

Glenwood Springs Community Housing Guidelines

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Glenwood Springs Community Housing Guidelines

PURPOSE, APPLICABILITY AND EXEMPTIONS

A. PURPOSE

The purpose of the Community Housing Program for Glenwood Springs is to increase the supply of ownership and rental housing that is affordable to those who live and/or work in the area. According to the Greater Roaring Fork Regional Housing Study, RRC Consulting, April 2019, the affordability gap, the difference between the median price of a home sold and what a household (4 persons) earning the median income can afford, was roughly \$147,000 for Glenwood Springs in 2017. Housing costs have affected the ability of the community to retain and attract employees.

The Community Housing Program requires that new residential development provide 20% of the housing that is produced be restricted to Resident Occupied and at least 10% of the housing that is produced to be affordable to households earning up to 100% of the area median income as outlined in these guidelines. This program offers incentives that may be used to mitigate the costs of producing this housing, while continuing to address the desire of the community to provide more affordable housing overall in areas that are close to transit. The program also seeks to distribute community housing throughout new developments to ensure units will be produced in proportion to market rate housing that is constructed in any new development.

Lastly, the City of Glenwood Springs recognizes that affordable housing is a valuable community resource that needs to remain available for not only current residents and employees, but also for those who may come to the area in the future. For this reason, community housing units that are constructed are subject to these Guidelines and the City's inclusionary housing requirements as outlined in Article 070.045 of the Glenwood Springs Municipal Code. Community housing units will be held as permanently affordable through deed restrictions or other methods to ensure prices remain affordable over time.

B. Applicability

These Guidelines shall apply to land use applications for the development of for sale, and rental housing units that must demonstrate compliance with Article 070.045 – Community Housing Standards and Guidelines in the Glenwood Springs Municipal Code

C. Exemptions

Development Exemption

Per Section 070.045, the following development is exempt from inclusionary housing requirements and these Guidelines:

1. Designated employee dwelling units.
2. Vested land use approvals prior to (Ordinance Adoption Date), 2021, the effective date of Article 070.045 – Community Housing Standards and Guidelines , in the Glenwood Springs Municipal Code.

Local Employment Exemption

The following exemptions to the local employment requirement may be authorized by the City in writing, in accordance with the review and approval process outlined in Section D. below.

1. Persons at or above the full benefit age for federal Social Security, has worked in the employment area an average of at least 30 hours per week on an annual basis for at least four (4) continuous years prior to retirement.
 - a. Housing Mobility for Retirees: When determined to be appropriate, the City may authorize a qualified retiree who meets the minimum length of employment and age requirements described above to move into a new or different deed-restricted unit, rather than requiring such individual to continue occupying the same deed-restricted unit he/she has been occupying prior to retirement. This provision is intended to allow mobility within the City's deed-restricted housing inventory by allowing retirees to downsize into smaller housing units, if desired, thus making larger units available to larger household sizes in need of deed-restricted housing.
2. A disabled person who has been a full-time employee in the employment area a minimum of two years immediately prior to their disability. It is the responsibility of the applicant to demonstrate eligibility.

Employment Area Exemption

A Qualified resident means a person who is employed in the Employment Area identified as the municipal boundary of Glenwood Springs. If no qualified applicants are received for a for sale or rental

unit, applicants may be drawn from the next prioritized employment area.

1. **Employment area one** – employees working for an employer with a physical address within the corporate city limits of Glenwood Springs, are directly employed by a company that has its principal office located in the city limits, or an employee who is self-employed within the corporate city limits of Glenwood Springs.
2. **Employment area two** – employees working for an employer whose physical address is located within the 81601 zip code, or an employee who is self-employed within the same area.
3. **Employment area three** – employees working for an employer within a thirty (30) mile radius of the corporate city limits.

D. Organization of the Document

These Guidelines consist of six parts:

- I. ***Purpose, Applicability and Exemptions***, which outlines the reasons for the housing guidelines and provides guidance as to which land use applications are subject to the guidelines, as well as exemptions from the requirements.
- II. ***Development and Initial Sale of Community Housing Units***, which instructs land developers and builders on mechanisms for satisfying Article 070.045 – Community Housing Standards and Guidelines – Administration in the Glenwood Springs Municipal Code.
- III. ***Eligibility, Ownership and Re-sale of Community Housing Units***, which provides guidance to persons interested in purchasing or renting community housing units, as well as the re-sale of community housing units.
- IV. ***Grievance Procedures***, which provides the means for filing of complaints associated with the administration of the Glenwood Springs housing Guidelines.
- V. ***Periodic Review of Housing Guidelines***
- VI. ***Definitions***, which define words or phrases used in the Guidelines.

DEVELOPMENT AND INITIAL SALE OF COMMUNITY HOUSING UNITS/LOTS

An applicant/developer of any new residential development, subdivision, or annexation with the City of Glenwood Springs, except as provided for in Part 1, Section C., is subject to Article 070.045 – Community Housing Standards and Guidelines per the Glenwood Springs Municipal Code.

This ordinance requires that residential developments of ten (10) or more units/lots provide at least Twenty (20%) percent of the total residential units to be deed restricted for Resident Occupied Community Housing and 10% of those units/lots as Community Housing units/lots as defined in these Guidelines. The requirement is imposed as a condition of approval for residential development, including:

- Annexations;
- Planned Unit Developments;
- Major and minor subdivisions; and
- Major and Minor Site/Architectural development permits.

The ordinance specifically requires that:

1. Twenty (20%) percent of the total residential units in any new residential or mixed-use development proposing to create five (5) or more residential dwelling units shall be deed restricted for Resident Occupied Community Housing.
2. Ten (10%) percent of the total residential units in any new residential or mixed-use development proposing to create five (5) or more residential dwelling units shall be deed restricted to limit the average Initial Sales Price to no greater than that which is affordable to Households earning no more than 100% AMI; or to limit the Community housing rental unit rental prices in accordance with guidelines established by the City and generally set at rates that are affordable to Households with incomes no higher than 80-100% AMI, averaged over the total required deed restricted units.
3. The development may provide up to 50% of the required mitigation through the restriction of existing units.
4. Developments that add ten residential units over a period of time after the effective Ordinance are subject to requirements of this section. The ten unit threshold is based on the new dwelling units added from the effective date of Ordinance No. 1, Series 2021, not the total number of dwelling units (existing plus new).

5. Fractional remainders. The development's mitigation responsibility will be rounded to the nearest whole number: below 0.75 round down (= 0 unit) and round up from 0.75 and higher (= 1 unit).
6. The established sales prices of community housing units within specified income categories within a development when averaged shall be equal to a sales price or rental price that is affordable to households earning 100% of Area Median Income (AMI), as defined by the Department of Housing and Urban Development (HUD) for Garfield County.

A. Preference for Community Housing Location

1. On-Site Housing – It is the clear preference of the Community Housing Program to include community housing/lots within the proposed development (on-site housing). These units/lots are to be distributed throughout the development, to the extent possible.
2. Off-site Housing – Off-site housing is a less desirable means of fulfilling inclusionary community housing requirements and as such may only be allowed at the discretion of the governing body approving the land use application that generates the inclusionary housing requirement. A proposal for off-site community housing units or lots shall be considered on the basis of criterion outlined in *Part II Section F. Off-Site Housing Application Procedures* in these Guidelines.

B. Housing Mitigation Plan

Developers seeking any residential development approval or residential building permit for three or more units, lots, or condominiums, must demonstrate compliance with the requirements of Article 070.045 – Community Housing Standards and Guidelines per the Glenwood Springs Municipal Code. In order to receive approval of a Planned Unit Development (PUD), subdivision, annexation, condominiumization, or development permit, the developer must receive approval of a Housing Mitigation Plan (HMP). The HMP is subject to the review and approval of the Planning and Zoning Commission or the City Council, whichever body has the authority to approve the land use application.

An Electronic copy and three (3) copies of the HMP shall be submitted to the Glenwood Springs Community Development Department either prior to or concurrent with the land use application. Additional copies may be requested if deemed necessary. A schedule of deadlines and meeting

dates for land use applications is available at the Glenwood Springs Community Development Department.

