify under these Guidelines shall render the Household ineligible.

103.3 Household Eligibility Criteria

- A. Income Eligibility Tiers** – In addition to meeting the [Section 103.2](#) Household Initial Qualification Standards, Applicants must meet income criteria which differs between Housing Units assigned to different Income Eligibility Tiers targeting different income groups (see [Appendix A](#)).
1. Income Eligibility Tiers as designated in a Housing Unit's Deed Restriction apply. In the event a Housing Unit has no designated Tier, Tier 3 shall apply.

2. Assets converted to cash and used for a down payment on a Housing Unit will not be considered income for purposes of determining income Eligibility provided such Assets were held for two (2) years or greater prior to conversion.
 3. **Income Calculation** – Income is calculated by THA Staff using tax returns and pay stubs to verify actual income earned in the twelve (12) months immediately preceding application.
 4. **Exclusion from Income** – An Applicant may apply to THA Staff for an exclusion to an Applicant's Household Income for verifiable student loan debt, verifiable necessary medical expenses, paid childcare expenses, and verifiable education, healthcare, and/or retirement account contributions from the prior twelve (12) months. In determining whether an account contribution is eligible for such an exclusion, THA Staff, the THA Subcommittee or the THA Board, as appropriate, will consider the criteria as set forth in [Section 103.2F.3](#). Student loan debt must be related to post-high-school studies (trade school, undergraduate, or graduate degree) from an accredited institution. A combined maximum of ten thousand dollars (\$10,000.00) of the above expenses or contributions per Household may be excluded from income.
- B. Minimum Household Size** – To be eligible to purchase or occupy a Housing Unit, the total number of people in a Household must meet or exceed the following Minimum Household Sizes. For Households qualifying to purchase a Housing Unit, Tenants will not count towards meeting the Minimum Household Size for Eligibility and purchasing Households must instead apply for and be granted an Exception pursuant to [Section 109.2](#), and may be required to rent a room to attain and maintain the Minimum Household Size for Eligibility:

Unit Type:	Minimum Household Size:
1 Bedroom/Studio	1 person
2 Bedroom	2 persons
3 Bedroom	3 persons
4 Bedroom	4 persons

Section 104 INITIAL HOUSEHOLD APPLICATION PROCESS

104.1 Applications for Qualification must be submitted to THA on forms provided by THA. THA Staff may request additional documentation reasonably related to proof of income, assets, and employment. Each member of an Applicant Household over eighteen (18) years of age must sign and submit:

- A. a release allowing THA to obtain additional information for Qualification purposes; and
- B. a sworn statement including without limitation the following certifications:
 1. the facts contained in the application are true and correct to the best of the Applicant's knowledge; and
 2. the Applicant has been given the standard application information packet by THA Staff; and

3. the Applicant, on the basis of the application presented, believes that the Applicant Household qualifies to own or occupy the Housing Unit in question according to the Deed Restriction, these Guidelines and all other applicable procedures, rules and regulations.

104.2 Verification of Qualification and Eligibility will be done:

- A. upon request of THA due to the Household's high ranking in an ownership lottery if applicable; and
- B. upon initial application to THA for rental or purchase of a Housing Unit; and
- C. within the thirty (30) days prior to closing on the purchase of a Housing Unit, regardless of any previous Qualification.

104.3 Any material misstatement of fact or deliberate fraud by a member of an Applicant Household in connection with any information submitted to THA shall be cause for immediate expulsion from the application process and/or forced Sale or vacation of the Housing Unit. In addition, any material misstatement of fact or deliberate fraud by the Household shall be referred to prosecution for perjury.

104.4 **Homeowners Associations** – Housing Units may be subject to a homeowners association ("HOA"). If applicable, Owners must abide by all association rules and regulations and must timely remit association dues and assessments. Prior to purchase of a Housing Unit, Applicants should consider association dues which may be substantial. Assistance for HOA special assessments may be available to Households owning certain eligible units pursuant to THA Policy Statement 2021-01, and impacted Households are encouraged to discuss their options for assistance with THA Staff.

104.5 All personal and financial information provided to THA will be kept strictly confidential, except as follows:

- A. Signed contracts between the Applicant or Household and THA or the Town including without limitation Contracts to Purchase a Housing Unit, all recorded documents including Deed Restrictions, and any document that would customarily be a matter of public record in the applicable jurisdiction;
- B. The names and lottery positions of all persons who have participated in any ownership lottery held per [Section 106.11](#);
- C. Any record that a court of competent jurisdiction rules must be released under the Colorado Open Records Act, C.R.S. § 24-72-200.1, *et seq.*;
- D. Personal and private information necessary for an independent audit of THA records, provided such person or entity provides authorization; and
- E. Personal and private information to the extent THA determines the information is necessary for its deliberation of a request for an Exception or for a grievance or appeal at a public hearing, or for consideration during a violation hearing.

104.6 THA may require third-party verification of employment and income records for self-employed Applicants at initial Qualification and during Compliance Checks.

104.7 THA may, at the Applicant's expense, require outside accounting expertise to evaluate the reasonability of the Applicant's or Household's representations of income and assets. It shall be the burden of the Applicant to provide all required information for verification of Eligibility and Qualification, and any missing or

incomplete information or documentation, or information that cannot be verified, shall be construed against the Applicant and may be grounds for denial.

Section 105 CONTINUING HOUSEHOLD QUALIFICATION AND VERIFICATION

105.1 All Households must maintain Qualified Household status on an ongoing basis.

105.2 **Changes to Household** – Changes to the composition of a Qualified Household must be promptly reported to THA and may jeopardize ongoing Qualification. All changes, including without limitation any pending separation or divorce, the addition, departure or death of a Household member or Tenant, and the addition of Immediate Family members must be reported to THA within thirty (30) days of the change. THA will make every effort to maintain stable housing for Households in transition, but will require Households to come into compliance within a reasonable period of time or a Notice of Violation will be issued.

A. The Owner shall cooperate with THA to execute necessary documents relating to a change in Household or ownership interest, including without limitation a new Deed Restriction, Option to Purchase, lease, or acknowledgement of Deed Restriction and Guidelines by new Qualified Household members.

B. Households reporting a change in ownership interest in a Housing Unit affecting the Household composition, such as might happen in a divorce proceeding or in the event of the death of an Owner, or if the Housing Unit becomes marital property, are required to meet the [Section 103.2](#) Household Initial Qualification Standards. Households reporting a change in ownership interest in a Housing Unit where the purchase or sale of an interest occurred must also meet the [Section 103.3](#) Household Eligibility Criteria.

C. Households reporting a change in Household composition not effecting ownership interest in the Housing Unit, such as might happen at the birth of a child or departure of a Tenant, or if the Housing Unit is retained as separate property, are required to meet the [Section 105.4](#) Household Continuing Qualification Standards.

105.3 **Compliance Checks** – To verify compliance with Deed Restrictions and these Guidelines, THA will conduct regular and random Compliance Checks, and may initiate Compliance Checks to investigate complaints or reports of non-compliance. Households must submit all necessary paperwork to verify that they remain a Qualified Household within twenty-one (21) days of a written notice of Compliance Check or a penalty will be assessed (see [Appendix E](#)). It shall be the burden of the Household to provide all required information for Continuing Qualification, and any missing or incomplete information or documentation, or information that cannot be verified, shall be construed against the Applicant and may be grounds for a finding of non-compliance.

105.4 **Household Continuing Qualification Standards** – To maintain continuing Qualification, verification of the following is required during Compliance Checks:

A. Continuing Employment Standard

1. **Owners** – To be a Qualified Employee an Owner must work a minimum of one-thousand four hundred (1,400) hours of Presence Required Employment, which amount includes a minimum of forty (40) hours per month for at least eight (8) of every twelve (12) months on a rolling twelve (12) month basis. Only one member of the Qualified Owner Household is

required to meet this standard on a continuing basis, however compliance by all adult members of a Qualified Household is encouraged.

2. **Tenants** – To be a Qualified Employee a Tenant of a Housing Unit or of a room in or portion of a Housing Unit must work a minimum of one-thousand four hundred (1,400) hours of Presence Required Employment on a rolling twelve (12) month basis. For rentals of an entire Housing Unit, only one member of the Qualified Tenant Household is required to meet this standard on a continuing basis, however compliance by all adult members of a Qualified Household is encouraged.
3. **Qualifying Volunteer Hours** – Up to ten percent (10%) of the required employment hours may be filled by verifiable Volunteer Community Service.
4. **Exemptions** – Members of a Household who have been determined by THA to be Qualified Retired or Qualified Disabled and those who are Immediate Family of a Qualified Employee in the Household are exempt from the Continuing Employment Standard.

B. Continuing Earned Income Standard

1. Seventy-five percent (75%) of a Household's Gross Income must be Earned Income within the boundaries of the Telluride R-1 School District, unless an Exception is granted under [Section 109.2](#).
2. Qualified Owners occupying as a Qualified Household are exempt from Tier income limits after initial Qualification provided there is no change in ownership through the purchase or sale of an interest in the Housing Unit.

C. Continuing Residency Standard – Qualified Households must occupy their Housing Unit for at least eight (8) of every twelve (12) months on a rolling twelve (12) month basis.

1. **Leave Of Absence** – Households who will not occupy their Housing Unit for any period in excess of four (4) months must apply for a Leave of Absence as follows:
 - i. Leaves of Absence for a period of one (1) year or less will be considered and may be approved or denied by THA Staff as an Administrative Exception pursuant to [Section 903.4](#).
 - ii. Leaves of Absence for any period of time longer than one (1) year, and any extension to a Leave of Absence previously granted by THA Staff, must be granted by the THA Subcommittee through the Exception Process in [Section 109.2](#).
 - iii. Leaves of Absence will not be granted for periods in excess of two (2) years at a time.
2. Leaves of Absence will be conditioned upon rental of the Housing Unit during the absence to a Qualified Household at the established Maximum Rental Rate or a rate established by the THA Subcommittee.
3. Applicants for a Leave of Absence must provide clear and convincing evidence showing both a bona fide reason for leaving and a commitment to re-occupy the Housing Unit.

- 4. Continuing Qualification during Leave of Absence** – Households granted a Leave of Absence are temporarily exempt from the [Section 105.4](#) Continuing Employment Standard, Continuing Earned Income Standard, Continuing Residency Standard, and Continuing Household Size Standard. All other [Section 105.4](#) Household Continuing Qualification Standards apply to the Owner Household and the Household must fully respond to any [Compliance Checks](#) while on leave and upon the Household's return.
- D. Continuing Property Ownership Standard** – The provisions of [Section 103.2E](#) Property Ownership Standard continue to apply.
- E. Continuing Net Assets Standard** – Net Assets shall not exceed two and one half (2.5) times the [Maximum Sale Price](#) of the [Housing Unit](#) at the time of continuing [Qualification](#), minus any exclusions from [Assets](#) as permitted by [Section 103.2F.3](#).
- F. Continuing Household Size Standard** – [Owners](#) who execute a Deed Restriction on or after May 9, 2023 must meet the Continuing Household Size Standard. Under this standard, the total number of people in a [Household](#) must continuously meet or exceed the following Minimum Household Sizes, reasonable turnover time excepted, unless an Exception is granted by the [THA Subcommittee](#) pursuant to [Section 109.2](#). For purposes of this Section, [Tenants](#) count towards meeting the Minimum Household Size:

Unit Type:	Minimum Household Size:	Minimum Household Size with Administrative Exception under Section 903.4:
1 Bedroom/Studio	1 person	N/A
2 Bedroom	2 persons	1 person
3 Bedroom	3 persons	2 persons
4 Bedroom	4 persons	3 persons

- 105.5** Failure to timely respond to [Compliance Checks](#) is considered a material breach of the [Deed Restriction](#) and violation of these [Guidelines](#) and is grounds for disqualification and forced [Sale](#) or vacation of a [Housing Unit](#) as applicable. For any late Compliance Check submissions [THA Staff](#) shall impose a Compliance Late Penalty for each day late (see [Appendix E](#)).

Section 106 SALE AND RESALE OF UNITS

- 106.1 Initial Sale** – The initial [Sale](#) of all [Housing Units](#) must occur in accordance with applicable lottery or other [Household](#) selection procedures as determined by the Town or the THA, and may vary depending on the specific [Housing Program](#) under which the [Housing Units](#) were created.
- 106.2 Resale** – Sellers are required to consult with [THA Staff](#) prior to offering a [Housing Unit](#) for Sale for the purpose of obtaining the most current information about applicable [Guidelines](#) and processes, and to verify the [Maximum Sale Price](#) and other applicable provisions of the [Deed Restriction](#) affecting the Sale.

106.3 Resale Options – Unless otherwise limited or required by the Deed Restriction or the governing Housing Program, options for selling Housing Units are as follows:

- A. THA ownership lottery (see [Section 106.11](#)); or
- B. Direct Sale or listing with a real estate broker licensed to do business in the State of Colorado provided that:
 - 1. the chosen buyer is a Qualified Owner approved by THA prior to closing; and
 - 2. seller's real estate commissions are borne exclusively by the seller and are not passed on to the buyer.

106.4 Maximum Sale Price – The Maximum Sale Price of a Housing Unit is calculated by THA Staff according to the Housing Unit's Deed Restriction. In no case shall a Housing Unit be sold for more than the Maximum Sale Price. The contracted sale price shall be the only exchange of value between parties to any Sale, and buyer and seller must execute a sworn statement affirming that the contracted sale price is the only exchange of value in the Sale. Any exchange of value outside the contracted sale price shall invalidate the Sale and may result in additional civil and criminal penalties.

A. Minimum Standards for Maximum Sale Price – The Owner, buyer and THA must work together in addressing repairs necessary to bring a Housing Unit to Minimum Standards for Maximum Sale Price. The Minimum Standards for a Sale at Maximum Sale Price include but are not limited to:

- Clean, odor-free interior;
- Carpets professionally steam-cleaned within seven (7) days prior to closing;
- Appliances present, clean and in good working order;
- Surface scratches, marks, holes in doors, floors, walls, woodwork, cabinets, countertops, other than normal wear and tear, repaired;
- Walls in good repair and paint-ready;
- Windows and window locks in good repair, and broken panes replaced;
- Window screens in place and in good repair;
- Doors and door locks in good repair and working keys for all locks;
- Light Fixtures, outlets, switches secure and in working order;
- No apparent plumbing leaks;
- Tile grout in good repair, mold free and clean;
- No apparent roof leaks (if home is a single family); and
- No apparent safety hazards.

B. Mitigation of Repairs – THA Staff will perform a limited cursory inspection to assess Minimum Standards only. This inspection is not a substitute for a professional inspection, and THA strongly encourages all buyers to obtain a professional inspection which may detect health and safety issues and reveal unpermitted or defective work on the Housing Unit. If THA Staff determines that the Housing Unit does not meet Minimum Standards for Maximum Sale

Price, or if a professional inspection reveals health and safety issues needing to be addressed:

1. The seller must complete identified repairs to meet Minimum Standards prior to closing; or
2. The buyer must agree in writing to complete the identified repairs by a date certain, with one of the following documented at closing:
 - i. a reduction in sales price to cover the cost of repairs; or
 - ii. a credit from seller to buyer sufficient to cover the cost of repairs; or
 - iii. funds placed in escrow by seller in an amount sufficient to ensure satisfactory repairs, the balance of which will be returned to the seller after verified completion of repairs.

C. To be considered in the calculation of the Maximum Sale Price, Permitted Capital Improvements must be pre-approved by THA Staff, the THA Subcommittee or the THA Board, as appropriate (see [Section 108.2D](#) and [Appendix F](#)).

106.5 Disclosure of Relevant Contracts and Information – Both buyer and seller of any Housing Unit must sign a release allowing THA to obtain copies of all documents relevant to the Sale and must disclose all relevant information known to them. All financial information will remain confidential except as noted in [Section 104.5](#).

A. Relevant documents include without limitation:

1. the sales contract for the Housing Unit;
2. the buyer's application for financing and related documentation; and
3. title and escrow documents related to the sale.

B. If applicable, sellers must inform buyers of any proposed or pending increases in homeowners' association dues, as well as any proposed or pending assessments.

