

PLANNING AND ZONING COMMISSION
August 28, 2013 MEETING PACKET
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**AGENDA
CITY OF GUNNISON
PLANNING & ZONING COMMISSION
REGULAR MEETING
Rev 8/22/2013**

DATE: WEDNESDAY, AUGUST 28, 2013
TIME: 7:00 P.M.
PLACE: CITY HALL, COUNCIL CHAMBERS, 201 WEST VIRGINIA AVE.

7:00pm

- I. CALL TO ORDER**
- II. PLEDGE OF ALLEGIANCE TO THE FLAG**
- III. UNSCHEDULED CITIZENS**
- IV. CONSIDERATION OF THE AUGUST 14, 2013 MEETING MINUTES**
- V. PUBLIC HEARING AND POSSIBLE ACTION: Conditional Use Application CU 13-3, submitted by the City of Gunnison Police Department for the installation of telecommunication equipment including electronic transmitting and reception towers in the Industrial (I) zone district.**
- VI. COUNCIL UPDATE**
- VII. COMMISSIONER COMMENTS**
- VIII. PLANNING STAFF UPDATE**
- IX. ADJOURN TO WORK SESSION**

7:30 WORK SESSION

Gunnison County Housing Authority Subcommittee

To comply with ADA regulations, people with special needs are requested to contact the City of Gunnison Community Development Department at 641.8090.

This agenda is subject to change, including the addition or deletion of items at any time. Regular Meetings and Special Meetings are recorded and action can be taken. Minutes are on the City website at www.cityofgunnison-co.gov. Work sessions are not recorded and formal action cannot be taken. For further information, contact the Community Development Department at 641-8090.

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**DRAFT MINUTES AUGUST 14, 2013
CITY OF GUNNISON PLANNING AND ZONING COMMISSION
REGULAR MEETING**

7:00PM

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MEMBERS	PRESENT	ABSENT	EXCUSED
Erik Niemeyer	X		
Erich Ferchau	X		
Andy Tocke	X		
Bob Beda	X		
Greg Larson	X		
Stephanie White	X		
Councilor Stu Ferguson	X		

OTHERS PRESENT: Community Development Director Steve Westbay, Planner Andie Ruggera, Planning Technician Pam Cunningham, Police Chief Keith Robinson and Mathew Kuehlhorn.

I. CALL TO ORDER AT 7:00 PM BY CHAIR GREG LARSON

II. PLEDGE OF ALLEGIANCE TO THE FLAG

III. UNSCHEDULED CITIZENS.

IV. CONSIDERATION OF THE JULY 24, 2013 MEETING MINUTES. Councilor Ferguson moved and Commissioner Tocke seconded to approve the July 24, 2013 meeting minutes as amended.

Roll Call Yes: Niemeyer, Larson, White, Tocke, Ferguson
 Roll Call No:
 Roll Call Abstain: Ferchau, Beda
 Motion carried

V. PUBLIC HEARING AND POSSIBLE ACTION: ZA 13-3

Open Public Hearing. Chair Larson opened the public hearing at 7:08 p.m.

Proof of Publication. Proof of publication was shown for the record.

Review of Process. Director Westbay reviewed the process for a Text Amendment. The application is for a broad-based Code Amendment to address commercial elements of Amendment 64, as well as individual rights to use and grow marijuana for personal use. The history of Amendment 64 and the City ordinances was reviewed. City Ordinance 2, Series 2013 amended the *City of Gunnison Municipal Code* relating to General Offences; Ordinance 6, Series 2013 prohibited the operation of marijuana cultivation facilities, product manufacturing facilities, testing facilities and retail marijuana stores within the city boundaries, but they did not amend the *LDC*. The proposed Ordinance will memorialize in the *LDC* the Ordinances passed by City Council.

Director Westbay summarized the main points in the “Community Development Director Review” that was provided in the packet:

- the Text Amendment is balancing individual rights, the rights of the community at large and the associated health, safety and welfare components that the City is responsible for protecting.

- in preparing the application, he considered staff obligations and the objective components of Amendment 64;
- the terms of the proposed Text Amendment comply with the emergency regulations adopted by the State;
- there are 13 elements of regulations still under review at the state level, which is cause for concern;
- tracking marijuana in the commercial sense is not established, this could potentially cause retail marijuana to leak into the black market;
- marijuana is currently listed as a Schedule 1 substance under the *Controlled Substance Act*, it would be a misstep to move forward with something that would break federal law;
- the social implications in larger metropolitan areas were noted;
- State licensed retailers cannot use federal banking systems to maintain their assets, so they have a lot of cash on hand and they are being robbed;
- there is a conundrum between the *State Constitution* and federal laws that are in contradiction;
- it was a balancing act to address the policy that is being proposed.

Director Westbay stated that as a Certified Planner he cannot make a recommendation that is knowingly breaking a law. Personal use is allowed, commercial selling isn't. The State Attorneys General are saying they aren't after small-time users, just the large drug dealers. Imprisonment of small time users is a strain on the system.

Commissioner Beda interjected that the P&Z members all swore to uphold federal, state and local laws, which puts them in the same dilemma—to uphold the state and federal *Constitution* and state and local laws.

Commissioner Larson observed that it is almost like telling people it is ok to break the law.

Commissioner Ferchau said that there are a lot of things that are inconsistent between state and federal laws. The federal government allows states to pass these laws.

Director Westbay reiterated a quote from Unites States Attorney Jenny A. Durkan, who said, “In enacting the *Controlled Substance Act*, Congress determined that marijuana is a Schedule I controlled substance. Regardless of any changes in state law, growing, selling or possessing any amount of marijuana remains illegal under federal law...”

Commissioner Ferchau asked “Where is the gap that enables us to allow people to use marijuana?” Director Westbay said he is trying to balance individual rights with the public's health, safety and welfare.

Councilor Ferguson stated that the general principle is that the federal government defines that certain kinds of laws are the rights of the states. It reserves other categories that are not extended to the states. The *Controlled Substances Act* is one of those laws that supersede what the states want to do. Congress has been negligent in not addressing it. Therefore, we are in an undefined hazy situation because the laws are in conflict. Someone needs to sort it out. Commissioner Tocke asked if that would be a federal court declaring the state law unconstitutional.

Director Westbay stated that dilemma for the Commission is the land use law and granting of land use rights. Allowing the commercial, industrial, and retail sales components as a land use right is a

slippery slope. If someone opens a retail store, we cannot later amend the codes and prohibit stores without establishing them as nonconforming use. If we tell them they have to shut down, it is a taking. He said that growing in a house is one thing, but the City getting into a taking of a retail component would end up in court.

Commissioner Ferchau asked if we can authorize a certain act, behavior or business subject to reversing it in the future, as a condition of the approval. Director Westbay responded that would not be possible. The P&Z could put it in as a Conditional Use but would have to address fire suppression, smell and odors, but they can't do something retroactively.

Councilor Ferguson stated that in other Ordinances there is a severability clause, which says that if something is found unconstitutional, so be it. That could avoid the issue of a taking. Director Westbay responded that is a valid point, but it doesn't sway his recommendation. Congress has said it is a controlled substance and the federal district attorneys are going to enforce rules that have been enacted by Congress.

Commissioner Ferchau used the analogy of the Gunnison Sage-grouse as another instance of federal law being implemented and the federal enforcers realize they can't deal with all of the issues. The question becomes, does the County enforce that on their behalf by saying they want a permit from the federal government, or do they recognize that what they are approving is contrary to federal law? Director Westbay responded that is a laissez faire policy, but for land use, we either enforce the law or we don't enforce it.

Director Westbay reviewed the proposed changes to the Schedule of Uses table and the proposed review standards for Personal Use of Marijuana. He reiterated that commercial retail pot shops will be prosecuted by the District Attorneys. He said that distribution of marijuana out of Colorado is huge and the feds will be looking at Colorado. We should be conservative.

Chair Larson thanked staff and said he appreciates the work put into the recommendation.

Applicant Presentation. Director Westbay had nothing further to add.

Commissioner Beda asked if growing is allowed as part of the personal use in all zones. Director Westbay stated that it is, but there are limitations on the number of plants and the area used for growing.

Councilor Ferguson asked if there is a conflict between medical marijuana and Amendment 64 for personal use. Director Westbay responded that there is not, but commercial medical marijuana is prohibited. The City regulations recognize that and the land use tables recognize it. The proposed Text Amendment complies with both amendments and regulations.

Public Input. Matthew Kuehlhorn, director of the Gunnison County Substance Abuse Prevention Project (GCSAPP), addressed the Commission. He stated that GCSAPP's interest is in the health of community youth. He said they have been tracking what youth are reporting on use rates and perceptions that youth have. Through the Healthy Kids Colorado survey, they have data at the local and county level, for each school site, and they can compare across the state. He said there will be a commentary in the paper addressing this conversation. He said that the environment we create is going to affect youth, either positively or negatively.

He said that using alcohol as the measure, research says that if kids live around alcohol retail stores they will use alcohol unhealthily. He said that pot stores would cause youth to use it.