At a minimum, the HMP shall include the following information:

1. Total number of residential units or lots and designation of units/lots as either market rate or community housing units/lots; designation as attached or detached units; a description of the type of unit, i.e. townhome, condominium, etc.; bedroom configuration and net square footage of each unit,
2. If a subdivision of land into individual lots is part of the application, the size of each lot within the development, which includes the average size of the market rate lots and average size of community housing lots shall be provided.
3. Targeted income category for each proposed community housing unit, as specified in *Part II Section C. Initial Sales Prices* in these Guidelines, to ensure sales and rental prices for all community housing units or lots within a development average to 100% of AMI, as specified in the ordinance.
4. A separate calculation of average size of finished net square footage both for market rate units and community housing units, excluding garages and unfinished basements;
5. Location of community housing units and/or lots within the development, by unit type and size;
6. A phasing/construction plan schedule for both market and community housing units and/or lots within the development or subdivision.
7. An estimate of homeowners association assessments for both market rate units/lots and community housing units/lots, to ensure compliance with *Part II Section I. Home Owners Associations* in these Guidelines.

The Planning and Zoning Commission or City Council, whichever is the final approving body of the land use application, shall certify its approval, approval with conditions, or denial of the HMP. Such approval, approval with conditions, or denial shall be based on compliance with Article 070.045 – Community Housing Standards and Guidelines and Section 070.045.080 – Incentives for Residential Developments (Inclusionary Housing) Over One (1) Dwelling Unit, as well as these Guidelines.

An approved HMP shall become part of the legal agreements, i.e. Development/Subdivision/Annexation agreements, executed by the City of Glenwood Springs and Developer for any approved project. A covenant setting forth the deed restriction and other requirements of these guidelines may be recorded against the property. Any

amendment to the HMP shall require the approval of the body that approved the original land use application.

C. Maximum Initial Sales Prices

1. Community housing units provided through this program will be priced to two income categories unless the mitigation requirement results in an odd number of units; in which case the odd numbered unit shall be priced per 2. in this subsection.

Category 1 – targets families with incomes up to 100% of Area Median income (AMI) based on persons per household. Units in this category will be set at a sales price affordable at 90% of AMI.

Category 2 – targets families with incomes up to 120% AMI based on persons per household. Units in this category will be set at a sales price affordable at 110% of AMI.

These ranges have been established based upon the area median income for Garfield County, with adjustments for household size as published annually by the U.S. Department of Housing and Urban Development.

2. If an odd number of community housing units is required per the 10% mitigation requirement, the odd unit(s) will be priced with a sales price affordable at 100% of AMI and the maximum income eligibility category for purchasers of the unit will be set at 110% of AMI.

Example:

A development of 30 units would require mitigation equal to 3. units. The three community housing units would be priced as follows to meet the average sales price at 100% per Article 070.045 of the Municipal Code:

1 st community housing unit	Category 1 – sales price at 90% of AMI. Income category maximum at 100% of AMI.
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2 nd community housing unit	Category 2 – sales price at 110% of AMI. Income category maximum at 120% of AMI.
3 rd community housing unit	Sales price set at 100% of AMI with maximum income at 110% AMI.

- The final sales price for each required community housing unit will be provided by the Administrator 120 days before targeted issuance of a Certificate of Occupancy for the community housing unit. The sales price will be based on the income category designated for the unit in the approved Housing Mitigation Plan for the development. Developers bear the responsibility of informing the Administrator in writing as to estimated completion dates of units and anticipated issuance of a Certificate of Occupancy to ensure that the marketing, lottery, and sales process coincide with the completion of the housing unit(s). Delays in notifying the Administrator as to the estimated completion date of a Community Housing unit may result in delays to closing on the sale of units.
- The sales price for community housing units shall be based on a 95% loan to value ratio, based upon a 30 year mortgage using 18 months trailing average interest rate.
- The sales price shall be calculated based on principal, interest, taxes, insurance, private mortgage insurance and homeowners association dues that do not exceed 30% of the gross monthly income.
- 20% of the gross monthly household income has been deducted for taxes, private mortgage insurance, homeowners insurance and homeowners association dues. Actual costs may be used if available.
- Sales prices for Community Housing units will be established according to the following number of persons per bedroom configuration.

**Number of Persons by Bedroom Configuration
Used to Establish Sales Price**

Number of Persons in Household	Bedroom Configuration
1 Person HH	Studio

1.5 Person HH	One Bedroom
2 Person HH	Two Bedroom
3 Person HH	Three Bedroom
4 Person HH	Single Family Detached

One bedroom units are priced based on an income that is halfway between the one person household size and two person household size. This has no real relationship to the number of persons in a household and income; rather, it is simply a basis to define an income for a unit as a means to establish the sales price. It is acknowledged that smaller or larger households may seek to purchase smaller or larger units. For example, a three person household may purchase a two-bedroom unit or a four-person household may purchase a three-bedroom unit. What is important is that the total household income of the buyer does not exceed the maximum allowable income established for the Community Housing Program and that the sales price does not exceed that defined for the Program.

AMI figures are published annually. The Administrator shall have the authority to update sales price figures in these Guidelines annually upon HUD's publication of new AMI figures. The actual sales price for a community housing unit will be calculated approximately 120 days prior to completion of the community housing unit and will be based on the most current AMI figures, 18 months trailing average interest rates, and the formula for calculating prices in this section, prior to the date the sales price is established by the Administrator.

A deed restriction and/or covenant controlling the sales price by income category, as well as the appreciation cap on units and lots shall be executed by the developer and recorded with the approved Housing Mitigation Plan and land use approval documents.

D. Maximum Rent

The gross rental price, including utility allowance and non-optional fees, of any deed-restricted unit shall not, at the time of leasing, exceed the maximum rents established according to Colorado Housing and Finance Authority, Colorado County Income and Rent Table, for one hundred twenty (120) percent of the Garfield County Area Median Income.

The average of all deed-restricted units in a development shall not exceed one hundred (100) percent of the maximum rents

established according to the Colorado Housing and Finance Authority, Colorado County Income and Rent Table, as determined at the time each individual unit was leased.

Community Rental Housing Reporting Requirement

The owner of a deed-restricted rental unit shall annually provide a report and proof to the City or its designated representative agency of its compliance with the rental requirements set forth in these guidelines for the prior twelve-month period.

Items required for reporting may include but are not limited to:

1. The number of deed-restricted units rented;
2. The period each unit was rented and the status by which the occupant(s) qualified under the deed restriction;
3. The monthly rental price; and
4. The taxes, special assessments, and homeowners' association and management fees, and any other fees or charges, including common utilities, assessed to each unit.

E. Mix of Units

The mix of bedroom configuration and housing type for community housing units provided in the HMP shall closely mirror the mix of bedroom configuration and housing type of the market rate units in a development. Additionally, the following formula shall be applied to determine the total number of required bedrooms in community housing units:

1. Multiply the number of community housing units required by 2.86, the average number of persons in a household, then,
2. Divide the result by 1.5 (U.S. Department of Housing and Urban Development criteria of number of persons per bedroom). The resulting number is the required number of bedrooms that must be dispersed among the required community housing units, while also providing a mix of bedroom configurations that closely mirrors the market rate bedroom mix in the development. For example, if the market rate development has three bedroom units equal to 50% of the total market rate units, then the community housing units shall also have an equivalent 50% of the community housing units as three bedroom units.

