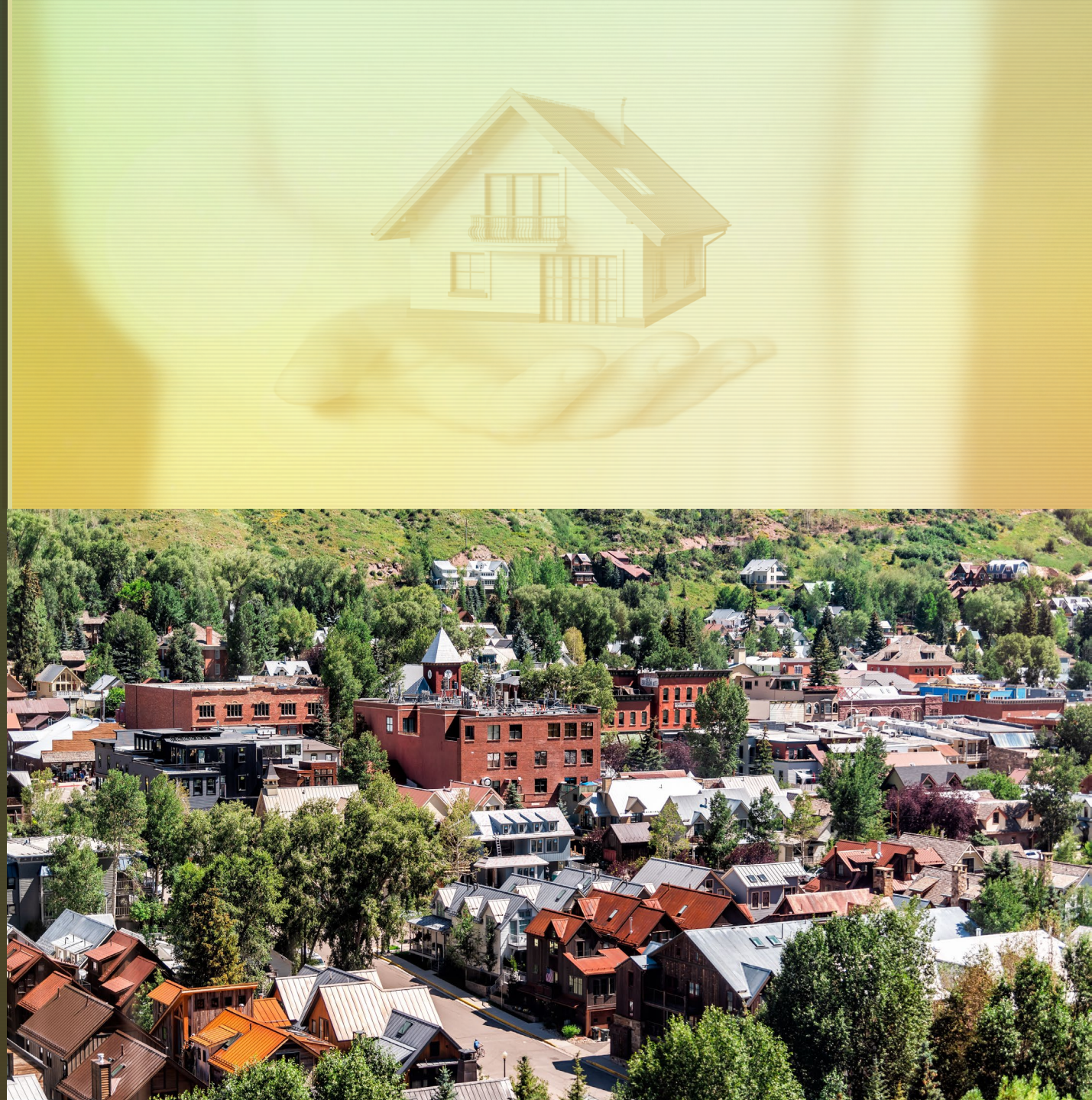


Telluride Affordable Housing Guidelines Biennial Update

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Public Information Sessions – October 15, 2025



Roadmap

What is the purpose of today's meeting?

What should I know before reviewing these changes?

- What is an Affordable Housing Unit (AHU)?
- What are the goals of the AHU Program?

What are the major changes being proposed to the Guidelines?

- If I'm a current owner?
- If I want to own?
- If I rent?
- If I'm a developer?
- If I'm curious how this impacts THA staff?

What happens next and how can my voice be heard?

What is an Affordable Housing Unit (AHU)?

4 Types of AHUs as defined in the Guidelines:

1) Mitigation Unit (MU)

- Constructed by developers to mitigate the housing and employment impacts of new development, including through PUD public benefits

2) Town Constructed Units (TCU)

- Constructed by the Town and/or THA through the Affordable Housing Fund for resale to the qualified public

3) Employee Dwelling Unit (EDU)

- Historically constructed as an accessory unit by owners of homes seeking development incentives (waiver of tap fees, etc)
- Other units have also been designated as EDUs without being attached to an existing home, and are typically subject to very old deed restrictions which may not be subject to the Guidelines or Guidelines as amended

4) Rental Unit (RU)

- Rental housing constructed by Town (e.g. Shandoka, Sunnyside, VA Placer Apartments, Boardinghouse, Voodoo) are AHUs, but are not subject to the Guidelines. RUs are instead subject to the recently adopted Employee Rental Housing Policies

What is NOT an AHU?