Mr. Kuehlhorn stated that there is research about what THC does to brains. There are indicators that if kids use marijuana regularly when the brain is forming they are more likely to have a lower level of “normal.” When we look at this conundrum we look at health for our kids. A high percentage of kids locally report that they are not using marijuana; the goal of GCSAPP is to keep it that way. He said that the data is the same between Gunnison and Crested Butte, but marijuana is easier to access locally than across the state.

Mr. Kuehlhorn said that between 2011 and 2012, young peoples’ perception of risk has dropped. They think marijuana is less risky now than they did in 2011. He relates that to Amendment 64 marketing—that is one of the pieces that people in prevention look at. One of the strategies is to increase the perception of risk. He said it equates to the prescription drug problem in which kids think if it is prescribed, it must be safe.

He added that the retail industry is already huge. In the tobacco and marijuana industry there are brand new products, such as small vaporizers and edibles. There is a market that, while adults love it, it is also attractive to kids. The tobacco and alcohol industries market to kids. Marijuana ads are similar to tobacco ads in the early 1900’s.

Commissioner Ferchau said that kids perceive the risk of negative consequences, such as accidents and arrest. When you compare marijuana and alcohol, pot is preferred because of those things. The perception of risk goes to consequences of use.

Mr. Kuehlhorn responded that perception of risk is difficult to address. It seems there is a long-term risk to the brain, and the challenge is to get the kid to look at the long-term effect.

Commissioner White asked if there are ideas of safe use, like safe drinking. Mr. Kuehlhorn responded that there aren’t, right now. The game of prevention has changed a lot. In the past, there was the “Just Say No” campaign and the DARE program. There is a prevention perspective that swings to more of a safe sex campaign. How can we come at it with education and help them understand the consequences; how can we ensure they use it safely? It is a slippery slope. For Colorado and Washington there are a lot of organizations dealing with it. We need to talk about prevention. It will be interesting to see what does come up.

Staff Presentation. Staff had nothing further.

Chair Larson asked what kind of position this puts the Police Department in.

Keith Robinson, Police Chief, addressed the Commission. He said that regarding the ethical standing, law enforcement has been dealing with this for a while. There are a lot of conflicts between state and federal law. The Police also take an oath, but they can’t enforce federal law at the local level. What the state has done is put in place something where they haven’t legalized pot, but the police can’t prosecute certain people under certain circumstances. The police can’t enforce federal law. On the other side, they have an obligation not to violate federal law. For example, if someone is arrested for DUI, they are asked if they have marijuana, if they do, they have to leave it in the car. If they go to jail, the jail won’t take it, so they have to throw it away. Or, it can be seized for protection, but before they can get it back they have to prove they can legally possess it. If they

can't legally take possession of it, it is disposed of as abandoned property. The state has confused everyone. Medical pot is protected under HPPA. People think they can mail it. That is a violation of state law. People think it is legal. It is only legal in that we can't prosecute under certain situations. People get in trouble and can't understand why. The role of the Police Department is to try to help people understand.

Since the police can't enforce federal law, they also can't put things in place to violate federal laws. If the City makes it legal, when it crosses to another state, did the City help precipitate transportation of drugs? There was a study that lists Colorado as one of the largest exporters of marijuana to other states. It is a big issue. Staff is trying to keep the City out of trouble and help people understand the issues.

Commissioner Ferchau asked what the process would be for reversing Amendment 64. Director Westbay responded that a court will have to strike it down as being unconstitutional. Councilor Ferguson stated that the likelihood of someone putting that together is remote. He predicted one of two outcomes: either a court will receive a challenge that will go to the Supreme Court, who will resolve it by wiping it out, or modifying federal law. Or, perhaps Congress will see that there is a large message and they will resolve it.

Commissioner Ferchau asked if it is illegal to buy or sell marijuana in the state. Chief Robinson replied that right now, you can buy and sell medical marijuana under the conditions that you are a caregiver or a distributor. Those jurisdictions that allow retail sales will be allowed to sell to anyone in the state, but they would have to have a license.

Commissioner Ferchau asked if it is illegal for a neighbor to buy your pot. Chief Robinson replied that there can be no financial gain, but you can give it to your neighbor. It alludes to the growing; using has to be done in private.

Commissioner Ferchau asked if "Consumer" in the Definitions be can be changed to read "Marijuana Consumer."

Chair Larson asked if there are any statistics in the county with Crested Butte having commercial shops. Chief Robinson said he doesn't know of any. Locally, there have been more instances of people mailing marijuana. There was one grow operation with nuisance complaints. In the county, there was one shooting directly related to marijuana growing. He said there has been violence in the past related to marijuana.

Councilor Ferguson said that the *Controlled Substance Act* does not make pot legal; it requires you to have a license. Chief Robinson said the feds put a use tax on medical marijuana and prosecution is based on failure to pay taxes.

Commissioner Beda said that one of the big bullet points on Amendment 64 was that it was going to be taxed. That was only on retail sales.

Commission Discussion

Commissioner Ferchau asked about square footage allowed for personal use. He also asked if it is possible to specify what type of environment marijuana can be grown in and enable a business to sell expensive grow equipment. Director Westbay responded that the issue is health and safety. The

hydroponics equipment can be used for other plants. Commissioner Ferchau asked if the City could require it to be grown in only one method or space to foster a business that [sells that type of equipment]. Director Westbay responded that he didn't contemplate that idea. The grow operations that are problematic are using huge lights and power cords, which is hard to regulate. He considered incorporating building and electric code provisions [but decided against it]. Staff decided growing must be in a concealed space. Some cities don't allow growing in an accessory structure. But the Gunnison Fire Marshal said that from a life safety aspect, it is safer to be in accessory structure than in a house.

Councilor Ferguson said, "What you have done is outstanding. I struggle with the conflict with federal law. If you look at the history of the United States from 1920-1933 during Prohibition, there are parallels. The federal government invested a lot of effort, the success rate was miserable and it created organized crime and a new type of criminals. As much as I hate to see drugs become a bigger part of society, my prediction is, it will happen and we have to find better ways to deal with it. We are simply treading water until a large portion of society reaches a conclusion on the issue. Ultimately they will. This is a transition. The ordinance fits the transition."

Commissioner Tocke said, "What we are looking at is an economy in infancy. What would it look like as a developed economy? Some of these things eventually may not be such issues. People don't want to take the effort to do it. There are plenty of us who don't use marijuana for non-litigious reasons and we won't necessarily use because it is legal." He asked if there was any information available about what the vote was for Amendment 64 in the city. Director Westbay said that those numbers can't be derived because it was a mail-in ballot. He said that he assumes that if this moves forward, there may be a push for a ballot initiative. Commissioner Tocke said he sees the flaws in how Amendment 64 is being handled and it isn't a bullet proof plan. He said that allowing personal use and industrial hemp also is against federal law. So we are picking and choosing. Some things are easier to enforce and control.

Chair Larson said that in a perfect world, a person could go to City Market and get their marijuana prescription filled, the FDA would control it, the THC levels would be monitored, and the ATF would be monitoring it. This isn't a perfect world. So we have to deal with the set of cards we have been dealt.

Commissioner Ferchau said he favors prohibiting industrial hemp in the Industrial zone since it is illegally federally. He would like clarification on the use of compressed gases since propane tanks are allowed to run barbeque grills. Director Westbay responded that that came from the Governor's task force. We aren't going to go out and tell someone they can't store a grill in the garage.

Commissioner Ferchau asked about growing – if a house is rented to five students 21 years of age or older, can they each have 75 square feet? Director Westbay responded they cannot, it is the total area in a single-family residence. Commissioner Beda asked how that will be enforced. Director Westbay responded it will be complaint-driven.

Close Public Hearing. Chair Larson closed the public hearing at 8:25 p.m.

Director Westbay asked if it is important to identify granting a use and taking as a Finding.

Commissioner Tocke asked, "If you allowed it, what would the situation be that you would revoke it?" Director Westbay responded that the values of the community could change and they could tell

leaders they don't like it and leaders can change the law. It is hard to backtrack. It is easier to allow something in the future than to take it away.

Director Westbay stated that Mathew Kuehlhorn provided a good overview of the social implications, which will be in the public record and will be provided to Council. The Commission added a Finding regarding youth perception and safety of youth.

Commissioner Ferchau asked about the demand for industrial hemp. Commissioner Beda said it is low. Discussion continued about hemp and the acreage needed to grow it. Commissioner Ferchau said he would back off on his recommendation to prohibit industrial hemp. He asked why it is prohibited in other zones. Commissioner Niemeyer responded because it is an industrial use. Commissioner Tocke interjected that it is not marijuana, it is hemp. Director Westbay said that the Commission could allow growth of hemp. Commissioner Ferchau asked if someone driving down the street could tell the difference (between hemp and marijuana). Chief Robinson said it would have to be tested. Councilor Ferguson said that it is the processing of the fiber product. Chair Larson interjected that it is an industrial use. Commissioner Tocke explained that it is something that is grown in fields. Discussion continued. Commissioner Ferchau said he was back to prohibiting it. Commissioner Beda said, it is in Amendment 64, but you would have to have acres of it. Councilor Ferguson said, "It is self-solving. In order to have enough volume of hemp, you are talking hundreds of acres. So if someone obtained it legitimately, they could process it." Commissioner Tocke said that, as far as a cottage industry goes, someone could do that.

