



NUCHE VILLAGE COMMUNITY HOUSING GUIDELINES

Adopted by the Board of Trustees

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GOAL and PURPOSE

The goal of the Town of Granby's Community Housing Deed Restricted Program is to support the creation of dwellings intended to be constructed and occupied by residents who live or work in the Town of Granby or Grand County. The dwellings will offer a range of rental and ownership housing types and prices and will support household changes over time and will ensure Granby remains a welcoming and vibrant community. This is accomplished primarily by regulating and restricting the occupancy and rental and sale of the deed restricted units which are subject to the Guidelines as specified herein.

Granby is committed to Fair Housing practices under federal and state law. Reasonable accommodations and reasonable modifications may be requested at any time. The Town prohibits discrimination in housing on the basis of race, color, religion, sex (including sexual orientation and gender identity), national origin, familial status, and disability under the federal Fair Housing Act; and also prohibits discrimination based on creed, marital status, ancestry, veteran or military status, and source of income under Colorado law.

PURPOSE OF GUIDELINES

These Guidelines support the administration of Granby's Community Housing Deed Restriction by establishing occupancy, sale, and rental qualifications and procedures for deed-restricted community housing units in Grand County. These Guidelines support the Town of Granby's goals and are not intended to supersede codes of the Town of Granby, or the adopted building code. **These Guidelines will remain in effect until such time as the Board of Trustees for the Town of Granby approve new or amended Guidelines. Appendix A, B, and C will be updated annually, as new AMIs are published.**

These Granby Community Housing Guidelines respond to housing needs in the Town of Granby. The Guidelines are used to:

- Establish Community Housing Income Limits
- Establish Community Housing Rental Rates
- Establish Community Housing Sales Prices
- Establish Community Housing Usage and Occupant Qualifications
- Support Housing Programs Created by the Town of Granby

Deed restrictions on any property should comply with these Guidelines or any amended version following the first adoption of Granby Community Housing Guidelines.

PART I – NUCHE VILLAGE HOUSING GOALS

The 2025 Nuche Village Housing Guidelines (“Guidelines”) establishes the following goals that reflect the overall mission of the Town of Granby to meet the housing needs of persons living and working in the Town of Granby and in Grand County. The following goals are intended to provide a long-range vision for the delivery of community housing inventory within the Town of Granby.

The following goals will be reviewed and revised by the Granby Board of Trustees on an as needed basis as new projects are approved or an annual basis.

1. Promote the development and maintenance of housing that is affordable to many economic sectors of the population. A variety of mechanisms shall be used to encourage a diversity of housing types and sizes as well as a diversity of ownership, rental and residence tenure for the units.

2. Work to encourage the development of community deed restricted housing and eliminate constraints on such housing development. Counsel staff and agencies within the Town and County regarding housing-friendly changes to zoning and land use policies with the Town of Granby.

3. Whenever possible, provide housing that is within close proximity to the employment locations of residents.

4. Maintain the affordability of existing and newly-constructed community housing stock. The Granby Board of Trustees intend to work closely with staff to achieve this outcome.

5. Preserve any public subsidy contributed for community deed restricted housing utilizing any mechanism available.

6. Encourage upward housing mobility for current renter households by providing multiple income levels of ownership opportunities. The transition out of a rental unit, in turn, will increase the availability of rental units to other households from multiple income levels.

7. Promote well-designed, energy-efficient housing units. Attention should be paid to community-oriented development and the livability of each affordable housing unit.

PART II – DEFINITIONS

Section 201 DEFINITIONS

The following words, when used in a Deed Restriction or in these Guidelines, shall have the following meanings and the use of capitalization or lower-case letters in references to the following terms shall have no bearing on the meanings of the terms. The definitions shall apply to terms used herein and shall have the meaning given to them in the deed restriction or Guidelines.

- A. “Area Median Income” or “AMI”** shall mean the median annual income for Grand County (County), or such next larger statistical area calculated by HUD that includes the County, if HUD does not calculate the area median income for the County on a distinct basis from other areas, as adjusted for household size, that is calculated and published annually by HUD (or any successor index thereto acceptable to the Town, in its reasonable discretion).
- B. “Applicant”** shall mean any person or persons or local business completing an application to rent or purchase a community deed restricted housing unit.
- C. “Assets”** shall mean the sum of all real and personal property, money, and other things of value owned or controlled by a person at the time of his or her purchase or lease of the Unit as defined in the Granby Community Housing Guidelines then in effect. The Authorized Administrator shall create and update a list of items and documents considered assets and define their “net” value.
- a. A one-time gift not to exceed (30%) of the Original Purchase Price (OPP) used only as a Down Payment for the purchase of the Unit may be considered in Net Assets, and not as Income, for the purposes of initial qualification.
- D. “Authorized Administrator”** shall mean the Town or any entity appointed to administer the deed-restricted program on behalf of the Town of Granby through an appointment by the Board of Trustees (Board of Trustees). The Authorized Administrator may be changed by the Board of Trustees at any time at the sole discretion of the Board of Trustees.
- E. “Authorized Lessee”** shall mean any occupant approved by the Authorized Administrator, who shall meet the definitions of both Qualified Occupant and Qualified Household, and who shall lease a Unit pursuant to a rental or lease agreement executed with the Qualified Owner at such rental rates as shall be established in these Guidelines. A person who receives approval as an Authorized Lessee must meet the on-going compliance requirements to remain a Qualified Occupant and Qualified Household for as long as they occupy the Unit.
- F. “Board of Trustees”** shall mean the Board of Trustees of the Town, or any successor governing body.
- G. “Business”** Unless otherwise indicated, the term “business” as used in the Granby Community Housing Guidelines shall mean an enterprise, organization, agency, corporation, or other entity providing goods and/or services, whether or not for profit, and shall include, but not be limited to, educational, religious, governmental, and other similar entities within Grand County.
- H. “Capital Improvement”** shall mean any fixture erected as a permanent improvement to the Property/Unit excluding repair, replacement, maintenance costs, and sweat equity. Capital Improvements must be submitted and approved by the Authorized Administrator pursuant to these Guidelines for inclusion as part of the Maximum Resale Price calculation.
- I. “County”** shall mean Grand County, Colorado.

- J.** “**Declarant**” shall mean any person or entity that obtains an ownership interest in any portion of the Property in the future. Declarant is primarily used in a Deed Restriction to refer to a Qualified Owner.
- K.** “**Dependent**” shall mean a person, including a spouse of, a child of, a step-child of, a child in the permanent legal custody of, or a parent of, a Qualified Owner or Occupant, in each case whose sole place of residence is in the same household as such Qualified Owner or Occupant, and who is financially dependent upon the support of the Qualified Owner or Occupant. Dependent shall also include any person included within the definition of “Familial Status” as defined in 42 U.S.C. § 3602(k), including one or more individuals under the age of 18 being domiciled with a parent, legal custodian, or designee, or any person who is pregnant or in the process of securing legal custody of an individual under the age of 18, as amended from time to time and as that act shall from time to time be amended.
- L.** “**Disabled**” shall have the meaning of “handicap” under 42 U.S.C. § 3602(h), including physical or mental impairments that substantially limit one or more major life activities.
- M.** “**Emergency Worker**” shall mean a person who works in an emergency response situation, such as fire and rescue, members of police departments, ambulance and emergency rooms, and emergency planning and implementation positions. This is not a comprehensive list and the Authorized Administrator shall create and update a list, as necessary, for the public.
- N.** “**First Mortgage**” shall mean a deed of trust or mortgage that is recorded senior to any other deeds of trust or liens against the Unit to secure a loan used to purchase the Unit made by a Mortgagee.
- O.** “**Guidelines**” shall mean the Nuche Village Community Housing Guidelines first adopted May 27, 2025 and as amended from time to time, pursuant to these Guidelines, or its successor document.
- P.** “**Hearing Board**” shall mean the body authorized by the Town of Granby’s Board of Trustees to hear and determine exceptions, violations, and any other future matters brought forward by a Declarant, the Town, or the Authorized Administrator for the purpose of determining a required course of action.
- Q.** “**Holder**” shall mean the entity providing the promissory note secured by a first deed of trust.
- R.** “**Household**” shall mean one or more persons who intend to live together in the Unit as a single housekeeping unit.
- S.** “**Household Size**” shall mean the household size restrictions as set forth in Appendix A: Table 2, which shall apply to Declarants, and Authorized Lessees, and future purchasers.
- T.** “**Housing Mobility**” shall mean the ability for renters to move into homeownership and for owners to also move into other deed restricted units or into the free market as their income and other household circumstances change.
- U.** “**Housing Programs**” shall mean the Nuche Village Community Deed Restricted rental and for sale programs, plus any additional programs added in the future.
- V.** “**Housing Unit**” or “**Unit**” shall mean Nuche Village Community Housing Deed Restricted unit.
- W.** “**HUD**” shall mean the U.S. Department of Housing and Urban Development.
- X.** “**Income Limits**” shall mean a household income not exceeding the gross earnings for the Unit as named in the Guidelines and the Recitals of the Deed Restriction.
- Y.** “**Maximum Resale Price**” shall mean the maximum consideration that shall be paid by any purchaser of a Unit, other than the initial purchaser who acquires a Unit from the Town or the Developer, that is determined in accordance with the provisions of Part X herein and Article 7 of the deed restriction recorded against the property. The Maximum Resale Price IS NOT A GUARANTEED PRICE, but merely the highest price a Declarant may obtain for the resale of a Unit.

Z. “**Mortgagee**” shall mean any bank, savings and loan association, or any other institutional lender that is licensed to engage in the business of providing purchase money mortgage financing for residential real property and that is the beneficiary of a deed of trust or mortgage encumbering any Unit.

AA. “**Non-Qualified Household**” shall mean any person or entity that does not meet the income, residency, or any other requirement pursuant to the Guidelines and the terms and provisions of a deed restriction necessary to occupy the Unit and includes persons or entities that originally qualified as a Qualified Household but subsequently were rendered ineligible.

BB. “**Non-Qualified Owner**” or “**Non-Qualified Transferee**” shall mean any person or entity that does not meet the requirements pursuant to the Guidelines and the terms and provisions of a deed restriction to own a deed restricted Unit. Non-Qualified Owners or Transferees shall be required to offer the Unit for sale as provided herein.