3. Any fractional bedroom requirement resulting from the formula above shall be rounded up to the next highest number.

F. Off-Site Housing Application Procedures

The priority for Glenwood Springs is to foster economic integration of community housing units by requiring that these units are dispersed throughout new developments. Therefore, a request to meet inclusionary housing requirements off-site shall only be allowed at the discretion of the governing body which has the authority to approve or deny the specific land use application that triggers the inclusionary housing requirement. The development may provide up to 50% of the required mitigation through the restriction of existing units

1. **An application to satisfy inclusionary housing requirements off-site shall include the following:**
 - a. A written explanation as to why the location of community housing units off-site is being requested and a narrative that details how the proposal meets the criterion in 2. of this section.
 - b. A Housing Mitigation Plan meeting the requirements specified in *Part II Section B Housing Mitigation Plan* in these Guidelines.
2. **Criteria for consideration of a proposal to provide mitigation off-site will be based on the following:**
 - a. A demonstration that the purposes of this program would be better served by construction of units off-site, i.e. greater affordability, higher percentage of inclusionary housing mitigation, higher quality of building materials, etc.
 - b. The off-site location is in close proximity to other existing residential uses to ensure a sense of neighborhood is fostered.
 - c. That there are zoning, environmental, geologic or other special hazards on the land development parcel generating the inclusionary housing requirement such that the development of community housing units off-site would better meet the intent of this program.
 - d. The location off-site for community housing units is clearly superior in terms of proximity to transit routes; or, is convenient to commercial service areas and/or employment centers and/or schools.

- e. That evidence has been provided to verify the off-site location has received its development entitlements to ensure that housing units are available either prior to or concurrently with the market rate units that require housing mitigation.
 - f. That the developer has provided evidence that he/she owns the site or is contractually obligated to purchase the site where off-site community housing units will be located in order to ensure the units are developed concurrently with the market rate units.
 - g. That the proposal for community housing units off-site will not overly concentrate community housing units within a specific area of a development, community, or the City of Glenwood Springs as a whole.
 - h. That the community housing units off-site:
 - 1. Will be constructed before or concurrently with the market rate units in the development prompting the inclusionary housing mitigation,
 - 2. Are not designated as community housing units to fulfill inclusionary requirements for a different development.
 - 3. Will be of equivalent value, quality and size to the market rate units in the development prompting the inclusionary housing requirements.
 - 4. Are not existing residential units.
 - 5. Meet all other requirements of these guidelines relative to sales prices, size, quality, percentage of homeowner's assessments relative to market rate units at the off-site location.
3. In granting approval of an off-site housing proposal, the governing body shall have the authority to impose conditions above and beyond the requirements of these Guidelines including, by way of example only, any of the following:
- a. A higher percentage of mitigation than the 20% RO and 10% affordable mitigation rate specified by Article 070.045 of the Glenwood Springs Municipal Code.
 - b. A requirement that the Community Housing units be set with sales prices targeted to a lower income group than specified by these Guidelines, i.e. to households earning 80% or less of Area Median Income.

- c. Increased amenities for the community housing units which may include higher grade interior and exterior finishes, garages, balconies, decks, open space areas, energy saving construction, and similar improvements.

G. Mitigation for Residential Lot Subdivisions

For those developments of vacant land where new lots are to be created, but the developer does not intend to develop housing units, i.e. subdivisions, the developer may satisfy his or her inclusionary requirement by dedicating the calculated 20% of required lots to the City or its designated agent. Lots so provided shall meet the requirements of Title 070 of the Glenwood Springs Municipal Code and shall be located on-site within the primary development. Each lot shall have sufficient area devoid of environmental or other constraints to allow construction of a residential unit thereupon. All public infrastructure improvements to support development of the lot(s) with residential units shall be in place prior to conveyance of the lot to the City, or sufficient security in accordance with the requirements of Title 070 of the Glenwood Springs Municipal Code shall be provided. Lots dedicated for community housing shall have no encumbrances. Homeowners' association fees for community housing lots shall be based on the formula for lots outlined in *Part II Section I Home Owners Associations*.

Dedication of lots to fulfill inclusionary housing requirements shall occur at the same time as plat recordation. The City, or its designated agency, shall assume responsibility for the development of community housing units on lots that have been dedicated to fulfill inclusionary housing requirements.

H. Dedication of Land In-Lieu

Under certain conditions and requirements, at the sole discretion of the governing body authorizing approval of a specific land use development subject to inclusionary housing requirements, a developer may satisfy his or her inclusionary requirements by the conveyance of vacant land within the city that is not part and parcel of the proposed development or subdivision parcel that prompts the inclusionary housing mitigation.

Dedication of land in-lieu of developing community housing units, shall be subject to the review and recommendation of the City's Community Development Director (Director) to the governing body. The review shall be for purposes of a determination of the land's suitability and value. At

a minimum, the proposal shall contain the following information based upon site specific review and analysis prepared at the developer's expense:

1. Likely number of affordable housing units that could be accommodated on the land parcel.
2. Zoning requirements for residential use.
3. Availability of public infrastructure to the site, i.e. access, legal and adequate water supply, capacity for adequate wastewater treatments facilities.
4. Disclosure of known hazards or special encumbrances limiting development.
5. Proximity to existing services and amenities.
6. An appraisal of the land prepared by an independent appraiser.
7. Overall compliance with the standards set forth in the Housing Guidelines.

I. Home Owners Association

The developer shall make reasonable efforts to minimize homeowners and condominium association (hereinafter referred to as HOA) dues for community housing units. HOA dues can significantly impact affordability.

Any documents creating a condominium or homeowners association shall state that the Community Housing units shall only be assessed monthly dues and other shared assessments based on whichever of the following two formulas results in the lower cost of assessment for the community housing unit:

1. The size of the individual community housing unit in square feet compared to the average size of the market rate units in the development. For example, if a community housing unit's size is 60% of the size (in square feet) of the average size of all other market rate units offered in the development, then the home owner's association dues for the community housing unit would be 60% of the average assessment of all market rate units. To easily compute this, the square footage of the community housing unit would be calculated as a percentage of the average square footage of the market rate housing.

**Example – Computation
Based on Square Footage**

Market Rate Unit	Community Housing Unit
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Average Square Feet	1,500	850
% of Market Rate Unit Size	100%	57%
HOA Dues	\$175	\$99

- The size of the lot on which the community housing unit is located as compared to the average size of other lots in the development. For example, if the average lot size of market rate housing is 10,000 square feet and the average size of a lot for a community housing unit is 6,500 square feet, then the community housing unit would pay 65% of the HOA Dues on a monthly basis.

**Example- Computation
Based on Lot Size**

	Market Rate	Community Housing
Average Lot Size	10,000	6,500
% of Market Rate Unit Size	10%	65%
HOA Dues	\$ 175	\$ 114

In order to comply with this provision, the developer must include these calculations in the Housing Mitigation Plan. If neither of the two proration formulas noted above produces a lower monthly fee for the community housing units, then the monthly homeowner’s fee assessment shall be 75% of market rate homeowners fee assessments.

Special assessments for community housing units shall be 75% of market rate homeowners special assessments.

Upon final project approval, the developer will provide the final average unit sizes and lot sizes to the Administrator. Lastly, a copy of the Homeowners documents including, Declarations and Covenants, Articles of Incorporation, Bylaws, and Association Rules and Regulations must be given to the Administrator at least 30 days prior to adoption for review. HOA documents must be reviewed and approved prior to issuance of a Development Permit/Agreement, Subdivision Agreement, or recordation of any subdivision or condominium plat.

J. Unit Quality

Community housing units are an asset that the City of Glenwood Springs hopes to have available for years to come. Because of this, the quality of the housing is very important. It is expected that all community

housing design will address livability, maintenance, health, safety concerns, climate, lifestyle, and the needs of the types of household the units are intended to serve. Amenities add to the livability of a unit; however, costly amenities are strongly discouraged. Energy efficient design, construction, appliances and heating systems are encouraged so that the long-term affordability of community housing is enhanced. Structured parking is encouraged, as are balconies, decks and small yards to enhance livability.

Community housing units shall comply with all local codes. If market rate units include features such as kitchen cabinets, countertops and dishwashers, disposals, air conditioning and energy efficient windows, it is expected that the community housing units will contain similar features.

The following features are considered standard features that must be included in a community housing unit and for which the developer shall not charge extra:

- Kitchen range/oven
- Kitchen refrigerator
- Dishwasher
- Hook-ups for clothes washer and dryer
- Central heating system

The Administrator will review the plans for the units to assure that there are similarities between the market rate and community housing units and inspect them upon completion to assure all promised features are included in the units.