Director Westbay said that if a plant is in a window, they will be asked to put in a closet, but it won't be tested.

Chief Robinson said that on the criminal side, if they see something unsafe, they call in the Building Official. The two work hand in hand and a lot of it is the practicality of enforcement.

Councilor Ferguson stated that "This is a reasonable balancing act and complies with the state *Constitution* and does not tread on federal laws. Either the court will decide or Congress will do something. Then this will be rewritten. I personally don't have a problem with moving it forward. It is a placeholder."

Commissioner Beda asked if other communities have acted. Director Westbay responded that some have done a blanket prohibition or moratorium. At the CML conference, the attorneys have been talking about it, but everyone is waiting for the state to write regulations. The Department of Revenue is getting ready to start licensing for those communities who are silent or who adopt it through the *Land Use Code*. It is all over the board. The buzz on the news is there will be fewer communities allowing it.

Commissioner Beda stated that the Montrose City Council is probably going to prohibit sales. Montrose County defeated Amendment 64, but Gunnison County was opposite. Do we look at our constituency and see how that works? Director Westbay responded that he brought a recommendation that is in line with his responsibilities as the Planning Director. His conclusion is that the feds are saying it is illegal. We are trying to balance individual use versus retail use that the feds may crack down on. We are taking a conservative approach to protect the interest of the City. We looked at state recommendations, definitions, and ordinances.

The Chair asked for a motion. There wasn't one. Discussion continued. Someone asked what would happen if the Commission doesn't make a recommendation. Director Westbay explained that the options are to approve, approve with conditions, deny or remand the application.

Commissioner Beda asked, "If we prohibit what the state law says we can do, what will that put on the Police Department?" Director Westbay responded that the Council has already put in codes that retail is illegal. Chief Robinson responded that he would assume that, as a zoning board, the Commission cannot affect personal use because that is not a use of land. The part that is in both amendments was the commercial application, which is back to his original statement about enforcement versus compliance. The police can't enforce, but they can put compliance issues in place. They can't enforce against use, but they can enforce how it is done. Personal use would be thrown open [without regulations].

Commissioner Larson reminded the Commission that what is being addressed is land use.

Councilor Ferguson said, "If we took no action, the net effect is people could still do their personal thing under the *Constitution*. But, they could grow it anywhere. Inaction doesn't mean it won't happen. The *LDC* would allow them to do it in a safe and reasonable manner. We are dealing with a land use. It is not within our purview to say you can't do it at all."

Commissioner Niemeyer asked if Council can mandate that P&Z do this. Director Westbay responded that under the *LDC*, there is an obligation to make a recommendation to City Council. If it became indecisive, he would pull the application and talk to Council about what they want to do. He asked the Commission if there is something they would like to change or if it is just that it is complex.

Chair Larson stated that he likes the recommendation and Findings and would like to see it go forward. He asked for a motion.

During the Planning and Zoning Commission meeting held on August 14, 2013, Commissioner Ferchau moved, Commissioner Tocke seconded and the Planning and Zoning Commission voted to recommend APPROVAL, to City Council of Zoning Amendment Application ZA 13-3, for a Text Amendment to establish standards for the home cultivation and home processing of marijuana and to prohibit marijuana clubs within the City of Gunnison, based on the following findings of fact:

1. The Planning and Zoning Commission finds that the record of this action includes the application contents on file with the City of Gunnison; all comments entered into the Public Hearing record; and provisions of the *City of Gunnison Land Development Code* and the *City of Gunnison Master Plan*.
2. The Planning and Zoning Commission finds that City Council previously approved Ordinance No. 2, Series 2011 that prohibits the use of land in the city boundaries for the retail sale, distribution, cultivation and dispensing of medical marijuana and the processing and sale of infused products.
3. The Planning and Zoning Commission finds that City Council previously approved Ordinance No. 2, Series 2013 that defines offenses and penalties related to personal marijuana use, possession and cultivation and prohibits the sale of marijuana without a license.

4. The Planning and Zoning Commission finds that City Council previously approved Ordinance No. 6, Series 2013 that prohibits the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities and retail marijuana stores within the City limits.
5. The Planning and Zoning Commission finds that the proposed amendment complies with the State of Colorado Emergency Regulations; however, 13 rules related to marijuana advertising, health and safety protections, labeling and inventory control and testing lack ruling detail and all contain notices that additional regulation is likely.
6. The Planning and Zoning Commission finds that Marijuana is currently listed as a Schedule I controlled substance under the *Controlled Substances Act (CSA)* enacted by Congress and that regardless of any changes in state law, growing, selling or possessing, any amount of marijuana remains illegal under federal law.
7. The Planning and Zoning Commission finds that the Federal government may restrict federal grants to states and municipalities unless anti-marijuana laws are adopted.
8. The Planning and Zoning Commission finds that the Drug Enforcement Administration has started a systematic crack-down on marijuana enterprises since criminal activity is a concern.
9. The Planning and Zoning Commission finds that City Council carefully considered the provisions of Article XVIII, Section 16(3) of the *Colorado Constitution*, and the impact of marijuana cultivation, processing and consumption for personal use in residential structures on the health, safety and welfare of the city and the inhabitants thereof, and has determined, as an exercise of its local land use authority, to regulate such activity in residential structures in a manner consistent with the City land use regulations.
10. The Planning and Zoning Commission finds that the Governor's Task Force (March 13, 2013) established that the use of compressed, flammable gases (including butane, propane and hexane) as solvents in the extraction of THC in a residential setting presents a significant life-safety risk to the citizens of the State of Colorado and the City of Gunnison.
11. The Planning and Zoning Commission finds that processes, methods, and certain materials used for growing, cultivating, and processing marijuana may present life-safety risks to citizens which risks may be reduced by the regulation of marijuana growth and cultivation.
12. The Planning and Zoning Commission finds that the consumption of marijuana and marijuana products in commercial or industrial buildings, such as in marijuana "clubs" may be detrimental to the public health, safety and welfare.
13. The Planning and Zoning Commission finds that the proposed text amendment establishes standards for the home cultivation and home processing of marijuana and prohibits marijuana clubs within the city of Gunnison.
14. The Planning and Zoning Commission find that the proposed ordinance will modify the *LDC Enforcement Section, 15.20.040 Penalties*, to comply with the maximum fine and/or imprisonment as adopted by Colorado State Legislation.

15. In regard to the process of this text amendment application, the Planning and Zoning Commission has reviewed the draft Ordinance, Series 2013 (enclosure 1) and the Planning and Zoning Commission finds that it complies with the established review standards (Section 15.150.050) of the *LDC*.
16. The Planning and Zoning Commission finds that the Gunnison County Substance Abuse Prevention Project director, Mathew Kuehlhorn, provided testimony that allowing commercial or personal use of marijuana reduces the perception of risk by youth and this social view may be detrimental to the health safety and welfare of the youth in our community.
17. The Planning and Zoning Commission finds that based on the findings cited above, the approval of this Text Amendment protects the health, safety and welfare of the community.

Roll Call Yes: Niemeyer, Beda, Larson, White, Ferguson, Tocke, Ferchau
Roll Call No:
Roll Call Abstain:
Motion carried

Given the lateness of the hour, it was decided not to adjourn to Work Session.

Chair Larson thanked Chief Robinson for his input.

VI. COUNCIL UPDATE. Councilor Ferguson stated he appreciated the conversation and discussion and feels better prepared for the next conversation on the Marijuana Code.

VII. COMMISSIONER COMMENTS

- There were none

VIII. PLANNING UPDATE. Director Westbay updated the Commission on recent activity in the Community Development Office. Staff has been working on:

- Agenda materials for the August 20th Council meeting. The first item at to discuss will be the Sage-grouse listing. Staff has put together a PowerPoint presentation for the LDC discussion. The *LDC* is ready. The discussion will focus on Section 2 (Zoning Districts), Section 4 (General Development Standards), Section 9 (Waivers) and Section 13 (Incentives). The next step will be to have public outreach to the Chamber, realtors, and contractors to get public input. Would like to diffuse issues before public hearing.

IX. ADJOURN. Chair Larson adjourned to a Work Session at approximately 9:07 pm.

Greg Larson, Chair

Attest:

Pam Cunningham, Secretary

ORDINANCE NO. ____
Series 2013

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, AMENDING TITLE 15 (*LAND DEVELOPMENT CODE*), OF THE *CITY OF GUNNISON MUNICIPAL CODE* ESTABLISHING STANDARDS FOR THE HOME CULTIVATION AND PERSONAL PROCESSING OF MARIJUANA, AND PROHIBITING MARIJUANA CLUBS.