CC. “**Notice of Sale**” shall mean the date of a Declarant’s written notice of intent to sell a deed restricted unit. This is the date appreciation stops to calculate a Maximum Resale Price.

DD. “**Notice of Violation**” shall mean a written document delivered by certified mail to an occupant of a deed restricted unit whether an owner or authorized lessee, stating a violation of the deed restriction or Guidelines.

EE. “**Original Deed Restriction**” shall mean the Town of Granby Community Housing Master Deed Restriction and Covenants.

FF. “**Original Purchase Price**” (**OPP**) will be stated in the recorded deed restriction, setting the baseline for future sales calculations. The calculation for an OPP shall be based on the terms defined herein in Part IV. Original Purchase Price: Section 401.

GG. “**Owner**” shall mean the owner of record at any time taking and holding title to a Unit, also known as Declarant.

HH. “**Parties**” or “**Party**” shall mean the Developer, and the Town, and their respective successors and assigns.

II. “**Qualified Business**” shall mean a Business that has been certified by the Authorized Administrator as qualified to own and rent one or more Deed Restricted housing units to Qualified Occupant(s) pursuant to the Guidelines and to the terms and provisions of a Deed Restriction. A Qualified Business must:

- a. Operate within Grand County and, if required by state or local law, maintain a local business license or the equivalent.
- b. Be approved by the Authorized Administrator pursuant to the Guidelines or a Deed Restriction to purchase one or more Units for lease to Qualified Occupant(s).

II. “**Qualified Household**” shall mean a household that has been certified by the Authorized Administrator as qualified to own and/or occupy a deed restricted Unit according to the terms and provisions of these Guidelines. Qualified Household(s) must meet the same specified requirements as a Qualified Owner or Qualified Occupant at all times during occupancy of the unit as set forth in the Guidelines and the deed restriction.

JJ. “**Qualified Occupant**” shall mean any person(s) who is not the Qualified Owner, meet(s) the definition of a Qualified Household, and meet(s) specified requirements at all times during occupancy of the unit as set forth in the Guidelines and the deed restriction. Earns their primary source of income working within the County of Grand as documented with the United States Internal Revenue Service (IRS), and works for a minimum of 32 hours per week on average on an annual basis and has provided evidence of such to the Authorized Administrator, or has a bona fide employment contract with an employer in the County of Grand that has been accepted by the Authorized Administrator.

KK. “Qualified Owner” shall mean a natural person(s) or Qualified Business that is permitted to own a Housing Unit. Qualifying criteria are contained in Part V, Part VII and Part VIII of these Guidelines. Qualified owner is used herein to identify and speak to ownership requirements. Earns their primary source of income working within the County of Grand as documented with the United States Internal Revenue Service (IRS), and works for a minimum of 32 hours per week on average on an annual basis and has provided evidence of such to the Authorized Administrator, or has a bona fide employment contract with an employer in the County of Grand that has been accepted by the Authorized Administrator.

LL. “Rent” shall mean to lease or rent the Unit in part or whole to an Authorized Lessee(s) pursuant to the Guidelines and to the terms and provisions of a Deed Restriction.

MM. “Requalification Affidavit” shall mean a document provided to owners on a biennial basis to certify the occupants are continuing to meet the on-going qualifications in the Guidelines in effect at the time of requalification and in the deed restriction.

NN. “Residency” shall mean a person(s) who have lived and worked or have the intention to live and work, unless otherwise unable to work, within Grand County and can provide verifiable documentation to support his/her/their claim.

OO. “Sale of a Unit” shall mean Declarant may, subject to the Guidelines, sell a constructed Unit to a Qualified Owner, subject to the following:

- a. Declarant must deliver a written notice of its intent to sell (“**Notice of Sale**”) the unit to a Qualified Owner in accordance with the Guidelines; and
- b. The Maximum Resale Price shall be provided by the Authorized Administrator as calculated per the Guidelines; and
- c. In order to proceed to the closing of the sale the Unit (the “**Closing**”), the Authorized Administrator must first have certified in writing that the prospective buyer is a Qualified Owner in accordance with the Guidelines.

PP. “Transfer” or “transferred” shall mean any sale, assignment, or transfer that is voluntary, involuntary, or by operation of law (whether by deed, contract of sale, gift, devise, trustee’s sale, deed in lieu of foreclosure, court order, or otherwise) of any interest in a deed restricted Unit, including, but not limited to, a fee simple interest, a joint tenancy interest, a tenancy in common, a life estate, or any interest evidenced by a land contract by which possession of a Unit is transferred and an Owner obtains title.

QQ. “Unit” shall mean the home, in entirety, to be sold to a Declarant.

RR. “Vacant Land” shall mean an undeveloped property and the ownership of which must be divulged when applying to own or occupy deed restricted housing.

PART III – APPLICABILITY AND GENERAL POLICY GOALS

Section 301 APPLICABILITY

301.1 Each Housing Program is subject to provisions that are unique to that program.

301.2 Every sale or rental of a deed restricted housing unit (“Unit”) shall be subject to the Guidelines in effect at the time of sale or rental. Owners and Occupants are subject to the Guidelines in effect and as amended during their ownership or lease. The Maximum Resale Price shall be determined by the Deed Restriction for the Unit and any applicable amendments, such as updated income limits or revised calculations. The Town of Granby (“Town”) will require filing of a new Deed Restriction with updated terms at the time of sale or transfer of a Housing Unit.

301.3 Violations of these Guidelines are considered to be violations of the Granby Municipal Code and are subject to the penalties adopted for such violations in addition to remedies provided herein.

301.4 These Guidelines are considered legislative rules and regulations in order to control and enforce any applicable Deed Restriction and/or covenant on real property and have the force and effect of law and can be enforced by the Authorized Administrator and/or successors. These rules have binding effect on all individuals and courts. The Town outlines the general penalty assessment code in Granby Municipal Code § 1.05.090. See Appendix F.

Section 302 GENERAL POLICY GOALS

302.1 The general goal of all Housing Programs covered by these Guidelines is to provide deed restricted housing for residents and their families who make a living primarily from employment within the boundaries of Grand County. This is accomplished primarily by regulating and restricting occupancy and sale of the Housing Units covered by the Guidelines to “Qualified Households” comprised of “Qualified Owners” and “Qualified Occupants,” or a “Qualified Business” as defined herein.

302.2 Certain Housing Programs also limit eligibility for ownership or occupancy to Qualified Owners or a Qualified Business that meets specific criteria. Economic means tests apply to Qualified Owners and include both Household Income and Household Net Assets. Such tests of economic means are intended to promote economic diversity within the Town of Granby community.

302.3 Many of the Housing Units covered by these Guidelines are subject to price limitations for sale, resale and/or rental. These limitations are intended to ensure affordability for both the current Qualified Owner and for the long-term affordability of the deed restricted Unit.

302.4 These Guidelines are intended to provide clear, fair and consistent administration of the Housing Programs to which they apply. It is recognized that there are individual Qualified Owners and Housing Units that may not fit clearly within the specific provisions of the Guidelines but still meet these general policy goals. For these cases, Exception and Appeal processes have been established (see Part XV).

302.5 The Town is authorized to adopt specific policy directives as necessary to clarify and aid in the application and enforcement of the Guidelines. Policy directives shall be adopted by the Town at a properly noticed public meeting.

302.6 **DISCLAIMER:** The Town of Granby expressly disclaims any and all warranties, express or implied, including without limitation fitness for a particular purpose with respect to the provision of Units. The Town of Granby does not represent, warrant or promise to construct, finance or otherwise produce, in whole or in part, any deed restricted Units pursuant to these Guidelines or under any other programs. No Applicant may rely upon any promise implied or expressed that Units shall be constructed, financed or otherwise produced, in whole or in part, by the Town of Granby. In no event shall the Town of Granby be liable to any Applicant for any direct, indirect, incidental, punitive, or consequential damage of any kind whatsoever, including without limitation lost profits, lost sales, lost business, lost opportunity, lost information, lost or wasted time. None of the information contained in these Guidelines constitutes an offer to sell or the solicitation of an offer to buy a Unit.

Section 303 ADMINISTRATIVE PROCEDURES

The Authorized Administrator shall create and make available all forms for the administration of the deed restricted program. Procedures required to qualify to purchase or rent, maintain compliance, execute a lottery, enforce violations, and other duties not included in the Guidelines shall be made available to the public electronically or in paper form. The Authorized Administrator may draft and recommend new or altered procedures necessary to affect the purposes of the deed restricted program to the Board of Trustees for acceptance into the Guidelines.

Section 304 UTILITY EASEMENT CLAUSE

Specific to for-sale townhomes, an easement is hereby established for the installation, operation, maintenance, repair, replacement, and inspection of utility lines and infrastructure—including but not limited to water, sewer, electric, gas, and telecommunications— beneath, across, and through the crawl spaces of all townhome units in Nuche Village. This easement benefits the owners of all lots equally and each owner grants a perpetual and non-exclusive easement for utility services.

PART IV – ORIGINAL PURCHASE PRICE

Section 401 ORIGINAL PURCHASE PRICE CALCULATION

Newly constructed Units will be provided an income limit as the basis for the Original Purchase Price. The Town or other responsible entity will set a base Area Median Income limit (AMI) for the for-sale units utilizing the most recent published AMI limits prior to the execution of a Nuche Village, Granby Housing Master Deed Restriction or a replacement deed restriction due to the noticed sale of a Unit. The affordable home price table will be used to assign a maximum affordable price for a Unit using the AMI below the target Income Limit assigned, with an assumption of a 5% down payment and interest rate of 1% above the prevailing rate for a 30-year mortgage. An example of the table is provided in Appendix B: Table 3 Original Purchase Price Calculation. The Authorized Administrator will update this table annually when HUD publishes new Income Limits.

PART V – HOUSEHOLD QUALIFICATION AND ELIGIBILITY FOR PURCHASE OR TO OCCUPY

Section 501 STANDARDS TO PURCHASE AND OCCUPY

The following sections represent how community deed restricted units may be purchased and occupied.

