

# Town of Telluride

## Telluride Affordable Housing Guidelines

Adopted by Telluride Housing Authority on September 19, 1994  
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**SECTION 1: PURPOSE** To provide affordable housing to offset the housing impacts and needs created by new development and to inform prospective developers of property within the Town of Telluride of the standards and guidelines for construction and sale or rental of housing as required by Article 3, Division 7 of the Town Land Use Code.

**SECTION 2: APPLICABILITY** These Guidelines apply to all developments which are subject to the provisions of Article 3, Division 7 of the Town of Telluride Land Use Code for which a completed application was submitted to the Town Planning Department after the date on which the Telluride Town Council approved these Guidelines. These Guidelines shall also apply to all developments which have contractually agreed to abide by the requirements of Article 3, Division 7 of the Town of Telluride Land Use Code.

**SECTION 3: CONTENTS** These Guidelines cover the following subjects:

1. Income and asset targets for required Affordable Housing
2. Price guidelines and regulations for rental
3. Price guidelines and regulations for sale
4. Payments-in-lieu
5. Standards for size and construction
6. Deed restriction form and process
7. Procedure for alternate forms of providing required housing
8. Employee qualifications, occupancy standards and verification process

**SECTION 4: GENERAL DESCRIPTION OF THE LEGISLATION** The Town of Telluride has passed an ordinance establishing Article 3, Division 7 of its Land Use Code concerning requirements for developers constructing buildings containing certain types of uses to partially mitigate the employee housing impacts of their development (known herein as the "Legislation"). The Legislation establishes a minimum amount of square footage of Affordable Housing which is to be provided by the developer concurrently with the construction of the development. The detailed requirements for the provision of the required Affordable Housing have been incorporated into these Guidelines, which have been drafted and adopted by the Telluride Housing Authority ("THA") and approved by the Telluride Town Council. These Guidelines will be reviewed in 1995 and again at least every two years by THA and changes, if any, will be recommended to the Town Council based on the success and failure of the previous Guidelines in meeting the affordable housing needs of the Telluride Community, as generated by new development.

**SECTION 5: INCOME AND ASSET TARGETS** Consistent with the intent of the legislation,

units created under the Legislation are targeted for persons of middle income which is based on affordability at the 45th percentile individual income for employees working within the Town of Telluride, with an upper limit equal to the 90th percentile individual income for employees working within the Town of Telluride.

Affordability Standard: \$2,083 per month per bedroom  
Upper Limit: \$5,000 per month per bedroom

The Pricing Guidelines as contained herein are given on a per square foot basis, and were calculated using the standard of a 700 square foot, two-bedroom apartment occupied by two employees. Actual income limits for a given unit are determined by the number of bedrooms in the unit. The Income Limit is the number of bedrooms multiplied by the applicable individual income. Table 1 shows the actual limits for all unit types and categories.

TABLE 1: Monthly Household Income Limits by Unit Type

1 Bdrm	2 Bdrm	3 Bdrm
\$5,000	\$10,000	\$15,000

NOTE: The Monthly Household Income Limits by Unit Type specified in Table 1 shall be adjusted annually pursuant to the Average Annual Wage [ES-202] for San Miguel County as reported by the Colorado Department of Labor and Employment or data specifically for the Town of Telluride if available. Notice of revisions to Table 1 made pursuant to this section shall be published once in a legal newspaper for the Town of Telluride and be in effect for one calendar year from the date of publication unless otherwise amended.

**INCOME, ASSET, RENTAL, AND OWNERSHIP QUALIFICATIONS:**

- 5.1 THA Qualified Employees, as defined in Section 12 herein, shall be subject to the following limitations in order to be eligible to rent an Affordable Housing unit:
  - a. No more than 25% of any individual's income may be from non-employment sources.
  - b. Total personal net worth of the renter shall not exceed two times the allowed purchase price of the units (excluding non-occupant co-borrowers).
  - c. The renter may not own any other developed residential property within the Telluride R-1 School District.
  
- 5.2 In addition to the requirements outlined in 5.1 herein, THA Qualified Employees, as defined in Section 12 herein, shall be subject to the following limitations in order to be eligible to own an Affordable Housing unit:
  - a. The owner may not own any other undeveloped or developed residential property within the Telluride R-1 School District.
  - b. Upon purchase, the owner must make the unit their principle place of residence.
  