WHEREAS, Colorado voters approved an amendment to Article XVIII, Section 16 of the *Colorado Constitution* that makes the personal use, possession and limited home growing of marijuana for adults twenty-one years of age or older legal under Colorado law; and

WHEREAS, under Article XVIII, Section 16(3) of the *Colorado Constitution*, any person who is twenty-one years of age or older may possess, grow, process or transport no more than six marijuana plants, with three or fewer being mature flowering plants, provided that the growing takes place in an enclosed locked space, is not conducted publicly or openly and is not made available for sale; and

WHEREAS, Gunnison City Ordinance No. 2, Series 2011, prohibits the use of land in the city boundaries for the retail sale, distribution, cultivation and dispensing of medical marijuana and the processing and sale of infused products; and

WHEREAS, Gunnison City Ordinance No. 2, Series 2013, defines offenses and penalties related to personal marijuana use, possession and cultivation and prohibits the sale of marijuana without a license; and

WHEREAS, Gunnison City Ordinance No. 6, Series 2013, prohibits the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities and retail marijuana stores within the City limits; and

WHEREAS, the City Council has carefully considered the provisions of Article XVIII, Section 16(3) of the *Colorado Constitution*, and the impact of marijuana cultivation, processing and consumption for personal use in residential structures on the health, safety and welfare of the City and the inhabitants thereof, and has determined, as an exercise of its local land use authority, to regulate such activity in residential structures in a manner consistent with the City land use regulations; and

WHEREAS, the Governor's Task Force recommendations (March 13, 2013) find that the use of compressed, flammable gases (including butane, propane and hexane) as solvents in the extraction of THC in a residential setting presents a significant life-safety risk concern to the citizens of the State of Colorado and the City of Gunnison; and

WHEREAS, the City Council has considered whether the consumption of marijuana and marijuana products in commercial or industrial buildings, such as in marijuana "clubs" may be inconsistent with surrounding uses, or may otherwise be detrimental to the public health, safety and welfare; and

WHEREAS, the City Council has considered whether the existence of marijuana “clubs” in residential areas is inconsistent with surrounding uses, or may otherwise be detrimental to the public health, safety and welfare.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, ORDAINS THAT:

Section 1. Findings. The City Council hereby finds as follows:

A. Article XVIII, Section 16(3) of the *Colorado Constitution* sets forth certain broad directives for marijuana cultivation, processing and consumption for personal use in residential structures, without any specific legislative directive at this time, and the City Council finds and determines that this ordinance complies with the broad directives under the Colorado Constitution; and

B. The City Council finds and determines that the adoption of Ordinance 2, Series 2011, prohibited retail activities for medical marijuana by prohibiting the establishment of medical marijuana centers, optional premises cultivation operation and medical marijuana-infused product manufacturers within the City of Gunnison; and

C. The City Council finds and determines that the adoption of Ordinance No. 2, Series 2013, defines offenses and penalties related to personal marijuana use, possession and cultivation and prohibits the sale of marijuana; and

D. The City Council finds and determines that the adoption of Ordinance No. 6, Series 2013, prohibits the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities and retail marijuana stores within the City limits; and

E. The City Council finds and determines that the Governor’s Task Force (March 13, 2013) established that the use of compressed, flammable gases (including butane, propane and hexane) as solvents in the extraction of THC in a residential setting presents a significant life-safety risk to the citizens of the State of Colorado; and

F. The City Council finds that processes, methods, and certain materials used for growing, cultivating, and processing marijuana may present life-safety risks to citizens which risks may be reduced by the regulation of marijuana growth and cultivation; and

G. The City Council finds and determines that the consumption of marijuana and marijuana products in commercial or industrial buildings, such as in marijuana “clubs” may be detrimental to the public health, safety and welfare; and

H. The City Council finds and determines that the existence of marijuana “clubs” in residential areas is inconsistent with surrounding uses, or may otherwise be detrimental to the public health, safety and welfare.

Section 2. Authority. The City Council hereby finds, determines, and declares that it has the power and authority to adopt this Article pursuant to:

A. Article XVIII, Section 16 of the *Colorado Constitution*;

- B. The authority granted to home rule municipalities by Article XX of the *Colorado Constitution*;
- C. The powers contained in the *City of Gunnison Home Rule Charter*.
- D. The *Local Government Land Use Control Enabling Act*, Article 20 of Title 29, *C.R.S.*;
- E. Part 3 of Article 23 of Title 31, *C.R.S.*, (concerning municipal zoning powers);
- F. Section 31-15-101, *C.R.S.*, (concerning municipal bodies politic powers);
- G. Section 31-15-401, *C.R.S.*, (concerning municipal police powers); and
- H. Section 31-15-501, *C.R.S.*, (concerning municipal authority to regulate businesses).

Section 3. Definitions. Section 15.40.010, Definitions, of the *City of Gunnison Municipal Code* is hereby amended by the addition of the following definitions:

“Colorado Medical Marijuana Code” means Article 43.3 of Title 12, *Colorado Revised Statutes*.

“Industrial hemp” means the plant of the genus *cannabis* and any part of such plant, whether growing or not, with Delta-9 Tetrahydrocannabinol concentration that does not exceed three-tenths percent on a dry weight basis.

“Marijuana” or “Marihuana” means all parts of the plant of the genus *cannabis* whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including marijuana concentrate. “Marijuana” or “Marihuana” does not include industrial hemp, nor does it include fiber produced from the stalks, oil, or cake made from the seeds of the plant, sterilized seed of the plant which is incapable of germination, or the weight of any other ingredient combined with marijuana to prepare topic or oral administrations, food, drink or other product.

“Marijuana accessories” means any equipment, products, or material of any kind which are used, intended for use, or designed for the use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing marijuana, or for ingesting, inhaling, or otherwise introducing marijuana into the human body.

“Marijuana club” means a place of private assembly, operated for purposes of inviting members to use or consume marijuana on site.

“Marijuana Consumer” means a person twenty-one years of age or older who purchases marijuana or marijuana products for personal use by persons twenty-one years of age or older, but not for resale to others.

“Marijuana cultivation facility” means an entity licensed to cultivate, prepare, and package marijuana and to sell marijuana to retail marijuana stores, to marijuana product manufacturing facilities, and to other marijuana cultivation facilities, but not to consumers.

“Marijuana establishment” means marijuana cultivation facility, marijuana testing facility, marijuana product manufacturing facility, or retail marijuana store.

“Marijuana product manufacturing facility” means an entity licensed to purchase marijuana; manufacture, prepare, and package marijuana products; and sell marijuana and marijuana products to other marijuana product manufacturing facilities and to retail marijuana stores, but not to consumers.

“Marijuana products” means concentrated marijuana products and marijuana products that are comprised of marijuana and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures.

“Marijuana testing facility” means an entity licensed to analyze and certify the safety and potency of marijuana.

“Medical marijuana center” means an entity licensed by a state agency to sell marijuana and marijuana products pursuant to Article XVIII, Section 14 of the *Colorado Constitution* and the *Colorado Medical Marijuana Code*.

“Primary residence” means the place that a person or family member, by custom and practice, makes his or her principle domicile and address and to which the person or family member intends to return, following any temporary absence, such as vacation. Residence is evidenced by actual daily physical presence, use, and occupancy of the primary residence and the use of the residential address for domestic purposes, such as, but not limited to, slumber, preparation of and partaking of meals, regular mail delivery, vehicle and voter registration, or credit, water and utility billing. A person or family member shall have only one primary residence.

“Retail marijuana store” means an entity licensed to purchase marijuana from marijuana cultivation facilities and marijuana and marijuana products from marijuana product manufacturing facilities and to sell marijuana and marijuana products to consumers.

“Secure area” means an area within the primary residence or associated accessory structure accessible only to the person possessing, growing or processing the marijuana plant for personal use. Secure areas shall be partitioned space with doors, walls, ceilings and floors constructed with rigged wood, sheet rock or other typical construction materials and locked to prevent access by children, visitors, casual passersby, vandals, or anyone not authorized to possess marijuana.

Section 4. Uses in Residential Zone Districts. Table 15.70.010: Schedule of Uses – Residential Zone Districts, of the *City of Gunnison Municipal Code*, is hereby amended to read as follows:

Table 15.70.010: Schedule of Uses – Residential Zone Districts

(A = Allowed, C = Conditional, P = Prohibited)	R-1	R-1M	R-2	R-2M	R-3	Standards*
Residential Uses						
Accessory buildings and structures	A	A	A	A	A	
Accessory dwelling unit	P	P	C	C	C	GMC 15.70.020(A)
Duplex dwelling units	P	P	A	A	A	
Multiple-family units	P	P	P	A	A	

Table 15.70.010: Schedule of Uses – Residential Zone Districts

(A = Allowed, C = Conditional, P = Prohibited)	R-1	R-1M	R-2	R-2M	R-3	Standards*
Single-family dwelling unit	A	A	A	A	A	
Residential Uses (continued)						
Manufactured housing	A	A	A	A	A	GMC 15.70.020(B)
Mobile home park	P	P	P	P	C	GMC 15.70.020(C)
Recreational vehicle park	P	P	P	P	C	GMC 15.70.020(D)
Rooming or boarding house, fraternity, sorority or dormitory	P	P	P	C	C	
Personal use of marijuana	A	A	A	A	A	GMC 15.70.020(I)
Residential Business Uses						
Daycare home	C	C	A	A	A	GMC 15.70.020(E)
Daycare school	P	P	C	C	C	GMC 15.70.020(E)
Daycare center	P	P	C	C	C	GMC 15.70.020(E)
Home occupation	A	A	A	A	A	GMC 15.70.020(F)
Home business	C	C	C	C	C	GMC 15.70.020(F)
Medical marijuana centers	P	P	P	P	P	
Medical marijuana-infused products manufacture	P	P	P	P	P	
Optional premises cultivation operation	P	P	P	P	P	
Marijuana cultivation facility	P	P	P	P	P	
Marijuana establishment	P	P	P	P	P	
Marijuana product manufacturing facility	P	P	P	P	P	
Marijuana testing facility	P	P	P	P	P	
Retail marijuana store	P	P	P	P	P	
Clubs/Public Assembly/Institutional Uses						
Church, parish home and religious education building	C	C	C	C	C	
Clubs operated by and for their members	C	C	C	C	C	
Marijuana club	P	P	P	P	P	