106.6 Notification Required – Written notice to THA of any pending change in financing or ownership interest in a Housing Unit is required, including but not limited to a refinance, or an ownership change as might happen in a divorce proceeding or in the event of a death of an Owner. Failure to timely notify THA is considered a material breach of the Deed Restriction and a violation of the Guidelines and is subject to a Notification Required Penalty for each day the failure to notify persists (see [Appendix E](#)).

A. A Notice of Intent to Sell a Housing Unit must be submitted to THA at least sixty (60) days prior to the Sale on notice forms available from THA.

B. Notice of any Transfer or change in any ownership interest in a Housing Unit must be given at least thirty (30) days prior to the Transfer or change in ownership, except in cases of death of an Owner in which case notice must be given within thirty (30) days after the change in ownership interest, and will require execution and recording of a new Deed Restriction concurrent with the Transfer or change, and may require execution and recording of a new Option to Purchase.

C. Notice of financing or refinancing of a Housing Unit must be given at least thirty (30) days prior to closing of the loan, and may necessitate execution and recording of a new Option to Purchase and Deed Restriction at closing.

106.7 Independent Legal Counsel – All sellers and buyers of Housing Units are advised to consult independent legal counsel at their own expense regarding the examination of title and all contracts, agreements, restrictions, and title documents.

106.8 Title Company – Title documents involved in the closing of Housing Units are unique and technical, and buyers are advised to use title companies and escrow agents experienced in such Sales. Mistakes in closing documents are easily made and difficult to correct. Sellers must authorize THA to review the conveyance documents prior to closing, however THA shall not be responsible for any mistakes contained therein.

106.9 Fee – Except when the seller is the Town or the THA or its designee, a Qualified Household, or a Qualified Holder, the seller shall pay to THA a fee equal to one percent (1%) of the sales price plus related transaction fees. THA may instruct the title company to pay such fees out of the funds held for the seller at closing. The THA Subcommittee may however, in its sole discretion, waive the fee or a portion thereof if granting such waiver would further the General Affordable Housing Program Goals of [Section 102](#).

106.10 Deed Restrictions – THA Staff in coordination with THA legal counsel shall prepare Deed Restrictions and Options to Purchase pursuant to [Section 108](#).

106.11 Ownership Lottery Procedure – THA Staff administers ownership lotteries subject to the provisions of this Section established to create an orderly process for offering Housing Units for Sale to Qualified Households and give Priority to Qualified Households with an established history of Presence Required Employment within the boundaries of the Telluride R-1 School District.

A. Opening and Announcement of Ownership Lottery –

1. Notice of the date, time and location at which applications will be taken shall be published as a "Legal Notice" in a newspaper of general circulation in the Telluride region at least twenty-one (21) days prior to the close of an application period of no less than fourteen (14) days.
2. Applications and information shall be available online and at THA offices concurrent with publication of the Legal Notice.

B. Lottery Application Requirements and Review –

1. Households interested in purchasing a Housing Unit subject to an ownership lottery must submit a complete application to THA by the published deadline. No late or incomplete applications will be accepted.
2. All members of an Applicant Household over eighteen (18) years of age must submit the following by the published deadline:
 - i. all required information and paperwork to determine Household Qualification and Eligibility; and
 - ii. a signed sworn statement certifying the accuracy and completeness of the application as described in [Section 104.1B](#).

3. Applicant Households must submit a Prequalification letter from a mortgage lender, stating the Household's ability to pre-qualify for a mortgage.
4. Applications submitted without the requisite submissions from each member of the Applicant Household will be deemed incomplete and will render the entire Household ineligible for the lottery.
5. THA Staff shall only accept lottery applications during the time period and by the method specified in the Legal Notice. If submission of applications is permitted by mail, mailed applications are considered received in the proper time period if postmarked at least two (2) days prior to the last day of the application period and received within two (2) business days after the application period closes. THA is not responsible for delays in the delivery of mail. Incomplete or late applications will not be processed for Qualification and will render the entire Household ineligible for the lottery.
6. After the submission deadline for applications has passed, THA Staff shall review all complete applications timely received and inform the Applicant Household of its Qualification status for the lottery. Due to time constraints for current Owners, THA Staff and THA Subcommittee decisions made pursuant to this Section 106.11 are not subject to the appeal process of [Section 109.3](#). Instead, upon completing review of applications and notifying Applicant Households of Qualification, THA Staff shall formulate and distribute an appeal process and timeline, which process and timeline may conclude no less than seven (7) days after the last Applicant Household has been notified of its Qualification status.

C. Applicant Household Exceptions – Pursuant to [Section 109.2D.6](#), only Exceptions granted for the following will not render an Applicant unqualified for a lottery:

1. Applicants pursuing unconventional loans pursuant to [Section 110.2](#); or
2. Applicants pursuing an Exception for Household size pursuant to [Section 103.3B](#).
3. THA Staff shall endeavor to work with a seller to allow sufficient time for prospective applicants to seek Exceptions prior to a lottery drawing. However, all Exceptions must be obtained prior to close of the application period, and no application period will be extended to permit Applicant Households additional time to seek an Exception. THA shall only hear Exceptions for items not listed in this Section 106.11C after an initial lottery has been held and the Housing Unit(s) remain unsold due to lack of Qualified Household Applicants.

D. Lottery Order –

1. Applicant Households deemed Eligible and Qualified Households without the need for an Exception, or only receiving an Exception for the items listed in [Section 106.11C](#), automatically qualify for entry in the lottery. Applicant Households not meeting one or more of the [Section 103.2](#) Household Initial Qualification Standards or the [Section 103.3](#) Household Eligibility Criteria, but wishing to receive an Exception for items not listed in [Section 106.11C](#), will be placed on a separate list for unqualified

Applicants. Such Exceptions will only be considered, and a subsequent lottery drawing held, after the first lottery is complete and only if the Housing Unit(s) remain unsold due to lack of Qualified Household Applicants. Any Applicant Household not meeting one or more of the Household Initial Qualification Standards or Household Eligibility Criteria which does not receive an Exception is ineligible to purchase a Housing Unit.

2. Applicant Households may qualify for additional entries in the lottery according to the Lottery Point System (see [Appendix D](#)) or according to criteria established by resolution of Town Council.
 - i. The Lottery Point System may be modified as necessary by the THA Subcommittee.
 - ii. The Lottery Point System in effect at the time of an Owner's submission of an Intent to Sell, or at the time of issuance of a formal Notice of Violation initiating a forced Sale, whichever is first, will apply.

E. Lottery Drawings

1. A lottery drawing must be conducted at a duly noticed public meeting of the THA Subcommittee.
2. An independent San Miguel County resident with no direct stake in the lottery outcome shall draw the Applicant names.
3. Once an Applicant's name is drawn, any further instances of that Applicant's name drawn are recorded but ignored in establishing the order of Applicants. Once all Applicant names have been drawn once, the drawing shall conclude and the remaining entries may be discarded.
4. The results of the lottery drawing will be posted and certified by the resident drawing the names as soon as practically possible after the drawing.
5. The order in which Applicant names are drawn in the lottery will determine the order in which Applicants are contacted to purchase the Housing Units offered in the lottery (except for handicapped-accessible units as noted in [Section 106.11E.7](#)).
6. The procedures in this Section 106.11 will also be followed to conduct a second drawing, only if needed, to establish the order of the unqualified Applicants. Unqualified Applicants will not be offered a Housing Unit until all Eligible Qualified Household Applicants have been offered a unit to purchase based on their preference list, and not before Qualified Household status has been met.
7. First Priority for ADA handicapped accessible units shall be given to Qualified Households with a Mobility Disability that submit a lottery application based on the lottery order of all such Mobility Disabled Households. If there are no Qualified Households with a Mobility Disability that submit a lottery application for an available handicapped accessible unit, the unit will be available for purchase based on the lottery order by all Qualified Households.
8. Any material misstatement of fact or deliberate fraud by the members of an Applicant Household in connection with any information submitted to THA shall be cause for disqualification from the lottery and the Applicants will be

prohibited from reapplying, individually or as a member of a Household, for ownership lotteries for a period of three (3) years.

Section 107 RENTAL PROCEDURES

107.1 In cases where rental of an entire Housing Unit is permitted or required, the following applies:

A. Tenant Households –

1. THA Staff must certify the Qualification of a Tenant Household prior to occupancy and/or the signing of a lease. Tenant Households must meet the [Section 103.2](#) Household Initial Qualification Standards and [Section 103.3](#) Household Eligibility Criteria prior to execution of an initial lease.
2. Tenant Households who have experienced no change of Household members must meet the [Section 105.4](#) Household Continuing Qualification Standards upon each lease renewal.
3. Tenant Households who have experienced the addition or departure of a Household member must meet [Section 103.2](#) Household Initial Qualification Standards and [Section 103.3](#) Household Eligibility Criteria, including meeting the income parameters of the Housing Unit's Income Eligibility Tier (see [Appendix A](#)) prior to lease renewal.

B. Landlords –

1. Landlords must obtain proof of Qualification from all Tenants prior to execution of a lease with Tenants and prior to occupancy by Tenants.
2. Landlords must execute a written lease with Tenants and must provide a copy of the lease to THA within five (5) working days of execution.
3. Landlords are subject to a penalty for each day of Tenant's occupancy without proof of Qualification, and for each day late submitting an executed lease to THA (see [Appendix E](#)).

C. Leases – Occupancy of a Housing Unit by any person other than a Qualified Owner who is also the Qualified Household and their Immediate Family, Guests, and Temporary Occupants must be memorialized by a written lease.

1. Leases must include:
 - i. reference to applicable provisions of the Deed Restriction including without limitation restrictions on rental rates (see [Appendix B](#));
 - ii. a provision stating that it is a material violation of the lease for the Tenant Household to fail to meet or maintain the [Section 105.4](#) Household Continuing Qualification Standards upon any THA Compliance Check. Landlords shall promptly enforce this material term of the lease, including initiating an action for Forcible Entry and Detainer when appropriate. Notice of lease violation and/or termination shall follow all requirements of the Colorado Forcible Entry and Detainer statutes, C.R.S. § 13-40-101, et. seq. as may be amended.
 - iii. A provision stating that the landlord must deliver written notice to Tenants and to THA a minimum of thirty (30) days prior to lease expiration should landlord choose not to renew the lease.

2. Leases shall not include:
 - i. a provision stating that the Tenant maintain employment with landlord or any other specified person or business as a material term of the lease. This prohibition does not preclude landlord from nonrenewing a lease upon expiration, subject to the noticing requirements for nonrenewal as set forth [Section 107.1C.1.iii](#), or terminating the lease for other reasons or no reason provided all requirements for notice of the same have been met pursuant to C.R.S. § 13-40-101, *et. seq* as may be amended.
 - ii. Any provision which would contradict these Guidelines or the General Affordable Housing Program Goals as set forth in [Section 102](#).
3. The lease term must be a minimum of six (6) months and may not exceed twenty-four (24) months.
4. Copies of executed leases must be filed with THA within five (5) days of execution.
5. A sublease to a Qualified Household is allowed subject to Owner and THA Staff approval.
6. **Lease Renewal** – At lease renewal the Maximum Rental Rate (see [Appendix B](#)) will be adjusted up or down to comply with current Guidelines.

107.2 Requirements for Rental of a Room or Portion of an Owner-Occupied Housing Unit

- A. The provisions of [Section 107.1B](#) and [Section 107.1C](#) apply except that lease terms shall be a minimum of six (6) months and a maximum of twelve (12) months.
- B. Tenants renting a room in an Owner-occupied Housing Unit will be qualified as an individual Household separate from that of the Owner Household. (e.g. A single person renting a room would qualify as a 1 person Household, a couple renting a room would qualify as a 2-person Household). Tenant Households must:
 1. meet the [Section 103.2](#) Household Initial Qualification Standards and the [Section 103.3](#) Household Eligibility Criteria; and
 2. qualify for the Housing Unit's Income Eligibility Tier (see [Appendix A](#)) at time of initial tenancy.
- C. The Maximum Rental Rate for a room will be based on the Housing Unit's Income Eligibility Tier and are not to exceed the rates in [Appendix B](#) as follows:

Unit Tier	Maximum Rental Rate for a Room
Tier 1 Units	Tier 1 Maximum Rental Rate for a 1 Bedroom/Studio
Tier 2 Units	Tier 2 Maximum Rental Rate for a 1 Bedroom/Studio
Tier 3 Units	Tier 1 Maximum Rental Rate for a 1 Bedroom/Studio
Tier 4 Units	Tier 2 Maximum Rental Rate for a 1 Bedroom/Studio

- D. Tenants renting rooms in an Owner-occupied Housing Unit under the provisions of this Section 107.2 will not be considered members of the Qualified

Owner's Household for Continuing Household Qualification purposes pursuant to [Section 105](#), except that Tenants are considered part of the Owner's Household for purposes of meeting the [Section 105.4F](#) Continuing Minimum Household Size Standard for the Housing Unit.

Section 108 DEED RESTRICTION AND OPTION TO PURCHASE

108.1 A Deed Restriction must be executed prior to and recorded concurrent with each Sale, change in ownership, or Transfer in ownership of a Housing Unit, and may be necessary for any refinance, finance or Transfer by other means. Original executed and recorded Deed Restrictions are retained by THA. Provisions herein regarding the form of Deed Restrictions cover some but not all significant policies. Sellers and buyers are advised to consult these Guidelines and the Deed Restriction for the Housing Unit recorded with the San Miguel County Clerk and Recorder which is the principal controlling document to ascertain specific provisions governing the Housing Unit.

108.2 Deed Restrictions shall specify:

- A. The Original Purchase Price ("OPP"). Each Sale of a Housing Unit generates a new OPP. Transfer in ownership by other means or refinance of a Housing Unit does not necessarily change the OPP.
- B. The Maximum Rental Rate. If applicable and not otherwise governed by these Guidelines, the Maximum Rental Rate shall be stated including provisions for any increases.
- C. The designated Income Eligibility Tier for the Housing Unit if applicable.
- D. The following method of calculating the Maximum Sale Price ("MSP") if applicable:
 - 1. The lesser of:
 - i. An increase of the OPP of three percent (3%) per year from the date of purchase to the date of Owner's Notice of Intent to Sell (compounded annually and prorated at the rate of .25 percent (.25%) per each whole month of any part of a year); or
 - ii. The greater of:
 - a. The OPP multiplied by the Consumer Price Index, All Items, Denver-Aurora-Lakewood CO, Urban Wage Earners and Clerical Workers (CPI-W) not seasonally adjusted or its successor index last published prior to the date of the Owner's Notice of Intent to Sell, divided by the same CPI-W as of the date of purchase, (in no event shall the multiplier be less than one); or
 - b. The OPP multiplied by the Consumer Price Index, All Items, U.S. City Average, Urban Wage Earners and Clerical Workers (CPI-W) not seasonally adjusted or its successor index last published prior to the date of the Owner's Notice of Intent to Sell, divided by the same CPI-W as of the date of purchase, (in no event shall the multiplier be less than one);

2. PLUS, the costs of any public improvements for which assessments were imposed by any municipal special improvement district as created by or with the Town since the recordation date of the Deed Restriction;
 3. PLUS, the costs of Permitted Capital Improvements, not to exceed five percent (5%) of the OPP provided that:
 - i. Improvements are approved by THA Staff prior to commencement of any work or installation;
 - ii. proof of homeowners' association approval, if applicable, is provided to THA prior to commencement of work;
 - iii. improvements are properly permitted and inspected by the Town Building Official if applicable; and
 - iv. paid invoices and documentation of improvements are submitted to THA upon completion.
 4. PLUS, the costs of Permitted Capital Improvements exceeding five percent (5%) of the OPP provided the improvements have been pre-approved by the THA Subcommittee through the Exception Procedure in [Section 109.2](#), and meet the requirements of [Section 108.2D.3.ii](#) through [108.2D.3.iv](#). In no case shall Permitted Capital Improvements exceed ten percent (10%) of the OPP. The impact of Exception requests and of any previously approved MSP increases to the Housing Unit will be assessed by THA when considering any Exception under this Section to ensure continued affordability for Households with respect to the Housing Unit's targeted Income Eligibility Tier;
 5. LESS the depreciation on Permitted Capital Improvements pursuant to the Marshall & Swift depreciation guidelines;
 6. PLUS, any other costs allowed by THA or Town pursuant to policies in effect on the date of the Notice of Intent to Sell.
- E. A statement indicating THA does not guarantee an Owner's ability to sell a Housing Unit for its Maximum Sale Price or rent a Housing Unit for its Maximum Rental Rate as applicable.
- F. The requirements for use of a portion of a Housing Unit for an office or a Home Occupation as defined in the Land Use Code which include:
1. proof of compliance with Land Use Code [Article 2 Section 2-162](#), as amended, or its successor document, is provided to THA if applicable;
 2. homeowners' association approval of the office or Home Occupation is filed with THA if applicable;
 3. that the business holds a current Town of Telluride business license; and
 4. that the business holds current Town of Telluride sales and excise tax licenses and timely reports and remits such taxes if applicable.
- 108.3** Violation of covenants, conditions or terms of the Deed Restriction shall also be a violation of these Guidelines whether or not a corollary provision exists.
- 108.4** Deed Restrictions shall include a provision requiring, at THA's option, conveyance of an interest in the Housing Unit to THA (or similar agency acceptable to THA)

meeting the requirements of C.R.S. § 38-12-301 for rent control. THA may in its sole discretion accept or reject any proposed conveyance of interest pursuant to this Section or to [Section 208.3](#), and may designate and require conveyance of which interest is best suited to maintain this purpose of rent control under these Guidelines. Such interest may include without limitation:

- A. A fractional undivided ownership or trustee interest in the Housing Unit provided that THA is indemnified against any and all liability by reason of its interest in the Housing Unit including any and all tax obligations; or
- B. A lease to THA of the Housing Unit with authorization to THA to sublet pursuant to these Guidelines, provided that THA assumes no liability by reason thereof.

