Teton County & Town of Jackson Wyoming

Update to the Housing Rules and Regulations:

Best Practice Policies from Comparable Communities and Alternatives for Consideration

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CLARION

Table of Contents

I. INTRODUCTION

This report is part of the current update to the Town of Jackson's and Teton County's housing requirements and specifically to the update to the *Jackson/Teton County Housing Rules and Regulations*. The *Rules and Regulations* set out comprehensive provisions that apply to housing units and qualifying households established through workforce / affordable housing programs in the Town and County. The update to the *Rules and Regulations* has three main objectives:

1. Ensure consistency with the updated housing requirements in the *Land Development Regulations (LDRs)*.

2. Ensure that the updated *Rules and Regulations* incorporate relevant best practices for workforce / affordable housing used in other communities across the nation.

3. Restructure and re-organize the *Rules and Regulations*, where appropriate, to make them more user-friendly.

As an initial part of this effort, the Teton County Board of County Commissioners and Jackson Town Council held a joint meeting on July 10, 2017, and reached consensus on 12 Policy Issues which they need to provide policy direction for the update effort to proceed. Those 12 Policy Issues are:

Policy Issue 1: What should the employment criteria be to rent or purchase a restricted home?
Policy Issue 2: What kind of assets should be allowed and/or counted, and how much is the limit?
Policy Issue 3: How many months out of a calendar year should a household be required to occupy a restricted unit?
Policy Issue 4: What livability standards, if any, should apply to restricted units?
Policy Issue 5: What percentage of a household's income should be spent on housing?
Policy Issue 6: When should a household have to qualify for a rental or ownership home?
Policy Issue 7: How should the sale/rent price be set?
Policy Issue 8: How should restricted ownership homes be valued at resale?
Policy Issue 9: How should rental or subletting be handled?
Policy Issue 10: How should the buy/sell process work?
Policy Issue 11: What types of relief should be allowed from the Rules and Regulations?
Policy Issue 12: How should new Rules and Regulations be applied to existing units?

To assist the Board of County Commissioners and Town Council in providing direction on these policy questions, Clarion Associates, working in conjunction with County and Town staff prepared this document, *Update to the Housing Rules and Regulations: Best Practice Policies from Comparable Communities and Alternatives for Consideration.* It provides the following information for each Policy Issue:

- **Current Rules and Regulations**: A summary of the provisions in the Rules and Regulations relevant to the Policy Issue;
- **Relevant Provisions from Comparable Communities.** A summary of similar provisions from seven other comparable communities' housing guidelines relevant to the Policy Issue; [1]and
- **Alternative Solutions**. An outline of several alternative policy approaches for consideration in providing direction on the Policy Issue. [2]

The seven comparable communities' guidelines reviewed include:

- Aspen-Pitkin County, Colorado
- Blaine County, Idaho
- Eagle County, Colorado
- Park City, Utah
- Telluride, Colorado
- Vail, Colorado
- Whistler, British Columbia

Update to the Housing Rules and Regulations: Best Practice Policies from Comparable Communities and Alternatives for Consideration is being made available for public review in mid-September, 2017. This will be followed in the Fall with public meetings, and culminate with a joint meeting of the Board of County Commissioners and Town Council in October, 2017, at which time there will be discussion and dialogue about the 12 Policy Issues, and direction on each Policy Issue from the Board and Council.

[1] A more complete summary of the seven comparable communities' relevant guidelines is included in Appendix 2 to this report. These "best practices" from other communities can help inform any decisions related to proposed updates to the *Rules and Regulations*.

[2] This review also includes initial responses to the working draft updates to the *Rules and Regulations* drafted by Housing Department staff.

II. ALTERNATIVE SOLUTIONS TO POLICY ISSUES

Policy Issue 1: What should the employment criteria be to rent or purchase a restricted home?

A. Current *Rules and Regulations*

The general goal of all housing programs covered by the housing *Rules and Regulations* is to provide and maintain housing affordable to persons and families who make a living primarily from employment in Teton County, Wyoming. The housing programs that the *Rules and Regulations* address includes: Accessory Residential Units (ARU), and the Affordable, Attainable, Employment-Based, and Workforce

Housing Programs.[3] The *Rules and Regulations* do not apply to the Employee program that generates seasonal housing units.[4]

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[3] These housing programs are defined as follows.

Accessory Residential Units (ARU) – Units created through this program are developed as part of non-residential developments that are exempt from housing requirements. These units are rented to workers employed in Teton County, and must stay as rental property for the long-term (i.e., they cannot be converted to condominiums). This program is not currently identified specifically in the *Rules and Regulations*; however in practice some of the provisions are applied to these units, including qualification provisions.

Affordable - These are units created through the residential inclusionary requirement included in the Town and County Land Development Regulations (LDRs). All affordable units are owner-occupied units with restricted pricing based on applicable income categories. This program is specifically set out in the *Rules and Regulations.*

Attainable - These units were built before housing standards were codified in the LDRs. No more attainable units will be constructed, but the *Rules and Regulations* still apply through the management of existing units. Specific requirements for these units are recorded as covenants on the property deed, and the guidelines (i.e., *Rules and Regulations)* are referenced through these covenants.

Employment-Based - This is a program that the Town of Jackson initiated through the development of an affordable housing project to create owner-occupied units intended to serve households that don't fit within category 1, 2 or 3 incomes, as set out in the LDRS, but still cannot afford to purchase a market home This program has evolved into a voluntary option for developers to provide owner-occupied units as an added public benefit to a given project and are priced based on Category 4 and 5 incomes as set out in the LDRs. These units do not have income or asset limits. Qualifying households are required to work full time in Teton County and earn 75% of income from employment at a business located in Teton County. This program is not specifically set out in the LDRs, but the LDRs do set out provisions related to category 4 and 5 units.

Employee – These rental housing units are built to comply with housing mitigation requirements for new non-residential development. These units are intended to provide housing to seasonal workers, but occupancy is not restricted to seasonal workers.. The owner of the units ultimately makes the decision about unit tenancy so long as the household works full time in Teton County and household income is limited to category 3 housing (i.e., household income is capped at 120% AMI). These units can be converted to condominiums and sold by the developer, however they cannot be owner occupied and must be rented to local employees. The *Rules and Regulations* do not apply to these units and instead, provisions are set out in the covenants attached to each property deed.

Workforce Housing Programs - This is a new program applicable within the Town of Jackson (District 2) LDRs. Required development of these units is triggered when developers of a non-residential development want to increase the maximum allowed floor area or add an extra story to a building. Development of these workforce units is also triggered by the Town's LDRs if market rate residential units are part of the development. Residential development mitigation standards require that for every 2 square feet of market rate units developed, the development must provide 1 square foot of workforce housing program units. These units can be rental or owner-occupied and there is no cap on the original purchase price or the initial rent rate. Once a unit is sold, the maximum resale price is restricted to an appreciation cap on the unit as recorded in the covenants on the deed. The *Rules and Regulations* do apply to these units with respect to livability and minimum/maximum square footage requirements, and resale qualification.

[4] Seasonal housing units are individually deed restricted. Income requirements for these units vary from <80 or <120% AMI and the calculation of unit rents is either restricted to 30% of actual household income or fair market rents published by U.S. Department of Housing and Urban Development (HUD).

The *Rules and Regulations* set out three levels of evaluation that qualified households are required to meet: qualifications, eligibility, and preference.[5] Employment criteria are included in both qualification and preference provisions of the *Rules and Regulations* as discussed below.

Employment Qualification

Currently, a household qualifying for an Affordable Housing (AH) unit must demonstrate that they are locally employed by a business located within Teton County, or demonstrate a clear intent to work in Teton County, for a minimum of 30 hours per week (1,560 hours per year)"

Employment-based homes are deed-restricted units that require one member of the household to be employed within Teton County but do not place an income limit on the household. Under the Employment-Based program, the requirements define "locally employed" as working full-time in Teton County and earning 75% of the household income from employment at a business located in Teton County, that holds a business license with the Town of Jackson, or that can otherwise verify a legal business status in Teton County, Wyoming.

Exceptions to this requirement are set out for seniors (persons at least 59.5 years of age for Affordable units and 62 years of age for Employment-based) who have been employed in the county for a minimum of two years during their residency in Teton County and prior to retiring, or disabled persons.

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[5] The three levels of evaluation included in the *Rules and Regulations are defined as follows:*

Qualifications – These are basic provisions that apply to all households regardless of the housing program they apply for. They include requirements related to employment, citizenship, and age. In addition, the household must demonstrate financial ability to purchase/rent by qualifying for a loan through an institutional lender and through the Housing Department. In order to remain qualified after the initial purchase or rental, households must occupy the housing unit as their primary residence at least 10 months out of each calendar year, unless granted a leave of absence by the Jackson/Teton County Affordable Housing Department (Housing Department)

Eligibility – These requirements are specific to a particular housing unit or housing program and focus on the ability of the applicant household to pay for affordable housing (their income and asset levels). The relevant information about qualifying households is recorded as a covenant on the deed of the unit (i.e., this information evaluates household income, net household assets, ownership of property, and disposition of assets). It also includes a requirement that households complete a homebuyer education course offered through the Housing Department in order to enter the lottery for ownership units.

Preference – Preferences are rules used to assign prioritization of households when offering rental and ownership units as they become available. They are applied to particular housing programs through deed restrictions on the unit. Preference is given to households that meet one of the following: 1) Household size matches the size of the available unit (normally at least one person per bedroom or in ownership lotteries, one-person households get preference for a two-bedroom unit)); 2) One member of the household can prove employment in Teton County for four consecutive years immediately prior to the time of the application, 3) In ADA units, one member of the household proves that they have a mobility impairment and/or hearing impairment; and/or 4) One member of the household is a Critical Service Provider, as approved by the Town Council and Board of County Commissioners.. Additionally households who apply three times in lotteries in the top preference category, without being chosen first, will begin to receive an additional entry for each time they continue to enter lotteries without being chosen. Housing Department staff has also been reviewing additional preferences to be added to the *Rules and Regulations.*

Employment Preference
In addition to the employment qualification, the guidelines also set out employment preferences for units. These preferences are used in the lottery process when a unit is coming up for sale/rental. If a household meets these preferences, it improves their chances of being selected to purchase/rent the home. The employment preference is set for households that can demonstrate at least one member of the household has been employed in Teton County for a minimum of four consecutive years. Employment is defined as working an average of 30 or more hours per week per calendar year. Exceptions to this preference requirement are available to the following:

- **Military Service -** Active deployment in the US. Armed Services counts as employment in Teton County if the military employee worked in Teton County for a minimum of two years prior to deployment.
- **Primary Education -** Primary education of at least one household member prior to secondary education or full-time employment counts as employment in Teton County.
- **Secondary Education** - Pursuit of secondary education by at least one household member can be counted as employment in Teton County as long as the person worked at least two years immediately prior to pursuing the secondary education.
- **Caregiver** – Caregivers living in Teton County, Wyoming; Teton County, Idaho; or Lincoln County, Wyoming and that have volunteered all or a portion of their time caring for children or an ailing or disabled immediate family member during the last four years meaning they were unable to be gainfully employed are counted as employed in Teton County, so long as they are related to a full-time Teton County, Wyoming employee that has worked in the county for at least two out of the last four years.
- **Critical Services Provider** – By approval of the Housing Manager and the Town Council or the Board of County Commissioners, qualified critical service workers can be exempt from the 30 hours per week employment requirement.

B. Relevant Provisions from Comparable Communities

The following provisions from comparable communities are shared as potential provisions to include in the updated *Rules and Regulations* to more clearly articulate the application of employment qualifications and preferences.

Specifying Percentage of Income from Local Employment: The *Rules and Regulations* do not include the specific definition of a "locally employed" household as one that has earned a minimum of 75% of total income come from a local business, a business that holds a business license in the Town of Jackson, or that provides other verification of legal business status in Teton County. This definition is instead recorded as part of the deed restriction on individual units. The Town of Vail, Colorado, and Eagle County, Colorado specifically include provisions in their respective housing guidelines that require that 75% of a qualifying households' income be earned at a business located in Eagle County. A current staff draft of the *Rules and Regulations* includes this provision as part of the general eligibility criteria for purchase.

Telecommuting: The current Rules and Regulations do not specifically allow for or prohibit qualification of households that earn 75% of their household income from telecommuting within Teton County to a business located outside of Teton County. The current provisions allow for “other” verification of legal business status in Teton County, but it is not clear if this includes telecommuting households or not. The Aspen/Pitkin County and Eagle County housing guidelines allow for this type of employment qualification. The Aspen/Pitkin County housing guidelines specify that the business may not have to be located within the county if it pays business taxes to Aspen / Pitkin County, thereby allowing for telecommuting. The provision also includes a requirement that the qualifying employee verify that they physically work in the county a minimum of 1,500 hours per year. Eagle County allows telecommuters to qualify if they can prove residency for at least one year prior to their application submission, subject to the program Administrator’s discretion.

Definition of Senior: The *Rules and Regulations* define seniors able to qualify for housing as being 59.5 years and older (except for the Employment-based program which is set at 62). This is several years younger than other communities set in their respective guidelines: Vail and Eagle County, Colorado set the minimum age for a qualifying senior at 60; Park City, Utah sets the minimum age at 62; and Telluride, Colorado sets the minimum age at 65. A current working draft of the updated *Rules and Regulations* increases this age to 62.

Specifying Requirements for Disabled Persons: The *Rules and Regulations* apply liberal qualifications for disabled persons, specifying that a disabled person who has a physical or mental condition that substantially limits one or more major life activities, and is unable to be gainfully employed due to the disability, meets the employment qualifications for housing in Teton County. Blaine County, Idaho, and Eagle County, Colorado, housing guidelines include provisions that specify qualifying disabled persons must demonstrate that they were gainfully employed within the county prior to the disability, and that they live within the county currently. The Eagle County provisions specify that the disabled person is exempt from the 30 hours per work employment requirement if the person is receiving benefits from a federal or state program and is working the maximum number of hours that program allows or requires.