K. Incentive and Fee Waivers

1. Incentives and fee waivers for developments with inclusionary housing are stated in 070.045.080

2. Incentives for community housing units – The City of Glenwood Springs is interested in promoting more affordable housing; therefore, any residential or mixed use development proposing to create one or more residential units that provide community housing units may be entitled to incentives as outlined in Section 070.045 of the Glenwood Springs Municipal Code.
 - a. Density Bonus. As part of any new residential or mixed-use development, the City may offer a density bonus.
 - i. Developments proposed in Residential Zones shall be limited to one additional unit then the zoning would otherwise allow.

- b. **Site Design Flexibility.** Provided that the housing goals and eligibility requirements are met and provided that the intents and purposes of this Title are not compromised, the City may consider flexible application of design standards including, but not limited to minimum lot size, building height, lot coverage, impervious coverage, setbacks and landscaping. Parking requirements shall not be included for flexibility consideration.
 - i. Building height flexibility is limited to granting one additional floor no greater than twelve (12) feet in height.
 - ii. In reviewing a site design flexibility application the approving body shall find that the request meets all of the following criteria, as included in of Section 070.060.070(a) of the Municipal Code;
 - 1. The flexibility request does not harm the public health, safety, or welfare; and
 - 2. The flexibility requested is in general conformance with the Comprehensive Plan and with the stated purpose and intent of the Code including the specific regulation for which the flexibility is sought; and
 - 3. The flexibility requested will not violate building or fire code requirements.
- c. **Public-Private Partnerships.** The City may participate in, or facilitate participation with other governmental entities regarding financing or purchasing of Community Housing units directly from the applicant or by other means of subsidy or participation.
- d. **Tax Rebate or Reduction.** The City Council may at its sole discretion waive, reduce or rebate property, construction use, or other tax applicable to the project.

L. Deed Restrictions

In order to ensure that there is an on-going supply of affordable housing in Glenwood Springs, all community housing units will carry a re-sale or rental deed restriction or other form of covenant that guides the future sales of these homes. The deed restriction will be provided by the Administrator and will be executed by the developer. The deed

restriction will be returned to the Administrator for recording. A copy of the recorded deed restriction shall be provided to the Developer and purchaser of a community housing unit.

The deed restriction will set a limit on annual appreciation of 3% simple interest plus the cost of permitted capital improvements. The maximum re-sale price shall be no more than 3% simple interest, plus the cost of permitted capital improvements. The maximum resale price will be determined by the GCHA in accordance with these Guidelines.

Future buyers will be bound by the terms of the deed restriction. It is possible that a future buyer or those who purchase a Community Housing unit from an owner-occupant (re-sale of a unit) will agree to a revised form of deed restriction or covenant, as the City of Glenwood Springs' requirements governing future sales may be adjusted periodically to meet the interests of the community and/or lender requirements.

M. Schedule for Community Housing Units

Developers are required to provide community housing units prior to or concurrently with the production of market rate housing. The phasing schedule for community housing units is required as part of the Housing Mitigation Plan. Prior to receiving a building permit for either market rate units or community housing units, the developer must provide the Administrator with an updated construction schedule that clearly delineates the start and completion dates of all units within the development. The Administrator will notify the Glenwood Springs Building Department that a schedule has been provided and found to be acceptable prior to a building permit being released for the development, or a particular phase of a development.

N. Initial Sale of a Community Housing Unit(s)

Developer's Responsibilities – Several steps are involved in the initial sale of community housing units.

- a. The developer must work in cooperation with the Administrator to complete the sale(s) to a qualified applicant. The developer is strongly urged to authorize his/her real estate agent to act as a transaction broker for sale of the community housing unit(s). The Administrator may choose to contract with a real estate agent to represent buyers of the community housing units, but is not required to provide this service. Nonetheless, buyers will need assistance completing the purchase process

and the developer will be best served by making available his/her agent.

- b. The developer is required to provide the Administrator with a marketing packet at least 130 days prior to the estimated completion date of each community housing unit. The 130 day time frame is necessary to accommodate the process for marketing the community housing unit, advertising the lottery, qualifying potential buyers for compliance with the program Guidelines, the lottery, financing and closing. The Administrator may approve a different schedule or time frame to complete the sale of the community housing unit(s) or development. The schedule below is representative of the steps necessary to culminate the sale of a community housing unit.

Closing date established concurrent with issuance of final Certificate of Occupancy.

30 days prior to closing date, purchase contract is executed.

37 days prior to closing date, lottery is held to select prospective purchaser.

Approximately 120 days prior to closing, advertising of lottery is commenced.

Approximately 130 days prior to closing, marketing packet is submitted to the Administrator.

The marketing packet provided by the Developer shall include all information required in the Housing Mitigation Plan as noted in *Part II Section B. Housing Mitigation Plan*, as well as a production schedule for market rate and community housing units, which includes construction start dates and estimated completion dates. The schedule must indicate when pre-marketing activities will begin and when a model may be available. The marketing packet shall be provided to the Administrator in an electronic format. The marketing packet shall also include the following for the community housing unit(s) which are to be sold

1. Unit type(s),
2. Bedroom configuration(s)
3. Square footage(s)
4. Address,
5. Income category
6. Exterior and interior finish information.

7. Year, make and model of appliances included with the unit.
 8. Estimate of homeowner's association dues for community housing units per the calculation formula in *Part II Section I. Home Owners Associations*.
 9. Copies of homeowners association documents, covenants, conditions and restrictions and any other pertinent documents.
- c. The developer is required to prepare listings, sales contracts, extensions to contracts, and closing documents, and undertake all actions necessary to consummate the sale, or the developer shall contract with a licensed real estate broker to complete these actions.
 - d. The developer is required to hold at least one open house during the marketing period prior to the lottery, at a time convenient to the general public, preferably a weekend day. The open house may be held at a model unit or other completed unit, similar in design. The date for the open house shall be coordinated with the Administrator.
 - e. Within 48 hours of the lottery and selection of a potential purchaser, the Developer shall provide to the prospective purchaser and the Administrator the purchase contract for the community housing unit. The potential purchaser shall have seven (7) days to execute the purchase contract.
 - f. The Developer will be required to conduct a walk-through of the community housing unit with the prospective purchaser a minimum of 72 hours prior to the closing date specified in the purchase contract.
 - g. The Developer shall contact the Administrator one week prior to the closing date specified in the purchase contract to advise the Administrator as to the location, date, and time of the closing.

- h. The Developer shall provide a copy of the Deed Restriction, closing settlement sheets and signed Memorandum of Acknowledgement executed by the buyer to the Administrator within 7 days of closing. Within thirty (30) days of closing, copies of these documents with recording information shall be provided to the Administrator.

Administrator's Responsibilities – It shall be clearly understood by and between parties to a sales transaction that the Administrator is not acting as a licensed broker to the transaction, but as a representative of the City of Glenwood Springs and its interests.

- a. All purchasers and sellers are advised to consult legal counsel regarding examination of the title and all of the contracts, agreements, and title documents.

The retention of counsel, licensed real estate brokers, or such related services shall be at the purchaser's and seller's own expense. The fees paid to the City are to be paid regardless of any actions or services that the purchaser or seller may undertake or acquire.

- b. All purchasers and sellers will be treated fairly and impartially. Questions will be answered and help will be provided equally to purchasers and sellers in accordance with the current Guidelines.
- c. The Administrator shall attempt to help both parties to consummate a fair and equitable sale in compliance with the current Guidelines.
- d. The Administrator will begin a good faith marketing effort to attract buyers who qualify under the Guidelines of the program approximately 120 days prior to the estimated date of a Certificate of Occupancy for the community housing unit. Marketing activities may include advertising through the City's website and local newspapers, and distribution of the marketing packet to prospective buyers, employees and other agencies located within the City. This information will include the date(s) for the lottery, application requirements and

deadline, and the process by which a prospective buyer may be entered into a particular lottery;

- e. A copy of the deed restriction or covenant for the specific community housing unit will be provided to potential buyers.
- f. The Administrator will conduct a lottery for prospective purchasers that qualify under the Guidelines of the program. The lottery will be held approximately 40 days prior to the estimated completion date of the community housing unit. The Administrator will make reasonable attempts to notify buyers within 48 hours after the lottery that they are the successful bidder. Within two (2) days of the lottery, the successful bidder will be provided a contract to purchase and the deed restriction or covenant outlining the terms of ownership and re-sale of the community housing unit. The purchase contract must be executed within 7 days of the lottery. Buyers will be instructed to contact legal counsel prior to consummating the purchase contract.