108.5 An Option to Purchase shall be granted by the lender to THA and/or the Town to redeem the Housing Unit in the event of default by purchasing the unit from the holder of the trustee's deed at the redemption price plus reasonable costs of the holder.

108.6 The Deed Restriction shall be binding on all Owners, successors and assigns including any holder of a deed in lieu of foreclosure.

108.7 The Deed Restriction, Option to Purchase, and any amendments thereto must be recorded in the property records of San Miguel County. The original executed and recorded documents must be returned to and retained by THA.

108.8 Deed Restrictions may not be transferred off a Housing Unit unless permitted by the governing Housing Program. Transfers require the express consent of the THA Board which must find that the [Section 102](#) General Affordable Housing Program Goals are met by such transfer, and such transfer promotes the provision of Affordable Housing.

108.9 No modification or amendment to the Deed Restriction shall be effective unless agreed to in writing by THA and any other beneficiary.

Section 109 EXCEPTIONS, APPEALS AND GRIEVANCES

109.1 Definitions

A. Exceptions – Except as otherwise prohibited herein, a request for an Exception to provisions of these Guidelines may be appropriate when an Applicant understands and acknowledges the requirements of the Guidelines and believes that there exists a legitimate and compelling reason why they should be exempt from or allowed a modification to the requirements.

1. Exceptions to the Guidelines may be granted on a case-by-case basis, provided the reviewing body finds that granting such Exception promotes the provision of Affordable Housing and supports the [Section 102](#) General Affordable Housing Program Goals.
2. The [Section 109.2](#) Exception Procedure is also the procedure used when approval by THA is required for any Affordable Housing matter governed by the Land Use Code, unless different standards for approval are provided for elsewhere in these Guidelines or in the Land Use Code.

B. Appeals – An appeal is appropriate when an Applicant understands and acknowledges the requirements of these Guidelines and believes that

provisions of the Guidelines have been applied incorrectly by THA Staff, the THA Subcommittee, or the THA Board.

- C. Grievances** – A grievance is any dispute that any person may have with the THA regarding an action or failure to act in accordance with the individual's rights, duties, welfare, or status. A grievance may be presented directly to the THA Board under the procedures in [Section 109.4](#).

109.2 Exception Procedure

- A. Exception** requests must be submitted in writing to THA on forms available from THA. Complete Exception applications include:

1. The name, mailing and email addresses, and telephone number of the Applicant(s) and of Applicant's representative, if applicable;
2. A narrative:
 - i. identifying the specific provision(s) or requirement(s) for which the Exception is being requested;
 - ii. detailing the particular ground(s) upon which the Exception is based;
 - iii. describing the action or remedy requested; and
 - iv. addressing the Standards for Review of Exception Applications as set forth in [Section 109.2C](#) applicable to the requested action or remedy.
3. Proof of notification of the Exception request to the Housing Unit's homeowners' association, if applicable; and
4. The Exception fee (see [Appendix E](#)).

- B. Process** – All requests for Exceptions will be reviewed by THA Staff for completeness and addressed administratively (see [Section 903.4](#)) or forwarded to the THA Subcommittee, as appropriate, for consideration at a public hearing.

1. Exceptions forwarded to the THA Subcommittee will be heard at the next regularly scheduled meeting following fourteen (14) days after submittal of a complete application, unless not possible due to noticing requirements.
2. Prior to THA Subcommittee consideration, THA Staff will prepare and distribute to the THA Subcommittee and the Applicant(s) a written report analyzing anticipated impacts of the Exception and will include said report in meeting materials for the public hearing. THA Staff may include a recommendation to the THA Subcommittee based on these impacts.
3. Following a hearing by the THA Subcommittee, the THA Subcommittee decision may be appealed to the THA Board pursuant to the [Section 109.3](#) Appeals Procedure.

- C. Standards for Review of Exception Applications** – Applicants seeking an Exception must demonstrate to the satisfaction of the reviewing body that granting the Exception would:

1. meet the [Section 102](#) General Affordable Housing Program Goals; and
2. meet one or more of the following additional review standards:
 - i. Promotes greater affordability by:

- a. decreasing the long-term operating and maintenance costs of the Housing Unit in question;
 - b. enabling the Applicant to take advantage of a financing opportunity that would not otherwise be available; or
 - c. protecting the long term affordability of the Housing Unit through price control or other means.
- ii. Demonstrates or recognizes the long-term commitment of the Applicant to residency, employment and community involvement within the boundaries of the Telluride R-1 School District;
 - iii. Provides housing for a critical community need;
 - iv. Increases square footage or increases livability or durability in materials, finishes, Fixtures or appliances (which do not include Luxury Items or items which significantly exceed standards set in recent Town-constructed Housing Units);
 - v. Creates living space for an additional member of the Household without compromising affordability for the Housing Unit's targeted Income Eligibility Tier;
 - vi. Enables the Qualified Household to own and occupy a Housing Unit more suitable to the Household's needs;
 - vii. Furthers currently adopted Town of Telluride Goals and Objectives related to Affordable Housing; or
 - viii. Enables the Qualified Household to respond to life circumstances that arise beyond the reasonable control of the Household (such as need to care for a retired or disabled Household member).

D. Exceptions shall not be granted:

- 1. for any provision of these Guidelines if an Applicant is under a Notice of Violation;
- 2. for income to exceed the Income Eligibility Tier limit for Transfer, purchase or rental of a Housing Unit, or for exclusion from income to exceed ten-thousand dollars (\$10,000) pursuant to [Section 103.3A.4](#);
- 3. for Household Earned Income within the Telluride R-1 School District to account for less than sixty percent (60%) of the Household's Gross Income;
- 4. for a Leave of Absence under [Section 105.4C.1](#) for periods of time in excess of two (2) years at a time;
- 5. for an unqualified co-borrower or co-signer unless title is vested 100% in the Qualified Household;
- 6. for an unqualified Household requiring an Exception to qualify for purchase of a Housing Unit, exclusive of Exceptions for Household size (see [Section 103.3B](#)) or financing requiring an Exception under the provisions of [Section 110.2](#), if there is a Qualified Household that is ready and able to purchase the Housing Unit. Exceptions for other Qualification or Eligibility requirements will only be considered at such a time as:

- i. the Owner has shown a bona fide effort to sell the Housing Unit by advertising for no less than forty-five (45) days; and
 - ii. during those forty-five (45) days no Qualified Household has presented itself to purchase the Housing Unit.
 - 7. for Permitted Capital Improvements in excess of five percent (5%) of OPP, if commencement of any work or installation has already begun or is complete;
 - 8. for an Original Developer of two (2) or more Mitigation Units to seek an increase in ISP greater than ten percent (10%) above that calculated pursuant to [Appendix B](#), unless and until an Exception can be sought pursuant to [Section 206.1C](#);
 - 9. for providers of Mitigation Units to increase the maximum square footage that can be credited against the required square footage for a Housing Unit by more than twenty-five (25) square feet per Bedroom pursuant to [Section 210.4](#); or
 - 10. to increase the total debt secured by a Housing Unit in excess of the OPP.
- E. Encouraged are Exception requests for:
- 1. The requirement that a Housing Unit sell by lottery if:
 - i. the Qualified Owners of two (2) different Housing Units wish to sell to one another resulting in more appropriate housing for both Owners, for example, due to changes in Household size (i.e. a Housing Unit swap);
 - ii. a Qualified Owner wishes to convey to their child their Housing Unit which would otherwise be required to be sold by lottery, provided that the child's Household has been certified by THA as a Qualified Owner for the Housing Unit; or
 - iii. a Qualified Owner of a Housing Unit identifies another Housing Unit due to be sold by lottery better suited to their needs provided that such buyer:
 - a. is deemed a Qualified Owner for purchase of the Housing Unit better suited to their needs; and
 - b. agrees in turn to sell their current Housing Unit by lottery.
 - 2. Minimum Household Size requirements of [Section 103.3B](#) and [Section 105.4F](#), if an Applicant or Qualified Owner believes personal or temporary conditions exist that would justify empty rooms in a Housing Unit.
 - 3. The pre-approval requirement for Permitted Capital Improvements in excess of five percent (5%) of OPP to improve the livability of a Housing Unit and increase an Owner's enjoyment of that Housing Unit.
 - 4. Guideline requirements not otherwise prohibited for an Exception that might facilitate creative solutions for the development of additional or improvement of existing Affordable Housing, or the advancement of the Town's Affordable Housing goals.

109.3 Appeal Procedure

- A. Appeals must be submitted in writing to THA on forms available from THA within twenty-one (21) days of the decision or determination being appealed and must include:
1. the name, mailing and email address, and telephone number of appellant(s) and similar information of appellant's representative, if applicable;
 2. a narrative:
 - i. identifying the specific determination being appealed;
 - ii. establishing the particular ground(s) upon which the appeal is based; and
 - iii. describing the action or remedy requested;
 3. proof of notification of the appeal to the Housing Unit's homeowners' association, if applicable; and
 4. the appeal fee (see [Appendix E](#)).
- B. **Process** – Appeal applications will be reviewed by THA Staff for completeness and complete submissions will be forwarded to either the THA Subcommittee or the THA Board, as appropriate.
1. **If an appeal concerns a matter that has not yet been reviewed** by the THA Subcommittee (e.g. a THA Staff determination), the appeal shall be heard by the THA Subcommittee. Determinations by the THA Subcommittee may be timely appealed to the THA Board, and if not timely appealed, shall become binding under [Section 109.3B.7](#).
 2. **If an appeal concerns a matter that has already been considered and ruled** upon by the THA Subcommittee (e.g. an Exception or an appeal determination by the THA Subcommittee), the appeal shall be heard by the THA Board. Determinations by the THA Board shall be final and binding under [Section 109.3B.7](#).
 3. Appeals shall be heard at the next regularly scheduled meeting following fourteen (14) days after submittal of a complete application unless noticing requirements cannot be met or additional time is required to prepare the appeal record. In such cases, the appeal shall be heard as soon thereafter as possible.
 4. Hearings shall be fair and provide for the basic safeguards of due process, including notice and an opportunity to be heard in a timely, reasonable manner.
 5. The opportunity to examine all relevant documents, records and regulations must be accommodated. Any document not made available after written request may not be relied upon at the hearing. Parties to an appeal have the right to be represented by counsel at their own expense.
 6. Hearings shall be conducted by a "Hearing Officer" who shall be a designated member of the THA Subcommittee or the THA Board as appropriate.

- i. In the event a party fails to appear at the hearing, the hearing body may make a determination to continue the hearing or a determination based upon the evidence submitted.
 - ii. The hearing shall be recorded and oral or documentary evidence may be received without strict compliance with the Colorado Rules of Evidence.
 - iii. The right to cross-examine shall be at the discretion of the Hearing Officer and may be regulated as the Hearing Officer deems necessary for a fair hearing.
7. **Binding Determination** – The THA Board or the THA Subcommittee, as appropriate, shall provide a final determination with findings to support the determination. Unless timely appealed, the determination shall be binding and the THA shall take all actions necessary to carry out or enforce the decision.

109.4 Grievance Procedure

- A. Grievances must be submitted in writing to THA and must include:
- 1. The name, mailing and email address and telephone number of the complainant(s) and similar information of complainant's representative, if applicable;
 - 2. The particular ground(s) upon which the grievance is based;
 - 3. The action or remedy requested;
 - 4. The Grievance fee (see [Appendix E](#)).
- B. **Process** – The hearing process shall be as presented in [Section 109.3B.3](#) through [Section 109.3B.6](#).

Section 110 LENDERS, LOANS AND INSURANCE

- 110.1 **Purpose** – This Section is intended to facilitate the financing of Housing Units while meeting the following goals:
- A. Protect the public investment and regulatory integrity of the Town's overall Affordable Housing Program in the short and long term.
 - B. Minimize financial and other risks to the Town's overall Affordable Housing Program by prohibiting excessive debt or other obligations from being secured by Housing Units.
 - C. Minimize financial risk to Owners of Housing Units.
 - D. Increase the potential financing opportunities for Applicants and Owners.
- 110.2 **Lenders and Mortgages** – Borrowers are restricted to either conventional or government guaranteed mortgages with a fixed rate from commercial banking and lending institutions authorized to engage in mortgage lending practices in the State of Colorado. All other mortgages will require an Exception prior to purchase of a Housing Unit (see [Section 109.2](#)).
- 110.3 **Notification Required** – Notification to THA as set forth in [Section 106.6](#) is required for any change in financing or ownership of a Housing Unit. An Owner failing to notify THA is subject to a Notification Required Penalty for each day the

failure to notify persists (see [Appendix E](#)), and such violation is grounds for loss of Qualification status for the entire Household.

- 110.4 Option to Purchase** – Lenders who are beneficiaries of any Deed of Trust executed in connection with the Sale of a Housing Unit must sign an Option to Purchase acknowledging the provisions of the Deed Restriction and granting a right to the Town or the THA to purchase the Housing Unit in a foreclosure.
- 110.5 Total Debt** – Owners shall not incur debt, judgments, liens or other obligations secured by the Housing Unit and in no event shall any obligation secured by the Housing Unit exceed the total Original Purchase Price of the Housing Unit. This limitation shall apply without limitation to any refinance of existing debt secured by the Housing Unit.
- 110.6 Refinance** – Owners must notify the THA immediately when refinance of a mortgage is anticipated and must fully cooperate in securing the required signatures for a new Option to Purchase and also for a new Deed Restriction if required. Owners must also verify that their Household remains a Qualified Household prior to closing on a refinance. An Owner failing to timely notify the THA is subject to a Notification Required Penalty for each day the failure to notify persists (see [Appendix E](#)), and such violation is grounds for loss of Qualification status for the entire Household (see also [Section 101.3](#) and [Section 106.6](#)).
- 110.7 Co-borrower or Co-signer** – Co-borrowers or co-signers who are not part of the Qualified Household must be approved through the Administrative Exception Procedure (see [Section 903.4](#)). Approved co-borrowers and co-signers must execute a separate agreement requiring Sale of the Housing Unit in the event the Qualified Owner becomes unqualified, is in default under its Deed Restriction or the Guidelines, or is otherwise required to sell the Housing Unit. Co-signers and co-borrowers may not occupy the Housing Unit unless qualified by the THA.
- 110.8 Obligation to Maintain Homeowner's Insurance** – The cost to build Affordable Housing Units is often greater than the sales price due to the use of public and private subsidies. Because of this, Owners shall maintain at all times full replacement cost coverage for the Housing Unit through an insurance provider licensed with and compliant with the Colorado Department of Regulatory Agencies which will repair or replace the Housing Unit in the event of damage or destruction. Owners are encouraged to verify whether coverage under any applicable master condominium insurance policy is sufficient to meet this requirement. Failure to maintain adequate homeowner's insurance shall be considered a violation of these Guidelines and material breach of the Deed Restriction.