- 5.3 Affordable Housing units not owned by a THA Qualified Employee as defined in Sections 5 and 12 herein may be occupied only by a THA Qualified Employee and may be owned only by one or more of the following:
  - a. the original developer of the project in which the unit is located;

- b. a business owner with a Town of Telluride business license;
- c. a person or entity with the controlling interest in, or the successor in interest to, the original owner of the project in which the unit is located; or,
- d. the Town of Telluride or Telluride Housing Authority, or their successors or assigns.

**SECTION 6: RENTAL STANDARDS** This section sets standards for the rental of Affordable Housing units created under the Legislation. Affordability Standards are based on Gross Rent, which is the total of the rent paid according to the lease (the Contract Rent), plus an allowance for tenant paid utilities (a Utility Allowance).

TABLE 2: Rental Affordability Standards:

	Allowed Gross Rent
One Bedroom	\$1.66 per square foot
Two Bedroom	\$1.48 per square foot
Three Bedroom	\$1.36 per square foot

(all rents are **per square foot per month** of net livable space, including perimeter walls)

RENTAL NOTES:

- 6.1 To determine the Contract Rent, subtract all tenant paid utilities from the Allowed Gross Rent. Deductions from the Allowed Gross Rent for tenant paid utilities are based on the utility allowance schedule then in effect for HUD rent subsidized units for San Miguel County. This information is available at THA.
- 6.2 Except as provided for in either of Rental Notes 6.7 and 6.9, rental rates in Table 2 include, and may not be increased to pay for, the cost of utilities in common areas, condominium dues, management costs and taxes. In the event that utilities are commonly metered, a charge to the tenant may be made in addition to the maximum Contract Rents for the tenant’s share of such utilities attributable to the tenant’s net living area. Tenants shall be responsible for individually metered utilities.  
  
Rental rates shall apply whether the units are provided furnished or unfurnished.
- 6.3 Owner may, after at least 12 consecutive months of rental history, apply for an adjustment of Contract Rent based on actual utility bills for the unit. THA will allow a new utility allowance of 110% of the documented actual bills for the unit for the previous 12 consecutive months. Applications for evaluation of allowed Contract Rent require a \$50 application fee (which shall not be charged to the Tenant).
- 6.4 Prior to signing a lease for or occupancy of a deed restricted rental unit, a proposed tenant must be qualified by THA for occupancy and provide to THA all eligibility verification required under these Guidelines. Occupant must provide owner/landlord with proof of verification and qualification by THA prior to occupancy. Leases must be for a minimum of six months with a maximum of twenty four months. Owner shall provide a copy of the lease agreement with tenant to THA within five working days of its execution.
- 6.5 All newly constructed deed restricted affordable housing rental units must comply with the Uniform Building Code and with all rules, regulations and codes of all governmental

bodies and agencies having jurisdiction. The Owner of Affordable Housing rental units, at its cost and expense, must keep and maintain the interior and exterior of the total structure (including all residential units therein) and the adjacent open areas in a safe and clean condition and in a state of good order and repair, reasonable wear and tear and negligent or intentional damage by tenants excepted. In the event of a dispute between Owner and Tenant in regard to this requirement, either party may request an inspection of the premises and/or a hearing on the facts of the case to resolve the dispute, according to the THA Grievance Procedures in effect at the time of the dispute.

- 6.6 The Allowed Initial Rental Price specified in Table 2, shall be adjusted annually not to exceed the lesser of the percentage increase in the Denver-Boulder-Greeley CPI-W average or three percent (3%). Notice of revisions to Table 2 made pursuant to this paragraph shall be published once in a legal newspaper for the Town of Telluride and be in effect for one calendar year from the date of publication unless otherwise amended.
- 6.7 Rents may be increased by the Owner on a no more than annual basis, at a rate not to exceed 2.5% per year, unless the THA Board allows a higher increase rate based on a demonstrated increase in necessary and otherwise unavoidable rental operations costs in the Telluride region. Exact calculation of the allowed rent increase is specified in the Deed Restriction, whose language shall be the final determination of allowed rent.
- 6.8 Owners of deed restricted rental units may offer their units for rent to persons on THA's rental waiting list. An owner who desires to take such action shall pay THA a non-refundable fee of \$50 in advance. Owner understands that THA will contact persons on its waiting list in waiting list order, but Owner shall have the right to refuse to rent to any person referred to the Owner by THA for any reason, legally defined discrimination in housing excepted. In all events, all prospective renters must qualify under the terms and qualifications as contained in the Guidelines.
- 6.9 Owners of Affordable Housing shall have the right to appeal for full or partial relief from an allowed rental price. Any appeal must be based upon demonstrated financial hardship resulting from facts or circumstances beyond the reasonable control of the Owner and shall be heard by the THA Board of Directors.