ELIGIBILITY, OWNERSHIP AND RE-SALE OF COMMUNITY HOUSING UNITS.

A. Eligibility

Eligibility for community housing will be made without regard to race, color, creed, religion, sex, handicap, national origin, familial status or marital status. In order to be eligible to purchase a home under this program, an applicant must have one member who is a “full-time employee” as defined in these guidelines, working for an employer with its principal office located within one of the priority areas or as identified in the local employment exemptions.

1. **Priority of applicant** – The intended goal of the City’s inclusionary housing program is first and foremost to house those employees that are vital to employers located within the corporate limits of the city, which employers generally pay property taxes, sales taxes and licensing fees that support city services. For this reason, employees that are eligible for community housing per the definitions of the guidelines who are employed in priority category one, as defined in these guidelines, shall have a higher priority in any housing lottery than those employees in priority category two. Employees in priority two shall have a higher priority than those applicants in priority area three. As stated in the definitions in these guidelines, the three priority areas for community housing are as follows:

- a. **Priority area one** – employees working for an employer with a physical address within the corporate city limits of Glenwood Springs or an employee who is self-employed within the corporate city limits of Glenwood Springs.
- b. **Priority area two** – employees working for an employer whose physical address is located within the 81601 zip code, or an employee who is self-employed within the same area.
- c. **Priority area three** – employees working for an employer within a thirty (30) mile radius of the corporate city limits.

2. **Self-employed individuals** – Self-employed individuals are as defined in these guidelines. Self-employed individuals must demonstrate full-time employment, i.e. physically working a minimum of 1,500 hours per calendar year in one of the priority areas, as defined in these guidelines, an average of 35 hours a week, 10 months of a year; or 32 hours a week, 11 months of the

year. Full-time employment for qualification purposes shall not include minimum hours accumulated in various priority areas.

B. Application and Certification

An applicant seeking to purchase a community housing unit must apply to the Garfield County Housing Authority (GCHA) to receive a certification letter stating they are eligible to purchase a unit under the current Guidelines. The following information is representative of what will be required; however, the GCHA may make specific changes for each community housing unit lottery:

- A completed application form,
- Copies of federal and state income tax returns for the previous two years;
- W-2 forms for verification of employment or an offer of employment;
- Copies of pay check stubs for the previous three months;
- For self-employed individuals, Schedule C of tax returns, copies of 1099s and W-2s, current business license, profit and loss statements and other documents as required from the Administrator to determine that employment is within the corporate limits of Glenwood Springs or another of the allowed priority areas, whichever priority category the applicant is applying under.
- A current statement from all financial assets indicating the current balance, interest rate or annual dividend, a bank verification of all savings accounts;
- Copy of a driver's license and social security card or other identification documents as necessary to verify that all adult family members are legally residing in the United States; and
- Copy of a letter from an institutional lender, as defined in these Guidelines, of the applicant's choice demonstrating that the applicant has been pre-qualified for a specific loan amount and is financially able to purchase the unit on their own. Applicants are encouraged to investigate sources of financing prior to submitting an application to be entered into a specific lottery. Names of institutional lenders can be obtained from the Garfield County Housing Authority.
- Picture identification.
- Divorce Decree or Separation Agreement including alimony and child support. A copy must indicate that the decree or agreement has been entered into the record with all exhibits and supplements attached.

Following submittal of the above, the information will be reviewed by the GCHA. All information is confidential. The applicant will receive

certification that they are eligible to participate in the lottery that will be held for any of the community housing units to be sold under this program, provided the lottery is held within the time period that the pre-qualification letter from the lender is valid. It is the responsibility of the applicant to notify the GCHA when they wish to be entered into a specific lottery.

C. Limits on Owning Other Real Estate

Members of an applicant may not own other developed real estate or a mobile home in the city or within a 50 mile radius of the city at the time of application for purchase of a community housing unit. If property is owned within this area, the person with the ownership interest must list the property for sale simultaneous with closing on the community housing unit, while still demonstrating compliance with the asset/income limits as set forth in *Part III Section E. Maximum Income and Assets Guidelines*. The owner shall provide the Administrator with a copy of the appraisal of the property to verify the asset and a copy of the sales contract prior to culmination of the purchase of the community housing unit. Upon the sale of the other property, a copy of the closing documents verifying the sold price must be provided to the Administrator. If the property is not sold by the time of closing on the community housing unit, it must remain listed until sold. The owner has 180 days to sell the free-market unit. After this time period, if the property has not sold, the owner must list and sell the community housing unit according to their deed restriction.

If vacant land is owned at the time of purchase of the community housing unit, the land must remain unimproved. The value of this asset must be included in the total assets for qualification purposes. If the land is improved with a residence after purchase and occupancy of the community housing unit, the owner of the community housing unit must list the community housing unit for sale in accordance with the deed restriction within 90 days of the issuance of a Certificate of Occupancy for the unit constructed on the vacant land.

Any other owned real estate shall be included in the assets that are verified for qualification purposes.

D. Lottery

1. **Administrator's duties** – A lottery will be held for community housing units, unless, at the discretion of the City, it is determined that a lottery is not in the best interests of those households seeking to purchase a community housing unit. The City will

decide whether or not a lottery will be held at least 120 days prior to the date the developer proposes that units will be issued a Certificate of Occupancy. Owners, other than the initial developer of community housing units that are to be re-sold, shall follow the procedures for re-sale *in Part III Section J. Resale of a Community Housing Unit.*

The Administrator will advertise the lottery generally 30-60 days prior to the date that the lottery will be held. Sources of information about prospective lotteries will include, but not be limited to local newspapers and the City's official web site. The information contained in advertising the lottery shall be at the discretion of the Administrator, but will generally include a description, sales price and income maximums for households, as well as contact information for applications.

2. **Purchaser's obligations** – An applicant that wishes to enter a lottery must first have received a letter of qualification following approval of their application from the Garfield County Housing Authority (GCHA). An applicant that was previously qualified for a different lottery must contact GCHA to verify whether a new application is required. Generally, the application and approval process will require the submission of an application package as described in *Part II Section B* above a minimum of five (5) days in advance of any advertised lottery. An applicant should also be aware of the following with respect to entering a specific lottery:

- a. Households with incomes below the maximum income range set for a specific unit per *Part III Section E Maximum Income and Assets Guidelines*, may ask to be placed into the lottery for that unit if they are able to qualify for a mortgage that would support purchasing a higher priced unit; however, households with incomes that exceed the maximum range may not bid on lower priced units. For example, a household earning 80% of the AMI may bid on a unit priced in Category 2 if they have a letter indicating that they can qualify for a higher mortgage and have sufficient funds available for a down payment. However, a household earning income that falls within Category 2, but which exceeds the maximum income in Category 1, is not eligible to purchase a home listed with a sales price in Category 1.
- b. All required documentation submitted to verify household income shall be kept confidential and is not subject to public disclosure.

- c. At the closing, a Memorandum of Acknowledgement, of the deed restriction or covenant shall be executed by the buyer and will be recorded.

E. Maximum Income and Assets Guidelines

1. Community housing units provided through this program will be priced to income categories as outlined in *Part II Section C. Initial Sales Price*.
2. The maximum gross household net assets for each income category shall be \$150,000.

The Administrator shall have the authority to change the maximum incomes annually upon publication of new area median income figures from the Department of Housing and Urban Development (HUD).

F. Financing Options, Co-ownership and Co-signing

Any applicant who is selected to purchase a community housing unit is responsible for selection of their preferred financing option. However, the City or Administrator may require that financing be obtained from an institutional lender, a bank, a savings and loan association, or other lender which is licensed to engage in the business of providing purchase money mortgage financing on residential real property. In addition, any financing used to purchase a community housing unit must be a conventional or portfolio program that offers fixed or intermediate variable rate terms designed for entry level buyers (FLEX, My Community Mortgage, 5/1, 7/1, etc.) Sub-prime and non-conforming products are not permitted. Financing more than 100% of the sales price is not permitted.