A. Purchasers and occupants of deed-restricted housing units shall meet the qualification and eligibility criteria as set forth herein.

B. Households and business that meet the qualification and eligibility criteria (i.e., Qualified Households, Qualified Owners, and Qualified Businesses) at time of application will be entered in the lottery and priority process for available unit(s), as set forth in Appendix E. Entrants will be selected at random through the lottery process and selected entrants will be offered available unit(s) accordingly.

C. Qualified Owners with permission to rent a deed restricted unit shall only rent to occupants and households that meet the qualification and eligibility criteria and that are qualified as an Authorized Lessee as set forth herein.

D. As additional housing programs are created this section will be updated to include the additional affordable housing programs.

501.1 The housing program to purchase or occupy deed restricted units has clear evaluation factors to determine the qualification of Applicants for the ownership and occupancy of housing units, known as Qualification, Eligibility, and Priority.

A. **Qualification** is the most general and is the same definition for all deed restricted housing. Qualification standards only apply at the initial purchase or rental of a housing unit. Households applying to purchase must meet qualification standards and be authorized as a Qualified Household, Qualified Owner or Qualified Business prior to being entered in a lottery for available unit(s) and being given the opportunity to purchase a deed restricted housing unit. Qualified Occupants must meet the qualification standards outlined in this Section.

B. **Eligibility** may vary by housing unit or housing program. Eligibility refers to standards that must be met continuously, for as long as the Qualified Owner, Qualified Household, Qualified Occupant or Qualified Business owns, rents, and/or occupies the unit. Failure to continuously meet standards necessary to retain Qualified status shall result in a notice of violation and a hearing

scheduled within 21 days of the notice of violation. Provisions for Unqualified Owners, Businesses, Occupants, or Households are in Part X, Section 1001.3.

C. **Priority** refers to rules that apply to applicants for Housing Units when Housing Units are offered for sale (e.g., lottery procedure). Priority only applies at the initial purchase of a Housing Unit.

501.2 Household and Occupant Qualification and Eligibility Standards

A. Owners and renters must at the time of ownership or rental of a deed restricted unit:

- a. meet the Employment Requirement;
- b. meet the Earned Income Standard;
- c. meet the Residency Standard;
- d. meet the Property Ownership Standard; and
- e. meet the Net Assets Standard.

B. Once the ability to own and/or occupy a unit has been established pursuant to 501.2.A, the Qualifying Owner or Occupant(s) and their household members must continue to comply with the following standards during the full term of ownership and occupancy.

a. For owners:

- i. meet the Employment Requirement;
- ii. meet the Residency Standard; and
- iii. meet the Property Ownership Standard.

b. For renters:

- i. meet the Employment Requirement;
- ii. meet the Earned Income Standard;
- iii. meet the Residency Standard;
- iv. meet the Property Ownership Standard; and
- v. meet the Net Assets Standard.

501.3 Business Owner Qualification and Eligibility Standards

A. A business owner must be certified by the Authorized Administrator as qualified to own and rent one or more deed restricted units to Qualified Occupants as outlined in this section.

B. To be authorized as a Qualified Business:

- a. The business must operate within the Town of Granby and, if required by state or local law, provide a copy of the license and maintain the local business license or the equivalent while owning the deed restricted unit; and/or
- b. The business owner must provide documentation of ownership of the business satisfactory to the Authorized Administrator; plus
- c. Provide documentation of sales tax paid to Granby with the name and address of the business; or
- d. Copies of the most recent federal taxes filed; no extensions permitted unless reviewed and approved.
- e. Businesses operating within Grand County can request an exemption by the Authorized Administrator.

C. A Qualified Business is not required to meet the income restrictions placed on the unit in the Deed Restriction but must rent the unit to a Qualified Occupant(s) that meet(s) the income restrictions and all initial qualifications and on-going eligibility to occupy a deed restricted unit.

D. A Qualified Business must lease the purchased unit(s) only to Qualified Occupants that are authorized by the Administrator to rent unit(s) as set forth herein. Section VI of the Guidelines will

apply to Occupants and Households applying to qualify to be an Authorized Lessee in a unit owned by a business owner.

E. A Qualified Business must meet the criteria in this Section 501.3 for the entire term during which the business owns the unit(s).

501.4 Unit-Specific Criteria for Households

In addition to meeting the requirements for being a Qualified Household per Section 501.2 and Parts VI and VII, applicants at the time of purchasing, leasing, or renewing a lease on a unit must meet the following criteria, which vary based on the number of bedrooms in the unit:

A. Qualified Households must meet the minimum size upon purchase or occupancy based on the number of bedrooms in the Unit, as specified in Appendix A, Table 2.

- a. Qualified Owners must meet minimum household size only at the time of initial purchase.
- b. Qualified Households that rent the unit must meet minimum household size during the full term of occupancy.
- c. Households may not exceed the maximum safe occupancy limits under building and fire code.

501.5 Fair Housing Standards

- a. The Authorized Administrator shall administer this policy in compliance with all applicable fair housing standards, including but not limited to the Fair Housing Act and/or Colorado Fair Housing Act. These standards prohibit discrimination in housing against any person on the basis of race, color, religion, sex, sexual orientation, gender identity, national origin, familial status, disability, marital status, ancestry, or any other status protected by federal or Colorado law.. In addition to any remedies available in the applicable law, any dispute between an Applicant and the Authorized Administrator regarding these standards may be filed as a Grievance (see Section XVI).

Section 502 Employment Requirement

502.1 Ownership or Occupancy

A. At least one member of the household who is an Owner or at least one member of the household who is an Occupant shall be a person earning his/her primary source of income working within the County of Grand as documented with and w-2 or 1099 through the United States Internal Revenue Service (IRS), and works for a minimum of 32 hours per week on average on an annual basis and has provided evidence of such to the Authorized Administrator,, unless a disability-related accommodating is requested, and has provided evidence of such to the Authorized Administrator, or has a bona fide employment contract with an employer in the County of Grand that has been accepted by the Authorized Administrator. A local business may apply to purchase a unit as allowed and defined in a lottery, but the occupants must qualify to be an authorized lessee in a unit pursuant to Section 501.3. Reasonable accommodations shall be granted for applicants whose disability prevents them from meeting minimum hour requirements, provided they can demonstrate residency or intent to reside consistent with applicable fair housing laws

B. Exceptions. Those who have been determined by the Authorized Administrator to be Qualified Elderly or Qualified Disabled prior to application for ownership or rental

- a. Qualified Disabled – Those who are disabled may apply to be Qualified Disabled by providing a verifiable history of employment meeting the ownership or rental occupancy Employment Requirements on a rolling twelve (12) month basis for at least

five (5) years immediately prior to application for Qualified Disabled as defined. Someone who does not meet the work or residency requirement as stated may apply for a reasonable accommodation as defined by the Americans with Disabilities Act.

- b. Qualified Retired – An Owner who lawfully qualified at the time of purchase and who subsequently retires or ceases employment due to age or disability shall not be deemed in violation of this Deed Restriction solely due to such change in employment status, provided the Unit continues to be used as the Owner’s primary residence.

Section 503 Earned Income Standard

503.1 Earned Income Defined

A. Income is based on the Area Median Income (AMI) assigned to the Unit, which is derived from the most recent data published by the US Dept of Housing and Urban Development (HUD) for Grand County. Income limits in Appendix A shall be updated at least annually based upon current year HUD Data Sets or when needed for a project.

B. The household income of an Owner and household income of an Occupant may not exceed the maximum gross household AMI for a Unit, which is established by the Deed Restriction and the household size and shown in Appendix A.

C. Income limits are applicable only at the time of initial qualification for Owners and shall be verified by the Authorized Administrator. Owners are not restricted from increasing their income, but they must earn the majority of their income within Grand County as on-going compliance pursuant to the Employment Requirement (Part V, Section 502).

D. Income limits are applicable at the time of initial qualification and upon every lease renewal for renters and shall be verified by the Authorized Administrator.

E. **Exceptions** – The following are exempt from the earned income standard as an Applicant to Own or Occupy while in a deed restricted unit:

- a. Those who are Qualified Disabled per the provisions of Part V, Section 502.1.B.a.; and
- b. Those who are Qualified as Retired per the provisions of Part V, Section 502.1.B.b.; and
- c. Those who are a Qualified Business pursuant to Part V, Section 501.3. Occupants applying to lease a unit owned by a Qualified Business are required to meet income limits.

Section 504 Residency Standard

504.1 Residency Requirement

A. A Qualified Owner or Occupant must live or work or have the intention to live and work, or, if unable to work, to live within Grand County and provide verifiable documentation per Section 502.1.A and B.a. and B.b. The Qualified Owner or Occupant must also occupy the Housing Unit as their sole place of residence during the entire term of ownership and/or occupancy once qualified by the Authorized Administrator.

Section 505 Property Ownership Standard

505.1 Other Property Ownership

A. Except as provided for in Article 6.4. of the Community Housing Deed Restriction, a Qualified Owner or Occupant cannot own any interest in other improved residential property(s). A purchaser who owns improved residential real estate, must convey all interest in said property(s) prior to taking initial ownership or transfer of interest of a Deed Restricted Housing Unit.

If at any time a Qualified Owner or Occupant also owns any interest alone or in conjunction with others in any other developed residential property, the Owner or Occupant shall immediately list such other property interest for sale and sell their interest in such property unless an exception has been granted and recorded per the Guidelines in Section 505.A. In the event said other property has not been sold by the Owner or Occupant within one hundred twenty (120) days of its listing required hereunder, then the Owner or Occupant shall immediately list their Unit for sale pursuant to Article 7 of their Community Housing Deed Restriction. In the case of an Owner or Occupant whose business is the construction and sale of residential properties or the purchase and resale of such properties, the properties that constitute inventory in such Owner's or Occupant's business shall not constitute "other developed residential property" as that term is used in Section 6.4. of the Community Housing Deed Restriction.

B. Exceptions- A Qualified Owner or Qualified Occupant acquiring interest in an improved residential property requesting to maintain ownership in the property must make an Application to the Authorized Administrator according to the Exception Procedures in Part XV for consideration by the Hearing Board for terms under which the property may be allowed to be rented or sold.