- Units constructed or purchased by the Town and reserved for its own employees are not subject to the Guidelines, but are deed restricted to fit the Town's needs with respect to the employee purchasing or residing in the unit. = **8 units**
- Units constructed by the Town and dedicated to the School District are not subject to the Guidelines, but are subject to a School District specific deed restriction with approval of the Town. = **3 units**
- Deed restricted units located in Mountain Village and the County are not AHUs under the Town's program and are not subject to the Guidelines.

217 AHUs in the Town of Telluride

- 92 Mitigation Units
- 95 Town Constructed Units
- 30 Employee Dwelling Units
- **PLUS ~249 Rental Units**

What are the goals of the Affordable Housing Program?

(Guidelines Sec. 102)

Provide affordable
Employee housing

Promote economic
diversity within the
Telluride community

Ensure ongoing
affordability of Housing
Units

Provide for clear, fair, and
consistent administration
of Housing Programs

Overview of Major Changes to the Guidelines

Themes:

- Reconcile the Guidelines with topics discussed while adopting the Rental Policies
- Continue adding clarity to the Guidelines and filling in processes

Major Changes for all Current Owners of AHUs Subject to Guidelines as Amended, for all Future Applicants to Own, and for all Renters:

- **Intent to Work** definition adopted, an addition consistent with the Rental Policies (Definitions)
- **On-call and PTO hours** clarified for meeting the Employment Standard of 1,400 hours, allowing paid on-call hours to count toward the standard, 25% of unpaid on-call hours to count as volunteer hours, and no redeemed or accrued PTO hours to count (103.2B)
- **Income** - Income Variation Policy averaging of two-year income rather than a single snapshot looking back 12 months for calculating income, if income varies by more than 20% (103.3A3) and clarifications to classification as earned/unearned non-traditional sources of income (103.2C; Definitions)
- **Caregiver Exemption** adopted, an addition consistent with the Rental Policies (103.2B)
- **Net Asset Standard** – Beneficiaries of a trust must show documentation showing assets, allowed access, and distributions (103.2F)
- **Volunteer Community Service** – Allowing uncompensated government service (P&Z, Open Space, etc.) to claim hours, and increasing the allowance to 20% from 10% consistent with the Rental Policies (103.2B and 105.4A)
- **Exceptions** will automatically expire unless Sub/Board specifies otherwise at the hearing, and requiring an Exception Agreement (109.2B)
- **Appeals** standard of review added (109.3B)
- **Notice of Violation** hearing process added for the first time, defining cure, setting forth procedures and standards, and addressing repeat violations (111)

Overview of Major Changes to the Guidelines

Major Changes for Current Owners of AHUs subject to the Guidelines as Amended

- **Minimum Standards for Maximum Sales Price** are better defined and a professional inspection is required before sale to ensure property is properly maintained and issues addressed prior to transfer; radon mitigation addressed (106.4)
- **Withdrawal from Lottery** is prohibited after the lottery has been published (106.6)
- **Unit Sale Fee** reinstated and revised, maintaining 1% fee for NOV sales (106.9)
- **Permitted Capital Improvement** limits revised to allow for more staff review of improvements (less THA Sub/Board process), remove the absolute cap, and clarify Owner labor contributions (108.2D.3, 109.2D.7, Appendix F)

Major Changes for future Applicants to Own Affordable Housing Units

- **2-Year Lottery Prohibition** for Households who have been placed under a NOV within the last 2 years (106.11)
- **Lottery Winner Notice Deadline** for lottery winners to accept a unit (106.11E)

Major Changes for Renters of Affordable Housing Units

- None

Overview of Major Changes to the Guidelines

Major Changes for THA Board, Subcommittee and Staff

- **Notice of Violation** process is better understood, making this process easier to implement and enforce by both staff and THA Subcommittee/Board, and consequences better described for recipients of a NOV (111)
- **Exceptions** outcome and permanence is better understood, creating clarity for applicants and staff (109.2B)
- Requirement for **professional inspections** will remove much of staff's perceived responsibility for identifying issues with units prior to transfer, simultaneously protecting new buyers and holding current owners accountable for maintenance (106.4)
- Collection of **Unit Sale Fee** will offset additional THA costs of increased review for professional inspections, preparation of deed restrictions, and addressing common issues for negotiation between buyers and sellers (106.9)
- Staff will administratively review more **Permitted Capital Improvement** requests, while the THA Subcommittee will only hear requests exceeding 10% of OPP, simplifying the process for owners as units continue to age (108.2D.3, 109.2D.7, Appendix F)

Major Changes for Developers

- None

Process and Timeline for Adoption

TENTATIVE ADOPTION BY THA/TOWN COUNCIL: **10/21/2025**

Email Questions or Comments to:

- THA Subcommittee Members
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Questions?