**SECTION 7: SALE STANDARDS** Affordable Housing units which are offered for sale must be sold to one or more THA Qualified Employees, or to a qualified rental Owner according to Rental Note 6, who must offer the unit for rent to THA Qualified Employees, and must be sold for no more than a sale price as specified or calculated pursuant to Deed Restriction. Initial sale price standards are specified as follows:

TABLE 3: Sale Affordability Standards

	Allowed Initial Sale Price
One Bedroom	\$246.11 per square foot
Two Bedroom	\$223.73 per square foot
Three Bedroom	\$201.37 per square foot

**SALE NOTES:**

- 7.1 Allowed initial sales prices shall be calculated by multiplying the actual square footage of the unit (but not to exceed the maximum square footage of the unit type found in TABLE 5 unless modified pursuant to subsection 9.1) times the maximum price per square foot

- found in TABLE 3 (unless modified pursuant to subsection 7.14), for the unit type. Sales prices for units larger than three bedroom will be calculated as three bedroom units.
- 7.2 The Allowed Initial Sale Price specified in Table 3, shall be adjusted annually not to exceed the lesser of the percentage increase in the Denver-Boulder-Greeley CPI-W average or three percent (3%). Notice of revisions to Table 3 made pursuant to this paragraph 7.2, shall be published once in a legal newspaper for the Town of Telluride and be in effect for one calendar year from the date of publication unless otherwise amended.
- 7.3 All Permitted Capital Improvement items and costs must be approved by THA staff prior to being added to the Maximum Sales Price. Permitted Capital Improvements shall not include: landscaping; and costs associated with the ordinary maintenance and repair of the unit. In no case shall Permitted Capital Improvements exceed five percent (5%) of the Original Purchase Price.
- 7.4 Initial allowed sale prices shall be recorded in the Deed Restriction for the unit regardless of whether the unit is offered for sale or for rent.
- 7.5 An Owner may sell an Affordable Housing Unit at a price not to exceed the lesser of the percentage increase in CPI-W, Denver-Boulder-Greeley average or 3% per year. The method for-calculating a resale price shall be specified in the Deed Restriction for each unit, whose language shall be the final determination of resale price. Upon sale of a unit, an Owner of an Affordable Housing unit may rely on either the index specified in the deed restriction in calculating the Maximum Sales Price or the CPI-W, Denver-Boulder-Greeley index, at his/her election.
- 7.6 Sellers of Affordable Housing units created under the Legislation have the following options for advertisement and marketing of their units:
- a. Seller may advertise, market and sell a unit directly;
  - b. Seller may list the unit with a real estate broker licensed to do business in the State of Colorado; or,
  - c. Seller may offer the unit for sale through THA, who will either make the unit available to qualified Employees on an existing waiting list, or advertise the unit for sale on a general basis. In this case, the Seller shall pay THA a fee equal to 2% of the sale price of the unit, in addition to the normal fees due to THA according to the Deed Restriction.
- 7.7 In the event that option 7.6.c. above is chosen by the Seller, THA staff will be acting on behalf of THA. It must be clearly understood by and between the parties to a sales transaction that THA staff members are not acting as licensed brokers to the transaction, but as representatives of THA and its interests. They shall nevertheless attempt to help both parties to consummate a fair and equitable sale in accordance with the current Guidelines.
- 7.8 Sellers of Affordable Housing are advised to consult with THA staff prior to offering an Affordable Housing unit for sale, in order to obtain the most current information about the Housing Guidelines, and to verify the allowed maximum sale price of the unit and other applicable provisions of the Deed Restriction concerning the sale. Actual notice of intent to sell an Affordable Housing unit must be given in writing to THA at least 60 days prior to the sale of the unit.