Employment Qualification through Self-Employment: As employment situations evolve with changing industries and workplace needs, many persons are working as “self-employed” workers.[6] The Aspen/Pitkin County, Colorado housing guidelines allow for this type of employment and include a provision that requires documentation to verify employment.

Alternative 1:

[6] An example of a self-employed worker that works in the county is a graphic designer that provides graphic design services to locally established businesses.

No changes to the Rules and Regulations.

Alternative 2:

Modify the *Rules and Regulations* to include all or a portion of the following provisions:

- Add a specific definition of a “locally employed household.”
- Allow telecommuting employees that work a minimum of 1,560 hours per year for businesses that pay taxes to Teton County, but are not necessarily located in the County to qualify for restricted housing. Note that this addition will require analysis to substantiate the local demand for affordable housing generated by this employment group.
- Increase the age of qualifying seniors to a minimum of 62 years old.
- Change the qualification requirements for disabled persons and seniors to clarify that they will have lived and worked in Teton County for a period of two or three years prior to meeting the senior age requirement or incurring the disability to be able to qualify for a restricted unit.
- Clarify the definition and verification of citizenship to include U.S. citizenship or lawful permanent residency through a Permanent Resident Card (i.e., Green Card).

Policy Issue 2: What kind of assets should be allowed and/or counted, and how much is the limit?

A. Current *Rules and Regulations*

The *Rules and Regulations* state that total household net assets shall not exceed two times a four-person household income for the income category of the housing unit. Household income is defined as being inclusive of all income earned by all "intended" occupants of the restricted unit at the estimated closing date. It goes on to specify that all business assets and real estate (i.e., real property) shall be considered part of a household's qualifying assets.

In practice, assets are defined to include gift money if provided for down payment assistance; equity in vehicles, RVs, boats, etc.; personal items valued greater than $500; and bank accounts, investment accounts, trust funds, and vested life insurance. Retirement accounts are not counted as an asset unless someone makes a withdrawal to use these funds for a down payment. The definition of "Household Assets" in the *Rules and Regulations* includes most but not all of these asset sources.

Qualifying households are permitted to own commercial and residential properties. Commercial properties are allowed to be owned as long as the value does not put the household over the asset limit. However, residential properties owned by qualifying households that have a value that exceed the net asset limits for the housing unit will disqualify the household. If the value does not exceed the asset limit, the household must sell the property. However, the property can be rented as a restricted unit. Rental income from properties located in Teton County, Idaho, Lincoln or Sublette Counties, Wyoming must be counted toward household income, and assets will be counted toward net assets.

In practice, some housing programs restrict ownership of improved residential property to outside of 150 miles of Teton County, but this provision is not specifically included in the *Rules and Regulations* currently.

Restricted rental units do not have an asset limit.

B. Relevant Provisions from Comparable Communities

The following provisions from comparable communities are shared here as potential provisions to include in the updated *Rules and Regulations.*

Specific Caps on Household Income and Assets: The Aspen/Pitkin County guidelines include a table of maximum gross household income and net assets allowed per household. The provisions also set out the specific documents that must be shared to document income, assets, and liabilities. Each housing unit income category has an allowed asset cap that is consistent for both rental and ownership units. There is no particular guidance in the guidelines about how to derive the asset maximum, but there has been a substantial increase in the asset caps since 2015. In many cases the increase is over 200%, though it is only 30% for Category 1. Similarly, Blaine County, Idaho, guidelines maintain total gross income and household net worth caps for particular income categories and household sizes.

Definition of Net Assets: The Blaine County guidelines have a simple definition of net assets. It is anything owned by an individual that has commercial or exchange value, including specific property or claims against others, in contrast to obligations due others.

Telluride, Colorado has a more detailed definition of gross assets:

> *Anything which has tangible or intangible value, including property of all kinds, both real and personal; includes among other things, patents and causes of action which belong to any person, as well as any stock in a corporation and any interest in the estate of a decedent; also, the entire property of a person, association, corporation, or estate that is applicable or subject to the payment of debts. Gross Assets shall include 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.*

Alternatives for Calculating Assets and Income: The Aspen/Pitkin County guidelines provide for variability in calculating assets and income. For households that have had a significant change in income over the last two years, they allow for an averaging of income. The guidelines also provide some flexibility for households with retirees to adjust the maximum assets to 150% of the published maximum. For all qualifying households applying for Category 4, 5, 6, or 7 housing[7], the provisions allow flexibility to convert net assets that exceed the maximum allowed to income for qualification purposes.

Restrictions on Ownership of Real Property: Qualifying households in Aspen/Pitkin County that own real property in the defined "Ownership Exclusion Zone[8]" must sell the property within 180 days of listing the property. This includes any interest in a property, including a shareholder corporate interest, interest in a joint venture, or interest as a beneficiary of a trust. If the interest is not sold within the 180 days, the household is required to market and sell the restricted unit according to the deed restriction. Undeveloped land can be held in ownership so long as the value of the land doesn't cause net assets to exceed the allowed maximum. Whistler, British Columbia guidelines require that all owned real property must be sold within six months of occupying the restricted unit. Eagle County guidelines do not allow qualifying households to own property anywhere, with some exceptions for ownership of units that are inadequate for a primary residence (e.g., a fishing cabin without heat or plumbing.)

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[7] Aspen/Pitkin County Affordable Housing Guidelines set out target income levels, maximum gross incomes and net assets by housing category: category 1 is defined as low-income, category 2 is defined as lower moderate income, category 3 is defined as upper moderate income, category 4 is defined as middle income, and categories 5, 6, and 7 are defined as upper middle income households.

[8] The "Ownership Exclusion Zone" incudes any developed residential property that has an address within the Roaring Fork Drainage area situated in Eagle, Pitkin, Garfield, or Gunnison counties, or within the Colorado River Drainage from and including the unincorporated No Name area to and including Rifle, and including, but not limited to, the towns of Aspen, Basalt, Carbondale, El Jebel, Glenwood Springs, Marble, Meredith, New Castle, No Name, Redstone, Rifle, Snowmass, Snowmass Village, Woody Creek.

ALTERNATIVE 1:

No changes to the *Rules and Regulations*.

ALTERNATIVE 2:

Modify the *Rules and Regulations* to include all or a portion of the following provisions:

- Clarify the "household asset" definition to include gift money if provided for down payment assistance; equity in vehicles, RVs, boats, etc.; personal items valued greater than $500; bank accounts, investment accounts, trust funds, and vested life insurance; and retirement accounts if funds are withdrawn for a down payment on the restricted unit.
- Identify the business assets that must be included as part of the household assets, and the rules governing how the value of those assets will be verified.
- Include clarification that the income and assets of a college-age dependent who identifies the restricted unit as his or her permanent residence should not be counted toward the assets and income of the qualifying household. Staff working drafts of new provisions for the *Rules and Regulations* include such a provision.
- Modify the provision that allows ownership of another home to permit ownership of residential properties located anywhere, including Teton County, contingent upon verification that the asset limit is not exceeded. Further modify this provision to require a current appraisal of the owned residential property for the purpose of determining the asset value.
- Mobile homes located in a mobile home park or other area that has hook-ups to water/sewer and electricity should be included as part of the residential properties. The provision requiring sale or rental of such residential properties that exceed the asset cap should be maintained.
- Consider revising the current cap of two times a four-person household income for the income category of the housing unit based upon comparable community asset caps.
- Allow for adjustments to net asset caps (as done in Aspen/Pitkin County) to allow for increases in retirement savings.
- Allow for adjustments to household income caps to average household income over a period of time to help address fluctuations in household income.
- Increase the asset cap for seniors to 150% of the asset cap applied to those who are working.

Policy Issue 3: How many months out of a calendar year should a household be required to occupy a restricted unit?

A. Current *Rules and Regulations*

The *Rules and Regulations* state that qualifying households will be required to occupy a restricted unit 10 months out of the year. Rental units are required to be occupied 11 months out of the year according to the current rental policies in the *Rules and Regulations*. The JTCAH operational policies require that attainable units must be occupied for nine months out of the year, and employment-based units for 10 months; however these provisions are not specifically articulated in the *Rules and Regulations*.

B. Relevant Provisions from Comparable Communities

The majority of comparable communities require that units must be occupied for a minimum of nine months out of the year (Aspen/Pitkin County, Blaine County, Eagle County, and Telluride). The exceptions are Whistler and Vail who require restricted units be occupied a minimum of six months plus one day out of a year.

ALTERNATIVE 1:

No changes to the *Rules and Regulations*.

ALTERNATIVE 2:

Modify the *Rules and Regulations* to include:

- Provisions that clarify the minimum occupancy requirements set out for each housing program.

Policy Issue 4: What livability standards, if any, should apply to restricted units?

A. Current *Rules and Regulations*

The *Rules and Regulations* currently set out the following types of square footage requirements, standards of construction, and livability/design features for fulltime employee affordable units. Requirements for seasonal employee housing are recorded as part of the deed for the unit and not included in the *Rules and Regulations:*

- **Minimum and maximum livable area** (square footage) for the different types of units (See *Appendix 2: Livability Requirements* for a list of the minimum and maximum square footages for restricted units in Teton County);
- **Basic livability** requirements that the unit include a fully equipped kitchen and bathroom, and areas designated for living, sleeping and storage;
- **Natural light** requirements, including exterior windows in all bedrooms and living spaces or “borrowed” natural light in living and sleeping spaces;
- Requirements that **windows** with views onto parking lots, alleys, mechanical equipment, and window wells must be landscaped to improve views;
- Requirements that **exterior materials and designs** must be compatible with other materials used in the development;
- Requirements that the **parking** provided must be similar to other units in the development;
- Requirements that **outdoor storage, deck/patio, or other outdoor living space** must be provided for each unit;
- Requirements that **sound reduction** must be included to mitigate excess noise when units are located near non-residential uses, parking ramps, mechanical equipment, etc.; and
- Requirements that units must comply with all **minimum standards of the building code** and all other relevant and applicable County and Town codes.

B. Relevant Provisions from Comparable Communities

Minimum and maximum square footage requirements, construction standards, and design/livability features for individual units and dormitories from comparable communities are provided in Appendix 2. This appendix includes three tables: Table 1. Minimum Square Footage Requirements for Units by Type (including a comparison with Teton County square footage requirements), Table 2. Standards of Construction, and Table 3. Design/Livability Features for Individual Units (not dormitories).

Generally speaking, Teton County minimum square footage requirements for restricted units are on the lower end of the range when compared with other communities. Some communities set out specific requirements for the types of appliances that should be provided within a unit, and standards for green building practices.

ALTERNATIVE 1:

No changes to the *Rules and Regulations*.

ALTERNATIVE 2:

Modify the *Rules and Regulations* to include all or a portion of the following provisions:

- Increase minimum square footage for one bedroom units to 575 sq. ft., for two bedroom units to 800 sq. ft., and for 3 bedroom units to 1,000 sq. ft.
- Require all appliances provided within units to be Energy Star certified or the equivalent.
- Staff working drafts of new provisions include requirements for interior spaces, interior materials, responsible building practices, and quality assurance. It may be helpful to evaluate how different these requirements (except for minimum and maximum square footage) are from standard market rate unit requirements to determine if there may be a more straightforward way to comply with these requirements through existing building and design standards that apply to market rate units.

Policy Issue 5: What percentage of a household's income should be spent on housing?

A. Current *Rules and Regulations*

The current *Rules and Regulations* use the national standard used by the U.S. Department of Housing and Urban Development (HUD) for household affordability: that a household does not pay more than 30% of its gross income toward housing costs. Therefore, monthly payments cannot exceed 30% of the Median Family Income for each Category.

The *Rules and Regulations* also state that a household cannot carry more than 45% of total debt to income, including the mortgage note. The provisions do not include a minimum debt to income ratio for units that remain in single ownership over time or that appreciate at a fixed rate that may not match appreciation of median income.

B. Relevant Provisions from Comparable Communities

Blaine County, Park City, Vail, and Telluride guidelines all have provisions that identify the percentage of a household's income that should be spent on housing such that the household isn't cost burdened. These provisions set out the standard HUD measurement of 30% of household income. Telluride specifies that housing is deemed affordable if either the total rent and utilities; or the sum of the total mortgage payment, insurance, taxes, and HOA dues is not more than 30% of monthly gross income. It doesn't appear that any of the other comparable communities set out debt-to-income ratio requirements.

Telluride's guidelines also include a provision that states:

> *"Prior to and continuing after closing on a Housing Unit, 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 unit. This limitation shall apply also to any refinance of existing debt secured by the Housing Unit. Owners must notify THA prior to finalizing any refinancing of the Housing Unit."*

ALTERNATIVE 1:

No changes to the *Rules and Regulations*.

ALTERNATIVE 2:

Modify the *Rules and Regulations* to include all or a portion of the following provisions:

- Clarify that the housing that is affordable (i.e., no more than 30% of household income) for a renter household should be calculated as the sum of rent, water, sewer, gas and/or electric, and trash removal costs for the rental unit. The housing affordability definition for an owner-occupied unit should include the mortgage payment, taxes, insurance, Ground Lease Fees, HOA dues, and utilities.

- Consider discontinuing the 45% debt-to-income ratio limitation if the owners/renters qualify for a mortgage and meet the other qualification requirements.

Policy Issue 6: When should a household have to qualify for a rental or ownership home?

A. Current *Rules and Regulations*

Prequalification for affordable and attainable units in Jackson/Teton County is conducted at the time the home is purchased, and requalification for households that continue to own and occupy ownership units is not required by the *Rules and Regulations*.