Any co-ownership interest, other than joint tenancy or tenancy in common, must be approved by the Administrator, based on whether the tenants qualify for affordable housing under these Guidelines. Co-signers may be approved for ownership of the affordable housing unit, but shall not occupy the unit, unless they are a qualified buyer under these Guidelines. For example, a single person may have a sibling co-sign a loan. The sibling may only live in the unit if they are qualified under the program.

Purchasers of a community housing unit who desire to purchase a home and use a co-signer must earn at least 75% of the income needed to qualify for the purchase of the unit.

G. Occupancy

The purchaser or renter of a community housing unit must occupy the unit as his or her primary residence. Owners of community housing units will be required to certify occupancy in compliance with the housing guidelines annually.

Occupancy of the unit for fewer than 9 months out of 12 months shall deem an owner/occupant ineligible to continue to occupy the unit unless a leave of absence has been approved as outlined in *Part III Section H. Leave of Absence*.

H. Leave of Absence

If an owner must leave Glenwood Springs for a limited period of time and desires to rent the unit during their absence, a leave of absence may be granted by the City for up to one year. The owner must submit a request to rent the unit at least 30 days prior to when the owner plans to leave the area. The request shall include the reason(s) for the leave of absence, expected duration, and the intent of the owner to rent the unit. A leave of absence for more than one year may be approved; however, such leave of absence may not extend for longer than two years, except for owners called to active military duty.

The rent that may be charged shall not exceed the owner's monthly mortgage, homeowner's association dues, utilities remaining in the owner's name, taxes and insurance, and private mortgage insurance not included in the monthly mortgage amount and land lease costs, if any. An additional \$20 per month may be included in the total monthly rent. The owner may impose a security deposit and damage deposit at the time a lease is executed; however, the combination of security deposit and damage deposit may not exceed 1.5 times the monthly rent.

The owner shall rent to an employee and/or resident of one of the priority areas, who must also meet the eligibility and income provisions in the Community Housing Guidelines. The tenant must complete an application form, subject to the review and approval of the Administrator, to certify eligibility and agree to abide by the Homeowner's Association, Covenants, Rules and Regulations for the unit. Both the owner and tenant must sign a statement indicating that the covenants have been provided to the tenant and the tenant has received and reviewed the covenants. In addition, a copy of the lease agreement executed between the owner and tenant shall be provided to the Administrator.

I. Improvements

The City of Glenwood Springs wants to encourage maintenance of community housing units in good condition over time, while also ensuring there will be on-going affordable housing for future Glenwood Springs' employees.

Permitted capital improvements must be improvements or fixtures erected, installed or attached as permanent, functional, non-decorative improvements to real property, excluding repair, replacement and or maintenance improvements, except as specified below. Owners of community housing units are strongly encouraged to verify that improvements they wish to make are allowed under these Guidelines. In addition to verifying that the improvements are permitted under the Guidelines, owners should verify with the City of Glenwood Springs as to whether a building permit will be required for the improvements. Value will only be given for the following “eligible” property improvements by the Administrator:

- a. Improvements or fixtures erected, installed or attached as permanent, functional, non-decorative improvements to real property, excluding repair, replacements and/or maintenance improvements.
 - b. Improvement for energy and water conservation.
 - c. Improvement for the benefit of seniors and/or handicapped persons.
 - d. Improvements for health and safety protection devices.
 - e. Improvements to add and/or finish permanent/finished storage space.
 - f. Improvement to finish unfinished space.
 - g. Garages.
 - h. The cost of adding decks and any extension thereto.
 - i. Permanent landscaping.
 - j. Repairs or replacements related to structural, major mechanical or roofing deficiencies after any applicable warranty period is expired.
1. Permanent capital improvements made to community housing units which are not allowed to be used as the basis for an increase in re-sale prices are as follows:
- a. Upgrades or replacement of appliances, plumbing and mechanical fixtures, carpets and other similar items included as part of the original construction of the unit.
 - b. Improvements required to repair, replace, and maintain existing fixtures, appliances, plumbing and mechanical fixtures, painting, carpeting and other similar items.
 - c. Upgrades or addition of decorative items, including lights, window coverings, floor coverings and other similar items.
 - d. Jacuzzis, spas, saunas, steam showers and other similar items.

Nothing in the deed restriction prohibits other improvements to the community housing unit; however, credit towards the resale price of the unit will only be provided for **approved** “eligible capital improvements.”

J. Re-sale of a Community Housing Unit

1. Community housing units shall have a deed restriction or covenant carried with the title which restricts future sale of the community housing unit to individuals qualified by the Administrator under the guidelines of the program.
2. Unless otherwise required in the deed restriction, listing for re-sale of a community housing unit shall be with the Administrator, or its authorized agent. The re-sale process of a community housing unit shall begin with a meeting between the owner and the Administrator to review the deed restriction and to determine the allowed sales price. The sales price shall be fixed at the time of notification in writing by the owner of his/her desire to sell. Any owner of a community housing unit who intends to sell their home shall contact the Administrator as early in the process as is possible; however, at a minimum, notification of the intention to re-sell shall be submitted in writing a minimum of 90 days in advance of their scheduled sale date. Owners should be aware that no guarantee can be made as to the time that is necessary to complete the re-sale of a community housing unit and that the 90 day advance time period is simply a guide for this process.
3. The maximum resale price of a community housing unit shall include the purchase price and 3% plus permitted capital improvements:

3% Formula:

$$\begin{aligned} &.03 \times PP \div 12 \times \text{Number of Months Owned} + PP = \text{Base} \\ &\text{Resale Price} + \text{Permitted Capital Improvements} = \\ &\text{Maximum Sales Price} \end{aligned}$$

4. At the discretion of the City of Glenwood Springs, a lottery may be held if it is determined that there are a number of qualified households who would purchase the unit and where a lottery would be in the best interest of the community. The GCHA, or a designee, will oversee the sale in accordance with the community housing guidelines in effect at the time of the listing. Owners should anticipate that the resale process may take up to 90 days from the time of initial contact with the Administrator. There shall be a minimum listing period of three months before the price of a community housing unit is adjusted. Any termination of the listing may require the payment of administrative and advertising costs by the homeowner. These fees are outlined further in this section.

5. These guidelines are intended to assure that all purchasers and all sellers will be treated fairly and equitably. Questions will be answered and help will be provided by the Administrator and/or GCHA to any potential purchasers or sellers in accordance with the current Guidelines. Listings, sales contracts, extensions to contracts and closing documents will be prepared and all actions necessary to consummate the sale shall be undertaken by the Administrator, GCHA or their representatives.

6. The Administrator and/or GCHA will be acting on behalf of the City of Glenwood Springs. It should be clearly understood by and between all parties to a sales transaction that the Administrator is not acting as licensed broker to the transaction, but as a representative of the City of Glenwood Springs. The Administrator shall, nevertheless, attempt to help both parties to consummate a fair and equitable sale in accordance with the current Community Housing Guidelines.

7. All purchasers and sellers are advised to consult legal counsel regarding examinations of the title and all contracts, agreements, and related documents. The retention of counsel, licensed real estate brokers, or such related services, shall be at the purchaser's or seller's own expense. The fees paid to the GCHA are to be paid regardless of any actions or services that the purchaser or seller may undertake or acquire on their own.

8. Sales and Other Fees

a. Unless otherwise set forth in the deed restriction governing the community housing unit, at the closing of the sale, the seller will pay the Garfield County Housing Authority a sales fee equal to two percent (2%) of the sales price. Instructions may be provided to the Title Company to pay this fee out of funds held for the seller at closing.

b. Unless otherwise specified in the deed restriction, the seller will pay a one-half percent (0.5%) fee at the time of the listing, which will be applied to the 2% fee that is required to be paid at closing. This fee will be used to cover costs incurred by the Garfield County Housing Authority in advertising the home for sale, qualifying potential buyers and related administrative expenses. In the event that the sale does not proceed for any reason after the listing has occurred, this portion of the fee will not be returned to the seller.