- 7.9 All Sellers and Purchasers of Affordable Housing units are advised to consult independent legal counsel regarding the examination of title and all contracts, agreements and title documents. The retention of such counsel, or related services, shall be at purchaser's and seller's own expense. All fees due to THA shall be paid regardless of any action or services that the purchaser or seller may undertake or acquire.
- 7.10 THA advises, but does not require, that a local title company with experience in closings of Affordable Housing property be used to close the sale transaction. The title documents involved in a closing of Affordable Housing are unique and technical, and much more trouble in correcting an improperly closed transaction can be saved by use of an escrow and closing agent experienced in such transactions.
- 7.11 At the closing of the sale, the seller will pay to THA a fee equal to 1% of the sales price (in addition to the fee due to THA if the seller has chosen to advertise the unit through THA as in 7.6.c above). THA may instruct the title company to pay such fees out of the funds held for the seller at closing. THA may also waive the fee, or a portion thereof, in its sole discretion, to promote affordable housing.
- 7.12 Lenders who are beneficiaries of any Deed of Trust executed in connection with the sale of an Affordable Housing Unit must sign an Option to Purchase, acknowledging the provisions of the Deed Restriction and granting a right to the Town of Telluride or to THA to purchase the unit in a foreclosure under certain conditions.
- 7.13 Owners of Affordable Housing shall have the right to appeal for full or partial relief from the allowed sale price. Any appeal must be based on demonstrated financial hardship resulting from facts or circumstances beyond the reasonable control of the Owner and shall be heard by the THA Board of Directors.
- 7.14 For projects comprised of affordable housing within single family, duplex or triplex structures the Subcommittee of the THA Board of Directors may, at its sole discretion, approve increases of an Allowed Initial Sales Price up to maximum of ten (10) percent above that specified in Table 3, provided the following:
- a. the project is comprised of at least two affordable housing units; and
  - b. for each unit proposed to have an Initial Sales Price (ISP) above the maximum specified in Table 3, a minimum of one unit shall have an ISP below the maximum specified in Table 3; and
  - c. The total amount of square feet to be deed restricted below the ISP specified in Table 3 is greater to or equal to the total amount of square footage deed restricted above the ISP specified in Table 3; and
  - d. The total value (the units' square footage multiplied by the ISP specified in Table 3) of the project shall not be greater than the value resulting from the standard application of the ISP specified in Table 3; and
  - e. It is demonstrated and the Subcommittee finds the variance will benefit the affordable housing program.

**SECTION 8: PAYMENT-IN-LIEU FEES** In certain cases, the developer of Affordable Housing may make a payment-in-lieu of construction of required Affordable Housing units. Such payments-in-lieu shall be made according to the current provisions of the Town of Telluride Land Use Code. Payment-in-lieu fees are set by THA, and current rates are as follows:

TABLE 4: Payment-in-lieu Standards

Payment-in-lieu

Town Impact Units \$90.00 per square foot

(Payment -in-lieu prices are per square foot of net livable space, including perimeter walls)

Payments-in-lieu are made to the Town of Telluride and held in an escrow account by the Town to be used toward the production of additional Affordable Housing.

**SECTION 9: STANDARDS OF SIZE AND CONSTRUCTION** The Legislation specifies a certain amount of square footage of Affordable Housing which must be provided concurrently with the construction of a proposed development. Under the Legislation, the developer must provide a Housing Impact Mitigation Plan to THA for its review as part of the development application, together with the fees specified in the Legislation.

These Guidelines specify the standards of unit size and construction required for mitigation units provided under the Legislation.

TABLE 5: Unit Size Standards

Unit Type	Minimum Square Footage	Maximum Square Footage
One Bedroom/Efficiency	350	550
Two Bedroom	650	875
Three Bedroom	850	1,200

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

**SIZE AND CONSTRUCTION NOTES:**

- 9.1 Minimum square footage is the actual minimum square footage allowed to be constructed or otherwise provided under the provisions of the Legislation. Maximum square footage is the maximum amount of square footage which may be credited against the required square footage for a given unit type, regardless of the actual size of the unit provided. In addition to the provisions of paragraph 11.2, for projects which have affordable housing comprised of single family, duplex or triplex structures, the Subcommittee of the THA Board of Directors may, at its sole discretion, approve increases to Maximum Square Footage for each Unit Type up to twenty five (25) square feet per bedroom if it is demonstrated and the Board finds the variance will benefit the affordable housing program.
- 9.2 Unit types larger than three bedroom will be counted as three bedroom units.
- 9.3 All newly constructed deed restricted affordable housing units must comply with the Uniform Building Code and with all rules, regulations and codes of all governmental bodies and agencies having jurisdiction.
- 9.4 All deed restricted affordable housing units must have a fully equipped kitchen and a full bathroom, areas for living and sleeping and designated areas for storage. THA shall be the final judge of the adequacy of facilities provided in the unit.