Requalification for ARU, Employee, Employee-based, and Workforce Housing (rental and ownership) is required annually by operational policies. For example, Employment-based units are required to requalify annually to ensure 75% of income is earned locally, at least one person in the household is working full-time in Teton County, and that the household does not own any new property within 150 miles of Teton County, Wyoming. These operating policies are not set out in the *Rules and Regulations*.

B. Relevant Provisions from Comparable Communities

Time of Initial Qualification: All comparable communities require qualification standards be verified for before the sale or leasing of a restricted unit. This is a straightforward provision that aligns with the Jackson/Teton County's current policies. Aspen/Pitkin County have the most robust standards with regard to the specific documentation that is required to substantiate initial qualification for restricted units.

Requirements for Requalification: All comparable community programs appear to require requalification when there is a change in tenancy of a restricted unit. However, there is no "one-size-fits all" approach for requalification. Blaine County and Park City guidelines require requalification annually for both renters and owners. Whistler and Eagle County guidelines require owners of rental properties to verify the employment of the occupying household and rental rate charged for the restricted units. Eagle County has the ability to force the sale of the unit if the owner is not complying with program rules. The Vail guidelines require that owner-occupied housing is requalified annually to confirm employment and that the occupancy standards are being met. Non-compliance can result in penalties, including reductions in allowed resale gains. Rental tenants in Aspen / Pitkin County must requalify every two years to prove employment full-time and that they haven't purchased property within the prohibited area. Telluride's provisions state that they require qualification continuously with the occupancy of the unit, and in practice they verify qualification every two years as part of cyclical compliance procedures. Failure to comply with qualification standards can result in the mandatory sale of the unit. Telluride also has provisions that allow for random audits and to investigate complaints or reports of non-compliance on an ongoing basis.

ALTERNATIVE 1:

No changes to the *Rules and Regulations*.

ALTERNATIVE 2:

Set out the current practices in the *Rules and Regulations,* with the following changes

- Codify provisions that are currently used in practice, but not included in the *Rules and Regulation* to set out the requalification requirements applicable to each housing program (e.g., Require requalification for Employment-based units annually to ensure 75% of income is earned locally, and that the household does not own any new property within 150 miles of Teton County, Wyoming.)
- Consider an approach similar to Telluride's that allows for compliance verification of owner-occupied units on an as-needed basis and at a minimum semi-annually, to confirm that households still qualify for owner-occupied restricted units. (This is especially important if the *Rules and Regulations* are changed to allow for ownership of other residential properties so long as the net asset limitation is not exceeded.)

Policy Issue 7: How should the sale/rent price be set?

A. Current *Rules and Regulations*

Housing rents and sales prices are calculated differently dependent upon the applicable housing program. The LDRs include provisions that specify the number and type of units that must be restricted as affordable to income categories listed for that program. For example, units created through the Affordable program require that 1/3 of the units are affordable to 70% AMI, 1/3 are affordable to 70-100% AMI, and 1/3 are affordable to 100-120% AMI. To calculate the sales prices and rents for these different unit types, the Housing Department uses the following calculations:

- Sales prices for owner-occupied **Affordable** units are calculated using a set of basic assumptions: (1) 30% of the household's income will go toward housing costs, with 25% toward the mortgage and 5% toward HOA dues, taxes, and insurance, (2) 30-year mortgage at 7.5% interest rate with a 5% deposit, and (3) income used is 10% less than the maximum for the Category and household size based on one-person per bedroom.

- The maximum rental price of a **JTCHA owned rental restricted** unit is 70% AMI with 30% of the qualifying household income spent on rent and utilities that include electric, water, sewer, and trash. Qualifying households that earn 100-120% AMI must pay an additional $50 of monthly rent to offset the lower rental rate. For all units, the Category and rent price is based on one person per bedroom.

- Privately owned **Employee** rental units are based on HUD calculated fair market rents.

The calculations for setting the original purchase price and rental rates are not specifically set out in the *Rules and Regulations*. Maximum resale price calculations are included within the *Rules and Regulations.*

B. Relevant Provisions from Comparable Communities

- **Sales Price Based on Income Affordable to Income Category:** Blaine County guidelines set out that the maximum sales price for a unit should be based on the minimum income category and provides a "Community Housing Price Calculator" to tailor the sales price to the individual household and unit for sale. The maximum monthly housing cost includes the monthly payments for the following, not to exceed 30% of household income: (1) principal, interest, and mortgage insurance payment (if any) on first mortgage, (2) escrow payment of property taxes and property insurance, (3) land lease payments, and (4) homeowners/condominium association fees (if any), and finally (4) utility costs. The Telluride guidelines use a similar approach to Teton County and set the original purchase price through a calculation of the present value of an identified interest rate for a 30 year mortgage multiplied by the allowed gross rent based on the income tier of the qualified household divided by one minus the percentage of down payment. This initial sales price can be increased up to 10% for multi-unit developments if certain criteria are met.

- **Sales Price Set Affordable to a Locally Determined Workforce Wage:** Park City guidelines specify that the initial sales price for an affordable unit in any one development shall average a price affordable to a household earning 150 percent of Park City Workforce Wage and uses similar assumptions to Teton County regarding the calculation of monthly mortgage and utility payments. The "Workforce Wage" calculation is based on data from the Utah Division of Workforce Services, rather than AMI, to determine appropriate price points for affordable units.
- **Sales Price Set Affordable to Household Earning 100% AMI:** Sales prices in the Eagle County guidelines are set at a price that is affordable to households earning up to 100% AMI.
- **Rental Rates Set to Be Affordable to Incomes No Greater than 80% AMI:** Eagle County sets maximum rental rates based on household incomes no greater than 80% AMI, with some flexibility to set them up to 140% AMI.
- **Rental Rates Based on HUD Rates/Maximum Target Income:** For rental units, Blaine County guidelines publish a schedule of maximum monthly gross rental rates based on income limit data provided by HUD and inclusive of utilities. For Telluride, allowed gross rent is calculated as the target income for the qualified household divided by 12 and then multiplied by 30%.

ALTERNATIVE 1:

No changes to the Rules and Regulations.

ALTERNATIVE 2:

Modify the *Rules and Regulations* to include as follows:

- Consider a provision similar to Telluride that allows for multi-unit developments to have an additional increase in initial sales price if certain criteria are met.

ALTERNATIVE 3:

Modify the *Rules and Regulations* as follows:

- Include a table that defines the calculation used to establish the initial rent or sales price of the unit for each housing program.
- Establish sales and rental guidelines for units consistent with LDR requirements that distinguish units across household income levels in relation to AMI income categories (e.g., at 70% of AMI, above 70-100% AMI. Above 100-120% AM, etc.);
- Modify the interest rate that that is used to levels that are consistent with current market interest rates, and require an adjustment every three years, based on rate changes.

Policy Issue 8: How should restricted ownership homes be valued at resale?

A. Current *Rules and Regulations*

The current *Rules and Regulations* set out the specific methods for calculating the maximum resale price of a home. This includes the original purchase price, plus annual appreciation of 2.5% (based on average local income rate increases over a 20 year period), plus the cost of capital improvements required by a government agency, plus capital improvement costs not to exceed 10% of the original purchase price so long as the improvement was authorized by the Jackson/Teton County Affordable Housing Department (Housing Department), plus any costs allowed by the Housing Department pursuant to other policies in place at time of intent to sell, and finally, less any maintenance adjustments deemed required by the Housing Department at the time of the home inspection.

B. Relevant Provisions from Comparable Communities

The maximum resale price is set by four of the seven comparable communities' guidelines by multiplying the original purchase price times a consumer price index with a cap of 3% average annually of the original purchase price (Aspen/Pitkin County) or 4% (Blaine County). Park City and Vail set the maximum resale price based on a 3% annual increase in value from the date of purchase and do not use a consumer price index. Vail also adds the value of capital improvements, including architect's fees, in calculating the new maximum resale price. Eagle County bases the increase in value on the average annual rate of wage increase since the last sale of the home not to exceed 6% and includes permitted capital improvements and depreciation of those improvements in the resale price. Telluride has a set equation that uses the lesser of a 3% average annual appreciation or one of two CPI indices (whichever is greater), includes the value of capital improvements up to 10% of the original purchase price, and includes depreciation. Whistler bases resale value on a consumer price index. See Appendix A for more details on these calculations.

ALTERNATIVE 1:

No changes to the Rules and Regulations.

ALTERNATIVE 2:

Modify the *Rules and Regulations* to include all or a portion of the following provisions:

- Include a depreciation factor within the calculation of resale value.
- Set out a list of specific capital improvements that are allowed to be included in resale valuation calculation, and those that are not.

ALTERNATIVE 3:

Modify the *Rules and Regulations* to include all or a portion of the following provisions:

- Set out a list of specific capital improvements that are allowed to be included in resale valuation calculation, and those that are not.
- Base the annual appreciation to be added to the resale value of a restricted unit on one of the following methods:
  - Consumer price index capped at 3% (determined annually), or
  - Average wage increase in Teton County over a period of 20 years with a specific provision that identifies the source of this data, how this is calculated, and sets out a requirement for updating the appreciation rate every three years.
- Include a depreciation factor within the calculation of resale value.
- Require and update of the resale value calculation every five years.

Policy Issue 9: How should rental or subletting be handled?

A. Current *Rules and Regulations*

The current practices prohibit the rental of owner-occupied affordable units, except for exigent circumstances permitted with Housing Department approval, such as needing to serve as a caregiver for a sick family member. Owner-occupied attainable units are permitted to lease a room in the home as long as the owner also occupies the home or has approval of the Housing Department for exigent circumstances. Rental units are not allowed to be rented or subleased. It does not appear that these policies are specifically set out in the *Rules and Regulations*.

B. Relevant Provisions from Comparable Communities

Renting Ownership Units: Blaine County allows for a leave of absence from occupying the restricted unit at the discretion of the Blaine County Housing Authority for up to two years. These units can be rented in accordance with the guidelines, including household qualification, as long as the deed restriction allows the rental. Blaine County also allows the home to be rented in situations where notice of intent has been made to sell the restricted unit, it has not sold, and the owner must leave the home prior to sale. The Housing Authority must approve the rental, must qualify the new renter, and the renter can only rent for a period of up to two years. Vail is more liberal and allows rental of ownership units for households that qualify and are eligible for a minimum of 30 days. Vail also allows for the rental of units while they are waiting to be sold by the owner with approval by the Town of Vail Housing staff for a period of no less than six months with a 60 day move out clause on the sale of the home. Telluride does allow the rental of ownership units for a period of more than three months to two years as approved by the Housing Authority.

Subletting Rental Units: Whistler allows subletting of rental units with the landlord’s consent, but only up to six months less one day out of each calendar year. Eagle County may permit subletting of rental units with approval of the Program Administrator and in compliance with the guidelines. The provisions also include specific rental rates for sublet units.

ALTERNATIVE 1:

No changes to the Rules and Regulations.

ALTERNATIVE 2:

Set out the current practices in the *Rules and Regulations*:

- The rental of owner-occupied affordable units is prohibited, except for exigent circumstances permitted by with Housing Department approval, such as needing to serve as a caregiver for a sick family member.

- Owner-occupied attainable units are allowed to lease a room in the home as long as the owner also occupies the home, or the rental is approval by the Housing Department for exigent circumstances.
- Rental units are not allowed to be rented/subleased.
- Add new provision that allows for the rental of units that are in the active process of being sold by the owner, particularly in situations where the homeowner has an urgent need to move for employment or familial caregiver purposes.

Policy Issue 10: How should the buy/sell process work?

A. Current *Rules and Regulations*

Restricted units in Jackson / Teton County are sold according to procedures specific to each housing program. Owners of attainable homes identify the buyer and the Housing Department qualifies the buyer. The sale of affordable and employee units is facilitated by the Housing Department for a fee of 2% of the seller's proceeds. As part of this process, the Housing Department undertakes a ten-step procedure that includes formal notice of intent to sell, review of the sales process, home inspection, advertising the home for sale and acceptance of lottery submissions, preparation of the lottery drawing, formal application for the home, agreement for purchase, final home inspection, and closing. Both the affordable and employee housing programs use lotteries that include preferences for potential homebuyers that increase their chances of being selected from the applicant pool. The Affordable housing lottery includes four tiers of preference and provides additional lottery entries based on preference specifications.[9] The households with first preference are drawn from the lottery first, then second preference, and so on. The purchase is secured through a first-come, first-serve basis of the top tier applicant that completes the application first. The Employment-based lottery uses points instead of additional lottery entries to identify preferred households based on years of employment in Teton County, employment as critical service provider, and minimum occupancy standards.

B. Relevant Provisions from Comparable Communities

Brokered and Managed Through Housing Authority: Aspen/ Pitkin County guidelines offer all deed restricted affordable housing ownership units through the Aspen/Pitkin County Housing Authority. A bid and lottery process is used for the sale of the unit, unless otherwise specified by the deed. A 2% sales fee is paid to the Housing Authority at the time of closing on the house. The Blaine County guidelines take a slightly different approach. When units become available they are matched with qualified and eligible households maintained in an applicant database. Households within this applicant pool are then awarded priority points based on certain criteria: household size, length of continuous employment, location of employment related to available unit, time in applicant database, disability status, essential services worker, current restricted home owner, special circumstances, and tenants currently residing in restricted rental unit. For employee housing, those qualified employees associated with the

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[9] Preference is given to Affordable households that meet one of the following: 1) Household size matches the size of the available unit (the JTCRHA prefers one or two persons per bedroom); 2) One member of the household can prove employment in Teton County for four consecutive years immediately prior to the time of the application with exceptions for military personnel, persons pursuing higher education degrees, and family caregivers, 3) The household has applied multiple times to the housing unit lottery; 4) One member of the household proves that they have a mobility impairment and/or hearing impairment; and/or 5) One member of the household is a Critical Service Provider, as approved by the JTCRHA. Housing Department staff have also been reviewing additional preferences to be added to the *Rules and Regulations* to clarify that top preference is given if both the four years of employment and occupancy preferences are met, and second preference is based on occupancy preference.

development are given priority. If no qualified employees of the development are interested, the housing is then offered to other qualified persons. In both cases, the applicant has a set period of time to provide verification of mortgage prequalification, and will not be allowed to purchase the home if they can't meet the timeline; however, this will not affect priority on future housing opportunities.