C. A Qualified Owner or Qualified Occupant wanting to acquire developed residential property while owning a Housing Unit(s) must be granted an Exception prior to taking ownership of the additional residential property.

D. A Qualified Owner or Occupant purchasing or acquiring an undeveloped property may continue to own and/or occupy the deed restricted property and own the undeveloped land; however, the value of the property will be added to the household assets based on comparable property values from sales.

Section 506 Net Assets Standard

506.1 Net Asset Limits For Ownership or Rental

A. For purchase of a Community Deed Restricted Housing Unit, the maximum net assets for a Qualified Household shall not exceed two (2) times the original purchase price of the unit. Net Assets must be met upon initial qualification only. All Ownership units developed under these guidelines shall have an Original Purchase Price.

B. To rent a Community Deed Restricted Housing Unit, net assets for a household shall not exceed two (2) times the income based on the AMI specific to the Unit and applicable to the household size of the occupant, as published by HUD (or any successor index thereto acceptable to the Town, in its reasonable discretion) and updated at least annually in Appendix A, Table 1. Net assets must be met continuously as long as the household rents the unit.

C. Net assets shall mean the sum of all real and personal property, money, and other things of value owned or controlled by a person at the time of his or her purchase or lease of the Unit. All household members' shares of business assets, shall be included in determination of total Household net assets. Retirement accounts that cannot be accessed at the time of application will be excluded from the net asset calculation. See definitions for further information.

D. If at any time the Net Assets of the Qualified Household renting a deed restricted unit exceed the asset limit, the Authorized Administrator shall give notice to the formerly Qualified Household to meet with the Hearing Board for a Hearing to discuss the household's assets and the Owner's next steps. The formerly Qualified Household must be in compliance within one year from the date of the Hearing's determinations. The Town or its Authorized Administrator shall schedule the hearing within 21 days of notice given to the formerly Qualified Household of the violation of the net asset qualification.

PART VI – RENTING COMMUNITY DEED RESTRICTED HOUSING

Section 601 Qualifications and Eligibility To Rent Community Housing

601.1 To initially qualify to rent a community deed restricted housing unit, occupants must meet the definition of Qualified Occupant and the Household Initial Qualifications in Part V, Sections 501.2.A and 501.4.

601.2 Continued eligibility standards to occupy and rent a deed restricted unit:

A. The use and occupancy of any rental unit shall be limited exclusively to housing for person(s) who meet the criteria for a qualified occupant, as defined herein.

B. Once the ability to rent a unit has been established, the qualified household must continue to comply with the eligibility requirements in Part V, Sections 501.2.B and applicable unit-specific criteria in Section 501.4 during the full term of occupancy.

C. Prior to lease renewal, continued eligibility to rent in compliance with Part V, Sections 501.2.B and 501.4 must be verified by the Authorized Administrator. The Authorized Administrator will provide qualified occupant(s) with a qualification letter prior to the owner executing a new lease with the occupant(s).

D. If an occupant or potential occupant is under review for non-compliance, the occupant shall not be approved and the lease shall not be renewed until the non-compliance issue is satisfied.

E. Roommates are permitted under the Guidelines; however, roommates must apply as part of the household or be a qualified occupant. All occupants shall be qualified through the Authorized Administrator prior to occupancy of the unit and must be party to a lease.

F. Occupancy shall comply with applicable building and fire codes. As general guidance, no more than two persons per bedroom plus one additional occupant is presumed reasonable; reasonable accommodations may be granted. Residents may keep a maximum of two domesticated pets per unit, subject to management approval, subject to Authorized Administrator approval, vaccination records, and a signed pet agreement. Consistent with the Colorado Anti-Discrimination Act, Service animals are not subject to pet restrictions or fees in accordance with the Fair Housing Act.

Section 602 Calculation For Renting Community Housing

602.1 The Maximum Monthly Rent (rent plus utilities) paid by an authorized lessee for a community deed restricted housing unit with an income cap, shall not exceed the limits by Area Median Income (AMI) published in Appendix A and Appendix C, which will be updated annually.

602.2 The lease for a deed restricted unit shall be for no less than 9 months and no more than 12 months unless an exception has been approved, including a reasonable accommodation for a shorter or longer period of time with specific conditions for a Qualified Household.

602.3 A deed restricted unit owned by a Qualified Business is subject to the same Maximum Monthly Rent as any other community deed restricted housing unit as provided in Appendix C.

602.4 A Qualified Owner requesting permission to rent may receive a modified rent calculation from the Hearing Board if there is a verifiable reason for not following the income and rent tables in Appendices A and C. This ensures that rents received do not exceed owner housing costs.

Section 603 Verification To Rent

603.1 Income verification may consist of:

- a. The most recent year's completed taxes, an executed and filed tax return with all schedules, no extensions accepted;

- b. Tax returns for the prior year as needed to establish an income or employment pattern;
- c. Current income and financial statements verified by the applicant to be true and correct. If there is a variance of more than 20% between the tax returns, an income calculation of the past 12 months from the date of application will be used to qualify the Occupant Household; and/or
- d. A Social Security income report for the past 12 months from the date of application.

If the above information is not available, the applicant must provide other documentation as requested by the Authorized Administrator to the satisfaction of the staff in charge of qualifying applicants.

603.2 Employment verification for the purpose of determining eligibility, all or part of the following documentation may be required:

- a. All W-2 and/or 1099 forms from the current or previous year (a potential tenant who has applied for a specific unit must provide documentation of employment for the previous 12 months).
- b. Recent paystubs (if W-2's are not available).
- c. Employer(s) name, address, telephone and dates of employment.
- d. The certified "Employment Verification Form" [signed by employer(s)].
- e. Evidence of legal residency.
- f. Landlord verification of residency, stating specific dates.
- g. Acceptable government issued photo identification (driver's license, state issued ID card, passport, etc.) is required.
- h. Court-approved Divorce Decree or Separation Agreement, including alimony, division of assets, custody and child support. A copy must indicate that it has been entered in the record with all exhibits and supplements attached.

If the above information is not available, the applicant must provide other documentation as requested by the Authorized Administrator to the satisfaction of the staff in charge of qualifying applicants.

603.3 SELF-EMPLOYMENT: When someone is self-employed and works too few or no hours for an employer, then the number of hours worked in Grand County must be clearly documented by providing some, if not all, of the following:

- a. A complete copy of the applicant's most recent tax returns, including Federal tax returns, Schedule C (profit and loss statement) and all other completed schedules, and State tax returns and copies of the most recent W2's and or 1099's for each job (if applicant received W2's and/or 1099's).
- b. Copies of any paycheck stubs received by the employee or an up-to-date profit and loss statement.
- c. A copy of a current business license for a business in the applicable municipality, if required.
- d. Copy of a lease if the applicant rents office space located in Grand County.
- e. The following documentation must be provided if a, b, c and d above does not verify the employment requirement and the residency requirement.
 - 1) *A copy of a current detailed work log or appointment book for the last year (or at least the last quarter) listing hours worked each day for each job or appointment and clients/customers' names and local addresses. Time spent in marketing, accounting and other administrative tasks in support of the business will also count towards the 1,500*

hours per year employment requirement if the applicant can clearly demonstrate to the AUTHORIZED ADMINISTRATOR that this is the case.

- 2) *Copies of invoices sent to clients/customers, particularly if the invoices reflect the amount of time spent on the job invoiced (and copies of payment for invoiced work);*
- 3) *A Client/Customer List, which would provide client names with local telephone numbers and local addresses, type of work done, and approximate time spent with client per appointments in a year.*
- 4) *Any additional documentation the AUTHORIZED ADMINISTRATOR may require verifying the applicant is employed in Gunnison County and occupying the unit as their primary residence, such as business and personal banking records, utility bills, payments received, etc.*

It is the responsibility of the applicant to clearly demonstrate that he/she is meeting the full-time employment and residency criteria. If the household does not specifically fall under the qualifying standards of the current policy, the household may request a Hearing before the Hearing Board for review.

Note: Applicants for Community Deed Restricted Housing must attest on the application that all information provided is true and accurate. If any of the information is determined to be false or non-verifiable, the applicant may be subject to disqualification by the AUTHORIZED ADMINISTRATOR. If any of the information is determined to be false or non-verifiable after the applicant has qualified, the lease will be terminated immediately. If such documentation is determined to be false, the applicant may be denied future participation in the community housing program.

PART VII – PURCHASING COMMUNITY DEED RESTRICTED HOUSING

Section 701 Qualifications To Purchase Community Deed Restricted Housing

701.1 Sale By Lottery

- A. All Units shall be sold and resold by lottery.
- B. To qualify to purchase a community deed restricted housing unit, a household must meet the Household Initial Qualifications in Part V, Section 501.2.A, or be a qualified business owner pursuant to Part V, Section 501.3.
- C. After purchasing a Unit, the household must continue to meet the eligibility requirements in Part V, Section 501.2.B, for as long as the unit is owned. Additional unit-specific criteria may also apply as specified in Part V, Section 501.4.
- D. A Qualified Business Owner shall rent the unit to qualified occupants pursuant to Part VI of the Guidelines.
- E. A local business owner that desires to purchase and occupy a unit must be qualified as a Qualified Owner and Household and meet Part VII, Section 701.2 of these Guidelines.

701.2 Collection of Documentation

In order to determine whether a person or household qualifies to purchase a community deed restricted housing unit and meets all of the criteria set forth in Part VII, Section 701.3.A-G, the Authorized Administrator must review and have on file specific documentation which provides proof of residency, employment, income, and assets.

NOTE: All information and documentation received will remain confidential.

701.3 It is understood that applicants who are working in traditional jobs are able to provide traditional forms of documentation to verify eligibility. It is also understood that some applicants are working in nontraditional jobs whereby traditional documentation may not be available. In these circumstances, the Authorized Administrator may require non-traditional forms of documentation to determine eligibility. If documents provided are still not to the Authorized Administrator's satisfaction, the applicant may appeal to the Hearing Board.