**SECTION 10: DEED RESTRICTION FORM AND PROCESS** The developer of any newly constructed Affordable Housing created under this legislation must execute and deliver the original recorded copy of a Deed Restriction and Grant of Rights in THA's standard form prior to issuance of a building permit for the Affordable Housing. In addition, prior to issuance of any Certificate of Occupancy, the Deed Restriction shall be amended, if necessary, to reflect changes approved by THA and governing bodies which may have occurred during construction or conversion of the units(s) (e.g., net livable square footage) The Deed Restriction 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 THA for their files.

**DEED RESTRICTION NOTES:**

- 10.1 Deed Restrictions for restricted rental units shall include a provision conveying an interest in the unit or units to THA (or similar agency acceptable to THA) meeting the requirements of §38-12-301, 10 C.R.S. (1999). Such interest may include:
- a. A fractional undivided ownership or trustee interest provided that THA shall be indemnified against any and all liability by reason of its interest.
  - b. A lease to THA of the unit or units with authorization to THA to sublet pursuant to these Guidelines, provided that THA assumes no liability by reason thereof.

THA may in its sole discretion accept or reject any proposed conveyance or lease, or lease purchase agreement offered pursuant to this section or section 10.6.

- 10.2 The Deed Restriction shall specify the allowed gross rent and sale prices for each Affordable Housing unit created under the Legislation. Also included will be the allowed increase rate for the Gross Rent or Sale Price. THA does not make any guarantees of the developer's ability to rent or sell the Affordable Housing unit for its allowed price.
- 10.3 Subsequent purchasers of Affordable Housing units must execute a Deed Restriction prior to or simultaneously with the closing on the purchase of an Affordable Housing unit. Should an Affordable Housing unit be sold for less than its allowed price, the actual sale price shall become the basis for the future resale price.
- 10.4 An Option to Purchase shall be granted by the Lender to THA and/or the Town of Telluride to redeem the affordable 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. If neither THA nor Town exercise this Option within 30 days after issuance of the Trustee's Deed, the Deed Restriction shall be canceled by THA and the Town of Telluride if Fannie Mae (FNMA)-type financing is used to finance the unit. FNMA-type financing is limited to commercial banking and lending institutions licensed to engage in mortgage lending practices in the State of Colorado.

Notwithstanding the event of foreclosure by the holder of the promissory note secured by a first deed of trust on the respective Affordable Housing, if an Option to Purchase agreement was neither offered nor executed between the Owner, the holder of the first deed of trust, and the Housing Authority, or the purchase was financed by other than FNMA-type financing then the Deed Restriction shall not terminate and the unit will maintain its restricted status.

10.5 Deed Restrictions may be transferred from one unit(s) to another unit(s) upon compliance with the following procedures and standards and upon approval by the Director of Planning.

- a. The applicant must file an amended housing mitigation plan identifying:
  - (1) the original project and its affordable housing mitigation requirements;
  - (2) legal description and square footage of unit(s) to be released from the deed restriction;
  - (3) legal description and square footage of unit(s) to be deed restricted; and
  - (4) the location (book and page) of the recorded deed restriction to be released.
- b. The unit(s) on which the new deed restriction is to be placed must be a free market unit(s), of at least the same square footage of the unit(s) to be released from the deed restriction, and otherwise meeting all other requirements for housing offered in mitigation.

10.6 The requirement that a unit or units be subject to a deed restriction may be satisfied by the execution and recordation of a lease-purchase agreement provided that the lease payments do not exceed the Rental Standards, the purchase price does not exceed the Sale Standards, the lease purchase agreement is a minimum of three years and maximum of five years duration and that upon sale the unit or units shall be subject to a Deed Restriction as provided for herein.

10.7 In the event an Owner wishes to leave the boundaries of the Telluride R-1 School District for a period of time exceeding three (3) months, he/she may apply to THA for a leave of absence for a term not to exceed two (2) years. The Owner must provide clear and convincing evidence showing both a bona fide reason for leaving and a commitment to re-occupy the deed restricted unit. The unit, at the election of the Owner, may remain vacant during the leave of absence, or, if rental provisions are contained in the Deed Restriction imposed on the unit, the unit may be rented pursuant to the terms of such provisions. In the event that the form of Deed Restriction does not contain rental provisions and the Owner wishes to rent the unit during his/her absence, THA may condition the granting of the leave of absence on the Owner's offering the unit for rent to a THA Qualified Employee, agreeable to the Owner, during the period of the requested leave.