Housing Authority As Overseer of Sale: While Whistler guidelines also utilize a purchase waitlist, staff of the Whistler Housing Authority aren't directly involved as resale representatives for either the seller or the purchaser. The role of the housing authority is to ensure the resident restricted unit is sold based on the priority of the waitlist criteria, and with adherence to restrictive covenants. The housing authority pays a licensed realtor to oversee the handling of the contracts and the sale, and independent legal advisors are recommended to the purchaser and seller.

Highest and Best Offer Approach: In Eagle County, the developer of restricted units is responsible for the initial sale and marketing of the restricted units in its project, and the Housing Program Administrator has the right to review the terms of the sale for compliance with the guidelines. Resales are administered by the Program Administrator and the owner/seller is required to pay a 2% sales fee for these services, with 0.5% of the list price being deposited at the time the home is listed, known as the "listing deposit." Upon qualification and eligibility verification, the applicant with the highest and best offer, which does not exceed the maximum resale price will have the first right to negotiate for the purchase of the unit. If the same bid is provided by two or more offerors, then a set of scoring criteria are used to determine the highest scoring applicant that will be allowed to complete the purchase.

Approach Dependent Upon Housing Program: In Telluride, the buy/sell process is determined by the type of unit being sold, similar to Jackson/Teton County. Housing mitigation units can be sold directly by the owner but real estate broker fees cannot be passed along to the seller. The seller does have to adhere to a certain process to notify the Telluride Housing Authority of their intent to sell and ensure that the purchaser is a qualified and eligible household. The housing authority prepares the new buyer's deed restrictions and sets out the original purchase price and other requirements, including the option for the housing authority to purchase the unit in the future. Employee units are sold in the same way as housing mitigation units, but do not have terms that restrict the sales price. Town constructed units in Telluride are designated for sale by lottery. Each applicant is given one entry into the lottery, and additional entries are available to applicants that meet certain employment criteria.

ALTERNATIVE 1:

No changes to the Rules and Regulations.

ALTERNATIVE 2:

Modify the *Rules and Regulations* to include:

- A preference for households currently renting restricted units in Teton County.
- A preference for retirees that can verify employment for 10 or more years in Teton County immediately prior to retiring.

- A preference for households that have repeatedly submitted for the lottery unsuccessfully for a minimum period of time.
- A preference for qualifying households to rent or purchase homes that are located within the neighborhood that they currently reside. This provision will need to provide some specificity in terms of how the boundaries of the neighborhood are determined.

Policy Issue 11: What types of relief should be allowed from the *Rules and Regulations*?

A. Current *Rules and Regulations*

The *Rules and Regulations* set out a broad range of procedures for providing applicants, tenants, and homeowners the opportunity to request the following types of relief:

- Exceptions for unique situations related to the purchase/rental of the home;
- Appeals from decisions of the Housing Manager; and
- Grievances for harm done by the established Rules and Regulations.

The Housing Department reviews and determines if exceptions to the Rules and Regulations can be granted. The Housing Authority hears and decides appeals of Housing Manager's decisions, and grievance claims. The *Rules and Regulations* state the specific procedures an applicant must follow to file for one of these types of relief, but do not include a set of standards for making decisions on these claims. The Definitions section of the *Rules and Regulations* includes a general definition for exceptions, but does not include a definition of appeals or grievances.

B. Relevant Provisions from Comparable Communities

Discretion of Housing Authority or Elected Board: Blaine County, Whistler, and Vail all provide language in their guidelines that authorize the housing authority or an elected board to hear and grant allowances to challenges from entities involved in the restricted housing process. The guidelines state the governing body has full discretion to determine whether any allowances will be made.

Formalized Relief Procedures: Aspen/Pitkin County guidelines set out a specific grievance procedure which includes a hearing and a determination that is made by the housing authority regarding requested relief. Telluride guidelines are very similar to Teton County's; they set out provisions for requests for exceptions, appeals of decisions, and a procedure for hearing and addressing grievances. Exceptions are provided on a case-by-case basis and approval is contingent upon the decision promoting the provision of affordable housing.

Specific Standards for Hardship: Park City guidelines allow the City Council to consider economic hardship relative to the requirements in the guidelines (i.e., Resolution) that govern the character of the development or the surroundings as imposed on the owner of a unit. The Council is required to use the same standards that it applies to historic properties in making an economic hardship determination. The language stipulates that the ruling in favor of the economic hardship does not set precedent for future requests for administrative relief.

ALTERNATIVE 1:

No changes to the *Rules and Regulations.*

ALTERNATIVE 2:

Modify the *Rules and Regulations* as follows:

- Include formal definitions for grievance and appeal relief measures.
- Set out standards for making determinations on exceptions, appeals, and grievances, including specific purposes to be achieved in granting one of these relief measures (e.g., providing relief will allow for the expansion of the inventory of affordable workforce housing).

Policy Issue 12: How should new *Rules and Regulations* be applied to existing units?

A. Current *Rules and Regulations*

For all restricted units in Teton County, the special restrictions set out in ground leases or deed restrictions supersede the adopted *Rules and Regulations*. If provisions are not specifically outlined in the special restrictions for a unit, the restrictions default to the currently adopted *Rules and Regulations*.

B. Relevant Provisions from Comparable Communities

Most comparable community guidelines are largely silent on this topic. Aspen/Pitkin County guidelines identify that units recorded prior to the guidelines are subject to their individual deed restrictions. Whistler guidelines identify that homes built before the guidelines were adopted are not subject to the livability standards set out in the guidelines. Blaine County guidelines also acknowledge the use of different deed restrictions and covenants. Park City guidelines set out that the guidelines in place at the time of a development plan approval shall apply to the application completed at that time. Any modifications made following that approval must adhere to the current adopted guidelines (i.e., Resolution). Telluride guidelines articulate that the guidelines in affect at the time of sale or rental of the unit apply with three exceptions: (1) qualified owners can request that the current adopted version of the guidelines apply to their property, (2) current owners or tenants may choose the version of the guidelines that apply to their unit for the purposes of maintaining qualification to maintain the unit, or (3) maximum resale price is always determined by the deed restriction on the unit, regardless of what is in current guidelines.

ALTERNATIVE 1:

No changes to the Rules and Regulations.

ALTERNATIVE 2:

Modify the *Rules and Regulations* to include all or a portion of the following provisions:

- Clearly establish that covenants on property deeds control what guidelines are applied.
- For owner occupied units at resale, establish that guidelines in effect at the time of resale will apply until another resale occurs.
- For rental units, establish that the guidelines in effect at the time the rental agreement is entered will apply.

Appendix 1: SUMMARY OF COMPARABLE COMMUNITIES' HOUSING RULES AND REGULATIONS ORGANIZED BY KEY POLICY QUESTIONS

The following list identifies the affordable housing guidelines reviewed in this assessment. The following pages include a summary of these reviews and interview with staff.

Aspen-Pitkin County
Affordable Housing Guidelines (Amended 2017)

Blaine County
Community Housing Guidelines (2015) and Interview with Bobi Fellows of Blaine County Housing Authority (August 2017)

Eagle County
Affordable Housing Guidelines (2014), Affordable Housing Guidelines: Administrative Procedures (2016) and Interview with Tori Franks of Eagle County Housing Department (August 2017)

Park City
Resolution 25 -12 "Resolution Adopting Affordable Housing Guidelines and Standards for Park City, Utah"(2012)

Telluride
Telluride Affordable Housing Guidelines (Amended 2017) and Interview with Shirley Diaz of the San Miguel Regional Housing Authority (August 2017)

Vail
Employee Housing Guidelines (1999) and Interview with Lynne Campbell Town of Vail Community Development Department
Vail will be undertaking an update to the guidelines soon.

Whistler
Whistler Housing Authority Resale Policy, Guidelines for the Purchase Waitlist Process: Resident Housing Purchase Waitlist Policy, Evolution of the Resident Housing Covenants, Example Housing Covenant and Interview with Allison Winkle of the Whistler Housing Authority

1. What should the employment criteria be to rent or purchase a restricted home?

<u>Aspen/Pitkin County</u>

To qualify for tenancy at a restricted home, a person/household must:

- Be a full-time employee (minimum of 1500 hours per calendar year) working in Pitkin County for an employer whose
  - business address is located within Aspen or Pitkin County,
  - business employs employees within Pitkin County,
  - business license is in Aspen or Pitkin County, and/or business taxes are paid in Aspen or Pitkin County (if an employer is not physically based in Pitkin County, an employee must be able to verify that they physically work in Pitkin County a minimum of 1500 hours per calendar year (approximately 30 hours per week);
- Or be a retired person who has been a full-time employee in Pitkin County a minimum of four years immediately prior to his or her retirement (as further defined in the Definition section);
- Or be a handicapped person residing in Pitkin County who has been a full-time employee for a Pitkin County employer a minimum of four years immediately prior to their disability as defined in these guidelines.
- Persons working in the city or county at least 30 hours per week during the winter months (November-April) shall be eligible for rental of Aspen/Pitkin County Housing Authority seasonal rental units at designated properties.

To qualify for a Resident-Occupied home, the most expensive category of the deed-restricted homes, a person/household must demonstrate that at least seventy-five (75%) of household income is earned in Pitkin County.

<u>Blaine County</u>

A qualifying applicant will be:

- A full-time employee working in Blaine County (no minimum hours),
- Or is a retired person who was a full-time employee in Blaine County immediately prior to his/her retirement and who currently lives in Blaine County as his/her primary residence;
- Or is a disabled person residing in Blaine County who was a full-time employee in Blaine County immediately prior to his/her disability and who currently lives in Blaine County as his/her primary residence.

<u>Eagle County</u>

A qualifying applicant must:

- Work an average of at least 30 hours per week on an annual basis at a business with an office or job site physically located in Eagle County (multiple jobs in Eagle County may be combined to reach 30 hours per week);
- Or cumulatively have earned at least 75% of the household's gross household income in Eagle County;

- Or has been hired for a job in Eagle County on a permanent basis to work at least 30 hours per week;
- Or is over the age of 60 and had earned a living primarily in Eagle County prior to his or her retirement or has a family member who meets the eligibility requirements, subject to the Program Administrator's sole discretion;
- Or is a disabled person who had been a full-time employee in Eagle County (subject to the retirement exception) for a minimum of two years immediately prior to his or her disability or has been granted an exception to the minimum of 30 hours per week in order to continue with a federal or state benefit program, if the person works the maximum number of hours per week the program will allow;
- Or employment in Garfield and Pitkin Counties will be considered acceptable for households applying to purchase affordable housing in Eagle County in the Roaring Fork Valley;
- Or households that make their home in Eagle County but work for employers that are located outside of Eagle County (i.e. telecommuters) may be considered eligible if all other eligibility requirements are met and the household can prove Eagle County residency for at least one 1 year before application submission, subject to the Program Administrator's sole discretion.

Park City

Preference is given to full-time employees (minimum of 30 hours/week) of businesses within the Park City School District. Preference is also given to senior citizens (62 & older) and persons who are physically and/or mentally challenged.

Telluride

Qualification criteria are different for rental and ownership units. For rental, one member of the household must have worked or demonstrated an intent to work 1,000 hours in the Telluride R-1 School District, or be an employee of a qualified unit owner (i.e., original developer of the project, business owner in Telluride, person or entity controlling interest in the project in which the units are located, or the Town or Housing Authority). Owner-occupied units require 1,400 hours of work during any five of the previous seven years within the Telluride R-1 School District boundary. Both of these allow up to 10% of hours to come from verifiable voluntary community service. Qualifications also have allowances for disabled and elderly households that can't meet these criteria.

Vail

Employment criteria require that:

- Qualified households work 30 hours per week (1,560 hours annually), including seasonal and part-time work, at a business or businesses located within Eagle County which hold(s) a business license with the appropriate jurisdiction (Town of Vail, Town of Avon, or other Eagle County jurisdiction);
- 75% of the applicant's total income must be earned by working at an Eagle County business;
- Or, retired individuals (60 years of age or older) who worked a minimum of 5 years in Eagle County for an average of 30 hours/week on an annual basis are also eligible, but must have lived in the home before they became retired.

Whistler

Applicants must work 20 hours per week within the Resort Municipality of Whistler (RMOW). Self-employed employees must have a valid RMOW Business License and be able to confirm their work contributes to the local Whistler economy. Retirees must have been employed in Whistler for five of the six years prior to ceasing employment.

2. What kind of assets should be allowed and/or counted, and what is the limit?

Aspen/Pitkin County

All financial assets and liabilities, including but not limited to real and personal property, shall be considered in calculating the net assets of an applicant household. Maximum net asset limits for households are determined based on household size and income category, and they are published annually along with the maximum gross income for each income category. Households are not allowed to own real estate or a mobile home within a certain area (termed the Ownership Exclusion Zone "OEZ"); otherwise, they must sell within 180 days and still meet the income/asset limit. A waiver may be given on a case-by-case basis.

If the property has not sold within 180 days of the listing agreement, the Owner will be bound by the following:

- On day 181, Owner must accept any valid contracts (as determined by the Colorado Real Estate Commission) of at least 95% of the maximum sales price.
- If the home has still not sold after another 30 days at or above 95% of the maximum sales price, the Owner must accept any valid contracts at or above 90% of the maximum sales price.
- For each additional month the home has not sold, the minimum bid price that must be accepted will decrease by an additional 5% of the maximum sales price.
- For Resident-Occupied homes that do not have an appreciation cap, the same shall apply based on the appraised market value of said home.