A. Acceptable Employment Documentation:

- i. All W-2 forms from a minimum of the previous year before purchase.
- ii. Recent pay stubs showing year-to-date or a payroll summary from the employer.
- iii. Employer(s) name, address, telephone and dates of employment.
- iv. The Authorized Administrator's Employment Verification Form [signed by employer(s)].
- v. Evidence of legal residency.
- vi. If not employed, a landlord verification of residency, specific dates or a copy of a valid lease.
- vii. Court approved Divorce Decree or Separation Agreement including alimony and child support. A copy must indicate that it has been entered in the record with all exhibits and supplements attached.
- viii. Applicants selected to purchase a unit from a lottery drawing will be required to sign a release in order for the Authorized Administrator to obtain a copy of the loan application from the lender.
- ix. Any additional information the Authorized Administrator may request to verify the applicants employment, e.g., business and personal banking records, utility bills, Picture I.D., etc.

NOTE: If the above information is not available, the applicant must provide other documentation as requested by the Authorized Administrator

- B. Anyone self-employed must show they work in Grand County and clearly document their work by providing all applicable forms of documentation:
 - a. A complete copy of the applicant's most recent tax returns, including Federal tax returns, Schedule C (profit and loss statement) and all other completed schedules, and copies of most recent W2's, 941's, and/or 1099's for each job; or check stubs or other proof of payment received, and/or an up-to-date business profit and loss statement.
 - b. A copy of a current applicable business license for a business address in Grand County.
 - c. Copy of a lease for any office space rented by the applicant located in Grand County.
 - d. The following documentation must be provided if i, ii, iii, and iv above does not verify the employment requirement and the residency requirement.
 - i. A copy of a current detailed work log or appointment book for the last year (or at least the last quarter) listing hours worked each day for each job or appointment and clients' names. Time spent in marketing, accounting and other administrative tasks in support of the business will also count towards employment requirement if the applicant can clearly demonstrate to the Authorized Administrator their employment;
 - ii. Copies of invoices sent to clients, particularly if the invoices reflect the amount of time spent on the job invoiced (and copies of payment for invoiced work);
 - iii. Any additional documentation the Authorized Administrator may require to verify the applicant is employed in Grand County and occupying the unit as their primary residence, such as business and personal banking records, utility bills, payments received, etc.
- C. Income Verification:
 - a. Copies of the past two years completed, executed and filed tax returns, including federal and state returns and any applicable schedules, with W2s attached. (No extensions will be accepted)
 - b. Current income and financial statement verified by the applicant to be true and correct. This will establish the income category. If someone did not have to file an income tax return or just started working full-time, their current income (based on a full year) will be used to establish the household category.
 - c. Social Security letter, tax returns, or W2's for at least 5 years worked in Grand County to qualify as Disabled and 8 years to qualify as Retired. An exception may be requested in writing as an accommodation per Part XV.

If the above information is not available, the applicant must provide other documentation as requested by the Authorized Administrator to complete the application.

- D. Residency:
 - a. An applicant must live or work or have a bonafide job offer to work within Grand County and provide verifiable documentation as detailed in Sections 701.3.A and B, or request reasonable accommodation. They must also occupy the Housing Unit as their sole place of residence once qualified by the Authorized Administrator.
- E. Net Assets:
 - a. An applicant shall not have maximum net assets that exceed (2) two times the original purchase price of the unit as outlined.

- b. Net assets shall mean the sum of all real and personal property, money, and other things of value owned or controlled by a person at the time of his or her purchase or lease of the Unit. All household members' shares of business assets, shall be included in determination of total Household net assets. Retirement accounts that cannot be accessed at the time of application will be excluded from the net asset calculation. See "Assets" definition and Section 506 Net Assets Standard for further information.

F. Other Property Ownership:

- a. Except as provided for in Article 6.4. of the Community Housing Deed Restriction, a Qualified Owner or Occupant cannot own any interest in other improved residential property(s). A purchaser who owns improved residential real estate must convey all interest in said property(s) prior to taking initial ownership or transfer of interest of a Deed Restricted Housing Unit. Sections 505.B-E also would apply as relevant to compliance.

G. It is the responsibility of the applicant to clearly demonstrate that all qualification requirements are met. The applicant must provide documentation to the Authorized Administrator's satisfaction. If the household does not specifically fall under the current policy, the household may request a Hearing before the Hearing Board for review.

Note: Applicants for deed-restricted housing must attest on the application that all information provided is true and accurate. If any of the information is determined to be false or non-verifiable, the applicant may be subject to disqualification.

Section 702 Continuing Eligibility For Ownership

702.1 The household must continue to meet Part V, Section 501.2.B, for as long as the unit is owned. Additional unit-specific criteria may also apply as specified in Part V, Section 501.4.

702.2 The Authorized Administrator will require all owners to complete and sign a Requalification Affidavit once every 4 years.

702.3 The Authorized Administrator has the right to request additional documentation through an audit or follow-up on a complaint to show proof of employment, asset information, no other property ownership, and/or residency. Additional documentation may include items previously stated in Section 1 above.

702.4 A person over 65 years of age shall remain a Qualified Owner regardless of their working status, so long as they have owned and occupied a Unit for a time period of not less than five (5) years or requests and receives an exception from the Authorized Administrator.

Part VIII – ADMINISTRATION OF THE DEED RESTRICTION PROGRAM FOR COMPLIANCE

Section 801 Compliance Process

801.1 The Authorized Administrator Compliance Responsibilities

A. If a complaint is received, the complaint is forwarded to the Authorized Administrator who researches the complaint. If staff find grounds to move forward, the first compliance letter will be mailed within 30 calendar days of receipt of the complaint or if the biennial Affidavit has not been returned. The biennial Affidavit will be treated as a compliance document requiring.

B. If an owner does not respond within two weeks to the initial compliance letter, a second compliance letter will be sent. The first and second compliance letters will be sent electronically and by regular mail.

C. If the owner does not respond to the second compliance letter within two weeks, and/or if the compliance situation is not fully resolved within 60 calendar days from the date of the first letter, a Notice of Violation (NOV) letter will be sent to the owner. The NOV will provide the owner an option to dispute the violation by requesting a Board Hearing in writing within 15 calendar days from the date of the NOV letter. The NOV letter will be sent electronically and by certified mail. The Authorized Administrator staff will also notify the Board when a NOV letter is sent. For Board update purposes, the owner will be referred to by a case number only (established by the Authorized Administrator), with no mention of client name or address, and will briefly outline the case.

D. If the owner does not respond or does not request a Board hearing, or the owner does not request a Board hearing within the specified deadline, the Authorized Administrator will send a final letter to the owner. The final letter will state the client has 30 days to list their unit with the Authorized Administrator and that their appreciation has stopped. The final letter shall be sent by certified mail.

Section 802 Owner Compliance

802.1 Owner Responsibilities

A. Owner must meet the eligibility requirements in Part V, Section 501.2.B, for as long as the unit is owned. Additional unit-specific criteria may also apply as specified in Part V, Section 501.4. Information for verification is outlined in Part VII, Section 701.3.A-G.

B. When vacant land is owned in Grand County, as defined in Section 505.E. and in the Definitions, by a qualified household who also owns a community deed restricted-housing unit, the land must remain unimproved. When that land is improved with a certified residential unit(s), the qualified household must either relinquish the deed-restricted unit by notifying the Authorized Administrator and selling the unit or selling the newly developed housing unit. The Qualified Owner will immediately list the non-deed restricted property for sale unless an exception has been granted and recorded per Section 505.A. Should the property not be sold within 120 days of listing the property for sale, then the Owner of the deed restricted property shall list the deed restricted unit for sale per the Article in the deed restriction detailing Transfer of a Unit.

C. No household that currently owns improved residential property in Grand County can purchase a deed restricted property unless they are selling the improved residential property and can still qualify under the income and asset limitations in Part V, Sections 503 and 506. Failure to sell the improved residential property while closing on a deed restricted unit will trigger the requirement to list and sell the deed restricted unit immediately. The Authorized Administrator will immediately begin to schedule the lottery process to sell the Unit to a Qualified Household.

D. A Qualified Business which owns a deed restricted unit, and has an opportunity to purchase another unit in Grand County may pursue ownership under the following conditions:

- b. The business owner has found a unit in the free market that they would like to purchase and rent. The business owner would notify the Authorized Administrator to request a Hearing for an exception. The business owner, if granted an exception, must agree to all the terms set forth by the Hearing Board;
- c. The business owner has entered a lottery and has been selected to purchase another deed restricted unit; the business owner need not act in the case of a lottery because the Authorized Administrator has certified them for entry into the lottery and a policy to support ownership of additional units would be in place.
- d. A business owner must lease the purchased unit(s) only to Qualified Occupants that are authorized by the Administrator to rent unit(s) as set forth herein.
- e. The business owner must have a record of timely payment of all regular and special assessments duly imposed upon a property by the Town, County, or the applicable homeowners' association. If the Business is a new owner, then all future assessments must be paid on time.

Section 803 Non-Compliance By An Owner

803.1 Non-Compliance and Notice of Violation

A. Once an owner receives a NOTICE of Violation ("NOV") from the Authorized Administrator, the owner must provide the applicable completed form and/or additional documentation in the manner outlined in the NOV.

B. Should the owner be found non-compliant, the appreciation on the unit will be suspended until compliance is re-established.

C. If an owner wishes to dispute the NOV, the owner must submit a written request for a Hearing within the deadline stated in the NOV. The owner will then be scheduled for a hearing with the Hearing Board at the next available meeting. The Owner and the Authorized Administrator will each be allowed one extension of the originally scheduled Hearing. Per the Guidelines and Grievance procedures, the decision of the Hearing Board shall be binding and the Town shall take all action necessary to carry out their decision.

D. Once an Owner receives a Final Notice of Violation, the Owner shall accept a for-sale lottery will be scheduled within 45 days.

E. If the Owner does not respond and/or if the Owner does not accept the sale by lottery by the final deadline, legal counsel will follow-up with appropriate action.

Part IX – PURCHASE OF A DEED RESTRICTED HOUSING UNIT BY LOTTERY

Section 901 Lottery Process

All deed restricted Units or Lots will be sold by lottery. The Lottery process is outlined herein and in Appendix E. The Authorized Administrator will operate a lottery for the sale of deed restricted housing units. All Qualified Households and Qualified Businesses submitting completed applications shall be given an entry in the lottery. Any household not meeting the established criteria for ownership will be held and numbered in order of receipt in case all of the unit(s) do not sell by lottery. Additional entries into the lottery will be provided for households as outlined in Appendix E. Extra entries will not apply to Qualified Businesses.