[Remainder of page intentionally left blank]

Part 2 HOUSING MITIGATION PROGRAM

Section 201 PURPOSE AND APPLICABILITY

- 201.1** The Housing Mitigation Program governs Affordable Housing Units as defined in and required by Land Use Code, as may be amended, requiring developers to mitigate the housing impacts of certain types of development by concurrently creating or accommodating Affordable Housing. Affordable Housing Units created or provided as mitigation are referred to herein as Mitigation Units.
- 201.2** This Part 2 applies to all development subject to the provisions of the Land Use Code, including any amendments thereto, for which a completed application was submitted to the Town Planning Department after the date on which the Town Council approved these Guidelines. This Part 2 also applies to all developments which have contractually agreed to abide by the requirements of the Land Use Code for Affordable Housing, including any amendments thereto, or which have contractually agreed to abide by the requirements of these Guidelines.
- 201.3** NOTE: Provisions of the Housing Mitigation Program apply also to the Wilkin Court PUD built by Town to mitigate the Affordable Housing impact of new construction by the Town.
- 201.4** Original Developers of Mitigation Units are not eligible for appreciation or capital improvement increases, and are required to sell Mitigation Units at or below the Initial Sale Price or Original Purchase Price indicated in the developer's Deed Restriction.
- 201.5** In cases where there is conflict between these Guidelines and the Land Use Code, the Land Use Code shall govern. In cases where there is a conflict between these Guidelines or the Land Use Code and the Deed Restriction for a Mitigation Unit, the provisions of the Deed Restriction shall govern.

Section 202 PROGRAM POLICY GOALS

The Housing Mitigation Program aims to provide Affordable Housing to offset the impacts and needs created by development, and to inform developers of the standards and guidelines for construction and Sale or rental of Mitigation Units.

Section 203 HOUSEHOLD QUALIFICATION AND ELIGIBILITY

Applicants for purchase or occupancy of Mitigation Units must be Qualified Households pursuant to [Section 103.2A](#) and must meet the following Eligibility criteria:

- 203.1** **Income Eligibility Tiers** – At initial Qualification Households are subject to the income limits of the Mitigation Unit's designated Income Eligibility Tier (see [Appendix A](#)). A Mitigation Unit's Tier is determined by the Income Eligibility Tier Distribution in [Section 210.2](#) during the development process and is memorialized in the Mitigation Unit's Deed Restriction.
- 203.2** **Household Size** – The total number of people in a Household must meet or exceed the [Section 103.3B](#) Minimum Household Sizes.
- 203.3** Ownership of Mitigation Units is limited to the following, who are deemed Qualified Owners:
- A.** A Qualified Household meeting the Eligibility Criteria in this Section 203;

- B. The Town or the THA, or their successors or assigns;
- C. Nonprofit corporations and governmental entities operating primarily within the Telluride R-1 School District, including without limitation schools and special districts who must rent to a Qualified Household, but only if an Exception is granted pursuant to [Section 109.2](#);
- D. A business owner with a Town business license and a workforce in the Telluride R-1 School District who must rent to a Qualified Household, but only if an Exception is granted pursuant to [Section 109.2](#);
- E. The Original Developer of the Mitigation Unit, who must rent the Mitigation Unit to a Qualified Household and who is not eligible for appreciation or capital improvement increases; or
- F. For non-condominiumized Mitigation Units which are not separately transferable apart from the larger property or development in which the unit is located, the successor in interest to the Original Developer of the project or development in which the Housing Unit is located, who must rent the Mitigation Unit to a Qualified Household and who is not eligible for appreciation or capital improvement increases. Once a Mitigation Unit becomes condominiumized and thus separately transferrable, if not owned by the person or entity responsible for completing condominiumization, the Mitigation Unit must be sold to a Qualified Owner identified in [Section 203.3A](#) through [Section 203.3D](#) unless an Exception is granted pursuant to [Section 109.2](#).

Section 204 INITIAL HOUSEHOLD APPLICATION PROCESS

Application for purchase or occupancy of Mitigation Units shall be according to the Initial Household Application Process contained in [Section 104](#).

Section 205 CONTINUING QUALIFICATION

Households must maintain Qualified Household status on an ongoing basis pursuant to all requirements of [Section 105](#).

Section 206 SALE AND RESALE OF MITIGATION UNITS

206.1 Initial Sale – Initial Sale of Mitigation Units shall be according to the lottery procedures set forth in [Section 106.11](#). Original Developers may not sell Mitigation Units for more than the Initial Sale Price (ISP) specified in the Deed Restriction.

- A. Initial Sale Prices (ISPs) for Mitigation Units are calculated and fixed at execution of the original Deed Restriction pursuant to the methodology in [Appendix B](#), and are memorialized in the Deed Restriction, regardless of whether the unit is to be sold or offered as a rental.
- B. Original Developers required to provide two (2) or more Mitigation Units may request an Exception (see [Section 109.2](#)) to increase an ISP not to exceed ten percent (10%) above that calculated pursuant to [Appendix B](#), provided that the request meets all of the following:
 1. For each Mitigation Unit priced above the maximum ISP pursuant to [Appendix B](#), one Mitigation Unit is priced below the maximum ISP;

2. The square footage of each Mitigation Unit to be priced below maximum ISP is equal to or greater than that of a Mitigation Unit to be priced above maximum ISP;
 3. The price of all required Mitigation Units calculated as the cumulative square footage of all Mitigation Units multiplied by the maximum price per foot is not greater than the sum of the value of both units priced independently; and
 4. It is adequately demonstrated and the THA Subcommittee finds that the Exception will benefit the Town's overall Affordable Housing Program.
- C. [Section 206.1B](#) is not intended to and shall not prevent an Original Developer from seeking an Exception to increase ISP in excess of ten percent (10%) if the Mitigation Unit has been held under ownership by the Original Developer for at least ten (10) years and the Original Developer has proactively expended funds to update or significantly improve the Mitigation Units prior to initial Sale. Any such Exception shall only be granted if the Original Developer adequately demonstrates and the THA Subcommittee finds that the Exception will benefit the Town's overall Affordable Housing Program.

206.2 Resale –

- A. Owners who purchased their Mitigation Unit on or after May 9, 2023 must offer their Mitigation Unit for resale by lottery which will be conducted by the THA according to the lottery procedures set forth in [Section 106.11](#), and using the Lottery Point System outlined in [Appendix D](#).
- B. Owners who purchased their Mitigation Unit prior to May 9, 2023 may resell their Mitigation Unit by:
 1. the lottery procedures and requirements as set forth in [Section 106.11](#);
 2. selling the unit to the Town or the THA; or
 3. advertising, marketing and selling the unit directly or listing the unit with a real estate broker licensed to do business in the State of Colorado provided that:
 - i. Buyer must be a Qualified Household pursuant to [Section 103.2A.2](#) through [Section 103.2A.5](#), meet the [Section 103.3](#) Household Eligibility Criteria, and have a verifiable work history of at least three (3) years that meets the [Section 105.4A](#) Continuing Employment Standard (in lieu of the [Section 103.2A](#) Employment Standard); and
 - ii. Seller's real estate commissions are borne exclusively by the seller and are not passed on to the buyer.

206.3 **Payment-in-lieu Fees** – In certain cases the Land Use Code allows developers subject to housing mitigation requirements to make a payment-in-lieu of providing housing.

- A. Payment-in-lieu fees are subject to the provisions of the Land Use Code as amended and are adjusted annually as set forth in [Appendix C](#). Current payment-in-lieu fees are available from the Town Planning and Building Department.

- B. Payment-in-lieu fees are paid to the Town and held in an account dedicated to Affordable Housing.

Section 207 RENTAL PROCEDURES

- 207.1** In cases where rental of Mitigation Units is permitted or required, the Rental Procedures in [Section 107](#) and in this Section 207 apply, as well as the provisions of [Section 108.4](#).
- 207.2** Standards for rental of Mitigation Units:
 - A. Rental of Mitigation Units is subject to the Maximum Rental Rates and methodology for calculating such rates specified. Rental Affordability Standards in [Appendix B](#) are based on Maximum Rental Rates targeted at thirty percent (30%) of Household Income for specific Tiers.
 - B. Maximum Rental Rates may not be increased to include any additional fees, including without limitation utilities, condominium or homeowner association dues or assessments, parking, storage, management fees and/or taxes unless an Administrative Exception (see [Section 903.4](#)) is granted for an increase of up to twenty percent (20%) of the Maximum Rental Rate, or a THA Subcommittee Exception for a greater increase is granted pursuant to [Section 109.2](#). In the event utilities are paid by the Tenant, THA Staff will calculate a Maximum Rental Rate using HUD Utility Allowances.
 - C. Maximum Rental Rates apply whether the Mitigation Units are provided furnished or unfurnished.
 - D. Qualified Owners of a rental Mitigation Unit, at their own expense, must 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. In the event of a dispute between an Owner and Tenant regarding this requirement, either party may request an inspection of the premises and/or file a grievance per the Grievance Procedure in [Section 109.4](#).

Section 208 DEED RESTRICTION

- 208.1** Mitigation Units must be deed restricted in accordance with the requirements of [Section 108](#) and this Section 208 prior to issuance of a certificate of occupancy or certificate of completion for the project or development giving rise to the required mitigation. The Deed Restriction shall reflect any changes approved by the THA and governing bodies which may have occurred during construction or conversion of the Mitigation Unit (e.g. net livable square footage).
- 208.2** Deed Restrictions for Mitigation Units must meet the requirements of the Land Use Code in addition to the requirements of these Guidelines.
- 208.3** Deed Restrictions for price-restricted rental units shall include a provision as set forth in [Section 108.4](#), conveying an interest in the unit or units to the THA (or similar agency acceptable to THA) meeting the requirements of C.R.S. § 38-12-301.

208.4 A Mitigation Unit Deed Restriction may be transferred to a different property at the sole discretion of the THA Board, with consent of other beneficiaries to the Deed Restriction, subject to all of the following:

- A. The unit to be deed restricted is a Free Market unit of at least the same square footage as the Mitigation Unit to be released from the Deed Restriction OR is of equal or better quality in terms of Fixtures, appliances and design and of sufficient square footage to offer an equal or better housing opportunity than the current deed restricted Mitigation Unit, as determined by the THA Board, and meets all other construction requirements;
- B. If the Applicant is the Original Developer, an amended Housing Mitigation Plan (see [Section 209](#)) must be submitted and approved and the relocation must have the recommendation of the Town Planning Director;
- C. Applicants must demonstrate and the THA Board must find that the relocation of the Deed Restriction meets the General Affordable Housing Program Goals in [Section 102](#); and
- D. Applicants must include or identify in their application and present to the THA Board the following:
 - 1. the original project for which the Mitigation Unit was required including the project's total Affordable Housing mitigation requirements and how those requirements were met;
 - 2. the legal description and square footage of the unit to be released from a Deed Restriction;
 - 3. the legal description and square footage of the unit to be deed restricted;
 - 4. the recording number of the Deed Restriction to be released;
 - 5. if applicable, a binding statement from the homeowners association of the unit to be deed restricted permitting the Deed Restriction and agreeing to amend the association declarations to limit the dues assessed on the Mitigation Unit to an amount consistent with Land Use Code requirements; and
 - 6. if a binding statement under [Section 208.4D.5](#) cannot be obtained, a plan to guarantee the long-term affordability of the unit to be deed restricted.

208.5 The Deed Restriction requirement may be satisfied by the execution and recordation of a lease-purchase agreement with a Qualified Owner occupying as a Qualified Household provided that the lease payments do not exceed the Maximum Rental Rate standards, the purchase price does not exceed the Initial Sale Price standards, the term of the lease purchase agreement is a minimum of three (3) years and maximum of five (5) years, and upon Sale the unit shall be subject to a Deed Restriction as provided for herein.

Section 209 HOUSING MITIGATION PLAN

209.1 The Land Use Code requires the filing of a Housing Mitigation Plan for certain development projects. Prior to issuance of a certificate of occupancy or certificate of completion for any portion of a project, all provisions of the Land Use Code and of these Guidelines must be met.

- 209.2** In addition to meeting applicable building codes, Mitigation Units proposed in a Housing Mitigation Plan must meet the construction standards contained in [Section 210](#).

Section 210 STANDARDS OF SIZE AND CONSTRUCTION

- 210.1** The Land Use Code specifies a certain amount of square footage of Affordable Housing which must be provided concurrent with construction or redevelopment of a proposed project. The standards of unit size and construction required for Mitigation Units are set forth herein below, with minimum square footage reflecting the minimum acceptable size for each unit to be provided as Affordable Housing based on unit type, and maximum square footage reflecting the maximum amount of square footage which may be credited against the required square footage for a given unit type, regardless of the Mitigation Unit's actual square footage:

Unit Size Standards

Unit Type:	Minimum Square Feet:	Maximum Square Feet:
1 Bedroom/Studio	450	600
2 Bedroom	750	950
3 Bedroom	950	1,200
4 Bedroom	1,450	2,000

(unit sizes are net livable square footage, including perimeter walls)

- 210.2** **Income Tier Distribution** – Based on the square footage of Affordable Housing required, Mitigation Units are assigned Income Eligibility Tiers:

- A.** If **less than 1,000 square feet** of Affordable Housing is required, all required Affordable Housing shall be designated Tier 1.
- B.** If **at least 1,000 square feet, but less than 2,000 square feet** of Affordable Housing is required, at least 1000 square feet of required Affordable Housing shall be designated Tier 1, and the remainder may be Tier 2.
- C.** If **2,000 square feet or greater** of Affordable Housing is required, at least fifty percent (50%) of the required square footage shall be designated Tier 1, and the remainder may be Tier 2.

- 210.3** **Housing Size Distribution** – Based on the square footage of Affordable Housing required, Mitigation Units must meet the following housing size distribution standards:

- A.** If **less than 1,000 square feet** of Affordable Housing is required, there is no minimum number of Bedrooms required.
- B.** If **at least 1,000 square feet, but less than 2,000 square feet** of Affordable Housing is required, a minimum of one (1) 2-Bedroom or one (1) 3-Bedroom unit is required.
- C.** For each full integral multiple of one thousand (1,000) square feet of required housing, an additional 2-Bedroom or 3-Bedroom unit is required. (e.g. A housing requirement of 2,150 square feet would require two (2) 2-Bedroom or 3-Bedroom units, but a housing requirement of 1,800 square feet would require only one (1) 2-Bedroom or 3-Bedroom unit).

- 210.4** Providers of Mitigation Units may request an Exception (see [Section 109.2](#)) to increase the maximum square footage for credit set forth in [Section 210.1](#) by up to twenty-five (25) square feet per Bedroom. The request must demonstrate, and the THA Subcommittee must find, that the Exception will benefit the overall Affordable Housing Program.
- 210.5** Unit types larger than four (4) Bedrooms will be counted as 4-Bedroom units for purposes of meeting mitigation requirements, but shall be deed restricted to reflect the actual number of Bedrooms, and each Bedroom must be occupied in accordance with [Section 103.3B](#) and [Section 105.4F](#).
- 210.6** Mitigation Units must comply with applicable building codes and with rules, regulations and codes of all governmental bodies and agencies having jurisdiction.
- 210.7** Mitigation Units must have a fully equipped Kitchen, a full bathroom, areas for living and sleeping and designated areas for storage. Areas designated for sleeping and/or Bedrooms must be a minimum of one hundred (100) square feet, with a minimum width of ten (10) feet. The THA will be the final judge of the adequacy of facilities provided in Mitigation Units.
- 210.8** For mixed-use and/or multi-unit projects that have Affordable Housing requirements of:
- A. less than 1,430 square feet**, at least one thousand (1,000) square feet of the required square footage must be provided above grade.
 - B. 1,430 square feet or greater**, at least seventy percent (70%) of the required square footage must be provided above grade.
- 210.9** **Dormitory or Shared Use Facility** – Developers may satisfy Affordable Housing requirements by providing dormitory or shared facility units not meeting the standards of this Section, subject to approval by the THA Subcommittee at its sole discretion, which request shall be considered according to the Exception Procedure contained in [Section 109.2](#).
- 210.10** GREEN BUILDING INCENTIVES: The Town of Telluride requires all new residential construction, all additions and all remodels to comply with green building regulations. Additional incentives may be available for construction of Affordable Housing that exceeds the minimum required standards and may be requested through the Exception Procedure in [Section 109.2](#).
- 210.11** CERTIFICATE OF OCCUPANCY: Prior to the issuance of a certificate of occupancy or certificate of completion, the developer must submit an "As Built" Certification to the Building Department with copies to the Planning Department and to THA. Any discrepancies between what was required and what was provided "As Built" must be resolved before the certificate of occupancy may be issued.