Any unimproved real property owned by an applicant (tenant or owner) in the OEZ must be reported as an asset at appraised value. Aspen Pitkin County Housing Authority (APCHA) tenants and owners shall be permitted to retain ownership of such property only as long as it remains unimproved. Assets which have been assigned, conveyed, transferred or otherwise disposed of within the last two years without fair consideration in order to meet the net asset limitations shall be valued at fair market prices. Fair Market Value will be determined by an appraiser of APCHA's choice and paid by tenant.

There is a special retiree asset policy that states that qualifying maximum net assets shall be adjusted to 150% of the amount regularly applicable in the respective category. Regardless of applicants' age, assets that are held in retirement accounts that are subject to an early withdrawal penalty will be adjusted to 60 percent of present value.

For any applicant, if net household assets are greater than the maximum allowable in a category, the household may be permitted consideration of assets as income in order to qualify to rent or purchase only in Category 4, 5, 6 or 7 as follows:

- Each $45,000 in net assets in excess of $175,000 (Category 4 maximum) is treated as $4,152 of gross income and added to household gross income for qualification purposes. This procedure only allows for a household to move into Category 4 or above.

An employer who also owns a deed restricted unit is permitted to maintain ownership of a free-market unit, but must record a deed restriction on the property upon agreement with APCHA for such unit as a rental unit to be available to the business owners' qualified employees, or any qualified employee.

Blaine County

Asset limits (referred to as "allowable net worth") and income limits are published annually, and they are determined for each of the five income categories in their Income-Category housing program based on HUD income limits that are published each April. No member of the household may own developed residential real estate or a mobile home within Blaine County.

Eagle County

Applicants may not own other real property, subject to exceptions (e.g., household inherits a fishing cabin with no heating or plumbing). Real estate that is owned by a prospective eligible household of affordable housing may not deed that real estate to a corporation or other person or entity except at fair market value nor may real estate be deeded to a corporation or other legal entity in which the household member has any financial interest in order to meet these requirements. Households can apply for a hardship exemption to maintain real property if the property cannot be sold due to poor housing market, house mortgage is upside-down, or the property is being rented and the rent is not counted as income due to the fact that it doesn't exceed the monthly mortgage and associated housing costs.

Park City

The guidelines do not include explicit limits, but do say that the City reserves the right to place an asset limitation for prospective owners or renters as needed to further the affordable housing goals.

Telluride

Telluride is in the process of evaluating its guidelines, particularly provisions on net assets that are counted for qualifying households. It is expected that revisions will likely address the definition of gross assets and particularly the amount of time an asset is "vested" for the purpose of counting it as an asset for qualification purposes. Currently, total household net assets shall not exceed two times the original purchase price of the housing unit. All household members' shares of business assets and real estate shall be included, including anything owned by an individual that has commercial or exchange value, tangible and intangible value, such as patents, stocks and interest in estates, and funds or property living in a trust. Retirement accounts are reviewed on a case-by-case basis to determine whether or not they shall be included as a net asset. Assets must have been owned for a minimum of 2 years to be considered an asset. Households that own undeveloped or developed residential and/or commercial property within San Miguel County can still qualify for housing. This property will be taken into consideration when determining household assets.

Vail

Vail does not have a cap on household finances. To verify that 75% of income comes from an Eagle County business and that they don't own property within Eagle County, the Town reviews tax returns and W-2 forms. The household must currently own no other residential real estate in Eagle County, or it must be a price-appreciation capped employee housing unit. A current residence may not be deeded to a corporation or other entity in order to qualify the applicant for a Town of Vail deed restricted unit. It is possible for a qualified household to own property outside of Eagle County.

Whistler

Whistler does not have a cap on household finances. Applicants, or their spouse, must not own, either personally, jointly, or indirectly through business assets any real estate anywhere in the world, from the time that such person applies for an employee unit until such person completes the purchase of an employee unit, unless (these are criteria for the restricted housing waitlist):

A. The Assessed Value of all the real property he or she owns does not exceed 60% of the assessed value of the employee unit; or
B. The real property he or she owns is deemed to be "underhoused":
    a. less than 400 square feet in area,
    b. less than 650 square feet in area and it is the principal residence of that person and one other individual,
    c. less than 850 square feet in area and it is the principal residence of that person and at least one child, or
    d. less than 1200 square feet in area and it is the principal residence of that person and at least two children; or
    e. The real estate he or she owns is located in Squamish or Pemberton.
C. A disabled person may not be working in Whistler, but will have to prove prior employment and income from local employment work.
D. Applicants own a unit already, and have to sell the unit to purchase a new unit.
E. Applicants may also be considered if they own property less than $100,000.
F. Some landowners were grandfathered in from past policies that allowed them to own less than 70% of the restricted unit value.

In the case where an applicant qualifies under any of the exceptions above, if the applicant purchases a resident restricted unit, the applicant must sell their other residential real estate no later than six months after occupying the resident restricted unit. Existing owners of a resident restricted unit who wish to buy a different restricted unit qualify to be on the purchase waitlist as long as they do not own any other real estate. When the owner purchases a different restricted unit, they are required to sell their existing restricted unit immediately after the purchase of the new unit. If a local resident does not qualify under the criteria above, there is an opportunity to request special consideration based on housing affordability to the Whistler Housing Authority.

3. How many months out of a calendar year should a household be required to occupy a restricted unit?

Aspen / Pitkin County

Households are required to live in their unit for no less than 9 months. A vacancy period of 45 consecutive days is also a violation of these guidelines.

Blaine County

If an Applicant/Tenant accepts permanent employment outside of Blaine County or resides in the Home fewer than 9 out of any 12 months, he/she shall be deemed to have ceased to use the Home as his/her Primary Residence and shall be required to relinquish the Community Home.

Eagle County

Households are required to live in their unit for no less than 9 months.

Park City

The guidelines do not include a tenancy minimum provision.

Telluride

This standard is set out in its converse. The guidelines allow for a “leave of absence” for more than 3 months and up to 2 years as approved by the Telluride Housing Authority. By default, this means that households must occupy units for no less than 9 months without approval. In practice this is not enforced. The THA focuses more on ensuring a household meets the employment qualification standards than occupancy standards.

Vail

Applicant must use the unit as his/her primary residence. Dependents must reside in the household at least 6 months and 1 day out of every 12 month period of time. A leave of absence may be granted for one year with the approval of the Town. The Town requires that the household provide written verification of their situation before authorizing a leave of absence.

Whistler

In most cases, the home they purchase is their primary residence as there are strict limitations on ownership elsewhere. They do allow for investment in other properties after purchasing the unit, but the qualified household can’t live in the new property there as their permanent residence.

4. What livability standards, if any, should apply to restricted units?

[See Appendix 2: Livability Requirements, for a matrix comparing livability and other related standards for the comparable communities.]

Aspen/Pitkin County

There are minimum net livable square footage requirements per affordable housing unit type (see matrix in Appendix 2), with some permitted adjustments. Square Footage for dormitory units is 150 square feet of living area per person. Living area includes sleeping and bathroom areas, but does not include interior or exterior hallways, parking areas, patios, decks, cooking area, common lounge area, laundry rooms, and mechanical and storage areas. Dormitories shall include at least one bathroom for shared use by no more than 4 persons. Each bathroom shall contain at least one water closet, one lavatory, and one bathtub with a shower, and shall have a total area of at least 60 net livable square feet. Each dormitory unit shall include a kitchen facility or access to a common kitchen and eating facility sufficient for the number of persons sharing the dormitory, as approved by the city or county. Each occupant shall be provided the use of 20 square feet of enclosed storage space located within or adjacent to the unit. Dormitory occupancy is limited to 8 APCHA-qualified employees per unit. Resident-Occupied units are limited to a maximum 2,200 gross square feet of livable space plus a maximum 500 square foot garage and maximum 800 square foot basement. If a larger garage or basement is approved, the square footage in excess of these limitations shall be deducted from the maximum gross square footage of livable space. In no event shall the square footage of all improvements exceed 3,500 square feet. Converted units must be in marketable condition and approved by APCHA prior to rental or sale. The applicant shall bear the costs and expenses of any required upgrades to meet the published standards, as well as any structural/engineering reports required by APCHA to assess the suitability for occupancy. These provisions include both interior and exterior finishes.

Blaine County

Minimum livable square footage, construction standards, and standards and specifications for home finishes, appliances, and carpet grades are provided in the guidelines. All Employee Housing designed to accommodate roommates should provide separate closets for each occupant. BCHA recommends that studios should be limited to one occupant. Each bedroom should be sized to accommodate sleeping arrangements for two unrelated adults and should contain, at least, one window, a door and closet(s). Each Employee Home should contain adequate storage space for bicycles, skis, camping gear, etc. Dishwashers, garbage disposals, self-cleaning ovens, frost-free refrigerators, sound insulation, efficient heating system, and internet service are highly recommended. Individual utility metering is encouraged to discourage excessive usage and waste. Whenever possible, individual outside entries should be provided without the use of a common hallway. Adequate onsite parking should be based upon the employee profile provided by the operator.

Eagle County

Affordable Housing units should be architecturally compatible with surrounding uses. Exterior finishes should not be substantially inferior to the materials used on market rate units. Adequate storage space shall be provided. Enhancing the long term affordability of affordable housing through designs that reduce utility costs is strongly encouraged and conversely, amenities that are costly to operate are strongly discouraged. Units must meet minimum ECO Build Standards (i.e., Eagle County Efficient Building Code) or other efficient building standards as might be amended and as provided for in the Eagle County Land Use Regulations. Affordable housing design must address livability, maintenance, health, safety concerns, climate, lifestyle, and needs of the types of Households the units are intended to serve. To enhance livability, balconies, decks and small yards are also encouraged. The guidelines do not include minimum square footage requirements.

Park City

Park City has square footage standards for its affordable housing units. In addition, it has minimum green building requirements, (e.g. all appliances and lighting must meet Energy Star standards). The guidelines and standards also state that inclusionary units may not differ from market rate units in terms of insulation, windows, heating systems and other improvements related to energy efficiency. Interior and exterior amenities are specified for “winter seasonal units.”

Telluride

Livability standards are set out separately for the three housing programs: Housing Mitigation Units, Town Constructed Units, and Employee Dwelling Units. Housing Mitigation Units have the most robust standards that address the establishment of a Housing Mitigation Plan that includes all specifications for units developed. This includes unit sizes (minimum and maximum square footage) for units with varying number of bedrooms, defined as net livable square footage including perimeter walls. All units must have a fully equipped kitchen, a full bathroom, areas for living and sleeping, and designated areas for storage. Sleeping/bedroom areas must be a minimum of 100 square feet with a minimum dimension of 10 feet. There are provisions for the amount of square footage that must be provided above grade and incentives for units that exceed minimum green building requirements. Town Constructed and Employee Dwelling Units have standards for the total number of people that can live in a unit based on the number of bedrooms in the unit.

Vail

Vail defers to the 2015 International Residential Code and the 2015 International Building Code. Accessory dwelling units (mother-in-law units) do have specific criteria included in the Town’s land development ordinance.

Whistler

The British Columbia Building Code lays out minimum area and height requirements, as well as standards for required amenities. All buildings are required to meet ASHRAE Standard 90.1, which provides minimum energy efficiency for all buildings other than low-rise residential. The number of employees or retirees who permanently reside in the employee unit must be equal to or less than the number of employees or retirees that the municipality's building inspector determines can reside in the employee unit given the number and size of bedrooms in the employee unit and in light of any relevant standards set by the municipality in any bylaws of the municipality.

5. What percentage of a household’s income should be spent on housing?

Aspen / Pitkin County

The guidelines do not include a standard for this provision.

Blaine County

The standard maximum of 30% of household income HUD housing affordability factor is applied to rents and housing payments.

Eagle County

In practice (not published in the guidelines), Eagle County uses the standard maximum of 30% of household income with the caveat that deed restrictions don’t have income qualifications. Initial sales prices are set through backing into an affordable mortgage at 100% with assumptions for calculating the mortgage (i.e., 10% down payment, taxes, insurance, and 30-year average interest rate). Rental prices are held at 80% AMI applying the 30% household affordability factor. Therefore, the sales price is tailored to each unit, not to each household.

Park City

The standard 30% HUD housing affordability factor is applied to rents and housing payments.

Telluride

Housing is deemed affordable if either the total rent and utilities or the total of the mortgage payment, insurance, taxes, and HOA dues is not more than 30% of monthly gross income (i.e., HUD housing affordability factor).

Vail:

The standard 30% HUD housing affordability factor is applied to rents and housing payments.

Whistler

The city does not use income as a qualifier for workforce housing, and therefore does not have a cap on the percentage of income spent on housing.

6. When should a household have to qualify for a rental or ownership home?

Aspen / Pitkin County

Households must requalify every two years to prove they are still employed full time, occupy the unit for at least 9 months out of each calendar year, and don't own property within the OEZ (some specific properties do annual verifications). Owners are not required to maintain household gross income and net asset limitations, or to meet minimum occupancy requirements. The requalification procedure for renters allows the maximum gross income to be adjusted to 120% of the amount regularly applicable in the respective category. If income or asset limits are exceeded, the tenant will be given one year to come back into compliance or to vacate the leased premises. A tenant who has entered into the bidding process to purchase a deed-restricted unit and/or is looking for other rental opportunities may reside in the unit for one additional year. However, the rent will be adjusted to the increased category that corresponds to the current income.