Other lottery specifics, different from Appendix E, will be established in advance of the lottery by the Authorized Administrator and the entity involved in the development of the housing. The lottery guidelines will be published for the public to view prior to the beginning of receipt of applications, including Appendix E and any special instructions.

If you have left Grand County and then returned, you may only become re-eligible for deed restricted housing if you meet all of the following criteria: you are currently employed for at least 32 hours per week or 1,200 hours a year in Grand County; an employer verifies your employment will extend for at least 12 months; and your annual income, based on wages for a rolling 12 months from the date of application does not exceed the income limits; and the Applicant and household meet the other criteria for ownership as defined in the Guidelines. NOTE: These criteria may change or be removed at the time a lottery is established.

Section 902 Standard Lottery Process

902.1 Lottery Process

A. The Lottery Process:

- a. Purchasing via a Housing Lottery is provided to those persons who meet all of the criteria set forth in Part V.
- b. An initial lottery is held for persons who meet the qualification criteria as outlined in Appendix E.
- c. The lottery will be held within two (2) weeks of the qualifying Households names being publicly posted, unless otherwise specified.
- d. All qualified households who have submitted a complete application by the deadline are entered into the lottery.
- e. All Qualified Household names are to be publicly noticed and verified prior to running the lottery to ensure that a household has not been excluded. The names are verified by the submitted applications that have identified the household as qualified. This list will be posted in a public location to be announced by Noon, the Friday before the lottery is held.
- f. The lottery shall be run on the date specified in an advertisement.
- g. Once the lottery has been run, the list is printed out and the names are, again, verified to ensure that all households were included in the lottery. All names with entries will be publicly noticed in the order the Household was drawn. If there is a problem, the problem is noted on the printout and explained to the public as to why the lottery has to be rerun. The lottery is then rerun with the correction(s) made.

- h. Once the Household information and the order Units will be offered is verified, the lottery is then classified as “official” and the names posted in the announced public location become the official list for offering a unit(s).
- i. If a Household contacted after the lottery to be assigned a Unit does not proceed to contact the Authorized Administrator and sign a contract within two (2) business days, the next Household on the list is notified and so on, until all Units are under contract for purchase.

NOTE: The Authorized Administrator has the right to disqualify a Household if the Household’s qualification information cannot be verified or is inaccurate at the time a contract is signed.

PART X – TRANSFER OF A UNIT: NOTICE, MAXIMUM RESALE PRICE

Section 1001 Transfer of a Unit

A Unit shall not be Transferred or sold, except upon full compliance with the procedures set forth in these Guidelines and the Deed Restriction.

1001.1 Notice

In the event an Owner wants to transfer a Unit by lottery, or in the event that an Owner shall be required to transfer a Unit pursuant to the terms of these Guidelines or their Deed Restriction, court order or otherwise, the Owner shall notify the Authorized Administrator, in writing, of the Owner's intention to transfer/sell the Unit using the Notice of Sale document. The Unit may not be transferred to: (i) any person, entity, or entities other than a Qualified Owner, or (ii) to a Qualified Owner when the price exceeds the Maximum Resale Price as calculated by the Authorized Administrator pursuant to Section 301 and Appendix D.

1001.2 Maximum Resale Price.

The Original Purchase Price of the Unit shall be the basis for calculating the Maximum Resale Price in accordance with the Deed Restriction and the Guidelines in effect at the time of listing the Unit for resale.

B. The Maximum Resale Price of a Unit shall be limited to be no more than the following calculation:

- a. the Original Purchase Price paid by the Declarant for the Unit, plus;
- b. an increase of 3% of the Original Purchase Price per year (prorated at the rate of 1/12 for each whole month, but not compounded annually) from the date of the Owner's purchase of the Unit to the date of the Owner's submission of a Notice of Sale, plus;
- c. an amount equal to any special improvement district assessments, if applicable and not transferable, paid by the Owner during the Owner's ownership of the Unit, plus;
- d. the cost of permitted Capital Improvements made to the Unit by the Owner not to exceed 10% of the OPP as set forth in Part XIV of the Guidelines and their deed restriction, plus;
- e. the Costs of Permitted Capital Improvements exceeding ten percent (10%) of the OPP but not to exceed fifteen percent (15%) of the OPP that have been approved through the Exception Procedure outlined herein.

C. No Owner shall permit any prospective purchaser to assume any or all of the Owner's closing costs.

D. Pursuant to the Guidelines, Declarant shall be responsible for ensuring that at the Transfer of his or her Unit, the same is clean, the appliances are in working order, and that there are no health or safety violations regarding the Unit. Prior to the sale of the Unit, the Town or its Authorized Administrator is authorized to take necessary actions and incur necessary expenses for bringing the Unit into saleable condition. Such actions and expenses include, but are not limited to, cleaning the Unit and making necessary repairs to or replacements of appliances and /or Unit fixtures, such as windows, doors, cabinets, countertops, carpets, flooring and lighting fixtures, and/or correcting any health or safety violations on the Unit. Expenses incurred by the Town or Authorized Administrator to bring the Unit into a saleable condition shall be itemized and documented by the Town or Authorized administrator and deducted from the Declarant's proceeds at the closing of the Transfer of the Unit.

E. Nothing in the Guidelines or the recorded Deed Restriction represents or guarantees that the

Unit will be sold at an amount equal to the Maximum Resale Price. Depending upon conditions affecting the real estate market, the Unit may be sold for less than the Maximum Resale Price.

1001.3 Non-Qualified Owner Vested in Title to the Unit

A. In the event that title to the Unit vests in a Non-Qualified Transferee by descent, foreclosure and/or redemption by any lien or mortgage holder (except any holder of a HUD-insured First Mortgage), or by operation of law or any other event, the Town Hearing Board may elect to notify the Non-Qualified Transferee that it must sell the Unit in accordance with Article 7.6 of the deed restriction. The Non-Qualified Transferee(s) shall not: (i) occupy the Unit; (ii) rent all or any part of the Unit, except in strict compliance with the Guidelines and the Deed Restriction; (iii) engage in any business activity on or in the Unit; (iv) sell or otherwise transfer the Unit except in accordance with the Guidelines and the Deed Restriction; or (v) sell or otherwise transfer the Unit for use in trade or business.

PART XI – THE DEED RESTRICTION

Section 1101 Deed Restriction Guidance

Section 1101.1 Required Deed Restriction

A. All Households purchasing a deed restricted unit must execute, in a form satisfactory to the Town for recording with the Grand County Clerk, concurrent with the closing of the sale, sign and acknowledge the Owner’s agreement to be bound by the Deed Restriction covering the sale of the unit. The deed restriction is provided for signature by the Authorized Administrator at the time of closing, and will be recorded along with the other documents that are required to be recorded for the purchase of a unit.

Section 1102 Co-Ownership and Co-Signature

1102.1 Co-Ownership

A. Any co-ownership interest other than Joint Tenancy or Tenancy-In-Common must be approved by the Authorized Administrator.

1102.2 Co-Signers

A. Co-signers (persons providing security or assuming partial responsibility for the loan to purchase the unit) may be approved for joint ownership but shall not occupy the unit unless qualified by the Authorized Administrator; reasonable accommodations may be granted where disability related needs require a co-signer’s occupancy or support.. All co-signers must execute an Acknowledgement of the Deed Restriction provided by the Authorized Administrator to be recorded. If the joint ownership of a unit is approved the co-signer shall not occupy the unit unless qualified by the Authorized Administrator. If title to the Unit transfers solely to a non-qualified co-signer, the Unit must be placed for sale through the lottery process per the Unit’s Deed Restriction and the Guidelines in effect at the time of the violation. A Notice of Violation will be issued and the process detailed in Section 801.3 will be followed.

Part XII – LEAVE OF ABSENCE

Section 1201 Leave of Absence for Owners of Deed Restricted Housing Units

1201.1 Leave of Absence

A. An owner of a Unit must reside in their unit at least nine months out of the year and continue to qualify under the Qualification criteria set forth. There are instances in a Household's life where they must leave Grand County for a limited period of time. They may want to rent their unit during their absence. In those instances, a Leave of Absence may be granted by the Hearing Board. The Owner must provide clear and convincing evidence which shows a bona fide reason or reasonable accommodation, for leaving and a commitment to return to the Grand County area. A leave of absence can be requested for up to one year, with the possibility for an extension for up to one additional year.

Section 1202 Leave of Absence Request Procedure

1202.1 Leave of Absence Procedure

A. A LEAVE OF ABSENCE REQUEST FORM must be completed and returned to the Authorized Administrator at least 90 days prior to leaving Grand County. This form must be obtained by the applicant from the Authorized Administrator. A meeting shall be held to discuss the Leave and terms within 3 weeks of receipt of the form by the Authorized Administrator.

B. Notice of such intent to rent a Unit and the ability to comment shall be provided to any applicable homeowner's association at the time of request for their input and recommendation. Evidence of notice to the HOA must be provided to the Authorized Administrator. The terms of the rent, if approved shall be set by the Hearing Board during the meeting with the Owner.

PART XIII – NON-OWNER OCCUPANTS IN OWNERSHIP UNITS

Section 1301 Non-Owner Occupants in Ownership Units

1301.1 Owners may have qualified occupants; however, the conditions that must be followed when renting a room are outlined below. Qualified Business Owners are permitted to rent under Part VI of the Guidelines and the terms of their deed restriction.

Section 1302 Terms and Conditions for Owners Renting to a Qualified Occupant

1302.1 Procedures for Renting to a Qualified Occupant

A. Roommates are permitted as long as the owner is a qualified household and residing full-time in their unit.

B. An owner may rent part of a unit to a qualified occupant meeting the requirements under Sections 601 and 602 if it is permissible under the Deed Restriction and or covenants of the Homeowner's Association covering the unit. The owner must continue to reside in the unit as a sole and exclusive place of residence.