Table 15.70.010: Schedule of Uses – Residential Zone Districts

(A = Allowed, C = Conditional, P = Prohibited)	R-1	R-1M	R-2	R-2M	R-3	Standards*
Community buildings and uses	C	C	C	C	C	
Clubs/Public Assembly/Institutional Uses (continued)						
Government administrative facilities, services, and buildings	P	P	P	P	C	
Group home	P	P	P	P	C	GMC 15.70.020(G)
Hospice	P	P	C	C	C	
Hospital	P	P	C	C	C	
Nursing home	P	P	C	C	C	
Parks and recreation facilities	A	A	A	A	A	
Satellite reception device	A	A	A	A	A	GMC 15.70.020(H)
School	C	C	C	C	C	
Notes: *The standards referenced herein are in addition to all other applicable standards of this <i>Land Development Code</i> .						

Section 5. Uses Prohibited in Commercial/Industrial Zone Districts. Table 15.70.030: Schedule of Uses – Commercial/ Industrial Zone Districts, of the *City of Gunnison Municipal Code*, is hereby amended to read as follows:

Table 15.70.030: Schedule of Uses – Commercial/Industrial Zone Districts

(A = Allowed, C = Conditional, P = Prohibited)	B-1	CBD	C	I	Standards ¹
Commercial and Office Uses					
Clubs operated by and for their members	C	A	A	P	
Marijuana club	P	P	P	P	
Marijuana establishment	P	P	P	P	
Marijuana retail store	P	P	P	P	
Commercial lodging	P	C	A	P	
Commercial parking lots and garages	P	C	A	A	
Drive-in facility	P	C	A	P	GMC 15.70.040(A)
Drive-in food or beverage facility	P	C	A	P	GMC 15.70.040(A)
Indoor amusement and entertainment establishments	P	A	A	P	
Indoor and outdoor eating and drinking establishments	C	A	A	C	

Table 15.70.030: Schedule of Uses – Commercial/Industrial Zone Districts

(A = Allowed, C = Conditional, P = Prohibited)	B-1	CBD	C	I	Standards¹
Medical marijuana centers	P	P	P	P	
Commercial and Office Uses (continued)					
Professional offices	A	A	A	C	
Publishing business	A	A	A	A	
Radio and television studios	A	A	A	A	
Recreational vehicle park	P	P	C	P	
Retail sales establishment	C	A	A	P	GMC 15.70.040(B)
Sexually oriented businesses	P	P	P	A	GMC 15.70.040(D)
Temporary commercial activities	P	C	C	P	GMC 15.70.040(C)
Personal Services					
Bank, credit and loan services	C	A	A	P	
Beauty and barber shop	A	A	A	P	
Catering services	C	A	A	A	
Funeral home and mortuary	P	C	A	P	
Laundry and dry cleaners	P	A	A	C	
Photographic studios	A	A	A	P	
Repair and maintenance of small appliances, electronics and sporting goods	P	A	A	A	
Secretarial, copying and related service	A	A	A	A	
Self-service laundromat	P	P	A	P	
Tailor, tack or shoe repair services	P	A	A	C	
Travel agency	A	A	A	P	
General Services					
Agricultural feed and equipment supply store	P	P	C	A	
Automobile sales and rental	P	A	A	A	
Automobile service and repair	P	P	C	A	
Commercial storage of personal property in enclosed storage areas	P	P	P	A	
Commercial storage of personal property in open areas	P	P	P	C	
Gasoline service station and car wash	P	P	A	A	

Table 15.70.030: Schedule of Uses – Commercial/Industrial Zone Districts

(A = Allowed, C = Conditional, P = Prohibited)	B-1	CBD	C	I	Standards¹
Kennel	P	P	C	C	
General Services (continued)					
Lumber and building supply store	P	P	C	A	
Mobile home and recreational vehicle sales and service	P	P	C	A	
Nursery, greenhouses and garden supply	P	P	C	A	
Rental, repair and service of light motorized and nonmotorized tools and equipment and large appliances	C	A	C	A	
Veterinary clinic	P	P	C	C	
Light Industrial Uses					
Bulk laundry, dry cleaning or carpet cleaning plant	P	P	P	C	
Cabinet and carpenter shop	P	P	C	A	
Manufacture or assembly of products from the following previously prepared materials: electronic components and wire, fibers, glass, leather, paper, plastics, textiles and wood	P	P	C	A	
Marijuana cultivation facility	P	P	P	P	
Marijuana product manufacturing facility	P	P	P	P	
Marijuana testing facility	P	P	P	P	
Industrial Hemp production	P	P	P	A	
Medical marijuana-infused products manufacture	P	P	P	P	
Optional premises cultivation operation	P	P	P	P	
Plumbing, heating, electrical, sheet metal, construction or paint contractors	P	C	C	A	
Printing establishments	C	C	C	A	
Satellite or electronic transmitting devices including radio or television stations	P	P	C	C	GMC 15.70.020(H)
Repair, rental, sales, service or storage of heavy equipment, heavy machinery, large appliances and boats	P	P	C	A	
Satellite or electronic reception devices	C	C	C	C	GMC 15.70.020(H)
Sign making and sign sale or repair shop	C	C	A	A	
Upholstery shop	P	C	C	A	

Table 15.70.030: Schedule of Uses – Commercial/Industrial Zone Districts

(A = Allowed, C = Conditional, P = Prohibited)	B-1	CBD	C	I	Standards¹
Warehouses and truck terminal	P	P	C	A	
Light Industrial Uses (continued)					
Welding or machine shop	P	P	C	A	
Wholesale businesses	P	C	C	A	
Wood truss manufacture	P	P	C	A	
General Industrial Uses					
Bulk fuel storage facilities and wholesale sales of fuels	P	P	P	C	
Processing of aggregate, mineral, and other subsurface resources	P	P	P	C	
Junk yard, salvage yard, or automobile wrecking yard	P	P	P	C	
Laboratories	P	C	C	C	
Manufacture of chemicals and explosives	P	P	P	C	
Meat processing plant	P	P	C	C	
Ready mix concrete or hot mix plant	P	P	P	C	
Wood processing, including millwork and sawmill	P	P	C	A	
Tire retreading or vulcanizing shop	P	P	P	C	
Yards for stockpiling coal, sand, gravel, and other materials	P	P	P	C	
Airport Uses					
Air cargo terminal	P	P	P	A	
Air passenger terminal, including airline ticketing facilities and ground support facilities; food, personal service, and retail businesses within the terminal	P	P	P	A	
Aircraft sales, rental, repair, service, and storage	P	P	P	A	
Air side facilities such as runways, taxiways and aprons for the arrival and departure of aircraft	P	P	C	A	
Aviation fuel storage, hangars, and air traffic control facilities	P	P	P	A	
Public and Institutional Uses					
Bus station	P	C	C	C	

Table 15.70.030: Schedule of Uses – Commercial/Industrial Zone Districts

(A = Allowed, C = Conditional, P = Prohibited)	B-1	CBD	C	I	Standards¹
Church, parish home, and religious education building	C	A	A	P	
Public and Institutional Uses (continued)					
Community buildings and uses	C	A	A	P	
Government administrative facilities, services and buildings	C	A	A	A	
Hospital	P	P	C	P	
Nursing home	P	P	A	P	
Parks and recreation facilities	A	A	A	A	
Public parking facilities	P	C	C	C	
School	C	C	C	C	
Residential Business Uses					
Bed and breakfast inn	C	C	C	P	
Daycare home	A	A	A	C	GMC 15.70.020(E)
Daycare school	C	C	C	C	GMC 15.70.020(E)
Daycare center	P	P	C	P	GMC 15.70.020(E)
Home occupation	A	A	A	P	GMC 15.70.020(F)
Home business	A	A	A	P	GMC 15.70.020(F)
Rooming or boarding house ²	C	C	C	P	
Residential Uses					
Personal use of marijuana	A	A	A	A	GMC 15.70.020(I)
Single-family dwelling unit ³	A	C	C	P	
Duplex Dwelling unit ³	A	C	C	P	
Multiple-family dwelling units ³	C	P	C	P	
One or more dwelling units on the same site as a commercial or industrial use ⁴	A	A ⁵	C	A	

Notes:

1. The standards referenced herein are in addition to all other applicable standards of this *Land Development Code*.
2. Provided county/state health code space and sanitation requirements are met.
3. These uses refer to dwelling units which are the primary use of the property.

Table 15.70.030: Schedule of Uses – Commercial/Industrial Zone Districts

(A = Allowed, C = Conditional, P = Prohibited)	B-1	CBD	C	I	Standards ¹
4. These dwelling units shall be accessory to a commercial or industrial use.					
5. In the CBD, dwelling units on the same site as commercial uses shall only be located off the street level.					