Section 211 DEED RESTRICTING FREE MARKET UNITS

- 211.1** The Land Use Code allows for various methods of providing required Affordable Housing, including deed restricting existing Free Market units within Telluride or the Telluride Region, as defined by the Land Use Code, **subject to approval by the THA Subcommittee at its sole discretion.**
- 211.2** Developers may propose satisfying the Affordable Housing requirements of the Land Use Code with an existing Free Market unit by:

- A. purchasing a Free Market unit, placing a Deed Restriction on the unit thereby creating a Mitigation Unit, and selling the Mitigation Unit by lottery pursuant to [Section 206.1](#) to a Qualified Household or a Qualified Owner under [Section 203.3](#); or,
- B. purchasing the right to place a Deed Restriction on a Free Market unit from the current Owner, which Deed Restriction must be executed and become effective prior to issuance of a certificate of occupancy or certificate of substantial completion for the project giving rise to the Affordable Housing requirement, and which Deed Restriction must require immediate and continued occupancy of the new Mitigation Unit by a Qualified Household.

211.3 A Free Market unit may be accepted as a Mitigation Unit upon approval by the THA Subcommittee in its sole discretion, and must be approved through the Exception Procedure in [Section 109.2](#) subject to the following additional review criteria:

- A. The developer must provide a binding statement from any applicable homeowners association of the unit to be deed restricted permitting the Deed Restriction and agreeing to amend the association declarations to limit the dues assessed on the Mitigation Unit to an amount consistent with Land Use Code requirements, or, if a binding statement cannot be obtained, a plan to guarantee the long-term affordability of the unit to be deed restricted.
- B. Developer must demonstrate approval of all provisions of the proposed Deed Restriction by the jurisdiction in which the proposed Mitigation Unit is located.
- C. Developer must demonstrate the long-term affordability of the Mitigation Unit with respect to maintenance.
- D. Any Free Market unit to be deed restricted must undergo a THA inspection (see [Appendix E](#)) to ensure that the unit meets the minimum standards in [Section 106.4A](#). In addition, the unit must meet all applicable building code requirements, and at the developer's expense must pass an inspection by a THA approved qualified building inspector.
- E. Developer shall bear the expenses of any required upgrades, inspections as well as any structural/engineering reports required by the THA Subcommittee or THA Staff to assess the suitability for occupancy and to ensure compliance with required standards.

[Remainder of page intentionally left blank]

Part 3 TOWN CONSTRUCTED OWNERSHIP PROGRAM

Section 301 PURPOSE AND APPLICABILITY

- 301.1** The Town Constructed Ownership Program governs deed-restricted Affordable Housing Units constructed, financed or otherwise created or procured by the Town or the THA to permanently protect affordable home ownership opportunities. The provisions of this Part 3 govern the purchase, Sale, Transfer, assignment, or conveyance of Housing Units deed restricted as part of the Town Constructed Ownership Program which are referred to in this Part 3 as Town Constructed Units.
- 301.2** Application of the provisions of this Part 3 to Town or THA built or financed projects or properties is established by resolution of the Town Council, which may in its sole discretion exclude certain units within a project from this Part 3 or which may set different standards than this Part 3 on a unit or project-specific basis.
- 301.3** Affordable Housing procured but not built by the Town or the THA and subject to provisions of the Town Constructed Ownership Program include without limitation the Mendota Residences; the Popcorn Alley, White House, and Fino II condominiums; and the residences formerly known as Telluride Family Housing. Note however, that the Town-built Wilkin Court Planned Unit Development was built to mitigate the impacts of Town development and is subject to the provisions of the Part 2: Housing Mitigation Program.
- 301.4** In cases where there is conflict between these Guidelines and the Land Use Code, the Land Use Code shall govern. In cases where there is a conflict between these Guidelines or the Land Use Code and the Deed Restriction for a Town Constructed Unit, the provisions of the Deed Restriction shall govern.

Section 302 PROGRAM POLICY GOALS

- 302.1** The Town and the THA from time to time construct, finance, subsidize or otherwise procure or authorize the construction of Housing Units to provide affordable Employee housing.
- 302.2** To promote economic diversity within the Telluride community, Eligibility for ownership of Town Constructed Units is restricted to Qualified Households that meet specific tiered economic means tests for Household Income and for Household Net Assets.
- 302.3** Town Constructed Units are subject to price limitations for Sale and resale intended to ensure affordability for current and future Owners.

Section 303 HOUSEHOLD ELIGIBILITY

Applicants for purchase or occupancy of Town Constructed Units must be Qualified Households pursuant to [Section 103.2A](#) and must meet the following Eligibility criteria:

- 303.1** **Income Eligibility Tiers** – Households are subject to income limits based on unit-specific Income Eligibility Tiers as defined in [Appendix A](#) and designated by resolution of the Town Council.
- 303.2** **Household Size** – Household sizes must meet or exceed the Minimum Household Sizes established in [Section 103.3B](#).

- 303.3** **Qualified Owner** – Town Constructed Units not owned by a Qualified Household may only be owned by the Town or the THA.

Section 304 INITIAL HOUSEHOLD APPLICATION PROCESS

Applications for occupancy or purchase of Town Constructed Units shall generally be made according to the [Section 104](#) Initial Household Application Process. Town Council may, at its sole discretion, subject the Sale of newly constructed Town Constructed Units to additional requirements or requirements different from those in [Section 104](#) Initial Household Application Process and [Section 106.11](#) Ownership Lotteries.

Section 305 CONTINUING QUALIFICATION

Households, defined as all occupants of a Town Constructed Unit, must maintain Qualified Household status on an ongoing basis pursuant to [Section 105](#).

Section 306 SALE AND RESALE OF TOWN CONSTRUCTED UNITS

- 306.1** Initial Sale of Town Constructed Units shall be according to the lottery procedures set forth in [Section 106.11](#) and must comply with the provisions of any relevant Town Council resolution relating to the specific project. In the event of conflict, the provisions of any Town Council or joint Town Council and THA resolution regarding a specific Town project shall prevail.
- 306.2** Resale of Town Constructed Units owned by the Town or the THA, except Town Constructed Units owned by the Town and provided for resale to an Employee of the Town, must also be sold according to the lottery procedures set forth in [Section 106.11](#).
- 306.3** Owners who purchased their Town Constructed Unit on or after April 3, 2018 must offer their Town Constructed Unit for resale by lottery which will be conducted by the THA according to the lottery procedures set forth in [Section 106.11](#), and using the Lottery Point System in [Appendix D](#).
- 306.4** Owners who purchased their Town Constructed Unit prior to April 3, 2018, may resell their unit by:
- A.** The lottery procedures and requirements as set forth in [Section 106.11](#);
 - B.** Selling the unit to the Town or the THA; or
 - C.** Advertising, marketing and selling the Unit directly or listing the unit with a real estate broker licensed to do business in the State of Colorado provided that:
 - 1.** Buyer must be a Qualified Household pursuant to [Section 103.2A.2](#) through [Section 103.2A.5](#), must meet the [Section 103.3](#) Household Eligibility Criteria, and must have a verifiable work history of at least three (3) years that meets the [Section 105.4A](#) Continuing Employment Standard (in lieu of the [Section 103.2A](#) Employment Standard); and
 - 2.** Seller's real estate commissions are borne exclusively by the seller and are not passed on to the buyer.

Section 307 RENTAL PROCEDURES

- 307.1** Where rental of Town Constructed Units is allowed by Exception, the Rental Procedures in [Section 107](#) and in this Section 307 apply, as well as the provisions

of [Section 108.4](#). Only if an Exception is granted may Town Constructed Units be rented, and then only to Qualified Households. Exceptions must specify a Maximum Rental Rate. The THA shall consider the rental standards specified in [Section 207.2](#) when determining the Maximum Rental Rate.

307.2 Room Rentals in Owner Occupied Units – The room rental provisions of [Section 107.2](#) shall apply. Short-term rental of Town Constructed Units is strictly prohibited and is a violation of the Telluride Municipal Code.

307.3 Town Constructed Rental Units – Units constructed by the Town or the THA for rental purposes exclusively are subject to Qualification standards, processes, regulations and procedures developed by the THA Subcommittee and designated by resolution of the Town Council on a project specific basis.

[Remainder of page intentionally left blank]

Part 4 EMPLOYEE DWELLING UNITS PROGRAM

Section 401 PURPOSE AND APPLICABILITY

- 401.1** The Employee Dwelling Units Program governs Designated Employee Dwelling Units as defined in and created pursuant to Land Use Code Article 3, Division 7. Designated Employee Dwelling Units are referred to herein as Employee Dwelling Units or EDUs.
- 401.2** In cases where there is conflict between these Guidelines and the Land Use Code, the Land Use Code shall govern. In cases where there is a conflict between these Guidelines or the Land Use Code and the covenant or Deed Restriction for an EDU, the provisions of the covenant or Deed Restriction shall govern.

Section 402 PROGRAM POLICY GOALS

- 402.1** The Land Use Code allows for construction of EDUs which are deed restricted Housing Units voluntarily built in exchange for certain development incentives. In addition, some Housing Units subject to older deed restrictions may be identified as an EDU, which if initially deed restricted today would instead be required to identify as a Mitigation Unit. Thus, some EDUs may exist as a standalone dwelling capable of being separately conveyed, while others are only a secondary or accessory dwelling to an unrestricted principal dwelling, and cannot be separately conveyed apart from the unrestricted principal dwelling.
- 402.2** Regardless of how units came into existence, it is the goal of the EDU program to incentivize construction and occupancy of EDUs, promote economic diversity within the Telluride community, and increase Affordable Housing opportunities for local Employees meeting certain financial needs tests.

Section 403 HOUSEHOLD ELIGIBILITY

Applicants for occupancy of EDUs must be Qualified Households pursuant to Section 103.2A.1 through Section 103.2A.4 and must meet the following additional Qualification and Eligibility criteria:

- 403.1** EDUs are required to be occupied by a Qualified Household except as provided for in Section 407.3.
- 403.2** **Net Assets Qualification** – Household Net Assets of a Qualified Household applying to occupy an EDU are not subject to Section 103.2A.5, but are instead subject to this Section and shall not exceed twice the agreed upon sale price for the EDU.
- A.** In the event a sale price has not been established,
1. the limit on Household Net Assets shall be twice the Tier 2 Initial Sale Price that would be applied to the Housing Unit according to Appendix B; and
 2. such determination shall not imply any limitation on the allowed sale price.
- B.** Exception: Under an Exception granted pursuant to Section 109.2 as provided for in Section 407.3, the Net Assets limit for the Qualified Household renting the Principal Structure will be one million five-hundred thousand dollars (\$1,500,000.00), and the Qualified Owner occupying the EDU shall not be subject to Net Asset limits.

403.3 Income Eligibility

- A. Household Income for rental of an EDU may not exceed Tier 3 income limits (see [Appendix A](#)).
- B. Exception: Under an Exception granted pursuant to [Section 109.2](#) as provided for in [Section 407.3](#), Household Income for rental of the Principal Structure may not exceed Tier 4 income limits (see [Appendix A](#)), and the Qualified Owner occupying the EDU will not be subject to income limits.

403.4 Household Size – The total number of people in a Household must meet or exceed the Minimum Household Sizes established in [Section 103.3B](#).

403.5 Ownership of EDUs is limited to the following, who are deemed Qualified Owners, unless the Deed Restriction is more restrictive:

- A. A Qualified and Eligible Household pursuant to this Section 403;
- B. The Town or the THA, or their successors or assigns;
- C. Nonprofit corporations and governmental entities operating primarily within the Telluride R-1 School District, including without limitation schools and special districts who must rent the EDU to a Qualified Household, but only if an Exception is granted pursuant to [Section 109.2](#);
- D. A business owner with a Town business license and a workforce in the Telluride R-1 School District who must rent the EDU to a Qualified Household, but only if an Exception is granted pursuant to [Section 109.2](#); or
- E. The Owner of the principal dwelling to which an EDU is the accessory or secondary dwelling, if the EDU cannot be separately conveyed apart from the unrestricted principal dwelling, must rent the EDU to a Qualified Household. If and when an EDU becomes separately transferrable apart from the principal dwelling, if not owned by the person or entity responsible for completing condominiumization or subdivision, the EDU must be sold to a Qualified Owner identified in [Section 403.5A](#) through [Section 403.5D](#) unless an Exception is granted pursuant to [Section 109.2](#).

Section 404 INITIAL HOUSEHOLD APPLICATION PROCESS

Applications for Housing Units subject to the Employee Dwelling Unit Program shall be made according to the Initial Household Application Process in [Section 104](#).

Section 405 CONTINUING QUALIFICATION

Households, defined as all occupants of an EDU, must maintain Qualified Household status on an ongoing basis pursuant to [Section 105](#). Owners who purchased their EDU on or after May 9, 2023 or tenants who execute their first lease for the EDU on or after May 9, 2023, are not subject to the Continuing Net Asset Standard of Section 105.4E and are instead subject to the following Continuing Net Asset Standard: Net Assets shall not exceed three (3) times the last purchase price of the Employee Dwelling Unit at the time of continuing Qualification, minus any exclusions from Assets as permitted by Section 103.2F.3.

Section 406 SALE AND RESALE OF EMPLOYEE DWELLING UNITS

- 406.1** In cases where an EDU is required to be Owner occupied, the Sale and resale of such units is governed by [Section 106](#).

- 406.2** There is no limitation on sale price for an EDU.
- 406.3** In certain circumstances in residential zone districts, the Sale, subdivision or condominiumization of EDUs separate from the original qualifying lot is prohibited (see Land Use Code Article 3, Division 7).

Section 407 RENTAL PROCEDURES

- 407.1** When rental of an EDU is required or permitted, the Rental Procedures in Section 107 and Section 403 Household Qualification Standards apply.
- 407.2** EDUs are not subject to rental rate limitations.
- 407.3** The Qualified Owner of an EDU which is secondary and/or accessory to a Principal Structure, as defined by the Land Use Code, may apply for an Exception (see Section 109.2) to live in the EDU and rent the property's Principal Structure long-term to a Qualified Household. Under such an Exception the provisions of Section 103 and Section 403 will apply to the Qualified Household renting the Principal Structure but not to the Owner occupying the EDU.

Section 408 DEED RESTRICTION FORM AND PROCESS

- 408.1** Deed Restrictions for EDUs must meet the requirements of the Land Use Code in addition to the requirements of these Guidelines.
- 408.2** As a condition of Sale or Transfer of an EDU, a new Deed Restriction must be executed by the buyer and recorded against the property at time of Sale.
- 408.3** At the discretion of the Town or the THA legal counsel, Lenders who are beneficiaries of any Deed of Trust executed in connection with the Sale of an EDU may not be required to sign an Option to Purchase acknowledging the provisions of the Deed Restriction and granting a right to the Town or the THA to purchase the Housing Unit in a foreclosure as otherwise required by Section 108.5.

Section 409 STANDARDS OF SIZE AND CONSTRUCTION

- 409.1** EDUs created by new construction must meet the construction standards contained in Section 210.6 and Section 210.7 and require THA Staff inspection and approval.
- 409.2** EDUs created by deed restriction of existing dwellings must meet the standards for Mitigation Units contained in Section 210.6 and Section 210.7, must meet the minimum standards set forth in Section 106.4A, and require THA Staff inspection and approval.
- 409.3** Inspection Fee – Any entity requiring or requesting an inspection by THA Staff must pay a non-refundable Inspection Fee (see Appendix E).