9. If a unit is listed for sale and the owner must relocate to another area prior to completing the sale, the unit may, upon

approval of the City of Glenwood Springs , be rented to a qualified individual, at the owner's cost as described in *Part III Section H Leave of Absence*, for a maximum period of two years. A written request must be sent to the Administrator seeking permission to rent the unit until sold. All tenants must be qualified as described in *Part III Section G Occupancy*. The lease must stipulate that the community housing unit is listed for sale and that the tenant will be required to allow for showings of the property, with sufficient notice. The lease must also stipulate that the agreement may be terminated after six months, with sixty days notice, due to the sale of the property.

K. Maintenance Standards for Maximum Re-Sale Value

It is the responsibility of the homeowner to maintain the community housing unit in good condition. The community housing unit shall be sold with the fixtures, appliances, and other inclusions which were included in the initial sale of the unit. The following are the minimum maintenance standards to receive full value upon re-sale. If the City or Administrator determines that the homeowner has failed to meet these standards, the City or Administrator may deduct replacement and/or repair costs from the sale proceeds for any of the following:

- a. Clean unit.
- b. Carpet steam-cleaned two or three days prior to closing. Normal wear and tear of carpeting is anticipated; however, if carpeting has holes, stains, etc., the carpet and padding shall be replaced, or funds shall be escrowed from the seller's proceeds at the closing. Escrowed funds will be based on current market value per square foot for a comparable product, for use by the new buyer.
- c. All scratches, holes, burn marks, etc., shall be repaired in floors and counter tops, etc.
- d. No broken or foggy windows.
- e. All screens shall be in windows, if originally provided.
- f. All windows and doors shall be in working order with no holes.
- g. All locks on windows and doors shall be in working order.
- h. All keys shall be provided, e.g. door, mail box, garage.
- i. All mechanical systems shall be in working order.
- j. Walls shall be paint ready, e.g. all holes patched, all nails removed.
- k. There shall be no leaks from plumbing fixtures.
- l. There shall be no roof leaks.
- m. Any safety hazard shall be remedied prior to closing.
- n. All light fixtures shall be in working order.

L. Refinancing Community Housing Units

A community housing owner that wishes to refinance their residence must contact the Administrator of the housing program to determine the value of the home relative to the applicable deed restriction for their unit. Owners may provide documentation for approved capital improvements made to the home. Owners may not refinance for more than 100% of the value determined by the Administrator.

GRIEVANCE PROCEDURES

A grievance is any dispute that a unit owner, purchaser or developer may have with the City of Glenwood Springs, the program's designated administrator, or GCHA with respect to action or failure to act in accordance with the rights, duties, welfare or status of these persons or entities.

A. File Written Complaint.

Unit owners, purchasers, or developers that wish to file a grievance, must submit the grievance in writing so that it is received by the Director for the City of Glenwood Springs within ten (10) days of the alleged action complained about. The grievance shall contain the following information:

1. Grounds for the grievance.
2. Action requested.
3. Name, address, and phone number of complainant and similar information for the complainant's authorized representative.

B. Meet with Community Development Director.

Upon presentation of a written grievance, the Director shall meet with the complainant within seven (7) working days of receipt of the written grievance. Following the meeting, the Director shall provide a written decision on the grievance mailed within three (3) working days of meeting with the complainant.

C. Scheduling of Hearings for Grievances

1. If the issue that is the subject of the grievance is not resolved to the satisfaction of the complainant after a decision is rendered by the Director, the complainant shall have the option of scheduling a hearing before the City Council to consider the grievance. The request for the hearing shall be filed following the procedures in 070.060.070(c) Appeals.

D. Public Notice for Grievance Hearings

1. The Director shall be responsible for notice of a grievance hearing in accordance with Section 070.060.070(c) *Appeals* of the Glenwood Springs Municipal Code.

2. In preparation for the hearing, the Director shall provide:
 - a. The written grievance;
 - b. The factors affecting a successful resolution of the grievance;
 - c. Any documents provided by the complainant; and,
 - d. A recommended course of action.
3. The complainant has the right to be represented by counsel at the grievance hearing.
4. The City Council and the complainant shall have sufficient opportunity before the hearing to examine documents, records and regulations that are relevant to the grievance. Documents that are requested by the complainant shall be made available; however, the costs of copies and staff time associated in providing documents shall be borne by the complainant. Documents that have not been requested and made available prior to the hearing may not be relied on during the hearing.

E. Conduct of the Hearing

1. If the complainant fails to appear at the scheduled hearing, the City Council may make a determination to postpone the hearing or will make a determination based upon the written documentation and the evidence submitted.
2. Review of oral or documentary evidence shall not require strict compliance with the rules of evidence applicable to judicial hearings. However, the complainant may not present documents or new evidence at a hearing concerning eligibility, which have not been previously submitted and considered by the Administrator in reaching its decision of ineligibility.
3. The right to cross-examination shall be at the discretion of the City Council and may be regulated by the City Council as it deems necessary for a fair hearing.
4. Hearing record. The following documents shall constitute the Hearing Record:
 - a. Written complaint.
 - b. Written documents and evidence considered at the hearing.
 - c. Minutes of the meeting and record of decision.

F. Decision of City Council.

The Glenwood Springs City Council shall provide a written decision that includes the reasons for its determination. The decision of the City Council shall be final from which an appeal may be taken to court in accordance with the laws of the State. The Administrator shall take all actions necessary to carry out the decision of the City Council.

1. If a determination is made of ineligibility for a lottery, and the hearing of a grievance cannot be scheduled before the lottery takes place, the complainant's name may be placed in the appropriate category for the lottery. If the complainant's name is chosen, then the closing will be postponed until the City Council can make a decision on the eligibility of the complainant.
2. All persons submitting an application for eligibility to purchase a community housing unit will sign an agreement stating that if they are found ineligible and the decision is later overturned by court action, their sole remedy will be entry in the lottery for the next available community housing unit in the event that the community housing unit originally applied for has been sold.

PERIODIC REVIEW OF HOUSING GUIDELINES

The Guidelines set forth herein shall be reviewed periodically by the Administrator and the City of Glenwood Springs. Except where otherwise noted in the Guidelines, the Guidelines shall be approved by resolution of the City Council of Glenwood Springs.

DEFINITIONS

The terms, phrases, words and clauses in the Community Housing Guidelines shall have the meaning assigned below. Any term, phrases, words or clauses not defined herein shall have the meanings as defined in the Glenwood Springs Municipal Code (GSMC). Any terms, phrases or words not defined in the Code shall have the meaning assigned in Webster's Third New International Dictionary, 1993, Unabridged.

Administrator shall mean an individual designated by the City of Glenwood Springs, be it staff or an outside agency, to administer the City of Glenwood Springs Housing program.

AMI shall mean the median household income estimates and program income limits compiled and released annually for Garfield County by the United States Department of Housing and Urban Development (HUD)..

Assets shall mean household assets excluding financial retirement plans qualified under the Internal Revenue Service and including real and personal property stocks, and any interest in an estate. Net assets are gross assets minus liabilities.

Bedroom shall mean a room to be used for sleeping purposes that meets applicable International Building Code requirements.

Capital improvement shall mean any fixture erected as a permanent improvement to real property excluding repair, replacement, and maintenance costs, unless otherwise defined in the Deed Restriction governing the community housing unit.

Category shall mean income limits or sales prices as determined by the Guidelines according to household income and net assets.

City Council shall mean the Glenwood Springs City Council.

Director shall mean the Director of the Community Development Department for the City of Glenwood Springs.

Community housing or Community Housing Unit– A Residential dwelling unit within the City of Glenwood Springs that is deed restricted in accordance with this Article and the City of Glenwood Springs's Community Housing Requirements and Guidelines, as approved and amended from time to time by resolution by the City Council, and in

accordance with a deed restriction approved by the City of Glenwood Springs City Council or its designee..