Blaine County

Annual requalification is required for renters a minimum of 60 days before the end of the lease. Owners of restricted units do not have to requalify. Rental tenants may, at the time of annual renewal, exceed income category limits by up to a maximum of 10%. If the tenant no longer qualifies, they are given an allowance of up to 6 months to secure new housing. An additional extension may be provided upon successful appeal to the landlord and BCHA based on circumstances of serious illness or other hardship beyond the control of the tenant. To ensure that the local employer is in compliance with the guidelines (renting to qualified employees or qualified members of the public), they or their managing agents must provide evidence as reasonably requested by BCHA. For any violation of the guidelines, BCHA will issue a notice to the local employer. The local employer will have 30 days to correct the violation. If the violation goes uncorrected for more than 30 days, BCHA may force an immediate sale of the home in question or initiate a plan to sell all of the Community Housing owned by the local employer and/or impose fines.

Eagle County

Annual recertification is required for owners and managers of rental property. In practice, Eagle County confirms qualification of ownership units annually focusing on employment and asset qualifications. Eagle County has the ability to force sale if the owner is not complying with the program rules. For rental units, qualification occurs when a tenant is leaving the unit or sublets the unit.

Park City

Annual verification is required for renters and owners.

Telluride

Similar to Teton County/Jackson, Telluride sets out three sets of requirements: qualification (most general), eligibility (additional requirements for individual housing programs or units), and priority (rules by which the applicant is placed in order for offering a unit for sale or rent). A household must maintain its qualification continuously as long as it occupies the unit. Failure to meet qualified housing criteria results in a mandatory sale of the housing unit as included in the deed restriction. This provision was tested in 2010 and the courts sided with the Town of Telluride. The Telluride Housing Authority may perform random audits and investigate complaints or reports of non-compliance on an ongoing basis, and requires compliance checks every two years. The qualification compliance check starts with a short-form and moves to a longer-form if changes have occurred that may affect qualification. Eligibility and priority only apply at the initial sale/rental of the unit. Applicable household qualification and eligibility are recertified any time there is a change of tenancy of the unit.

Vail

Households must annually submit verification that the dwelling has been owner-occupied and verification of employment. This information must be prepared, notarized, and sent to the Town by February 15 of each year, including income, status of employment, duration of employment, and price of monthly housing. If the Town determines that there has been a violation of the occupancy standards, the owner of the restricted employee-housing unit shall be found to be in noncompliance. Penalties the Town may assess against the owner include eliminating resale gain and/or penalties found in the Town of Vail Municipal Code Title 1, Chapter 4. Any misrepresentation by an applicant in submittal material shall disqualify the applicant from purchasing an Employee Housing Unit. Additional penalties can be charted if noncompliance is not addressed, but in practice this doesn’t typically occur.

Whistler

Households on the Purchase Waitlist must annually requalify. All owners have to submit an annual qualification occupancy declaration that identifies who is living in the unit, where they work, and the rent they are charging. This is sent annually with their property taxes.

7. How should the sale/rent price be set?

Aspen / Pitkin County

There are 4 income-capped categories for rental units and 7 income-capped categories for ownership units, as well as an additional type of housing units called "Resident-Occupied (RO)," which are not income-capped but do have an asset limit of $900,000. The rents and sale prices for each of these categories (partitioned by unit size) are listed in tables in the guidelines and are re-published annually. These numbers are based on employee surveys, labor reports, and HUD datasets from 1999, with rates adjusted annually. Note that they are not in any way tied to HUD-published AMI. Rental rates for dormitory and other on-site employee units shall be calculated on a case-by-case basis and approved by APCHA, in consideration of the unique and varying characteristics of each facility, with affordability as a key factor. Rates shall not include the cost of utilities in common areas, condominium dues, management costs and taxes. RO unit sale prices are determined on a case-by-case basis. The developer generally sets the initial sale price of a newly deed-restricted RO unit. If another affordable housing ownership unit is developed in association with an RO unit, the average sale price of both units shall be no higher than the Category 3 maximum sale price for a newly deed-restricted unit.

Blaine County

Blaine County has two different types of deed covenants:

1. Income-Category Deed Covenant – The sales price for this type of unit is tied to a consumer price index or an annual 4% increase, whichever is less. The maximum sales price for Income-Category housing is based on the minimum income of an Income Category in order to ensure that the price of a Community Home is affordable to every purchaser within that Income Category. BCHA has developed the "Community Housing Price Calculator" for ease in determining maximum sale price. This spreadsheet performs the calculations when the applicable interest rate and HOA dues assumptions are input. (Find the Community House Pricing Calculator on BCHA's website (www.bcoha.org)). "Maximum monthly housing cost" includes the following monthly payments: 1) Principal, interest, and mortgage insurance payment (if any) on first mortgage, 2) Escrow payment of property taxes and property insurance, 3) Land lease payments, if any, 4) Homeowners/ condominium association fees, if any, and 5) Utility costs. The covenants will allow for periodic Income Category adjustments based upon a clear showing that an adjustment is justified based upon the current employee profile. Such covenants should be reviewed and approved by BCHA.

2. Workforce Market Deed Covenant – An appraisal is prepared at the time of the sale to determine value. For resale, appreciation can be applied to sales price if the owner has owned the unit for 5 years or more. Workforce Market Community Housing differs from Income-Category Community Housing because their sales prices are not limited by Income Category. Instead, the Homes may be sold

for a price dictated by the market, provided that the proposed buyer meets the qualifications set forth in the Deed Covenant to which the Home is subject.

The maximum monthly gross rental rates for newly constructed/ available Community Housing are published by BCHA on a schedule in conjunction with the release of income limit data provided by HUD. This gross rental rate figure includes utilities. Maximum monthly gross rental rates are used for developments not subsidized by federal tax credits. Developments subsidized by the Low Income Housing Tax Credit program use the published maximum rents issued by the Idaho Housing Finance Association (IHFA); these figures are adjusted annually. Rental rates shall apply whether the Community Homes are provided furnished or unfurnished. Rental rates include (and may not be increased to pay for) all operational costs of managing the rental development, including the cost of utilities in common areas, condominium dues, management costs, and taxes.

Eagle County

Maximum Rental Rates for Affordable Rental Housing units must be set at rates that are affordable for households with incomes no greater than 80% AMI. However, the income limits for the tenants may be up to 140% AMI. The initial sales price for price-capped for-sale housing units shall be initially set no higher than at a price affordable to households earning 100% of AMI. The units should be priced in a spectrum of prices consistent with unit size, location, and market demand.

Park City

Rental price is affordable to households with an annual income equivalent to 100% of the Park City Workforce Wage (rents can differ for “winter seasonal units”). The Park City Workforce Wage is based on a family of three and calculated each year using the prior year’s wages as reported by the Utah Division of Workforce Services. The initial sales price for an affordable unit in any one development shall average a price affordable to a household earning 150 percent of Park City Workforce Wage. The sale price of a unit shall be calculated according to the following guidelines: utilities plus mortgage payment for the owner-occupied unit, including principal, interest, taxes and insurance ("PITI"), shall not exceed 30% of the target household income. The assumptions used to calculate the sales price shall be: (i) a 5% down payment; (ii) a 30-year term; and (iii) an interest rate equal to the prevailing First Home rate, or its program equivalent, of the Utah Housing Corporation (www.utahousingcorp.org) at the time of the offer.

Telluride

The original purchase price (OPP) is set by a calculation of the present value of the applied interest rate (can vary) for a 30 year mortgage multiplied by the allowed gross rent (determined by the income tier of the qualified household), divided by 1 minus the percentage of down payment. The initial sales price can be increased up to 10% for multi-unit developments (townhomes, triplexes, etc.) if certain criteria are met. Allowed gross rent is the target income of the qualified household divided by 12 multiplied by 30%.

Vail

The guidelines and the website do not clarify how the original sale price or rent is established, but they do list the range of prices on the website for available units. Rental rates are to be based on average rents in the area, but the Town doesn't regularly check these rates for individual units. The rates are listed as part of annual compliance.

Whistler

Rental rates (which include utilities) are controlled at six existing communities. The rates for these units (partitioned by unit size) are updated annually. The guidelines don't describe how these rents are determined, but reference the rates here. Each covenant sets up the initial sales price based on the gross floor area. The WHA website also lists historical sales prices.

8. How should restricted ownership homes be valued at resale?

Aspen / Pitkin County

The maximum resale price appreciation is based on a consumer price index, capped at a 3% annual increase in resale value. Generally, no more than ten percent (10%) of the purchase price may be added to the maximum sale price for capital improvements (those that are permitted by the APCHA). However, capital improvements associated with health and safety requirements may be exempt from the cap. The value of capital improvements requiring a building permit shall be added only if the city or county Building Department has issued a Letter of Completion, a copy of which shall be submitted to APCHA with verification of capital improvement costs and payments.

Beginning rental rates are to remain in effect during the entire lease period. After that time, rates may be increased in accordance with the current maximum annual rental rate adjustment, a percentage adjustment revised annually.

Appreciation is not capped for Resident-Occupied units.

Blaine County

Blaine County allows for appreciation of owner-occupied homes based on a consumer price index capped at 4% annually. The Income-Category Deed Covenant sets the maximum sales price and/or maximum rental rates for community housing and limits future appreciation of ownership units. The Income-Category Deed Covenant (a sample of this form may be viewed on BCHA's website or by request) shall be recorded prior to the earlier of the issuance of the building permit or the recordation of the final plat for the subdivision in which the Community Housing is located.

Eagle County

Maximum Resale Price will be calculated as follows: Base Price + Appreciation of Base Price + Permitted Capital Improvements – Depreciation of Capital Improvements + Sales Fee (2% of sales price). Appreciation should be based upon the average wage for Eagle County as determined by the Colorado Department of Labor and Employment using the most current available data, but in no case shall the allowed increase be more than 6% on an annual basis. There should be no floor on the amount of the increase. Some units have deed restrictions that set out a "floor" for appreciation of 3% annually with a maximum 6% increase.

Park City

Appreciation of owner occupied units is capped at 3% annually.

Telluride

Resale value or "Maximum Resale Price (MRP)" is determined by the deed restrictions recorded for the housing unit that specifies the original purchase price (OPP) on which the MRP is based, or the allowed gross rent and increases in rent, and income restrictions for future purchasers. The MRP is calculated using an equation that:

- adjusts for increases in value based on the lesser of an increase of 3% or two possible methods of calculating consumer price indices (one is a US city average and one is specific to the region),
- adds the value of public improvements for which municipal special improvement districts assessments were posed since the deed restriction was last recorded,
- cost of capital improvements to the unit that don't exceed 5% of MRP and have been approved by the Housing Authority, and
- cost of capital improvements to the unit that exceed 5% but are less than 10% of OPP and have been approved by the Housing Authority

There is no limitation on the sales price for an employee dwelling unit.

Vail

The calculation to determine the resale price of a home in Vail is the sum of:

- the original price,
- plus an increment equal to 3% per annum of the original purchase price from the date of purchase (prorated at the rate of 0.25% for each whole month of any part of any year);
- plus the value of capital improvements (including professional architect's fees) made to the Employee Housing Unit not exceeding 10% of the original purchase price;
- for every 10 years from the date of original purchase and deed restriction, another 10% of the purchase price may be added to the value of the property for capital improvements;
- plus the value of any special assessments made by a homeowner's association or by a local government that has been paid by the owner.

Whistler

The WHA calculates a maximum resale value for every resale restricted unit. Depending on the unit, the resale appreciation is either tied to the Royal Bank of Canada prime lending rate, the Greater Vancouver Housing Price Index, or the Canadian Core Consumer Price Index. All resales and future developments maximum resale value will be tied to the Canadian Core Consumer Price Index. The purchase price includes any buildings, improvements, fixtures, appurtenances and attachments thereto and all blinds, screen doors and windows, fixed mirrors, fixed carpeting, electric, plumbing, heating, refrigerator, stove, dishwasher and all appurtenances and attachments thereto as viewed by the Purchaser at the date of inspection. If the Owner has made capital improvements to the employee unit that required the issuance of a building permit by the Municipality, then the Municipality may, in its sole discretion, permit the Owner to increase the sale price for the employee unit at the time of resale up to an amount commensurate with the value of the capital improvements. If the Owner is dissatisfied with the value of the improvements as determined by the Municipality, the Owner may, at its expense, engage a quantity surveyor to establish the value of such improvements, but the Municipality will in no way be bound by the value established by the quantity surveyor, and the Municipality will, in its sole discretion, determine the permitted increase, if any, in the sale price. For greater certainty, the Municipality will not permit any increase in the sale price for improvements that have been made without a building permit issued by the Municipality. The WHA calculates the maximum resale price using the covenant formula and advises vendors and the purchaser of this price.

9. How should rental or subletting be handled?

Aspen / Pitkin County

Roommates are permitted under the guidelines. Individuals residing in two or three bedroom units must, at all times, have the unit filled with qualified tenants. In case of the vacancy of any bedroom, the remaining tenant(s) must find a new qualified person within 45 days. All tenants must be qualified through the APCHA prior to occupancy within that unit's category requirements and must be part of the lease. In a two-person household of two adults only (no dependents as defined in the guidelines), both adults must be working in Pitkin County to qualify for an additional bedroom. Both qualified adults must continue to work in Pitkin County until they become a qualified retiree as stated in the guidelines.

If the deed restrictions respective to the unit permit an APCHA owner to take an approved leave of absence, the owner may rent his/her unit subject to both HOA and APCHA approval and under the following conditions:

- Rental during leave shall be no more than the time stated in the lease between the owner and tenant.
- Tenants must meet APCHA qualifications except for income and asset limits. All tenants for deed restricted units must qualify through APCHA prior to moving in and/or executing a lease.
- Tenants may include faculty members in an accredited school or employees of not-for-profit organizations.

If the deed restriction does not establish a rental rate, the permitted maximum monthly rental rate shall be equal to owner’s normal monthly expenses including mortgage payments, HOA dues, utilities in owner’s name, insurance and property taxes not included in mortgage payment, plus $50 per month; or the rental amount stated in Table IV of these guidelines for the category and bedroom size for that home, whichever is greater. Owners may not charge any additional amount for furniture, use of a garage, use of a storage unit associated with the home, etc. Owners must submit written notice of application to rent to the respective HOA prior to submitting to APCHA. Owners shall submit all HOA comments to APCHA to review prior to approval or denial.