[Remainder of page intentionally left blank]

Part 9 GENERAL MISCELLANEOUS PROVISIONS

Section 901 LEGISLATIVE HISTORY

- 901.1 Previous Documents** – The Telluride Affordable Housing Guidelines adopted September 18, 2007 were created to merge older versions of the Guidelines and the Town Housing Guidelines for Town Developed or Financed Housing. The histories of the previous documents are as follows:

Telluride Housing Guidelines for Town Developed or Financed Housing

Adopted by Telluride Housing Authority on December 20, 2005
Approved by Telluride Town Council on December 20, 2005
Amended on June 27, 2006

Telluride Affordable Housing Guidelines

Adopted by Telluride Housing Authority on September 19, 1994
Approved by Telluride Town Council on October 4, 1994
Amended: April 1, 1997
 July 27, 1999
 September 14, 1999
 October 26, 1999
 October 24, 2000
 March 27, 2001
 October 2001
 January 2002
 November 6, 2002
 January 2, 2004
 March 24, 2004
 June 27, 2006

- 901.2 Telluride Affordable Housing Guidelines adopted September 18, 2007**

The history of the amended, consolidated and reenacted Guidelines is as follows:

Amended, consolidated and reenacted by THA Resolution No. 1 and Town Council Resolution No. 18 on September 18, 2007.

Amended by Joint Resolution No. 17 of THA and Town Council on September 18, 2012.

Amended by Joint Resolution No. 1 of THA and Town Council on January 12, 2016.

Amended, consolidated and reenacted by THA Resolution No. 1 and Town Council Resolution No. 10 on April 3, 2018.

Amended by THA Resolution No. 2 and Town Council Resolution No. 18 July 3, 2018.

Amended by THA Resolution No.3 of THA and Town Council Resolution No. 24 on September 25, 2018.

Amended by THA Resolution No. 2 of Town Council Resolution No. 11 on August 13, 2019.

All other amendments were made administratively pursuant to [Section 902.3](#) and [Section 902.5](#), and are reflected on the first cover page of these Guidelines.

Section 902 AMENDMENTS

- 902.1** These Guidelines shall be reviewed at least every two (2) years by the THA Subcommittee and any changes will be recommended to the Town Council and the THA for adoption.
- 902.2** Non-administrative amendments to these Guidelines shall be made according to the following procedure:
- A.** Proposed amendments must be presented by THA Staff to the THA Subcommittee for consideration and recommendation to the Town Council and the THA Board. The THA Subcommittee must consider such amendments in a timely manner and if recommending adoption, must report to the Town Council and the THA Board its findings.
 - B.** The Town Council and the THA Board shall timely consider THA Subcommittee's findings and recommendations at a public hearing, and must adopt, adopt with amendments, or deny any proposed amendments at such hearing. Amendments shall be adopted by written resolution(s) of the THA Board and the Town Council.
- 902.3** Updates to the Area Median Income, Initial Sale Prices, Payment in Lieu Fee, and Rental Affordability Standards will be made administratively by THA Staff annually upon release of HUD updates based on the methodology in place.
- 902.4** Amendments to methodologies used in the calculation of Area Median Incomes, Initial Sale Prices, Payment in Lieu Fees, and Rental Affordability Standards may be requested by the Planning Director, Building Director, or THA Staff and may be approved by the THA Subcommittee or recommended for consideration of the Town Council and the THA Board pursuant to [Section 902.2](#).
- 902.5** Updates and corrections to [Appendix G: Affordable Housing Unit Inventory](#) will be made administratively by THA Staff on a regular as-needed basis, but at least annually and ideally simultaneously with the administrative updates provided for in [Section 902.3](#).

Section 903 ADMINISTRATIVE PROCEDURES

- 903.1 Fair Housing Standards** – THA Staff shall administer these Guidelines and the Town's Affordable Housing Programs in compliance with all applicable fair housing standards, including without limitation the Fair Housing Act and the Town's non-discrimination regulations. These standards prohibit discrimination on the basis of age, race, religion, handicapped or disabled status, country of origin, sex, or sexual identity. In addition to any remedies available in the applicable law, any dispute between an Applicant and the THA regarding these standards may be filed as a grievance pursuant to [Section 109.4](#).
- 903.2 Reasonable Accommodation** – THA Staff shall administer these Guidelines and the Town's Affordable Housing Programs in compliance with all reasonable accommodation standards, including without limitation the Americans with Disabilities Act. Persons requiring reasonable accommodation for their Disability shall give THA Staff at least forty-eight (48) hours' notice of such need so that appropriate arrangements can be made.
- 903.3 Assignment of Administrative Responsibilities** – The THA and/or the Town shall have the right to contract with any qualified person or entity for the purpose

of administering these Guidelines. The contract for administration shall provide for oversight by the Town, including access to applicable records and the ability to conduct an audit of administrative procedures.

903.4 Administrative Exceptions – The THA Subcommittee grants THA Staff the authority to approve specific Exceptions, with or without conditions as deemed appropriate by THA Staff, to be noticed on the Consent Calendar at the THA Subcommittee Regular Meeting immediately following THA Staff approval. THA Staff, in making its decision, shall follow all procedures and apply all criteria as set forth in [Section 109.2](#), and may refer a matter to the THA Subcommittee if, in THA Staff's sole discretion, deemed more appropriate. Administrative Exceptions must have the approval of the THA Manager and are authorized for:

- A. Approval of Exceptions for use of a co-borrower or co-signer for unconventional lending after Town legal counsel review of documents to be recorded pursuant to [Section 110.7](#).
- B. Approval of Exceptions for Leaves of Absence for a period of one (1) year or less pursuant to [Section 105.4C.1.i](#).
- C. Approval of Exceptions for Households falling below the [Section 105.4F](#) Continuing Household Size Standard by a maximum of one (1) person per Household.
- D. Requests to increase the Maximum Rental Rate by up to twenty percent (20%) pursuant to [Section 207.2B](#).

[Remainder of page intentionally left blank]

Appendix A: Income Eligibility Tiers

Area Median Income and Income Limits

Area Median Income is determined by US Department of Housing and Urban Development ("HUD") "Very Low Income" figures for San Miguel County, Colorado, for 1-, 2-, 3-, and 4-person Households. HUD "Very Low Income" figures are 50% of Area Median Income, thus, Area Median Incomes are double the Very Low Income figures. THA Staff shall administratively update these Tables as new US Department of HUD "Very Low Income" are released.

Table 1. San Miguel County Area Median Income (AMI) as of April 16, 2024

	Household Size					
	1 person	2 person	3 person	4 person	5 person	6 person
HUD Very Low Income (50% AMI)	\$41,850	\$47,800	\$53,800	\$59,750	\$64,550	\$69,350
100% Area Median Income	\$83,700	\$95,600	\$107,600	\$119,500	\$129,100	\$138,700

Income targets are based on unit size, and not Household size. However, income limits for Eligibility are based on Household size and unit size. The following table provides a guide for determining a Household's income as a percentage of AMI:

Household Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
70% AMI	\$58,590	\$66,920	\$75,320	\$83,650	\$90,370	\$97,090
80% AMI	\$66,960	\$76,480	\$86,080	\$95,600	\$103,280	\$110,960
90% AMI	\$75,330	\$86,040	\$96,840	\$107,550	\$116,190	\$124,830
100% AMI	\$83,700	\$95,600	\$107,600	\$119,500	\$129,100	\$138,700
110% AMI	\$92,070	\$105,160	\$118,360	\$131,450	\$142,010	\$152,570
120% AMI	\$100,400	\$114,720	\$129,120	\$143,400	\$154,920	\$166,440
130% AMI	\$108,810	\$124,280	\$139,880	\$155,350	\$167,830	\$180,310
150% AMI	\$125,550	\$143,400	\$161,400	\$179,250	\$193,650	\$208,050
180% AMI	\$150,660	\$172,080	\$193,680	\$215,100	\$232,380	\$249,660
200% AMI	\$167,400	\$191,200	\$215,200	\$239,000	\$258,200	\$277,400
220% AMI	\$184,140	\$210,320	\$236,720	\$262,900	\$284,020	\$305,140

Housing Units are assigned an Income Eligibility Tier to limit Household Eligibility based on percentage of AMI to create housing opportunities for diverse household incomes in the area.

Income Eligibility Tiers

Tier 1 Income – To be eligible to purchase or rent a Tier 1 Housing Unit, Household Income shall not exceed one-hundred and twenty percent (120%) of AMI for San Miguel County adjusted for the number of Bedrooms:

Unit Size:	Income Target:	Tier 1 Income Limit:
1 Bedroom/Studio	70% of 1 Person AMI	120% of Household Size AMI
2 Bedroom	90% of 2 Person AMI	120% of Household Size AMI
3 Bedroom	90% of 3 Person AMI	120% of Household Size AMI
4 Bedroom	90% of 4 person AMI	120% of Household Size AMI

Tier 2 Income – To be eligible to purchase or rent a Tier 2 Housing Unit, Household Income shall not exceed one-hundred and eighty percent (180%) of AMI for San Miguel County adjusted for the number of Bedrooms:

Unit Size:	Income Target:	Tier 2 Income Limit:
1 Bedroom/Studio	90% of 1 Person AMI	180% of Household Size AMI
2 Bedroom	110% of 2 Person AMI	180% of Household Size AMI
3 Bedroom	110% of 3 Person AMI	180% of Household Size AMI
4 Bedroom	110% of 4 Person AMI	180% of Household Size AMI

Tier 3 Income – Tier 3 income limits apply only to those units whose initial Deed Restriction was executed and recorded prior to the creation of these Tiers, and are no longer being created. To be eligible to purchase or rent a Tier 3 Housing Unit, Household Income shall not exceed one-hundred and thirty percent (130%) of AMI for San Miguel County adjusted for the number of Bedrooms:

Unit Size:	Income Target:	Tier 3 Income Limit:
1 Bedroom/Studio	80% of 1 Person AMI	130% of Household Size AMI
2 Bedroom	100% of 2 Person AMI	130% of Household Size AMI
3 Bedroom	100% of 3 Person AMI	130% of Household Size AMI
4 Bedroom	100% of 4 Person AMI	130% of Household Size AMI

Tier 4 Income – To be eligible to purchase or rent a Tier 4 Housing Unit, Household Income shall not exceed two-hundred and twenty percent (220%) of AMI for San Miguel County adjusted for the number of Bedrooms:

Unit Size:	Income Target:	Tier 4 Income Limit:
1 Bedroom/Studio	130% of 1 Person AMI	220% of Household Size AMI
2 Bedroom	150% of 2 Person AMI	220% of Household Size AMI
3 Bedroom	150% of 3 Person AMI	220% of Household Size AMI
4 Bedroom	150% of 4 Person AMI	220% of Household Size AMI

Appendix B: Initial Sale Prices and Maximum Rental Rates

Sale and rental prices are based on affordability by AMI target percentages for San Miguel County as adjusted for the number of Bedrooms per unit.

RENTAL AFFORDABILITY

It is generally accepted in the affordable housing field that housing is affordable if either:

- (1) the total of rent and utilities, or
- (2) the total of mortgage payment, insurance, taxes and HOA dues

is not more than thirty percent (30%) of the monthly Household's Gross Income. This 30% standard forms the basis for Housing Unit rents and sale prices.

In calculating allowed prices on a square footage basis, it is assumed that a Household earning the target income for the unit will occupy a unit at the mid-point of the allowed square footage range for a given number of Bedrooms.

Calculation of a monthly Maximum Rental Rate based on the 30% standard is accomplished by dividing the Housing Unit's targeted Tier income by twelve (12) and multiplying the result by 30%. Expressed in MS Excel format:

$$\text{Maximum Rental Rate} = \text{TargetIncome} / 12 * 30\%$$

If utilities are paid by the Tenant, THA Staff will deduct HUD utility standard allowances from the calculated Maximum Rental Rate to determine the actual Maximum Rental Rate.

PURCHASE AFFORDABILITY

The Maximum Rental Rate is also the allowed payment for a monthly mortgage payment including taxes, insurance, HOA dues and escrow payments. Calculation of the **Allowed Initial Sale Price** uses the Maximum Rental Rate and assumes a 30-year fixed rate mortgage with a down payment of five percent (5%) of the purchase price, and the formula is simplified by choosing a typically higher than market interest rate of 7.25% to provide a cushion in lieu of quantifying exact monthly tax, insurance, HOA and escrow payments. Expressed in MS Excel format:

$$\text{Allowed ISP} = \text{PV}(\text{InterestRate}/12, 360, \text{MaximumRentalRate}) / (1 - \text{DownPaymentPercentage})$$

INITIAL SALES PRICE STANDARDS

The price per square foot determination for an Initial Sales Price is calculated using the 30% affordability standard to establish the price of an affordable unit divided by the mid-point of the square footage limits for the unit type from [Section 210.1](#):

Unit Type:	Min Square Feet:	Mid Point:	Max Square Feet:
1 Bedroom/Studio	450	525	600
2 Bedroom	750	850	950
3 Bedroom	950	1,075	1,200
4 Bedroom	1,450	1,725	2,000

The Initial Sale Prices shall be calculated by multiplying the actual square footage of the unit (not to exceed the maximum square footage of the unit type found in [Section 210.1](#) unless granted an Exception) times the maximum price per square foot found below (unless granted an Exception), for the unit type.

Tier 1 Initial Sale Prices:

Unit Size:	Income Target:	Maximum Initial Sale Price:
1 Bedroom/Studio	70% of 1 Person AMI	\$431 per square foot
2 Bedroom	90% of 2 Person AMI	\$390 per square foot
3 Bedroom	90% of 3 Person AMI	\$348 per square foot
4 Bedroom	90% of 4 Person AMI	\$241 per square foot

Tier 2 Initial Sale Prices:

Unit Size:	Income Target:	Maximum Initial Sale Price:
1 Bedroom/Studio	90% of 1 Person AMI	\$554 per square foot
2 Bedroom	110% of 2 Person AMI	\$477 per square foot
3 Bedroom	110% of 3 Person AMI	\$425 per square foot
4 Bedroom	110% of 4 Person AMI	\$294 per square foot

Tier 3 – Housing Units are no longer being added to Tier 3, so Initial Sale Prices are not defined.

Tier 4 Initial Sale Prices:

Unit Size:	Income Target:	Maximum Initial Sale Price:
1 Bedroom/Studio	130% of 1 person AMI	\$800 per square foot
2 Bedroom	150% of 2 person AMI	\$651 per square foot
3 Bedroom	150% of 3 person AMI	\$579 per square foot
4 Bedroom	150% of 4 person AMI	\$401 per square foot

RENTAL AFFORDABILITY STANDARDS**Tier 1 Maximum Rental Rate:**

Unit Size:	Income Target:	Maximum Rental Rate:
1 Bedroom/Studio	70% of 1 Person AMI	\$1,465/month less <u>Utility Allowances</u>
2 Bedroom	90% of 2 Person AMI	\$2,151/month less Utility Allowances
3 Bedroom	90% of 3 Person AMI	\$2,421/month less Utility Allowances
4 Bedroom	90% of 4 Person AMI	\$2,689/month less Utility Allowances

Tier 2 Maximum Rental Rate

Unit Size:	Income Target:	Maximum Rental Rate:
1 Bedroom/Studio	90% of 1 Person AMI	\$1,883/month less <u>Utility Allowances</u>
2 Bedroom	110% of 2 Person AMI	\$2,629/month less Utility Allowances
3 Bedroom	110% of 3 Person AMI	\$2,959/month less Utility Allowances
4 Bedroom	110% of 4 Person AMI	\$3,286/month less Utility Allowances

Tier 3 Maximum Rental Rate

For Tier 3 Housing Units with permission to rent, the rental standard for Tier 1 units will be followed to calculate Maximum Rental Rate.

Tier 4 Maximum Rental Rate

Unit Size:	Income Target:	Maximum Rental Rate:
1 Bedroom/Studio	130% of 1 person AMI	\$2,720/month less <u>Utility Allowances</u>
2 Bedroom	150% of 2 person AMI	\$3,585/month less Utility Allowances
3 Bedroom	150% of 3 person AMI	\$4,035/month less Utility Allowances
4 Bedroom	150% of 4 Person AMI	\$4,481/month less Utility Allowances

Appendix C: Payment-In-Lieu Fee

Payment -in-Lieu (PIL) fee updates are reflected in the annual Town of Telluride Fee Resolution approved by Town Council and may be obtained from the Town of Telluride Planning Department. The PIL fee is based on the difference between the market price of housing and the price that is affordable to Households with incomes that are targeted by the Telluride Affordable Housing Guidelines. The following method shall be used by the Town Planning Department staff to calculate the PIL fee, which shall be calculated annually by April 30 each calendar year:

Step One – Compile Free Market Dwelling Unit Sales Prices

Utilize the Multiple Listing Service (MLS) to find real estate sales within the following parameters:

- Sales that occurred within the previous 3 calendar years; and
- Free Market Dwelling Units; and
- Units within duplex or multi-family developments; and
- Studio, 1, 2, or 3 Bedrooms; and
- Within the Telluride Region as defined in the Telluride Master Plan.