Section 6. Section 15.70.020, Review standards applicable to particular residential uses, of the *City of Gunnison Municipal Code* is hereby amended by the addition of sub-section (I) which shall read as follows:

(I) Personal Use of Marijuana. Possessing, growing, or processing marijuana in any residential district and any structure with residential dwelling units shall be governed by the following standards.

1. Any person or family member for the purposes of this section and consistent with Article XVIII, Section 16(3)(b) of the *Colorado Constitution*, who is twenty-one years of age or older that is cultivating marijuana plants for their own use, may only do so within their primary residence or associated accessory structure.
2. Possession, growing and processing of such marijuana plants must not be perceptible from the exterior of the primary residence or accessory structure, including, but not limited to:
 - a. common visual observation, including any form of signage;
 - b. unusual odors, smell, fragrances, or other olfactory stimulus; or
 - c. light pollution, glare, or brightness that disturbs the repose of another.
3. Marijuana plants shall not be grown or processed in the common areas of a multi-family or attached residential development.
4. The use of compressed gases including, but not limited to butane, propane, and hexane, in the cultivation, production, growing and possessing of marijuana plants shall be prohibited.
5. Cultivation, production, growing and possessing of marijuana plants shall be limited to the following space limitations:
 - a. Within a single family dwelling unit, which is defined as Group R-3 in the *International Building Code*, the aggregate area used for the production, and growing of marijuana plants shall be confined to a contiguous 75 square foot secure area.
 - b. Within a multi-family dwelling unit, which is defined as Group R-2 in the *International Building Code*, the aggregate area used for the production, and growing of marijuana plants shall be confined to a contiguous 35 square foot secure area.
6. Notwithstanding the standards established herein, the possession, growing and processing of marijuana shall comply with all adopted City building and life-safety codes and regulations as the same may be amended from time to time.
7. The Community Development Director shall have the authority to inspect any primary residence

or associated accessory structures used for the possession, growing and processing of marijuana plants, following the provisions of Section 15.20.010 (Authority to inspect) of the *LDC*.

Section 7. Penalty. Any person, upon conviction of a violation of the provisions of this ordinance, shall be subject to a fine of not more than One Thousand Dollars (\$1,000.00) or by imprisonment for not more than ninety (90) days, or both such fine and imprisonment. Each and every day, or portion thereof, during which any violation of any of the provisions of this ordinance is committed, continued, or permitted, shall be deemed a separate offense, all in accordance with Section 15.20.040 of the *City of Gunnison Municipal Code*. In addition, the City is specifically authorized to seek an injunction to discontinue the violation of any provision of this ordinance, and all remedies provided for herein shall be cumulative and not exclusive in accordance with Section 15.20.030 of the *City of Gunnison Municipal Code*.

Section 8. Severability. Should any section, clause, phrase, or provision of this ordinance be ruled invalid or unenforceable by any court of competent jurisdiction, it is hereby declared the intent of the City Council of the City of Gunnison that the remaining provisions of this ordinance shall be given full force and effect if it is possible to do so.

INTRODUCED, READ, PASSED, AND ORDERED PUBLISHED this _____ day of _____, 2013, on first reading, and introduced, read, and adopted on second and final reading this _____ day of _____, 2013.

Mayor

ATTEST:

City Clerk

STAFF REPORT
CONDITIONAL USE

City of Gunnison Police Department/Communication Center – 910 W. Bidwell

TO: Planning and Zoning Commission
FROM: Community Development Staff
DATE: August 28, 2013
RE: Application CU 13-3, Electronic Transmitting and Reception Device

CODE PROVISIONS

The City's *Land Development Code (LDC)*, Section 15.70.030 states that an electronic transmission and reception device requires a Conditional Use permit to operate in the Industrial (I) District. Conditional Uses are those land uses that are generally compatible with the permitted uses in a district zone, but require site-specific review of their location, intensity, density, configuration and operating characteristics. Conditions may be imposed in order to ensure compatibility of the uses at a particular location and mitigate potentially adverse impacts.

The *LDC* Section 15.130.020D specifies that Conditional Use applications be reviewed by the City of Gunnison Planning and Zoning Commission (Commission) at a Public Hearing after 15 days public notice. The Commission may approve, approve with conditions, deny or remand the application back to the applicant with instructions for modification.

APPLICATION

The applicant is the City of Gunnison Police Department, represented by Keith Robinson, who is requesting to place an electronic transmission and reception device on the new Gunnison Public Safety Center located at 910 West Bidwell Avenue. The legal description of the property is Lots 3-12 and the east/west alley adjacent to Lot 7 and Lots 8-12, Block 51, West Gunnison Addition, City and County of Gunnison, Colorado.

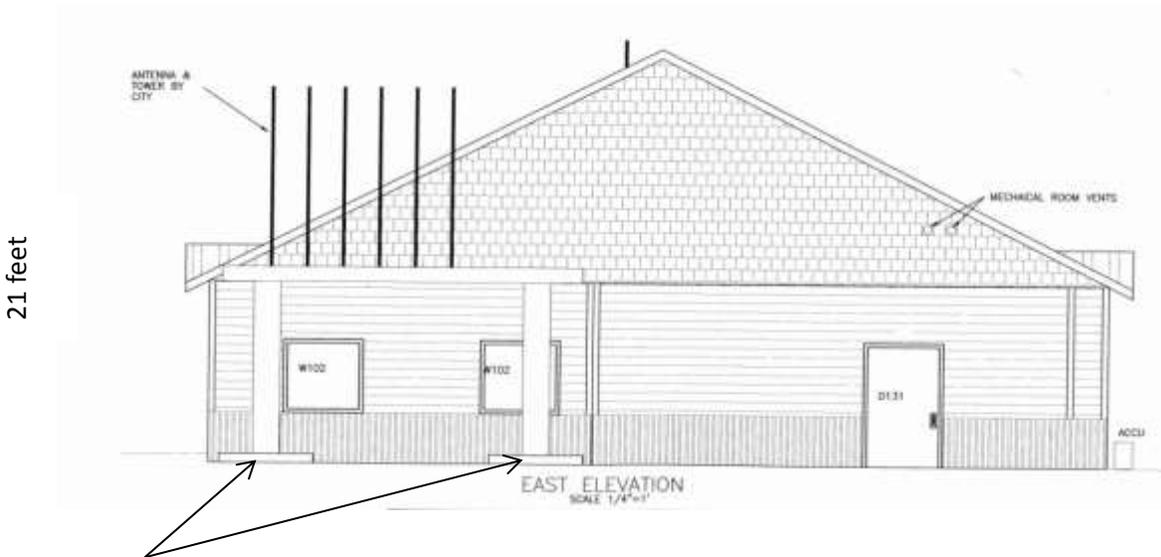
The applicants' narrative states:

“This application is being made for communication towers that will be installed at the new City of Gunnison Police Department and the Communications/Dispatch Center at 910 W. Bidwell in the Industrial zone district. Under the existing *Land Development Code*, government administrative facilities, services and buildings are an allowed use in the Industrial zone district. However, “Satellite or electronic transmitting devices, including radio or television stations” and “satellite or electronic reception devices” require a Conditional Use application under the existing *Code*.

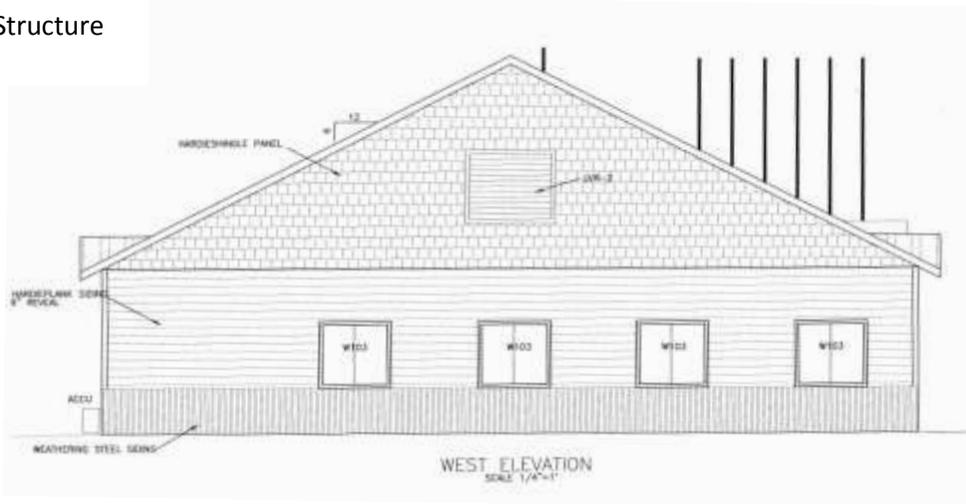
Under the draft update to the *Land Development Code*, telecommunication towers are an allowed use in the Industrial zone district.

The towers will be 20 feet in height and will be mounted on a “goal-post” structure with two posts supported by cement pads. The images below are the conceptual drawing of the building elevations with the towers.”