APCHA must approve the lease prior to signature and occupancy. In the lease, tenants must acknowledge receipt of and agree to applicable HOA articles of incorporation, by-laws, resolutions, declarations and covenants, deed restrictions, rules and regulations of the association, lease terms and these guidelines. A copy of the executed lease shall be submitted to APCHA and the respective HOA. Tenants do not acquire any right or priority for the purchase of the unit if the owner elects to sell during or at the end of the leave of absence.

Blaine County

The owner of a Community Home may take a leave of absence for up to one year, or at the discretion of BCHA, up to two years, but in no event may the rental period exceed two consecutive years. The Community Home may be rented in accordance with the guidelines during the authorized period so long as the deed covenant covering the unit permits the rental. Rental units must be rented for a minimum of 180 days a year to be deemed a primary residence. The tenant must be qualified by BCHA prior to execution of a lease. If the owner's leave exceeds two years, the Community Home must be released to BCHA for resale. In the event that the rental rate is not set forth in the deed covenant, the rent shall be established at the greater of "owner's cost" or the rent established in accordance with the guidelines for Community Housing at the appropriate income category (see Section 7.2). "Owner's cost" as used in this context includes the monthly mortgage principal and interest payment, plus condominium/homeowner's association fees, plus utilities remaining in owner's name, plus property taxes and insurance prorated on a monthly basis, plus $20 per month. If a notice of intent to sell has been given to BCHA and the owner must relocate to another area before the Community Home has been sold, the home may, upon approval of BCHA, be rented to a qualified individual, in accordance with these guidelines for a maximum period of 2 years. Notice of the owner's intent to rent the Community Home should also be provided to any applicable homeowner's association at the time the rental request to BCHA is made. A letter requesting permission from BCHA to rent the Community Home until it is sold must be sent to BCHA before the home can be rented.

Eagle County

Under no circumstances shall any portion of an affordable rental housing unit be leased or rented for any period of time without the prior written approval of the Program Administrator and compliance with the guidelines. Rents charged during a leave of absence may not exceed the lesser of 1) Maximum Rental Rates for Affordable Rental Housing at 100% AMI or 2) the owner's monthly housing expenses. The tenant must obtain an eligible household certificate from the Program Administrator. The owner shall provide a copy of the executed lease agreement between the owner and tenant to the Program Administrator. If an affordable housing unit is listed for sale and the owner has relocated outside of Eagle County, the unit may, upon approval of the Program Administrator, be rented to an eligible household prior to completion of the sale. Qualified employers may purchase affordable housing (for-sale units) and lease to employees who are members of eligible households. Qualified employers may not impose additional deed restrictions to affordable housing without the written consent of the Program Administrator.

Park City

The guidelines do not include a specific provision related to rental/subletting of units.

Telluride

The provisions allow for a leave of absence for more than 3 months and up to 2 years as approved by the THA. THA shall condition the granting of the leave of absence on the Household's offering the unit for rent to a Qualified Household, during the period of the requested leave. THA may include other conditions, such as a maximum rental rate, as it deems necessary. The guidelines also state that no housing unit may be used for short-term rental as defined in the Telluride Land Use Code.

Vail

Renting of a restricted owner-occupied unit is allowed. It must be rented to a household that meets the eligibility requirements, and the rental cannot be shorter than 30 days and must be approved by the Town. If the Employee Housing Unit is listed for sale and the owner must relocate to another area, the unit may, upon approval of the Town, be rented prior to completion of the sale to persons who comply with the occupancy requirements. A letter must be sent to the Town of Vail Housing staff requesting permission to rent the unit until sold. A lease of not less than 6 months must be provided to the tenants with a 60 day move out clause upon notification that the unit is sold.

Whistler

Owners of for sale units are able to rent out a room, or the entire house, for a maximum of $1.35 per square foot. This rate increases annually with inflation (CCPI) starting with the first day of the occupancy permit. Rental or subletting of a restricted unit is allowed only with the landlord's consent. Current covenants restrict the rental of resident restricted units to no longer than 6 months less a day out of each calendar year. The tenancy agreement will identify all occupants of the employee unit, and will stipulate that anyone not identified in the tenancy agreement will be prohibited from residing at the employee unit for more than 30 consecutive days in any calendar year.

10. How should the buy/sell process work?

Aspen / Pitkin County

Newly deed-restricted affordable housing ownership units, single-family homes and vacant lots shall be offered for sale through APCHA. After initial sale, all APCHA ownership units shall be marketed and sold through the APCHA bid and lottery process and/or according to deed restrictions specific to the property and guidelines. APCHA acts as transaction broker representing both buyer and seller and shall represent both parties fairly. The parties may seek legal counsel at their own expense. The owners of a Resident-Occupied unit must list the unit through the APCHA, unless the specific deed restriction states otherwise. At the time of the listing, the Owner will pay to the APCHA a Listing Fee of 1% of the total sales price. The unit will go through the normal selling process, with a lottery held at the end of the 2-week bid period. At the time of closing, the owner will pay an additional sales fee of 1% of the total sales price. Private sector developer/owners of affordable housing units shall be permitted to choose APCHA-qualified tenants and/or owners to occupy one-third of their affordable housing units in compliance with APCHA occupancy standards. All households chosen by the developer must meet the top priority criteria; i.e., four-year minimum work requirement, minimum occupancy requirement, category, not owning other property within the OEZ, Emergency Worker status, mobility status, or displacement status. The remaining units, including any units for which the developer/owner does not choose occupants, shall be marketed, leased, and sold through APCHA. For those units where the buyers are chosen by the developer, a 1% sales fee based on the purchase price is due to APCHA at the time of closing. For all other sales through APCHA, the 2% sales fee will be due at closing. A rental unit vacant for more than 45 days prior to initial lease or between qualified tenants shall be made available for tenants selected through APCHA.

APCHA advertises ownership units listed for sale weekly, on Fridays on the APCHA website (www.apcha.org) and on Wednesdays in the local newspaper. Listings and advertisements include information pertaining to category, size, price, taxes, HOA dues/assessments, amenities and bidding.

The listing/advertisement shall include either scheduled open house date and time and/or contact information for making a viewing appointment.

APCHA is responsible for preparing all contracts and other documents pertaining to sale and purchase, in consultation with the parties. The closing of the sale shall take place on a date specified in the sales contract. Closing is coordinated by APCHA with a closing to be completed by a local title company chosen by the parties in the sales contract, usually the seller. All first-time applicants must also include a Certificate of Completion of the Home Buyer On-Line Education Program and review and complete the quiz provided in “An Introduction to Community Association Living” provided by the Community Associations Institute (CAI).

Blaine County

To match applicants with appropriate Community Housing, BCHA employs a system of ranking applicants based on their profiles (including household size and income category), the needs and priorities of the jurisdictions that need Community Housing (as may be set forth in the Development Agreement), and the length of the applicant’s employment in Blaine County. In general, the matching process occurs as follows: when a community home becomes available, the home size, type, income category, and location of that home are checked against the applicant database. All applicants matching the qualifications for a given Community Home are then grouped into the “Applicant Pool” for that home. Then priority points are awarded based on certain criteria. The BCHA previews the property and discusses the value of the home and what needs to be fixed to ready for sale. The BCHA can list the property for the homeowner, but they are not required to do such. The traditional real estate transaction process follows. A 3% sales fee is charged to the new homeowner.

In those hotel, lodge, commercial, agricultural operation, or residential developments in which BCHA has been appointed to manage or monitor to employee housing, employees of the ownership or management entity who meet BCHA requirements have first priority for renting employee housing associated with that development. If there are no qualified persons directly employed by the owner or manager, the housing shall be offered to other qualified persons according to the procedures in the guidelines. When the applicant is matched to a Community Home, the applicant will be required to sign documents necessary to permit BCHA to obtain a copy of the completed loan application submitted to the lender. If an applicant fails to secure financing for that home in the time period allowed (as it may be extended by the purchaser and the lender), that applicant will be eliminated from consideration for purchase of that particular Community Home, but will not lose any priority in consideration for future available homes. After a minimum period of two years, a local employer who desires to sell its Community Housing may first offer the housing to the employee renting the home. If the employee does not wish to purchase or does not qualify for the purchase of the home, the home shall be offered to the applicant pool.

Eagle County

The developer shall be responsible for the initial sales and marketing of the Affordable Housing units in its Project; however Eagle County can administer the sale if the owner chooses. The Program Administrator shall have the right to review the terms of each sale for compliance with the guidelines. Should a non-eligible household desire to purchase the unit; the non-eligible household must pay a transfer fee of no less than 2% to the Eagle County Housing and Development Authority. The Program Administrator shall administer the resale in accordance with the requirements in effect at the time of listing. Unless otherwise set forth in the deed restriction recorded against an Affordable Housing unit, at the closing of the sale, the owner/seller shall pay the Program Administrator or its designee a sales fee of 2% of the sale price. The owner/seller must deposit 0.50% of the list price with the Program Administrator upon listing the unit for sale, known as the listing deposit. In the event that the owner/seller fails to perform under the listing contract, rejects all offers, or withdraws the listing after advertising has commenced, the owner/seller shall not be refunded the listing deposit. The listing deposit shall be considered a budgeted amount for advertising and administrative costs that will be incurred by the Program Administrator. If the Program Administrator incurs any additional costs, the owner/seller will be notified in advanced by the Program Administrator and shall be responsible for those additional costs. Once basic eligibility has been met, the applicant submitting the highest and best offer (not to exceed the Maximum Resale Price) will have the first right to negotiate for the purchase of the unit. If two or more equal offers are received, those offers will be prioritized for selection based on the highest score using a list of criteria, which give preference to employment and residency in Eagle County, the presence of children in the household, and to households earning less than 100% AMI.

Park City

A lottery is administered jointly by the City and the Mountainlands Community Housing Trust. Details about the lottery are not available in the guidelines.

Telluride

The buy/sell process is first determined by the housing unit program: Housing Mitigation Unit, Town Constructed Unit, or Employee Housing Unit program.

- Housing mitigation units can be marketed and sold directly by the owner; however real estate broker fees cannot be passed along to the seller. Sellers of housing units must provide notice of intent to sell a unit in writing to the Housing Authority at least 60 days prior to the sale of the unit, and except when the seller is the Town, the seller must pay a fee of 1% of the sales price to the Housing Authority and can be waived. The Housing Authority prepares the new buyer's deed restriction that sets out the original purchase price (OPP) and other requirements, including a provision giving the Housing Authority the option to purchase the unit.
- For Town Constructed Units, for sale units are designated for sale by ownership lottery. The procedures for the lottery are fairly straightforward: notice is required, a complete application must be submitted to confirm qualification and eligibility, a pre-qualifying letter from the potential mortgage lender is sent to the Housing Authority, etc. Each applicant is given one entry into the lottery for the unit. Additional entries are allowed for households that can demonstrate that a household member worked for at least three calendar years of employment at a job located within the Telluride R-1 School District boundary within the previous five years, and can also earn an additional entry for working a minimum of 1,400 hours during the prior calendar year within the School District boundary. First priority for handicapped accessible units is also given to disabled households.
- Employee dwelling units follow the same guidelines as Housing Mitigation units, but are not restricted in terms of the sales price.

Vail

Vail uses a "free market" process where owners of restricted units sell the units. Price capped units that were constructed using Town funds are sold through a lottery. An owner of a price capped affordable housing unit desiring to sell should consult with Town staff (Housing Division) and review the individual deed restriction and the master deed restriction covering the unit to determine the maximum sales price permitted and other applicable provisions concerning a sale. Unless otherwise provided in the master deed restriction, the unit must be listed for sale with the Town, and the Town staff or its designee will administer the sale in accordance with the guidelines in effect at the time of listing. There shall be a minimum listing period of 3 months before a unit's price can be readjusted. Any termination in the listing may require the payment of administrative and advertising costs. The 0.5% of the sales price required to be deposited with Town staff at time of listing will be forfeited, and a total of 2% of the sales price must be paid to the Town as an administrative fee to process the closing. Costs exceeding the amount of the deposit shall be paid by the owner. The lotter occurs once a year starting with open application process in April. The main preference is the time the household has lived in the county. Vail uses a points-based lottery system with a preference for those living and working in Vail as opposed to other areas. The lottery is then split up into tiers by point allocation, and a drawing of each tier is undertaken. The Town is considering changing the lottery to provide a preference to households that have entered the lottery multiple times and have not been selected.

Whistler

The WHA purchase waitlist is utilized as the primary mechanism for securing a buyer for the price controlled resident restricted property. WHA staff and the WHA resale representative do not represent either the seller or the purchaser during the course of the WHA resale process. The WHA's primary role during the resale process is to ensure the resident restricted unit is sold based on the priority of the WHA purchase waitlist with adherence to the restrictive covenants. The WHA schedules the open houses for the resales, contacts the applicants on the purchase waitlist, and provides and pays a licensed realtor to oversee the handling of the contracts of purchase and sale. The WHA does not charge the WHA purchaser or vendor for this service. Independent legal advice is recommended for the buyer and seller prior to signing the contract of purchase and sale. The contract of purchase and sale is subject to the existing housing agreement, right of first refusal and option to purchase registered on title. If the holder of the right of first refusal and option to purchase exercises its rights under either charge, the purchaser shall be entitled to an immediate return of their deposit. On occasion, resident restricted units will exhaust the WHA purchase waitlist and come available for sale beyond the waitlist. When this occurs, the WHA will work with owners to ensure the unit is made available to a broader range of potential purchasers and that these prospective buyers understand what it means to purchase and own a resident restricted home. In keeping with the spirit of resident restricted housing, potential purchasers not currently on the waitlist must satisfy the same requirements as applicants on the waitlist. To help broaden the pool of potential purchasers there will be an exception made for people who currently own market real estate as outlined in the waitlist guidelines. In this case, people who enter into an agreement to purchase a resident restricted unit must agree to sell their market real estate within six months of purchasing a resident restricted home.