Step Two – Determine Free Market Dwelling Unit Average Sales Price Per Square Foot

Determine the average sales price per square foot of all Free Market Dwelling Units from Step One by dividing the sum of all average sales prices per square foot by the total number of sales.

Step Three – Determine Affordable Average Sales Price Per Square Foot

Using the Tier 1 Initial Sales Price table in the Telluride Affordable Housing Guidelines, determine the average allowed initial sales price per square foot for 1 Bedroom/Studio, 2 Bedroom, and 3 Bedroom Tier 1 units combined (the sum of the allowed initial sales prices for per square foot for 1 Bedroom/Studio, 2 Bedroom, and 3 Bedroom Tier 1 units divided by the number of unit types).

Example: Tier 1 Initial Sales Price Table from July 2017 Telluride Affordable Housing Guidelines

Unit Size:	Income Target:	Maximum Initial Sale Price:
1 Bedroom/Studio	70% of 1 Person AMI	\$284 per square foot
2 Bedroom	90% of 2 Person AMI	\$258 per square foot
3 Bedroom	90% of 2.5 Person AMI	\$217 per square foot

$\$284 \text{ per square foot (1 Bedroom/Studio)} + \$258/\text{square foot (2 Bedroom)} + \$217/\text{square foot (3 Bedroom)} / 3 \text{ unit types} = \$253 \text{ per square foot Affordable Average Sales Price}$

Step Four – Calculate the Market-Affordability Difference

Subtract the Affordable Average Sales Price Per Square Foot from the Free Market Dwelling Unit Average Sales Price Per Square Foot. The resulting difference is the Payment-in-Lieu fee.

Example Calculation:

Free Market Dwelling Unit Average Sales Price Per Square Foot = FM Price

Affordable Average Sales Price Per Square Foot = AH Price

FM Price – AH Price = Payment-in-Lieu Fee

Based on this methodology, the Payment-in-Lieu Fee on January 31, 2018, was \$458. **For the current Payment-in-Lieu Fee, contact the Town Planning and Building Department.**

Appendix D: Lottery Point System

INITIAL LOTTERY ENTRY:

Completed lottery applications are processed for Qualification of each Applicant Household. Lottery Applicants certified as Qualified Households are eligible for one (1) entry into the lottery.

ADDITIONAL LOTTERY ENTRIES:

In an effort to weight Applicants based on criteria deemed to further the intent of the Town of Telluride's Affordable Housing Program, points toward additional lottery entries are given to Qualified Households meeting the criteria outlined below. Only one Qualified Household member's history will be considered for additional lottery points, and points will not be aggregated between multiple members of a Household. Thus, the Household should submit documentation for the individual Household member with the most possible points towards additional entries.

One (1) additional entry is awarded to Households with five (5) to nine (9) points.

Two (2) additional entries are awarded to Households with ten (10) to (14) points.

Three (3) additional entries are awarded to Households with fifteen (15) to nineteen (19) points.

Four (4) additional entries are awarded to Households with twenty (20) or more points.

The maximum number of entries allowed is five (5).

Employment and Residency History

Additional entries in the lottery shall be awarded to Households that can demonstrate multiple years of Presence Required Employment and residency within the boundaries of the Telluride R-1 School District based on the following criteria:

- A. For a given year of Presence Required Employment to count toward an additional lottery entry an individual must provide proof:
 1. that they have worked a minimum of eight (8) of every twelve (12) months on a rolling twelve (12) month basis, and must have worked a minimum of forty (40) hours per month during the minimum eight (8) months; and
 2. they have worked at least 1400 hours during that calendar year. The current calendar year may be counted if the individual has accumulated 1400 hours of employment to date for the current year.
- B. The years of employment do not have to be consecutive, but they must be within the timing shown in Table 1 below.

TABLE 1 – Points Awarded for Years of Employment are granted as follows:

Years of Employment History	3 - 5 Years of previous 6	6 - 8 Years of previous 10	9-10 Years of previous 12	11-14 Years of previous 18	15-19 Years of previous 23	20-24 Years of previous 28	25 Years or more of previous 30
Additional Points Received	2	4	5	6	8	10	12

Additional Considerations

- **Local School Attendees** – Applicants who attended six (6) years of kindergarten-grade 12 education at a public or private school within the Telluride R-1 School District are awarded an additional two (2) points. Certification from the school is required for Qualification.
- **Essential Response Personnel** – Applicants who are currently Essential Response Personnel are awarded three (3) points. Certification from the local community-based organization is required.
- **Current Owners of Affordable Housing Units** – Qualified Owners of Affordable Housing Units in full compliance with the Guidelines wishing to downsize to a smaller unit are awarded five (5) points. Owners of Housing Units wishing to move to a larger unit are awarded three (3) points.
- **Military Service** – Applicants who are United States active-duty military or who have served at least 90 days of aggregate active-duty service in the United States military, naval, or air service and were released under conditions other than dishonorable, or their surviving spouse, are awarded two (2) points. A surviving spouse who is remarried or in a domestic partnership does not qualify. A copy of Applicant's discharge paperwork is required.
- **Additional Hours Worked** – Applicants who can show two thousand (2000) or more hours of Presence Required Employment in the preceding twelve (12) month period prior to application are awarded four (4) points.

Appendix E: Fee and Penalty Schedule

Fees:

Exception Fee	\$25.00
Appeal Fee	\$25.00
Grievance Fee	\$50.00
Inspection Fee	\$250.00

Penalties:

Compliance Late Penalty	\$20.00/day
Failure to Confirm <u>Tenant Qualification</u> or Submit Tenant Lease	\$20.00/day
Notification Required Penalty	\$20.00/day

1% Fee per [Section 106.9](#) - At the closing of the Sale, the seller, except when the seller is the Town or its designee, a Qualified Household or a Qualified Holder, will pay to the THA a fee equal to 1% of the sale price. The THA may instruct the title company to pay such fees out of the funds held for the seller at closing.

Appendix F: Permitted Capital Improvements

THA does not wish to discourage Owner improvements to Housing Units, but has a strong interest in maintaining the long-term affordability and targeted Income Eligibility Tier of each unit and thus cannot allow Owners to recover costs upon Sale for unnecessary or personal-choice driven improvements. In determining whether an improvement is a Permitted Capital Improvement or a Luxury Item, THA Staff shall consider:

- Whether the improvement is necessary to extend the life of the Housing Unit or to preserve the health and safety of occupants;
- The age and condition of the item to be replaced, and whether current condition was caused by normal wear and tear or the negligence of the Owner or any occupant, with useful life and depreciation as determined by the Marshall & Swift depreciation guidelines;
- Whether the improvement will provide increased water or energy efficiency savings;
- Whether the improvement shows a high degree of customization or personal preference, or if the improvement is sufficiently standard or neutral to be acceptable to a subsequent purchaser; and
- Whether allowing a full or partial increase in MSP for the improvement would make the Housing Unit unaffordable for the established Tier.

Some improvements may qualify in part as a Permitted Capital Improvement and in part as a Luxury Item based upon the criteria above, and thus be subject to only partial recovery of depreciable expenses:

Example 1: Replacement of furnace or water heater after it has reached the end of its useful life, regardless of the energy efficiency of new model – 100% Permitted Capital Improvement.

Example 2: Replacement of furnace or water heater 50% into its useful life with a significantly more energy efficient model – 100% Permitted Capital Improvement.

Example 3: Replacement of laminate Kitchen counters with neutral, durable, builder-grade quartz – 0-100% Permitted Capital Improvement depending upon age and condition of laminate Kitchen counters and current MSP with respect to Tier limit.

Example 4: Replacement of carpet after dog/child destroyed it 30% into useful life – 30% Permitted Capital Improvement.

Example 5: Installation of a matching built-in microwave where none previously existed – 100% Permitted Capital Improvement.

Example 6: Installation of steam shower – 0% Permitted Capital Improvement.

Unless an emergency warrants immediate action, all improvements desirous of being a Permitted Capital Improvement **must be approved by THA Staff prior to construction or installation.** Owners are encouraged to discuss their full renovation/replacement plans with THA Staff so Owners are aware of the limitations that will be placed on cost recovery. Permitted Capital Improvements 0-4.9% of the OPP may be approved by THA Staff, Permitted Capital Improvements 5-10% of the OPP must be approved by the THA Subcommittee through an Exception. Permitted Capital Improvements in excess of 10% of the OPP are not prohibited, but are not fully recoverable and will only be added to MSP up to the 10% of OPP allowed.

Only the actual out-of-pocket expenses of an Owner may be added to MSP as a Permitted Capital Improvement. Fair market labor costs may be authorized to constitute up to fifty percent (50%) of the Permitted Capital Improvements. Grant funds credited towards an improvement are not eligible to be added to MSP.

Appendix G: Affordable Housing Unit Inventory

This is an administrative document ***for informational purposes*** only. Inaccuracies shall not be binding upon any unit or applicant. For the most accurate Affordable Housing Unit information, consult with the current Deed Restriction for the Housing Unit in question or inquire with THA Staff.

Housing Complex Name	Address	Unit Type	Bdrms	Tier	Restrictions			
					Sale Price	Employmt	Income	Net Assets
MITIGATION UNITS:								
Alpine Chapel	122 S Aspen St	Rental Unit	3	1	N/A	Yes	Yes	Yes
Ballard	230 S Pine St Unit AH-101	Condo	1	1	Yes	Yes	Yes	Yes
Ballard	230 S Pine St Unit AH-102	Condo	2	1	Yes	Yes	Yes	Yes
Ballard	230 S Pine St Unit AH-103	Condo	Studio	1	Yes	Yes	Yes	Yes
Ballard	230 S Pine St Unit AH-104	Condo	Studio	1	Yes	Yes	Yes	Yes
Ballard	230 S Pine St Unit AH-105	Condo	1	1	Yes	Yes	Yes	Yes
Ballard	230 S Pine St Unit AH-106	Condo	2	1	Yes	Yes	Yes	Yes
Boomerang Lodge	134 S Tomboy St Unit 7	Condo	2	2	Yes	Yes	Yes	Yes
Boomerang Village	136 S Tomboy St Unit C105	Condo	1	1	Yes	Yes	Yes	Yes
Boomerang Village	136 S Tomboy St Unit D109	Condo	1	1	Yes	Yes	Yes	Yes
Boomerang Village	136 S Tomboy St Unit D308	Condo	2	3	Yes	Yes	Yes	Yes
Brown Homestead	765 Highway 145 Unit D3 D5	Condo	3	3	Yes	Yes	Yes	Yes
Cascades-Element 52	368 S Davis St Unit A2	Condo	1	3	Yes	Yes	Yes	Yes
Cascades-Element 53	398 S Davis St Unit C-102	Condo	2	1	Yes	Yes	Yes	Yes
Cascades-Element 54	398 S Davis St Unit E-1	Condo	3	1	Yes	Yes	Yes	Yes
Cascades-Element 55	398 S Davis St Unit SW101	Condo	1	2	Yes	Yes	Yes	Yes
Cascades-Element 56	398 S Davis St Unit SW102	Condo	2	2	Yes	Yes	Yes	Yes
Cascades-Element 57	398 S Davis St Unit SW103	Condo	2	1	Yes	Yes	Yes	Yes
Cascades-Element 58	398 S Davis St Unit SW104	Condo	1	2	Yes	Yes	Yes	Yes
Cascades-Element 59	398 S Davis St Unit W1	Condo	1	2	Yes	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 1A	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 1B	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 1C	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 1D	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 1E	Rental Unit	2	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 1F	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 1G	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 1H	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 1J	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 2A	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 2B	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 2C	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 2D	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 2E	Rental Unit	2	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 2F	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 2G	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 2H	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 2J	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 3A	Rental Unit	2	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 3B	Rental Unit	2	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 3C	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 3D	Rental Unit	2	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 3E	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 3F	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 3G	Rental Unit	1	3	N/A	Yes	Yes	Yes
Creekside Apartments	311 Coonskin Ct Unit 3H	Rental Unit	2	3	N/A	Yes	Yes	Yes
Double Diamond	350 S Mahoney Dr Unit 10A	Condo	Studio	3	Yes	Yes	Yes	Yes
Double Diamond	350 S Mahoney Dr Unit 10B	Condo	2	3	Yes	Yes	Yes	Yes
Eider Creek	35 Pilot Knob Ln Unit 701	Condo	2	3	Yes	Yes	Yes	Yes
Hotel Columbia	301 W San Juan Ave Unit E-1	Rental Condo	1		Yes	Yes	Yes	Yes
Hotel Columbia	301 W San Juan Ave Unit E-2	Rental Condo	1		Yes	Yes	Yes	Yes
Hotel Telluride	199 Cornet Ct Unit A	Rental Condo	2		Yes	Yes	Yes	Yes
Hotel Telluride	199 Cornet Ct Unit B	Rental Condo	1		Yes	Yes	Yes	Yes
Lulu City	280 S Mahoney Dr Unit 6A	Condo	2	3	Yes	Yes	Yes	Yes
Lulu City	280 S Mahoney Dr Unit 6B	Condo	2	3	Yes	Yes	Yes	Yes
Meribel Residences	394 W Colorado Ave Unit B	Condo	1	1	Yes	Yes	Yes	Yes
Needle Rock	250 S Fir St Unit 4	Condo	3	2	Yes	Yes	Yes	Yes
Outlaws @ Prospect Crk	323 Adams Ranch Rd Unit 8B	Condo	3	3	Yes	Yes	Yes	Yes