C. The owner shall be deemed to have ceased to use the unit as his or her sole and exclusive place of residence by residing in the unit fewer than nine (9) months out of any twelve (12) consecutive months.

PART XIV – CAPITAL IMPROVEMENT POLICY

Section 1401 Capital Improvements

Capital improvements and upkeep on deed-restricted units are necessary to ensure the livability and longevity of the community deed restricted housing unit. A maximum sales price will be affected, either higher or lower, relating to the condition of the unit and whether the unit meets the minimum standard criteria.

1401.1 Effect on Maximum Resales Price

- A. Prior to any sale of a unit, the Authorized Administrator will determine a maximum resale price. The Authorized Administrator shall conduct an inspection and provide a list to the Owner as to the items that will need to be repaired or completed PRIOR to closing to get the full value. The Buyer has the right to pay for a formal inspection of the Unit during the inspection period stated in the Sales Contract. If said inspection reflects items not met on the Minimum Standards for Seller to Receive Full Value table, the Seller shall be required to remedy those items.
- B. The cost of capital improvements that may be considered in the Maximum Resales Price calculation is determined as follows:
 - a. The cost of any Authorized Administrator-approved capital improvements included in the Maximum Resales Price may not exceed 10% of the OPP. The ten percent (10%) capital improvement maximum will be established for each new owner based on their OPP when proof of improvements are provided.
 - b. Capital improvements above 10% but no more than 15% of the OPP may be added only if approved through the Exception Procedure. The Authorized Administrator shall consider permitted capital improvements by previous owners in the Exception Procedure to ensure that the Maximum Resales Price does not increase the unit's affordability in relationship to the targeted AMI.
 - c. All capital improvements will be depreciated. Each capital improvement will depreciate according to the depreciation schedule stated in an approved handbook. The current source is the Marshall & Swift Residential Cost Handbook.
 - d. Certain capital improvements will not be counted towards the 10% cap. These include capital improvements associated with health and safety, energy efficiency, water conservation, and green building products. Such capital improvements shall be depreciated according to the depreciation schedule stated in an approved handbook.
 - e. An owner should check with the Authorized Administrator prior to starting ANY improvement to verify that the cost can be recouped and to receive instructions on what will need to be provided to the Authorized Administrator once the improvement is completed.
 - f. Only improvements that are pre-approved by the Authorized Administrator prior to commencement of any work or installation will be considered in the calculation of the Maximum Resales Price.
 - g. It will be up to the Owner to maintain the unit in good condition. This maintenance includes, but is not limited to, the condition of the doors, windows, heater, water heater, and all appliances.

Section 1402 Permitted Capital Improvements

1402.1 Identified Capital Improvement

A. The term "Permitted Capital Improvement" as used in these Guidelines and the Deed Restriction shall only include the following:

- a. Improvements or fixtures erected, installed or attached as permanent, functional, non-decorative improvements to the unit or property, excluding repair, replacement and/or maintenance improvements;
- b. Improvements for energy and water conservation;
- c. Improvements for the benefit of seniors and/or handicapped persons;
- d. Improvements for health and safety protection devices (including radon);
- e. Improvements to add and/or finish approved permanent/finished storage space;
- f. Improvements to finish unfinished space;
- g. Permanent Landscaping; such as trees, shrubs, bushes, paved walkways and approved structures (excludes flower beds and annual plantings);
- h. The cost of adding decks and balconies, and any extension thereto.

Section 1403 Items Not Considered Capital Improvements

1403.1 Not Included as Capital Improvements

A. Capital Improvements shall NOT Include:

- a. Jacuzzis, saunas, steam showers and other similar items;
- b. Upgrades or additions of decorative items, including lights, window coverings and other similar items based on personal preference.
- c. Upgrades of appliances, plumbing and mechanical fixtures, carpets and other similar items included as part of the original construction of a unit and/or improvements required to repair and maintain existing fixtures, appliances, plumbing and mechanical fixtures, painting, and other similar items, unless replacement is energy efficient or for safety and health reasons.

B. All Permitted Capital Improvement items and costs shall be approved by the Authorized Administrator prior to being added to the Maximum Resale Price as defined herein. In order to get credit for an improvement where a building permit is required, the improvement is not valid unless a certification of completion is obtained by the applicable Building Division.

PART XV – EXCEPTION PROCESS

Section 1501 Exception Process

1501.1 Exception

A. The Exception process is to be used when a variance from the strict application of these 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 evaluate an Exception, a request form must be submitted to the Authorized Administrator stating the request with documentation regarding the unusual circumstance, hardship, or an explanation about how or why a requirement cannot be met.

B. The Applicant shall submit any additional information reasonably requested by the Authorized Administrator and a meeting will be scheduled with the Hearing Board in a timely manner based on the next meeting date or other conditions that may require a meeting earlier than the next scheduled meeting.

C. The Hearing Board may grant the request, with or without conditions, if the approval will not cause substantial detriment to the public good and without substantially impairing the intent and purpose of the Guidelines and if an unusual circumstance, hardship, or how and why a requirement cannot be met is shown.

PART XVI – GRIEVANCE PROCEDURES

Section 1601 Grievance Procedures

A grievance is any dispute that an occupant may have with the Authorized Administrator with respect to action or failure to act in accordance with an occupant's rights, duties, welfare or status. A grievance may be presented to the Authorized Administrator under the following procedures.

1601.1 Filing a Grievance

A. Any grievance must be presented in writing to the Authorized Administrator. It may be simply stated, but shall specify:

- a. the particular ground(s) upon which it is based;
- b. the action requested; and
- c. the name, address, telephone number of the complainant and similar information about his/her representative, if any.

B. Upon presentation of a written grievance, a hearing before the Hearing Board shall be scheduled for the next scheduled meeting. The matter may be continued at the discretion of the Board. The complainant shall be afforded a fair hearing providing the basic safeguard of due process, including notice and an opportunity to be heard in a timely, reasonable manner.

D. The complainant and the Authorized Administrator shall have the opportunity to examine and, before the hearing at the expense of the complainant, to copy all documents, records and regulations of the Authorized Administrator that are relevant to the hearing. Any document not made available after written request may not be relied upon at the hearing.

E. The complainant has the right to be represented by counsel.

Section 1602 Conduct for the Hearing

1602.1 Rules of the Hearing

A. If the complainant fails to appear at the scheduled hearing, the Hearing Board may decide to

postpone the hearing or make a determination based upon the written documentation and the evidence submitted.

- B. The hearing shall be conducted by the Hearing Board. Oral or documentary evidence may be received without strict compliance with the rules of evidence applicable to judicial proceedings.
- C. The right to cross-examine shall be at the discretion of the Hearing Board and may be regulated by the Hearing Board as it deems necessary for a fair hearing.
- D. Based on the records of proceedings, the Hearing Board will provide a written decision and include therein the reasons for its determination. The decision of the Hearing Board shall be binding on the Authorized Administrator that shall take all actions necessary to carry out the decision.

PART XVII – FORECLOSURE, DEFAULT, BREACH

Section 1701 In the Event of Foreclosure or a Deed in Lieu

1701.1 Procedures in the event of foreclosure

A. It shall be a breach of a Deed Restriction for an Owner to default on the payments or other obligations due or to be performed under a promissory note secured by a deed of trust encumbering the Property or a Unit. The Owner is required to notify the Town, in writing, of any notification the Owner receives from a lender, or its assigns, of past due payments or default in payment or other obligations due or to be performed under a promissory note secured by a deed of trust, within five (5) calendar days of the Owner's notification from a lender, or its assigns, of said default or past due payments.

B. Upon receipt of notice as provided herein, the Town shall have the right, in its sole discretion, to cure the default or any portion thereof. In such event, the Owner shall be personally liable to the Town for past due payments made by the Town, together with interest thereon at the rate specified in the promissory note secured by the deed of trust, plus one (1) percent and all actual expenses of the Town incurred in curing the default. In the event the Owner does not repay the Town within sixty (60) days of notice that the Town has cured the Owner's default, the Owner understands that the Town shall be entitled to a lien against the Unit to secure payment of such amounts. Such a lien may be evidenced by a notice of lien setting the amounts due and rate of interest accruing thereon, and such notice of lien may be recorded in the real property records of the County of Grand, Colorado until such lien is paid and discharged. The Town shall have the additional right to bring an action to foreclose on a Unit for the payment of the lien set forth in the deed restriction Article 8.1.B.

C. In the event of a foreclosure on a promissory note secured by a first deed of trust on a Unit and the issuance of a public trustee's deed by the holder of such note and deed of trust ("Holder") or the acceptance by Holder of such note and deed of trust of a deed in lieu of foreclosure of the Unit and Holder's subsequent recordation of the same in the Office of the County of Grand, Clerk and Recorder, the Town may acquire the Unit by exercising conditions in a deed restriction or Option.

1702.2 Procedures in the event of Default or Breach

A. In the event the Town has reasonable cause to believe an Owner has violated or is violating the provisions of a Deed Restriction, the Town, through its authorized representative, may inspect

the Property between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday, after providing the Owner with no less than 24 hours written notice.

B. The Town shall send a notice of violation to the Owner detailing the nature of the violation and allowing the Owner fifteen (15) days to determine the merits of the allegations or to correct the violation. In the event the Owner disagrees with the alleged violation of a Deed Restriction, the Owner may request, in writing, a hearing before the Hearing Board and file a Grievance and request to Appeal the determination of violation. If the Owner does not request a hearing and the violation is not cured within the fifteen-day period, the Owner shall be considered in violation of the deed restriction.

C. Whenever a deed restriction provides for a hearing before the Hearing Board or the Board of Trustees such hearing shall be scheduled by the Town within twenty-one (21) days of the date of receipt of a written request for a hearing. At any such hearing, the Owner or another aggrieved party may be represented by counsel and may present evidence on the issues to be determined at the hearing. An electronic record of the hearing shall be made, and the decision of the Hearing Board may only be appealed to the Board of Trustees. Any Decision made by the Board of Trustees shall be a final decision, subject to judicial review.