**SECTION 11: PROCEDURE FOR ALTERNATE FORMS OF PROVIDING REQUIRED HOUSING** The Legislation provides for a number of alternate forms of providing required housing. Two of them require some sort of prior THA approval. The first, purchasing a unit on the open market and placing a deed restriction thereon, is subject to an inspection of the unit by THA to verify that the unit to be purchased meets a minimum standard of amenities and repair. The second, construction of dormitory/shared facility units, is an alternate option for providing the square footage of Affordable Housing under this Legislation.

#### NOTES ON DEED RESTRICTING EXISTING HOUSING:

11.1 Developers may deed restrict units by either:

- a. purchasing an open-market unit, placing a deed restriction on that unit, and

- b. reselling the unit to a Qualified Employee; or,  
purchasing the right to place a deed restriction on an open-market unit from a current owner.
- 11.2 Units so deed restricted are subject to all size and construction standards and notes, except that the THA Board of Directors may make an exception to the size standards on a case by case basis. An exception to the size standards shall not be greater than 100 square feet from the minimum or maximum allowable square footage (e.g. THA may not approve a two bedroom unit smaller than 550 square feet or larger than 975 square feet). A developer may request this exception in its Housing Impact Mitigation Plan, or may apply for such exception as an amendment to the Housing Impact Mitigation Plan.
- 11.3 Any existing unit which is to be deed restricted must be in a good state of repair and condition. Acceptance of existing units shall be at the sole discretion of the Town of Telluride Manager or designee, upon recommendation of THA. If accepted by the Town of Telluride Manager or designee, existing units must be upgraded in accordance with the following criteria, unless a variance from these requirements is approved by the Town of Telluride Manager or designee upon the recommendation of THA:
  - a. units must be freshly painted in the interior, and exterior walls shall be freshly painted within one year of dedication;
  - b. all appliances must be in good condition and working order;
  - c. new carpet shall be in good condition and repair;
  - d. yards and landscaping, windows, heating, plumbing, and electrical systems and equipment shall be in good condition and working order;
  - e. the roof must have a remaining useful life of at least ten (10) years;
  - f. units shall meet Uniform Building Code minimum standards, pursuant to inspection and approval by a qualified Building Inspector accepted by THA; and,
  - g. the applicant shall bear the costs and expenses of any required upgrades to meet the standards listed above, as well as any structural/engineering reports required by THA to assess the suitability for occupancy and compliance with these standards.
- 11.4 In order to complete an inspection pursuant to 11.3 above and to receive approval for deed restricting an existing unit, the Developer must pay a minimum fee of \$250 to THA, which is not refundable, but which will be credited against any THA Staff time and expense necessary for the approval.

**NOTES ON APPROVAL OF DORMITORY OR SHARED FACILITY HOUSING:**

- 11.5 Acceptance of dormitory or shared facility units shall be at the discretion of THA.
- 11.6 There shall be 150 or greater net livable square feet of living area per person, including sleeping and bathroom spaces. For purposes of this requirement, net livable square footage shall not include interior and exterior hallways, parking, patios, decks, cooking, lounge used in common, laundry rooms, mechanical areas and storage.
- 11.7 Rents for dormitory or shared facility units may be proposed by the Developer, and may be subject to different criteria than other units under the Legislation. In meeting this requirement, double occupancy of a sleeping area may be considered by THA, so long as the minimum square footage as defined by note 11.6 above is provided.
- 11.8 All Rental Notes shall apply to the provision of dormitory or shared facility units subject

- to a rental limitation.
- 11.9 At least one bathroom shall be provided for shared use by no more than four persons, containing at least one water closet, one lavatory, one bathtub with a shower, and a total area of at least 60 net livable square feet.
  - 11.10 A kitchen facility or access to a common kitchen or common eating facility shall be provided subject to THA's approval and determination that the facilities are adequate in size to service the number of persons using the facility.
  - 11.11 Use of 20 net leaseable square feet per person on enclosed storage area located within or adjacent to the unit must be provided.
  - 11.12 A manager's or assistant manager's rent shall be calculated based on the income of the respective manager to meet the standard of gross rent not to exceed 30% of gross wages or salary.
  - 11.13 THA may allow occupancy of dormitory or shared facility units by persons who would not normally meeting the definition of THA Qualified Employee, in recognition of the seasonal or short term nature of the employees who tend to occupy such housing.
  - 11.14 In order to receive approval for dormitory or shared facility units, the Developer must pay a minimum fee of \$250 to THA, which is not refundable, but which will be credited against any THA Staff time and expense necessary for the approval.
  - 11.15 Dorm style units not subject to a rental limitation shall only be permitted to house on-site staff or under circumstances which insure that this housing will remain affordable during its entire period of occupancy.