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CONDITIONAL USE
 City of Gunnison Police Department/Communication Center – 910 W. Bidwell



Support Structure



SITE ASSESSMENT

The site is located in the Industrial district and is surrounded by commercial and industrial uses. Automobile repair and service uses are located to the west, vacant land is to the north of the site and industrial uses including storage, trucking service and construction/machine shops are to the east and south.

The site will contain the new Gunnison Public Safety Center that includes the Police Department and Communications/Dispatch. The proposed electronic transmission and reception device is crucial for providing public safety services for the community. The device is proposed on the east face of the building. The antenna will be mounted on a support structure secured with cement pads. The installed height of the electronic transmission and reception device is

STAFF REPORT
CONDITIONAL USE

City of Gunnison Police Department/Communication Center – 910 W. Bidwell

approximately 21 feet. The height and setback of the device complies with the dimensional standards of the *LDC*.

DEPARTMENTAL COMMENTS:

Building Official: No issue.

Fire Marshal: No issue.

Parks and Recreation Department: No issue.

Police Department: No issue.

Public Works Director: No issue.

City Engineer: No issue.

Water and Sewer Superintendent: No issue.

Electric Superintendent: No issue.

STAFF OBSERVATIONS

1. The applicant is requesting approval to place an electronic transmission and reception device on the new Gunnison Public Safety Center in the Industrial zone district which requires conditional use approval based on the City's *Land Development Code*.
2. The electronic transmission and reception device use is compatible with the surrounding neighborhood.
3. The proposed electronic transmission and reception device is approximately 10 feet in length and has a mounted height of 21 feet.
4. The proposed electronic transmission and reception device complies with the dimensional standards of the *LDC*.
5. The electronic transmission and reception device is crucial for public safety service for the community.
6. The proposed device protects the community's health, safety and welfare.

REVIEW STANDARDS

The LDC (Chapter 15.130.050) contains the following seven specific standards that must be met for a Conditional Use application to be approved:

A. *Consistency with Master Plan. The use shall be consistent with the City of Gunnison Master Plan.*

No Conflict:

Chapter 5, Land Use and Growth, Goal: Growth and development will preserve and enhance the quality of life which makes Gunnison unique and attractive. Edges of the community remain clearly defined. New developments will demonstrate high-quality urban design while protecting the rural landscapes surrounding the City. Sprawl will be avoided through effective infill and compact growth. Residential, commercial and industrial land uses are appropriately located and interspersed with parks and open space, providing a balanced environment in which to live, work and play.

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CONDITIONAL USE

City of Gunnison Police Department/Communication Center – 910 W. Bidwell

Chapter 11, Public Safety, Goal: Public safety services will be readily available to serve and protect the community. The agencies providing these services continue to understand the community, its citizens and trends affecting public safety.

B. Conformance to Code. The use shall conform to all other applicable provisions of this Land Development Code including but not limited to:

a. Zone District Standards: The purpose of this zone district in which it is located, the dimensional standards of that zone district and any standards applicable to the particular use, all as specified in Article 7, Use and Dimensional Standards.

No Conflict: The purpose of the Industrial zone district is to provide for industrial activity, both general and light, and service businesses in areas where conflicts with commercial, residential and other land uses can be minimized.

b. Site Development Standards: Parking, Landscaping, sign and improvements standards.

No Conflict: The proposed Gunnison Public Safety Center and the electronic transmission and reception device comply with all dimensional standards including height, setbacks, parking and landscaping within the LDC.

C. Use Appropriate and Compatible. The use shall be appropriate to its proposed location and be compatible with the character of neighboring uses, or enhance the mixture of complementary uses and activities in the immediate vicinity.

No Conflict: The electronic transmission and reception device (proposed on the new Gunnison Public Safety Center) is appropriate and compatible with the surrounding industrial uses.

D. Traffic. The use shall not cause undue traffic congestion, dangerous traffic conditions or incompatible service delivery, parking or loading problems. Necessary mitigating measures shall be proposed by the applicant.

No Conflict: Access is gained off Bidwell Avenue and 9th Street. Public parking is proposed off Bidwell Avenue with employee access off 9th Street. The Gunnison Public Safety Center will not generate enough traffic to cause traffic congestion or unsafe conditions.

E. Nuisance. The operating characteristics of the use shall not create a nuisance and the impacts of the use on surrounding properties shall be minimized with respect to noise, odors, vibrations, glare, and similar conditions.

No Conflict: The electronic transmission and reception device is located on the east side of the new Police and Dispatch Center and will have a minimal visual impact. The device complies with the dimensional standards of the LDC.

F. Facilities. There shall be adequate public facilities in place to serve the proposed use, or the applicant shall propose necessary improvements to address service deficiencies which the use would cause.

No Conflict

STAFF REPORT
CONDITIONAL USE

City of Gunnison Police Department/Communication Center – 910 W. Bidwell

G. Environment. The use shall not cause significant deteriorations to water resources, wetlands, wildlife habitat, scenic characteristics, or other natural features. As applicable, the proposed use shall mitigate its adverse impacts on the environment.
No Conflict

ACTION

During the regular Planning and Zoning Commission meeting held on August 28, 2013, Commissioner _____ moved, and Commissioner _____ seconded, and the Commission voted to APPROVE Conditional Use application CU 13-3, submitted by the City of Gunnison Police Department to operate an electronic transmission and reception device at 910 West Bidwell Avenue, based on the following findings of fact and condition:

FINDINGS OF FACT:

1. The Planning and Zoning Commission finds that the record of this action includes the application contents on file with the City of Gunnison; all comments entered into the Public Hearing record; and provisions of the *City of Gunnison Land Development Code* and the *City of Gunnison Master Plan*.
2. The Planning and Zoning Commission finds that this Conditional Use application is for the operation of an electronic transmission and reception device in the Industrial zone district.
3. The Planning and Zoning Commission finds that the proposed use is compatible with *LDC* use standards and the surrounding neighborhood.
4. The Planning and Zoning Commission finds that the proposed use complies with the dimensional standards, landscaping and parking requirements of the *Land Development Code*.
5. The Planning and Zoning Commission finds that the applicant meets the Conditional Use review standards stated in the *LDC*.
6. The Planning and Zoning Commission finds that the electronic transmission and reception device is crucial to provide public safety services for the community.
7. The Planning and Zoning Commission finds that the electronic transmission and reception device will not be a detriment to the community's health, safety and welfare as long as the following condition is fulfilled:

CONDITION:

1. The applicant shall install the electronic transmission and reception device as indicated on the site plan dated June 28, 2013.

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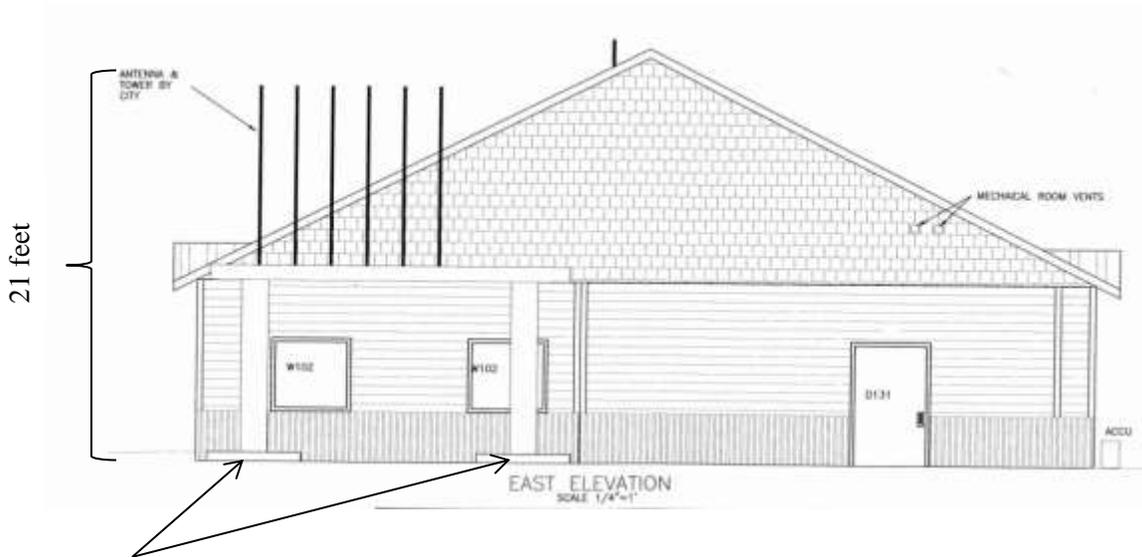
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Gunnison Police Department and Communications Center
910 W. Bidwell
Conditional Use Application

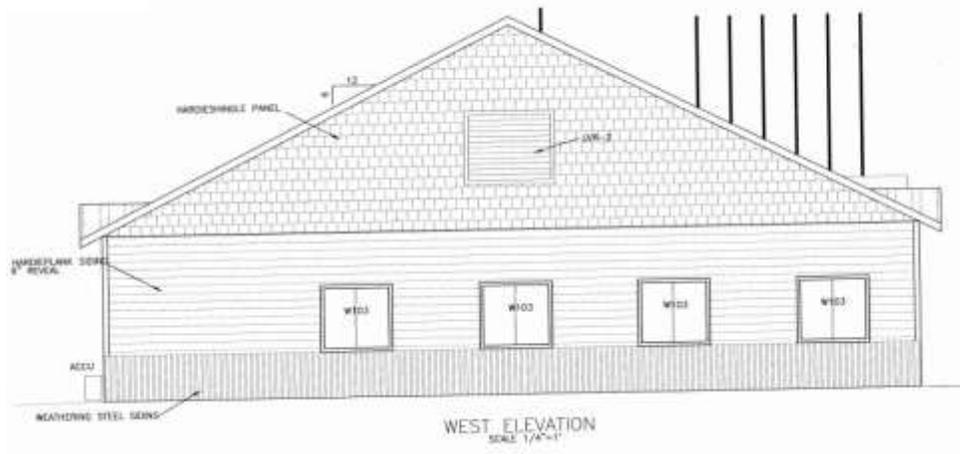
This application is being made for communication towers that will be installed at the new City of Gunnison Police Department and the Communications/Dispatch Center at 910 W. Bidwell in the Industrial zone district. Under the existing *Land Development Code*, government administrative facilities, services and buildings are an allowed use in the Industrial zone district. However, “satellite or electronic transmitting devices, including radio or television stations” and “satellite or electronic reception devices” require a Conditional Use application under the existing *Code*.