D. Following notice and opportunity to cure, the Town and Authorized Administrator may pursue all available remedies, including but not limited to an action for specific performance, injunctive relief, and/or damages. The remedies provided herein are cumulative in nature. An Owner's remedies shall be limited to specific performance and injunctive relief. Under no circumstances shall the Town or Authorized Administrator, nor their successors or assigns, be liable for damages of any nature whatsoever for any action that arises or could have arisen under the terms of a deed restriction.

E. In the event a Unit is sold and/or conveyed without compliance with the terms of a deed restriction, such sale and/or conveyance shall be wholly null and void and shall confer no title whatsoever upon the purported buyer. Each and every conveyance of a Unit, for all purposes, shall be deemed to include and incorporate by this reference the Articles of a deed restriction and herein contained, even without reference either document.

F. In the event the Owner fails to cure any breach of a deed restriction the Town may resort to any and all available legal or equitable actions, including but not limited to specific performance of a deed restriction, and an injunction against future sale(s) in violation of a deed restriction or the Guidelines governing the Unit.

G. Eliminating Resale Gain. In the event of a breach of any of the terms or conditions contained herein by any Owner, the Owner's heirs, successors, or assigns, the Owner's price of the Property or Unit shall, upon the date of such breach as determined by the Town, automatically cease to increase as set out in Article 7 of a deed restriction and shall remain fixed until the date of cure of said breach.

APPENDIX A – Income and Household Size Tables

TABLE I
MAXIMUM INCOMES BY HOUSEHOLD SIZE
HUD AMI Grand County May 16, 2025

AMI Level	1-Person HH	2-Person HH	3-Person HH	4-Person HH	5-Person HH	6-Person HH
60%	\$47,040	\$53,760	\$60,480	\$67,200	\$72,600	\$78,000
80%	\$62,720	\$71,680	\$80,640	\$89,600	\$96,800	\$104,000
100%	\$78,400	\$89,600	\$100,800	\$112,000	\$121,000	\$130,000
120%	\$94,080	\$107,520	\$120,960	\$134,400	\$145,200	\$156,000
130%	\$101,920	\$116,480	\$131,040	\$145,600	\$157,300	\$169,000
140%	\$109,760	\$125,440	\$141,120	\$156,800	\$169,400	\$182,000
150%	\$117,600	\$134,400	\$151,200	\$168,000	\$181,500	\$195,000
160%	\$125,440	\$143,360	\$161,280	\$179,200	\$193,600	\$208,000
180%	\$133,280	\$152,320	\$170,360	\$190,400	\$205,700	\$221,000

APPENDIX B – Original Purchase Price Calculation

**TABLE 2
EXAMPLE OF ORIGINAL PURCHASE PRICE CALCULATIONS**

Housing is considered affordable if the total of mortgage payment, insurance, taxes and HOA dues is not more than 30% of monthly gross income. A conservative 3.5x annual income multiplier is traditionally used as an affordable housing benchmark. This definition forms the basis of the allowed sale prices. The Original Purchase Price shall be set below the Unit’s Maximum Affordable Price.

2025 AMI Levels	100% 3 person HH	120% 3 person HH	130% 3 person HH	140% 4 person HH	150% 4 person HH
AMI Annual Household Income	\$100,800	\$120,960	\$131,040	\$156,800	\$168,000
Affordable Price					
Affordable monthly payment (30% of income)	\$2520	\$3024	\$3276	\$3920	\$4200
Affordable principal and interest (78% of payment)	\$1965	\$2358	\$2555	\$3057	\$3276
HOA, prop taxes, insurance (22% of payment)	\$554	\$665	\$721	\$862	\$924
Mortgage Interest rate (1% above prevailing 30-yr rate)	7.5%	7.5%	7.5%	7.5%	7.5%
Max mortgage amount	\$328,114	\$400,550	\$436,767	\$529,323	\$569,565
Max Affordable Price (with 5% down payment)	\$345,340	\$421,579	\$459,697	\$547,113	\$598,043

**Table 3
Household Size for AMI Calculation**

The Original Purchase Price calculation shall assume an average of 1.5-persons per bedroom and be based on the AMI for the assumed household size, rounded up.

Unit Bedrooms	Household Size
1 bedroom	2 persons
2 bedroom	3 persons
3 bedroom	5 persons

APPENDIX C – Rental Rates

**TABLE 4
MAXIMUM RENTAL RATES**

It is generally accepted that for rent to be considered affordable, rent plus utilities should not exceed 30% of a household’s income. Utilizing this standard formula is the basis of the allowed Maximum Rental Rate (total of rent and utilities).

The Colorado Housing and Finance Authority (CHFA) publishes affordable rents for various HUD Area Median Income (AMI) levels and bedroom sizes each year utilizing the 30% affordability standard. The table below shows 2025 Rents published by CHFA. The Maximum Rental Rate shall be set at the Unit’s AMI level minus 15% AMI (i.e., the calculated Maximum Rental Rate for a 100% AMI limit Unit shall be calculated based on a household earning 85% AMI (100% - 15% = 85%).

AMI Level	1 Bedroom	2 Bedrooms	3 Bedrooms
60%	\$1260	\$1512	\$1747
80%	\$1680	\$2016	\$2330
100%	\$2100	\$2520	\$2912
120%	\$2520	\$3024	\$3495
140%	\$2940	\$3528	\$4077

At the time of annual tenant renewal, an annual increase in rent is approved with proof of increase in household income and no additional costs for utilities.

No other Owner costs may be passed on to the Qualified Occupant(s).

APPENDIX D – Maximum Resale Price

TRANSFER OF UNIT: MAXIMUM RESALE PRICE

The Original Purchase Price of the Unit shall be the basis for calculating the Maximum Resale Price in accordance with the Deed Restriction and the Guidelines in effect at the time the Declarant provides a Notice of Intent to Sell.

Resale will be done by lottery to only Qualified Buyers.

- A. The Maximum Resale Price of a Unit shall be limited to be no more than the following calculation:
 - a. the Original Purchase Price paid by the Declarant for the Unit, plus;
 - b. an increase of 3% of the Original Purchase Price per year (prorated at the rate of 1/12 for each whole month) from the date of the Declarant's purchase of the Unit to the date of the Declarant's Notice of Intent to Sell the Unit, plus;
 - d. the cost of permitted Capital Improvements made to the Unit by the Declarant as set forth in Guidelines.
- B. The maximum AMI assigned to the Unit applies at time of Resale.
- C. Nothing in the Deed Restriction of record represents or guarantees that the Unit will be sold at an amount equal to the Maximum Resale Price. Depending upon conditions affecting the real estate market, the maximum income limit, and other factors impacting qualified households from purchasing the Unit at the Maximum Resale Price.

APPENDIX E – Lottery Procedures

Tiered Lottery Assignments

Preferences shall be administered only to the extent they do not result in a disparate impact on any protected class. The Authorized Administrator shall collect and analyze demographic data to monitor impact and shall suspend or modify any preference that creates disparate impact.

Completed lottery applications shall be processed for compliance with approved qualifications. All lottery applicants certified as Qualified Households and lottery applicants certified as Qualified Businesses shall be eligible for one entry into the lottery.

This will be a tiered lottery, and a forced distribution will be followed:

	FOR SALE	FOR RENT
First Tier: Town of Granby staff (full, part-time)	5 units	10 units
Second Tier: Grand Fire Protection District No 1 (staff, volunteers)	2 units	3 units
Third Tier: Granby Workforce	5 units	20 units
Fourth Tier: Fraser River Valley Workforce	4 units	12 units

Once the forced distribution of the first 4 tiers has been met, the remaining units will be considered Fifth Tier and made available to all other Grand County employees or retirees. Employees who wish to live in Granby and who have a territory that includes Grand County as well as other counties, will be entered into the Fifth Tier for lottery selection.

After the First Tier and Second Tier lottery is complete, additional lottery entries shall be given to Qualified Applicants and Qualified Households that meet the following criteria:

- **Non-profit, emergency workers, or other governmental or special district agencies**— Applicants who work for a non-profit agency, emergency response, or another government, quasi-governmental, or special district agency (EMS, Law Enforcement, US Forest Service, School District, as examples) will receive an additional entry into the appropriate Third, Fourth, or Fifth Tier. Appropriate Tier is dependent on an employee’s job site, not an organization’s district office location.
- **Local High School Graduates** – Applicants who graduated from a Grand County High School are awarded an additional entry into the appropriate Third, Fourth, or Fifth Tier.
- **Military Service** – Applicants who are United States active-duty military, who have served at least 90 days of aggregate active-duty service in the United States military, naval, or air service and were released under conditions other than dishonorable, or a surviving spouse, receive an additional entry into the appropriate Third, Fourth, or Fifth Tier (a surviving spouse who is remarried or in a domestic partnership does not qualify).
- **Current Owners or Renters of Housing Units** – Qualified Owners or Renters of Housing Units in full compliance with the Guidelines, wishing to move from a rental unit to a for-sale unit or to move from one for-sale inventory type to another will receive an additional entry into the appropriate Third, Fourth, or Fifth Tier.

Qualified Households that met the requirements of First through Fourth Tiers but did not get selected will remain entered in the lottery.

For-Sale lottery applications will be selected first followed by a for-rent lottery that allocates available

units to match the AMI income level and household size.

Apartment size shall be predetermined prior to the selection of lottery applications for the rental units. Households may decrease the bedroom size recommendation but may not go up in number of bedrooms above what is calculated by household size.

Lottery applications will be selected at twice the number of available properties. The preferred inventory type will be noted in the application and a secondary inventory type may also be selected. If the preferred unit isn't available, the secondary inventory type will be assigned.

All selected lottery applications will have 2 full business days after the completion of the lottery to confirm their purchase. Any available units after that 2-day period will then be reassigned, in order of selection, to the remaining lottery applications chosen. This applies to both the home ownership and for rent selections.

The Authorized Administrator reserves the right to review all complete lottery applications when approval qualifications are in question.

APPENDIX F – Granby Municipal Code § 1.05.090

1.05.090 General penalty.

(a) It shall be unlawful for any person to violate, disobey, omit, neglect, refuse or fail to comply with or resist the enforcement of any provision of this code, and where no specific penalty is provided therefor, the violation of any provision of this code shall be punished by a penalty assessment not exceeding \$2,650.

(b) Each and every day during any portion of which any violation of this code continues shall constitute a separate offense.