Community Housing Guidelines (the Guidelines) shall mean the document that contains the procedures and guidelines for complying with Article 070.130 of the City of Glenwood Springs Municipal Code.

Community housing for sale unit means a community housing unit that is deed-restricted in accordance with this Article and the City of Glenwood Springs's Community Housing Requirements and Guidelines, as approved and amended from time to time by resolution by the City Council, and in accordance with a deed restrictions approved by the City of Glenwood Springs City Council or its designee to establish maximum initial sales and resale prices, as well as residency, employment and income qualifications for owners and occupants.

Community housing rental unit means a community housing unit that is deed-restricted in accordance with this Article and the City of Glenwood Springs's Community Housing Requirements and Guidelines, as approved and amended from time to time by resolution by the City Council, and in accordance with deed restrictions approved by the City of Glenwood Springs City Council or its designee, to establish a maximum rental prices, as well as residency, employment and income qualifications for owners and occupants.

Complainant shall mean a party who files a grievance relative to the administration of the Glenwood Springs Housing Guidelines.

Co-signer shall mean a joint signatory of a promissory note who shall not occupy the community housing unit unless qualified by the Administrator.

Consumer Price Index (CPI) shall mean, for purposes of these guidelines and the deed restriction, the Consumer price Index – West Region, Consumer Price Index, Urban Wage Earners and Clerical Workers (CPI-W) (1982-84+100), not seasonally adjusted, published by the U. S. Department of Labor, Bureau of Labor Statistics.

Covenant shall mean an agreement, convention, or promise of two or more parties by deed in writing, signed and delivered, by which either of the parties pledges himself to the other that something is either done, shall be done, shall not be done, or stipulated for the truth of certain facts.

Deed Restriction shall mean an enduring covenant placed on units or lots that identifies the conditions of ownership and occupancy of the units or lots to eligible households, and may control the prices of for sale units, initially and/or upon resale.

Dependent shall mean a minor child (21 years of age or younger) or other relative of the owner of a community housing unit, which child or relative is taken and listed as a dependent for federal income tax purposes by such owner, or his or her present or former spouse. (Dependents must also be related by blood or adoption and must reside with the owner at least six months and one day, 181 days, out of every 12 month period.)

Developer shall mean any person or persons engaged in the division of a parcel of land into two (2) or more parcels, the construction, re-construction, conversion, structural alteration, relocation or enlargement of any structure; any mining, logging excavation, landfill or land disturbance; or any use or extension of use that alters the character of the property.

Development shall mean the division of a parcel of land into two or more parcels; the construction; reconstruction; conversion; structural alteration, relocation or enlargement of any structure; any mining, logging excavation, landfill or land disturbance; or any use or extension of use that alters the character of the property.

Development Plan shall mean the entire plan to construct or place one or more dwelling units on a particular parcel or contiguous parcels of land within the city including, without limitation a planned unit development, site review or subdivision approval.

Disabled Person shall mean a person who meets the definition of "individual with a disability" contained in 29 U.S.C. Section 706(8), or as defined in the Americans with Disabilities Act of 1990.

Dwelling Unit shall mean a single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, cooking and sanitation.

Dwelling, Two Family means one (1) building on one (1) lot designed to be occupied by two (2) families living independently of each other.

Employee Dwelling Unit (EDU) shall mean a community housing unit that meets the following criteria:

- Located within or attached to a non-residential development, but has a separate entrance from the non-residential portion of the development;
- Not accessed from another residential dwelling.
- Detached from the non-residential development but located on the same lot, parcel or subdivision; or,

- Located at an approved site at a different location than the site of the employment generation.

Employer shall mean an individual, entity or business whose physical address is located within one of the priority areas, as priority areas one, two and three are defined in these definitions. If an employer is not physically based in one of the priority areas, the employee must be able to verify that they work in one of the priority areas for individuals, businesses or institutional operations a minimum of 1500 hours per calendar year.

Existing unit shall mean a dwelling unit located within the city, which has received development entitlements, is under construction, or which was completed prior to the development which requires inclusionary housing mitigation.

Fannie Mae (FNMA) – Federal National Mortgage Association, a quasi-governmental agency that purchases mortgage loans in the secondary loan market.

Full-time Employee shall mean a person who is employed on the basis of a minimum of 1,500 hours worked per calendar year, physically working in either priority area one or two (as defined herein), an average of 35 hours a week, 10 months of a year; 32 hours a week, 11 months of the year; and, who resides in the unit a minimum of 9 months out of the year; or a retired person who had been a full-time employee in a specific priority area for a minimum of four years immediately prior to his or her retirement; or a disabled person who had been a full-time employee in a specific priority area for a minimum of two years immediately prior to their disability; or the spouse of any such qualified employee, retired person, or disabled person.

Garfield County Area Median Income see AMI in these definitions.

Grievance shall mean any dispute that a community housing unit owner, purchaser, or developer may have with the City of Glenwood Springs or the housing program's Administrator, or Garfield County Housing Authority, with respect to action or failure to act in accordance with the rights, duties and welfare or status of these persons or entities.

Gross Household Income shall mean the combined gross income of all individuals who will occupy the unit regardless of legal status or relationship to the owner and which income earned or received includes income derived from employment, business, trust or other income producing assets including wage, alimony and child support, and distributions before deductions for expenses, depreciation, taxes and similar allowances.

Guidelines shall mean the document that contains the procedure and guidelines for administration and compliance with the requirements of Article 070.130 of the Municipal Code of the City of Glenwood Springs, as amended from time to time.

Household shall mean all individuals who will be occupying the community housing unit regardless of legal status or familial status.

Household Income shall mean the combined gross income of all non-dependent individuals who will be occupying the unit regardless of marital status.

Housing Mitigation Plan shall mean a plan which sets forth the means by which a developer will comply with Article 070.045 of the Glenwood Springs Municipal Code and Part II Section B. of these Guidelines.

HUD shall mean the United States Department of Housing and Urban Development.

Inclusionary Zoning shall mean the mandatory provision of community housing units or lots as a quid pro quo for development approval.

Income Eligible Household shall mean an individual or family whose household income does not exceed those within these Guidelines established annually based upon the Area Median Income for Garfield County, with adjustments for family size, as published by the Department of Housing and Urban Development.

Income Limits shall mean the income amounts on which the eligibility of households is based expressed as percentages of the AMI and in absolute dollar amounts, updated annually and contained in these Guidelines.

Institutional Lender shall mean any bank, savings and loan association, or any other lender which is licensed to engage in the business of providing purchase money mortgage financing on residential real property.

Lottery shall mean a random drawing to select a winner from eligible applicant families for purchase of community housing units.

Memorandum of Acknowledgment shall mean a recorded document stating the purchaser's acceptance and acknowledgment of the deed restriction or covenant placed against the units as well as the requirement to adhere to the Guidelines.

Net Square Feet shall mean interior living area that is measured interior wall to interior wall, including all interior partitions. Also included, but not

limited to habitable basements and interior storage areas, closets and laundry area. Exclusions include, but are not limited to, uninhabitable basements, mechanical areas, exterior storage, stairwells, garages (either attached or detached), patios, decks and porches.

Off-site shall mean a location for community housing units other than the parcel or lot where the residential development that generates the requirement for community housing units or lots is located.

Prequalification shall mean a borrower's tentative mortgage approval from a lender.

Priority area one shall mean that area that is within the corporate city limits of Glenwood Springs.

Priority area two shall mean that area within the 81601 zip code.

Priority area three shall mean that area within a thirty (30) mile radius of the corporate limits of Glenwood Springs.

Qualified Employees – See Employee Qualified Buyer.

Qualified Employer shall mean an employer of qualified employees.

Self-employed shall mean an individual who carries on a trade or business as a sole proprietor or an independent contractor; or is a member of a partnership that carries a trade or business; or who is otherwise in business for him or herself and who works for a profit or fees. The trade or business is required to provide goods or services to individuals, businesses or institutional operations a minimum of 1,500 hours worked per calendar year physically working in one of the priority areas, as defined in these guidelines, an average of 35 hours a week, 10 months of a year; or 32 hours a week, 11 months of the year.