11. What types of relief should be allowed from the Rules and Regulations?

Aspen / Pitkin County

A Special Review for a variance from the strict application of the guidelines may be requested if an unusual hardship can be shown, and the variance from the strict application of the guidelines is consistent with the housing program intent and policy. In order to request a Special Review, a letter must be submitted to the APCHA stating the request, with documentation regarding the unusual hardship. The applicant shall submit any additional information reasonably requested by the APCHA and a Special Review meeting will be scheduled in a timely manner. In addition, a grievance procedure is outlined, which includes a hearing and a determination by the APCHA Board whether any relief should be granted.

Blaine County

The guidelines include a grievance procedure and the BCHA is the governing body that makes the ultimate decisions on these cases.

Eagle County

The guidelines include a grievance procedure and each deed restriction includes these provisions as well.

Park City

The City Council may waive all or part of the requirements of the guidelines in exchange for enhanced project affordability or livability including but not limited to the incorporation of sustainable building practices and systems in the unit design and development. The City Council may waive all or part of the requirements of the guidelines where the applicant can establish by clear and convincing financial data and other evidence relating to the character of the development or surroundings that the imposition of the requirements set forth in this article shall create an economic hardship. The Council shall use the same standards that it applies to historic properties in making a determination of economic hardship. A waiver under this section shall be granted only to the extent necessary to relieve the hardship or difficulty that serves as the basis for the requested waiver and shall not be considered precedent for future requests for administrative relief. The development of affordable housing units as defined by the Land Management Code is exempt from the requirements of the guidelines. This may include projects developed by or sponsored by nonprofit organizations and projects for which agreements have been executed that provided affordable housing or land for said purpose.

Telluride

The guidelines identify that there are households and housing units that may not fit clearly within the specific provisions of the guidelines, but that still meet general policy goals. For these cases, the guidelines set out Exception, Appeal, and Grievance processes. Exceptions are granted based on a case-by-case basis, provided that the Housing Authority finds that such an exception will promote the provision of affordable housing.

Vail

Occupants may request waivers to the provisions in the guidelines by providing a written request to the Town of Vail Housing staff, which will then be forwarded to the Town Council for their consideration.

Whistler

If the Owner cannot comply with the occupancy requirements for any employee unit for reasons of hardship, the owner may request that the Municipality alter the owner's obligations with respect to that employee unit on terms acceptable to the Municipality, but no such request may be made later than 30 days after the Municipality has delivered to the owner a notice of breach of the agreement. The Owner must deliver the request in writing. The request must set out the circumstances of the hardship involved, the reasons why the owner cannot comply with the occupancy requirements, and must describe the hardship to the owner that compliance would cause. The owner agrees that the relief, if any, is to be determined by the Municipality in its sole discretion.

12. How should new Rules and Regulations be applied to existing units?

Aspen / Pitkin County

Resident Occupied units with deed restrictions recorded prior to the establishment of the RO guidelines are subject to their individual deed restrictions. No other provisions are set out in the guidelines regarding application of guidelines.

Blaine County

As homes are sold or refinanced, the deed restriction is updated to enforce the most recent version of the guidelines.

Eagle County

The guidelines set out that the most recent version of the guidelines are applicable to all units.

Park City

These standards shall apply to all new housing and commercial development created under certain code provisions, and shall apply to prior agreements on density or configuration unless specifically addressed within development agreements. Developments, which received development plan approvals prior to the adoption of this housing resolution, shall conform to the provisions of the resolution in place at the time of applicable complete application. Any modifications to an existing development agreement that results in an increase in housing units or employee generation shall be subject to the provisions of the guidelines. Developments for which complete applications were filed prior to the effective date of the guidelines, but have not been reviewed by the appropriate body, must conform to the guidelines in place at time of application. Unless otherwise provided in conditions of approval or a development agreement, developments subject to affordable housing requirements imposed by annexation agreements entered into prior to the effective date of the guidelines may develop in conformity with the guidelines in place at the time the annexation agreement was approved.

Telluride

The guidelines identify that there are households and housing units that may not fit clearly within the specific provisions of the guidelines, but that still meet general policy goals. For these cases, the guidelines set out Exception, Appeal, and Grievance processes. Exceptions are granted based on a case-by-case basis, provided that the Housing Authority finds that such an exception will promote the provision of affordable housing.

Vail

The Town will be updating the guidelines soon, so this policy question will be addressed, but is not in the current guidelines.

Whistler

Existing buildings (built before the British Columbia Building Code Regulation of 2012) are not required to meet livability standards.

Appendix 2: LIVABILITY REQUIREMENTS

Table 1. Minimum Square Footage Requirements for Units by Type

Unit Type (average min. sq. ft.)	**Teton County** (ownership)	**Teton County** (rental)	**Aspen-Pitkin County**	**Blaine County**	**Whistler** (set by British Columbia Building Code)	**Park City**	**Vail** (defers to 2015 International Residential Code and 2015 International Building Code)	**Eagle County**	**Telluride**
Bedroom				9'6" min. interior dimension 105 sq. ft.					
Dormitory/ lodge Units (for seasonal employees) Average: 150 sq. ft.	n/a	n/a	150 sq. ft. of living area per person; bathrooms must have a total area of at least 60 net livable sq. ft.		N/A	150 sq. ft. of net livable square footage per person, including sleeping and bathroom uses; bathroom must be at least 60 net livable sq. ft.	N/A	N/A	N/A
Single Room Occupancy (for seasonal employees) Average: 275 sq. ft.	n/a	n/a	N/A	N/A	N/A	275 sq. ft.	N/A	N/A	N/A
Studio Average: 385 sq. ft.	400 sq. ft. min. 600 sq. ft. max 320 sq. ft. 20% reduction (for full-time employees)	350 sq. ft. min. 550 sq. ft. max 280 sq. ft. 20% reduction (for full-time employees)	500 sq. ft. (for full-time employees)	Categories 1-3: 450 sq. ft. Categories 4-9: 600 sq. ft.	N/A	400 sq. ft. (for seasonal employees)	N/A	N/A	450 sq. ft. min. 600 sq. ft. max

Unit Type (average min. sq. ft.)	**Teton County** (ownership)	**Teton County** (rental)	**Aspen-Pitkin County**	**Blaine County**	**Whistler** (set by British Columbia Building Code)	**Park City**	**Vail** (defers to 2015 International Residential Code and 2015 International Building Code)	**Eagle County**	**Telluride**
Multifamily Apartment 1-bedroom Average: 581 sq. ft.		550 sq. ft. min. 750 sq. ft. max 440 sq. ft. 20% reduction	700 sq. ft.	Categories 1-3: 550 sq. ft. Categories: 4-9: 700 sq. ft.	N/A	650 sq. ft.	N/A	N/A	450 sq. ft. min. 600 sq. ft. max
Multifamily Apartment 2-bedroom Average: 800 sq. ft.		750 sq. ft. min. 1,050 sq. ft. max 600 sq. ft. 20% reduction	900 sq. ft.	Categories 1-3: 750 sq. ft. Categories 49: 900 sq. ft.	N/A	900 sq. ft.	N/A	N/A	750 sq. ft. min. 950 sq. ft. max
Multifamily Apartment 3-bedroom Average: 1,018 sq. ft.		950 sq. ft. min. 1,350 sq. ft. max 760 sq. ft. 20% reduction	1,200 sq. ft.	Categories 1-3: 950 sq. ft. Categories 4-9: 1,100 sq. ft.	N/A	1,150 sq. ft.	N/A	N/A	950 sq. ft. min. 1,200 sq. ft. max
Duplex/Townhome/ Condo 1-bedroom Average: 631 sq. ft.	600 sq. ft. min. 800 sq. ft. max 480 sq. ft. 20% reduction	550 sq. ft. min. 750 sq. ft. max 440 sq. ft. 20% reduction		Categories 1-3: 750 sq. ft. Categories 4-9: 900 sq. ft.	N/A	650 sq. ft.	N/A	N/A	450 sq. ft. min. 600 sq. ft. max
Duplex/Townhome/ Condo 2-bedroom Average: 833 sq. ft.	850 sq. ft. min. 1,100 sq. ft. max 680 sq. ft. 20% reduction	750 sq. ft. min. 1,050 sq. ft. max 600 sq. ft. 20% reduction		Categories 1-3: 900 sq. ft. Categories 4-9: 1,000 sq. ft.	N/A	900 sq. ft.	N/A	N/A	750 sq. ft. min. 950 sq. ft. max
Duplex/Townhome/Condo 3-bedroom Average: 1,043 sq. ft.	1,200 sq. ft. min. 1,500 sq. ft. max 960 sq. ft. 20% reduction	950 sq. ft. min. 1,350 sq. ft. max 760 sq. ft. 20% reduction		Categories 1-3: 1,050 sq. ft. Categories: 4-9: 1,150 sq. ft.	N/A	1,150 sq. ft.	N/A	N/A	950 sq. ft. min. 1,200 sq. ft. max

Unit Type (average min. sq. ft.)	**Teton County** (ownership)	**Teton County** (rental)	**Aspen-Pitkin County**	**Blaine County**	**Whistler** (set by British Columbia Building Code)	**Park City**	**Vail** (defers to 2015 International Residential Code and 2015 International Building Code)	**Eagle County**	**Telluride**
Single-family detached (no bedroom count listed)			1,500 sq. ft. min. 2.200 sq. ft. max. livable, 500 sq. ft. max. garage, 800 sq. ft. basement	N/A	N/A	N/A	N/A	N/A	N/A
Single-family, 2-bedroom Average: 900 sq. ft.	850 sq. ft. min. 1,100 sq. ft. max 680 sq. ft. 20% reduction	750 sq. ft. min. 1,050 sq. ft. max 600 sq. ft. 20% reduction	N/A	Categories 1-3: 1,050 sq. ft. Categories: 4-9: 1,250 sq. ft.	N/A	900 sq. ft.	N/A	N/A	750 sq. ft. min. 950 sq. ft. max
Single-family, 3-bedroom Average: 1,093 sq. ft.	1,200 sq. ft. min. 1,500 sq. ft. max 960 sq. ft. 20% reduction	950 sq. ft. min. 1,350 sq. ft. max 760 sq. ft. 20% reduction	N/A	Categories 1-3: 1,150 sq. ft. Categories 4-9: 1,350 sq. ft.	N/A	1,150 sq. ft.	N/A	N/A	950 sq. ft. min. 1,200 sq. ft. max
Single-family, 4-bedroom Average: 1,310 sq. ft.	1,350 sq. ft. min. 1,750 sq. ft. max 970 sq. ft. 20% reduction	1,350 sq. ft. min. 1,750 sq. ft. max 1,080 sq. ft. 20% reduction	N/A	Categories 1-3: 1,250 sq. ft. Categories 4-9: 1,450 sq. ft.	N/A	1,400 sq. ft.	N/A	N/A	N/A
Each additional bedroom	150 sq. ft. min. 250 sq. ft. max 10 sq. ft. 20% reduction	150 sq. ft. min. 250 sq. ft. max 120 sq. ft. 20% reduction							

Aspen/Pitkin County requires that developers seek approval from the city or county to construct units larger than the required minimum square footage, and that sales prices and rental rates not exceed maximum figures for larger units. Guidelines also allow for the reduction of net minimum livable square footage, not to exceed a 20% reduction, by the city or county, if certain criteria (significant storage space is provided, above average natural light, efficient and flexible layout with limited hall and staircase, availability of site amenities, unit located above ground versus below ground, possibility that project can achieve higher density.

Table 2. Standards of Construction

Building Feature	Aspen-Pitkin County	Blaine County	Whistler (set by British Columbia Building Code)	Park City	Vail (defers to 2015 International Residential Code and 2015 International Building Code)	Eagle County	Telluride
Sound insulation		Recommended					
Heating system		Efficient system recommended		Same standards as market units			
Individual utility metering		Recommended					
Outside entries without common hallways		Whenever possible					
Green building requirements			ASHRAE Standard 90.1 Min. Energy Efficiency Standards required for units other than low-rise residential	Required minimum standards		Required to meet ECO building standards or other efficient building standards	Incentives for units that meet minimum standards
Windows				Same standards as market units			
Insulation				Same standards as market units			
Exterior finishes						Not substantially inferior to materials used on market rate units	

Table 3. Design/Livability Features for Individual Units (not dormitories)

Building Amenity	Aspen-Pitkin County	Blaine County	Whistler (Building Code sets requirements for amenities)	Park City (interior and exterior amenities are specified for winter seasonal units)	Vail (defers to international residential code and 2015 international building code)	Eagle County	Telluride
Room Design		One window, door, closet					
Appliances		Dishwashers, disposals, self-cleaning ovens, frost-free refrigerators,		Appliances and lighting must meet Energy Star standards			Requires fully equipped kitchen
Outdoor patio/deck						Balconies, decks and small yards encouraged	
Outdoor Storage		Adequate for bicycles, skis, camping gear, etc.					
Closets/storage		Separate closets for each occupant; and required width of 4’6” min depth of 2’				Adequate shall be provided	Required
Internet		Recommended					

Dormitory Units: Aspen/Pitkin County includes provisions for design of dormitory units, including minimum net livable building square footage and a definition for what is and is not included in a living area, specifies that bathrooms should be adequate to serve no more than per persons and includes the facilities it shall include and size of the bathroom, dormitory units should include a kitchen facility or common access to a common kitchen, and 20 square feet of adjacent outdoor storage space per occupant