Housing Complex Name	Address	Unit Type	Bdrms	Tier	Restrictions			
					Sale Price	Employmt	Income	Net Assets
Owl Meadows	240 S Mahoney Dr Unit 17	Condo	2	3	Yes	Yes	Yes	Yes
Red Brick Condos	209 E Colorado Ave Unit EH1	Condo	Studio	1	Yes	Yes	Yes	Yes
River Club	550 Depot Ave Unit 201	Rental Condo	2	3	Yes	Yes	Yes	Yes
River Club	550 Depot Ave Unit 208	Rental Condo	2	3	Yes	Yes	Yes	Yes
Rivercrown	320 S Pine St Unit 8	Condo	1	3	Yes	Yes	Yes	Yes
Rivercrown	320 S Pine St Unit 9	Condo	1	3	Yes	Yes	Yes	Yes
San Juan Warehouse	225 S Pine St Unit E	Condo	1	3	Yes	Yes	Yes	Yes
San Juan Warehouse	225 S Pine St Unit J	Condo	2	3	Yes	Yes	Yes	Yes
Sofios (Brown Dog)	110 E Colorado Ave	Rental Unit	Studio	3	Yes	Yes	Yes	Yes
Spiral Stairs	129 W San Juan Ave Unit R5	Condo	2	3	Yes	Yes	Yes	Yes
Telluride Main St	373 E Colorado Ave Unit 4	Condo	1	3	Yes	Yes	Yes	Yes
Telluride Transfer	150 W Pacific Ave Unit D	Condo	2	1	Yes	Yes	Yes	Yes
Telluride Transfer	215 W San Juan Ave Unit 001SJH	Condo	1	1	Yes	Yes	Yes	Yes
Telluride Transfer	215 W San Juan Ave Unit 102FH	Condo	1	1	Yes	Yes	Yes	Yes
Telluride Transfer	215 W San Juan Ave Unit 103FH	Condo	2	2	Yes	Yes	Yes	Yes
The Willows	240 E Pacific Ave Unit 5	Condo	1	3	Yes	Yes	Yes	Yes
W Pacific Campus	573.5 W Pacific Ave	Condo	1	1	Yes	Yes	Yes	Yes
Wares House	150 E Pacific Ave Unit DRU	Condo	3	1	Yes	Yes	Yes	Yes
West Pacific	586 W Pacific Ave Unit B	Condo	1	1	Yes	Yes	Yes	Yes
Wilkin Court	1001 E Colorado Ave Unit A	Condo	1	3	Yes	Yes	Yes	Yes
Wilkin Court	1001 E Colorado Ave Unit B	Condo	2	3	Yes	Yes	Yes	Yes
Wilkin Court	1001 E Colorado Ave Unit C	Condo	2	3	Yes	Yes	Yes	Yes
Wilkin Court	1001 E Colorado Ave Unit D	Condo	1	3	Yes	Yes	Yes	Yes
Wilkin Court	1001 E Colorado Ave Unit E	Condo	2	3	Yes	Yes	Yes	Yes
Wilkin Court	1001 E Colorado Ave Unit F	Condo	2	3	Yes	Yes	Yes	Yes
Wilkin Court	1001 E Colorado Ave Unit G	Condo	1	3	Yes	Yes	Yes	Yes
Wilkin Court	1001 E Colorado Ave Unit H	Condo	2	3	Yes	Yes	Yes	Yes
Wilkin Court	1001 E Colorado Ave Unit I	Condo	3	3	Yes	Yes	Yes	Yes
Wilkin Court	1001 E Colorado Ave Unit J	Condo	3	3	Yes	Yes	Yes	Yes
Wilkin Court	1001 E Colorado Ave Unit K	Condo	2	3	Yes	Yes	Yes	Yes
Wilkin Court	1001 E Colorado Ave Unit L	Condo	1	3	Yes	Yes	Yes	Yes
Wilkin Court	1001 E Colorado Ave Unit M	Condo	2	3	Yes	Yes	Yes	Yes
TOWN CONSTRUCTED UNITS:								
Entrada	295 S Mahoney Dr Unit B	Condo	2	N/A	Town of Telluride Deed Restriction			
Entrada	295 S Mahoney Dr Unit C	Condo	2	N/A	Town of Telluride Deed Restriction			
Entrada	295 S Mahoney Dr Unit D	Condo	3	2	Yes	Yes	Yes	Yes
Entrada	295 S Mahoney Dr Unit E	Condo	2	2	Yes	Yes	Yes	Yes
Entrada	295 S Mahoney Dr Unit F	Condo	3	2	Yes	Yes	Yes	Yes
Entrada	295 S Mahoney Dr Unit G	Condo	3	2	Telluride R1 School Dist. Deed Restriction			
Entrada	295 S Mahoney Dr Unit H	Condo	3	2	Yes	Yes	Yes	Yes
Entrada	295 S Mahoney Dr Unit I	Condo	1	1	Yes	Yes	Yes	Yes
Entrada	295 S Mahoney Dr Unit J	Condo	3	2	Yes	Yes	Yes	Yes
Entrada	295 S Mahoney Dr Unit K	Condo	2	2	Yes	Yes	Yes	Yes
Entrada	295 S Mahoney Dr Unit L	Condo	3	2	Yes	Yes	Yes	Yes
Entrada	295 S Mahoney Dr Unit M	Condo	2	2	Yes	Yes	Yes	Yes
Entrada (ADA)	295 S Mahoney Dr Unit N	Condo	2	2	Yes	Yes	Yes	Yes
Entrada	295 S Mahoney Dr Unit O	Condo	1	1	Yes	Yes	Yes	Yes
Entrada	295 S Mahoney Dr Unit P	Condo	1	1	Yes	Yes	Yes	Yes
Entrada	295 S Mahoney Dr Unit Q	Condo	3	2	Yes	Yes	Yes	Yes
Entrada	295 S Mahoney Dr Unit R	Condo	3	2	Yes	Yes	Yes	Yes
Fino Building	215 E Colorado Ave Unit 1A	Condo	2	3	Yes	Yes	Yes	Yes
Fino Building	215 E Colorado Ave Unit 2A	Condo	2	3	Yes	Yes	Yes	Yes
Formerly TFH	907 E Colorado Ave	Home	3	N/A	Town of Telluride Deed Restriction			
Formerly TFH	911 E Colorado Ave	Home	3	3	Yes	Yes	Yes	Yes
Formerly TFH	915 E Colorado Ave	Home	3	3	Yes	Yes	Yes	Yes
Formerly TFH	921 E Colorado Ave	Home	2	3	Yes	Yes	Yes	Yes
Formerly TFH	925 E Colorado Ave	Home	2	3	Yes	Yes	Yes	Yes
Formerly TFH	937 E Colorado Ave	Home	2	3	Yes	Yes	Yes	Yes
Formerly TFH	931 E Colorado Ave Unit G	Home	3	3	Yes	Yes	Yes	Yes

Housing Complex Name	Address	Unit Type	Bdrms	Tier	Restrictions			
					Sale Price	Employmt	Income	Net Assets
Gold Run Lot 1R	1007 E Colorado Ave Unit A	Condo	2	2	Yes	Yes	Yes	Yes
Gold Run Lot 4	1000 E Colorado Ave Unit A	Condo	2	1	Telluride R1 School Dist. Deed Restriction			
Gold Run Lot 4	1000 E Colorado Ave Unit B	Condo	2	1	Yes	Yes	Yes	Yes
Gold Run Lot 5	1002 E Colorado Ave Unit A	Condo	2	1	Yes	Yes	Yes	Yes
Gold Run Lot 5	1002 E Colorado Ave Unit B	Condo	1	1	Yes	Yes	Yes	Yes
Gold Run Lot 1R	1007 E Colorado Ave Unit B	Condo	1	1	Yes	Yes	Yes	Yes
Gold Run Sub Lot 6	1004 E Colorado Ave	Home	3	2	Yes	Yes	Yes	Yes
Gold Run Sub Lot 7	1006 E Colorado Ave	Home	3	2	Yes	Yes	Yes	Yes
Gold Run Sub Lot 8	1008 E Colorado Ave	Home	3	2	Yes	Yes	Yes	Yes
Gold Run Sub Lot 2R	1009 E Colorado Ave	Home	3	2	Yes	Yes	Yes	Yes
Gold Run Sub Lot 9	1010 E Colorado Ave	Home	3	2	Yes	Yes	Yes	Yes
Gold Run Sub Lot 10	1012 E Colorado Ave	Home	3	2	Yes	Yes	Yes	Yes
Gold Run Sub Lot 11	1014 E Colorado Ave	Home	3	2	Yes	Yes	Yes	Yes
Gold Run Sub Lot 12	1016 E Colorado Ave	Home	3+	2	Yes	Yes	Yes	Yes
Gold Run Sub Lot 13	1018 E Colorado Ave	Home	3+	2	Yes	Yes	Yes	Yes
Gold Run Sub Lot 14	1020 E Colorado Ave	Home	3	2	Yes	Yes	Yes	Yes
Gold Run Sub Lot 15	1022 E Colorado Ave	Home	3	2	Yes	Yes	Yes	Yes
Gold Run Lot 3 PUC	950 E Colorado Ave Unit 3B	Condo	2	2	Yes	Yes	Yes	Yes
Longwill 16	285 S Mahoney Dr Unit A1	Condo	3	4	Yes	Yes	Yes	Yes
Longwill 16	285 S Mahoney Dr Unit A2	Condo	4	N/A	Town of Telluride Deed Restriction			
Longwill 16	285 S Mahoney Dr Unit B3	Condo	3	N/A	Town of Telluride Deed Restriction			
Longwill 16	285 S Mahoney Dr Unit B4	Condo	3	1	Yes	Yes	Yes	Yes
Longwill 16	285 S Mahoney Dr Unit B5	Condo	3	4	Yes	Yes	Yes	Yes
Longwill 16	285 S Mahoney Dr Unit B6	Condo	2	4	Yes	Yes	Yes	Yes
Longwill 16	285 S Mahoney Dr Unit C10	Condo	3	4	Yes	Yes	Yes	Yes
Longwill 16	285 S Mahoney Dr Unit C11	Condo	3	4	Yes	Yes	Yes	Yes
Longwill 16	285 S Mahoney Dr Unit C7	Condo	3	1	Yes	Yes	Yes	Yes
Longwill 16	285 S Mahoney Dr Unit C8	Condo	3	2	Yes	Yes	Yes	Yes
Longwill 16	285 S Mahoney Dr Unit C9	Condo	4	1	Yes	Yes	Yes	Yes
Longwill 16	285 S Mahoney Dr Unit D12	Condo	1	1	Yes	Yes	Yes	Yes
Longwill 16	285 S Mahoney Dr Unit D13	Condo	2	1	Yes	Yes	Yes	Yes
Longwill 16	285 S Mahoney Dr Unit D14	Condo	2	2	Yes	Yes	Yes	Yes
Longwill 16	285 S Mahoney Dr Unit D15	Condo	3	2	Yes	Yes	Yes	Yes
Longwill 16	285 S Mahoney Dr Unit D16	Condo	3	2	Yes	Yes	Yes	Yes
Mendota	600 W Colorado Ave Unit A	Condo	Studio	1	Yes	Yes	Yes	Yes
Mendota	600 W Colorado Ave Unit A1	Condo	1	1	Yes	Yes	Yes	Yes
Mendota	600 W Colorado Ave Unit A2	Condo	2	N/A	Telluride R1 School Dist. Deed Restriction			
Mendota	600 W Colorado Ave Unit A3	Condo	3	2	Yes	Yes	Yes	Yes
Mendota	600 W Colorado Ave Unit B	Condo	Studio	1	Yes	Yes	Yes	Yes
Mendota	600 W Colorado Ave Unit B2	Condo	2	1	Yes	Yes	Yes	Yes
Mendota	600 W Colorado Ave Unit C3	Condo	3	2	Yes	Yes	Yes	Yes
Mendota	600 W Colorado Ave Unit D2	Condo	2	2	Yes	Yes	Yes	Yes
Mendota	600 W Colorado Ave Unit E2	Condo	2	N/A	Town of Telluride Deed Restriction			
Mendota	600 W Colorado Ave Unit F2	Condo	2	1	Yes	Yes	Yes	Yes
Mendota	600 W Colorado Ave Unit G2	Condo	2	2	Yes	Yes	Yes	Yes
Mendota	600 W Colorado Ave Unit H2	Condo	2	1	Yes	Yes	Yes	Yes
Mendota	600 W Colorado Ave Unit I3	Condo	3	2	Yes	Yes	Yes	Yes
Mendota	600 W Colorado Ave Unit J2	Condo	2	2	Yes	Yes	Yes	Yes
Mendota	600 W Colorado Ave Unit K2	Condo	2	1	Yes	Yes	Yes	Yes
Mendota	600 W Colorado Ave Unit L2	Condo	2	2	Yes	Yes	Yes	Yes
Popcorn Alley	121 E Pacific Ave Unit 2	Condo	1	3	Yes	Yes	Yes	Yes
Popcorn Alley	123 E Pacific Ave Unit 3	Condo	1	3	Yes	Yes	Yes	Yes
Popcorn Alley	127 E Pacific Ave Unit 4	Condo	3	1 or 3	Yes	Yes	Yes	Yes
Silverjack	155 W Pacific Ave Unit 202	Condo	3	1	Yes	Yes	Yes	Yes
Silverjack	155 W Pacific Ave Unit 203	Condo	3	2	Yes	Yes	Yes	Yes
Silverjack	155 W Pacific Ave Unit 204	Condo	1	1	Yes	Yes	Yes	Yes
Silverjack	155 W Pacific Ave Unit 205	Condo	2	1	Yes	Yes	Yes	Yes
Silverjack	155 W Pacific Ave Unit 206	Condo	2	2	Yes	Yes	Yes	Yes
Silverjack	155 W Pacific Ave Unit 302	Condo	2	1	Yes	Yes	Yes	Yes

Housing Complex Name	Address	Unit Type	Bdrms	Tier	Restrictions			
					Sale Price	Employmt	Income	Net Assets
Silverjack	155 W Pacific Ave Unit 303	Condo	2	2	Yes	Yes	Yes	Yes
Silverjack	155 W Pacific Ave Unit 304	Condo	3	2	Yes	Yes	Yes	Yes
Silverjack	155 W Pacific Ave Unit 305	Condo	3	4	Yes	Yes	Yes	Yes
Silverjack	155 W Pacific Ave Unit 306	Condo	1	2	Yes	Yes	Yes	Yes
Spruce House	226 E Pacific Ave Unit A	Condo	1	1	Yes	Yes	Yes	Yes
Spruce House	226 E Pacific Ave Unit B	Condo	2	2	Yes	Yes	Yes	Yes
Spruce House	226 E Pacific Ave Unit COM-1	Condo	COMM	N/A	Deed Restricted Commercial Unit			
Spruce House	226 E Pacific Ave Unit CR	Condo	2	1	Yes	Yes	Yes	Yes
Spruce House	226 E Pacific Ave Unit DR	Condo	2	2	Yes	Yes	Yes	Yes
Spruce House	226 E Pacific Ave Unit E	Condo	2	1	Yes	Yes	Yes	Yes
Spruce House	226 E Pacific Ave Unit F	Condo	2	2	Yes	Yes	Yes	Yes
Spruce House	226 E Pacific Ave Unit G	Condo	1	2	Yes	Yes	Yes	Yes
Spruce House	226 E Pacific Ave Unit H	Condo	3	2	Yes	Yes	Yes	Yes
White House	147 S Tomboy St Unit 1A	Condo	1	2	Yes	Yes	Yes	Yes
White House	147 S Tomboy St Unit 1B	Condo	1	1	Yes	Yes	Yes	Yes
White House	147 S Tomboy St Unit 1C	Condo	3	2	Yes	Yes	Yes	Yes
White House	147 S Tomboy St Unit 2A	Condo	2	1	Yes	Yes	Yes	Yes
White House	147 S Tomboy St Unit 2B	Condo	2	1	Yes	Yes	Yes	Yes
White House	147 S Tomboy St Unit 2C	Condo	2	2	Yes	Yes	Yes	Yes
White House	147 S Tomboy St Unit 3A	Condo	2	2	Yes	Yes	Yes	Yes
White House	147 S Tomboy St Unit 3B	Condo	2	1	Yes	Yes	Yes	Yes
White House	147 S Tomboy St Unit 3C	Condo	2	2	Yes	Yes	Yes	Yes
EMPLOYEE DWELLING UNITS:								
Butcher Creek	888 Butcher Crk Dr	Home	3		No	Yes		
Butcher Creek	894 Butcher Crk Dr	Home	3		No	Yes		
	425 E Colorado Ave	Rental Unit	1		N/A	Yes		
Mulford Bldg	213 W Colorado Ave Unit C-2	Condo	1		No	Yes		
Bocchini Condos	424 W Colorado Ave Unit B	Rental Unit	Studio		N/A	Yes		
Bocchini Condos	424 W Colorado Ave Unit C	Condo	1		No	Yes		
	508 W Colorado Ave	Rental Unit	2		N/A	Yes		
	563 W Colorado Ave	Rental Unit	1		N/A	Yes		
	229 E Columbia Ave	Rental Unit	Studio		N/A	Yes		
	326 E Columbia Ave	Rental Unit	2		N/A	Yes		
	484 E Columbia Ave	Rental Unit	1		N/A	Yes		
	714 E Columbia Ave	Rental Unit	1		N/A	Yes		
	960 E Columbia Ave	Rental Unit	1		N/A	Yes		
	566 W Columbia Ave	Rental Unit	1		N/A	Yes		
	576 W Columbia Ave	Rental Unit	Studio		N/A	Yes		
Tomboy Lodge	619 W Columbia Ave Unit B120	Condo	2		No	Yes		
	148 S Davis St	Rental Unit	1		N/A	Yes		
	200 S Davis St Unit B	Rental Unit	1		N/A	Yes		
	239 N Fir St	Rental Unit	1		N/A	Yes		
	239 E Galena Ave	Rental Unit	2		N/A	Yes		
	512 W Galena Ave	Rental Unit	1		N/A	Yes		
	725 W Galena Ave	Rental Unit	1		N/A	Yes		
	227 E Gregory Ave	Rental Unit	1		N/A	Yes		
	309 N Oak St	Rental Unit	2		N/A	Yes		
	323 N Oak St	Rental Unit	1		N/A	Yes		
Pacific Place	232 E Pacific Ave Unit E	Condo	2		No	Yes		
Telluride Medical Ctr	500 W Pacific Ave	On-Call Dorm	4		N/A	Yes	N/A	N/A
	395 N Pine St	Rental Unit	1		N/A	Yes		
	122 N Spruce St	Rental Unit	1		N/A	Yes		
	317.5 N Spruce St	Rental Unit	1		N/A	Yes		
PENDING DEED RESTRICTED HOUSING UNITS:								
Overlook @ Telluride		Vacant Land			No	Yes	No	No
Overlook @ Telluride		Vacant Land			No	Yes	No	No
Overlook @ Telluride		Vacant Land			No	Yes	No	No