**SECTION 12: EMPLOYEE QUALIFICATIONS, OCCUPANCY STANDARDS AND VERIFICATION PROCESS** THA has adopted the following procedures and qualifications for occupancy of affordable housing units created under the Legislation.

- 12.1 A “THA Qualified Employee” is a person who:
- a. for the purposes of renting affordable housing units, is employed and who works or can demonstrate intent to work an average of at least 1000 hours per year within the boundaries of the Telluride R-1 School District; or,
  - b. is Elderly, Handicapped or Disabled and who has been a Resident within the boundaries of the Telluride R-1 School District for at least 12 months immediately prior to the effective date of a lease or rental agreement or the closing date of a sale; or,
  - c. holds a rental assistance certificate or voucher issued by THA or any other governmental entity within San Miguel County authorized to issue such certificates or vouchers, and who has lived within the boundaries of the Telluride R-1 School District for at least 12 months immediately prior to the effective date of a lease or rental agreement;

and who meets the income and asset guidelines as set forth in Section 5 of these guidelines.

- 12.2 For purposes of purchasing affordable housing units created under this Legislation, a qualified employee must also demonstrate at least 1400 hours and twelve months of employment within the previous sixteen months in the Telluride R-1 School District, or demonstrate at least 1400 hours of employment for any of the five (5) of the previous seven (7) years in the Telluride R-1 School District.

An owner of a business may always rent to her or his own employees regardless of length of employment.

- 12.3 Verification of Income, Occupancy and Employment will be done upon application by the Employee to THA, accompanied by payment of a \$10 application fee. THA will require a sworn statement of the facts of the Employee’s situation.
- 12.4 Any material misstatement of fact or deliberate fraud by the Employee in connection with any information supplied by the Employee to THA shall be cause for termination of the Employee’s lease or forced sale of a ownership unit, whichever applies. In addition, any material misstatement of fact or deliberate fraud by the Employee shall be considered a violation of the Town of Telluride Land Use Code, which provides for additional penalties in such cases.
- 12.5 Exceptions may be granted to these criteria on a case by case basis by THA, provided THA finds such exception will promote the provision of affordable housing. Exceptions to the criteria set forth in section 12.2 may be granted on a case by case basis by the Subcommittee of the THA Board of Directors, provided the Subcommittee finds such exception will promote the provision of affordable housing. The Subcommittee may also, at its discretion, refer the requested exception to THA. In the event of disapproval of the proposed exception by the Subcommittee, the denial may be appealed to THA. Employees who wish to apply for an exception may do so by stating their case in writing and paying a \$25 application fee to THA.

**SECTION 13: AMENDMENTS** Amendments to these Guidelines shall be made according to the following procedure:

- 13.1 Any proposed amendment shall be presented to the Telluride Housing Authority Board of Directors for its consideration and recommendation prior to adoption by the Town

Council of the Town of Telluride. Such amendment will be presented in form of a written resolution of the THA Board of Directors, and shall be subject to the notice and hearing procedures established by THA for its written resolutions. Such resolutions may be proposed by a THA Board member, THA Staff or may be referred to THA by a majority vote of Town Council.

- 13.2 The Telluride Housing Authority shall consider such amendment in a timely manner, and shall report to the Town Council its finding on the proposed amendment and recommending adoption, adoption with conditions or rejection of the proposed amendment.
- 13.3 Upon receiving THA's report on the proposed amendment, the Town Council shall conduct a public hearing of the proposed amendment and either adopt, adopt with amendments or reject the proposed amendment. The public hearing on the proposed amendment shall be considered in a timely manner.
- 13.4 The Telluride Housing Authority shall review these Guidelines during the calendar year of 1995, and at least every second year thereafter, and make a report to the Town Council regarding the effectiveness of the Legislation and the Guidelines in achieving the goals for which they were created, and including any changes recommended in either the Legislation or the Guidelines.