Under the draft update to the *Land Development Code*, telecommunication towers are an allowed use in the Industrial zone district.

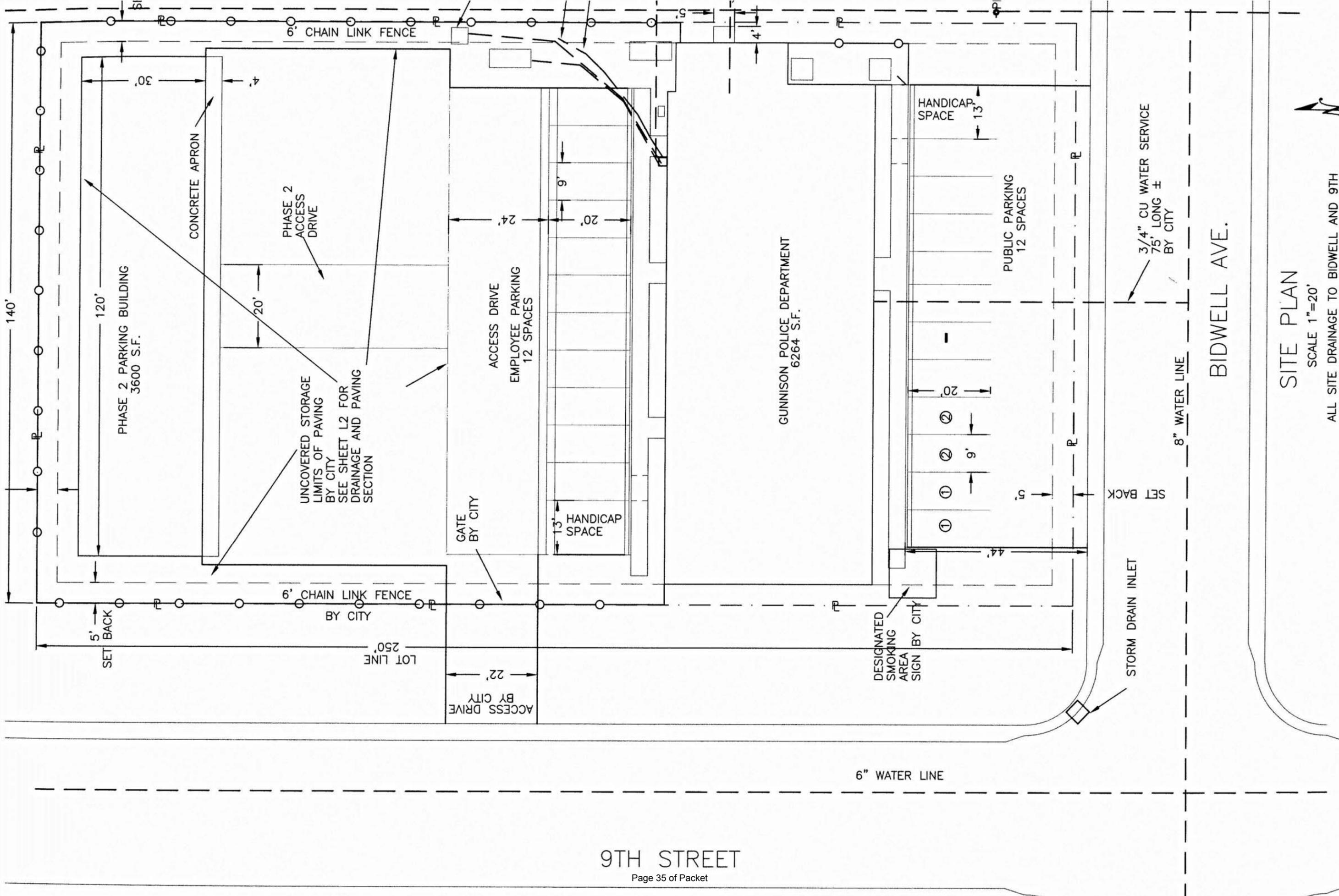
The towers will be 20 feet in height and will be mounted on a “goal-post” structure with two posts supported by cement pads. The images below are the conceptual drawing of the building elevations with the towers.



Support Structure



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9TH STREET

SITE PLAN

SCALE 1"=20'

ALL SITE DRAINAGE TO BIDWELL AND 9TH



BIDWELL AVE.

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Properties Adjacent to 910 W. Bidwell

- A. Subject Property
910 W. Bidwell
- B. Charles Wireman
1663 Seneca Drive
Gunnison, CO 81230
Garage
- C. Victoria Oberle
52 Goldenrod Lane, Apt. 1
Madison, WI 53719
Storage
- D. Roger Sharp, Mary Bell, Mary Elliott
321 N. 11th
Gunnison, CO 81230
AC Elliott Trucking / Service Garage
- E. Nick and Brenda Spallone
P.O. Box 1145
Gunnison, CO 81230
Vacant
- F. & G. Landry Enterprises South, LLC
963 Fairway Lane
Gunnison, CO 81230
Precision Automotive
- H. Sweitzer Oil
P.O. Box 180
Gunnison, CO 81230
Storage / Office
- I. & J. R&R Precision Machining
P.O. Box 1305
Gunnison, CO 81230
Machine Shop
- K. John and Amy Bueling
12242 Colorado Boulevard
Thornton, CO 80241
Storage



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WARRANTY DEED

THIS DEED, made this 25th day of **May, 2012**, between

MARY LOU ELLIOTT, ROGER WILLIAM SHARP AND MARY C. BELL

Of the County of Gunnison, State of Colorado, grantor and

CITY OF GUNNISON

Whose legal address is **P. O. Box 239, Gunnison, Colorado 81230** grantee:

WITNESSETH, That the grantor for and in consideration of the sum of **Two Hundred Thousand Nine Hundred and 00/100 Dollars (\$200,900.00)**, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm, unto the grantee, its successors and/or assigns forever, all the real property together with improvements, if any, situate, lying and being in the County of **Gunnison** and the State of **COLORADO** described as follows:

Lots 3 through 12, both inclusive, Block 51, City of Gunnison, according to the official AMENDED plat of WEST GUNNISON, together with the east-west alley lying between Lot 7 on the North and Lots 8 through 12 on the South, said Block 51, TOWN OF WEST GUNNISON according to the official Amended plat of WEST GUNNISON,

**County of Gunnison,
State of Colorado.**

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the grantee, its successors and or assigns forever. And the grantor, for himself, his heirs, and personal representatives, does covenant, grant, bargain, and agree to and with the grantee, its successors and or assigns, that at the time of the ensealing and delivery of these presents, he is well seized of the premises above conveyed, has good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form as aforesaid, and that the same are free and clear from all former and other grants, bargains, sales liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature whatsoever, except

General taxes for the current year and subsequent years and subject to Ordinance No. 4, Series 1957 vacating certain alleys in the City of Gunnison, Colorado, recorded February 28, 1957, in Book 324 at Page 361 and Ordinance No. 4, Series 1972, vacating the East-West Alleys in Blocks 51 and 52 and 16 Amended West Gunnison, recorded December 8, 1972, in Book 447 at Page 325 and easements, restrictions, reservations, covenants and rights of way of record, if any.

The grantor shall and will **WARRANT AND FOREVER DEFEND** the above-bargained premises in the quiet and peaceable possession of the grantee, its successors and/or assigns, against all and every person or persons lawfully claiming the whole or any part thereof. The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, the grantor has executed this deed on the date set forth below.

Mary Lou Elliott
Mary Lou Elliott

Roger William Sharp
Roger William Sharp

Mary C. Bell
Mary C. Bell

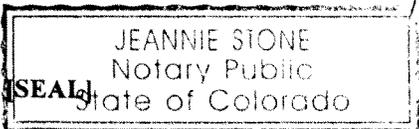
STATE OF COLORADO)

) SS.

COUNTY OF GUNNISON)

The foregoing instrument was acknowledged before me this 31st day of May, 2012 by Mary Lou Elliott.

My commission expires: May 22, 2013



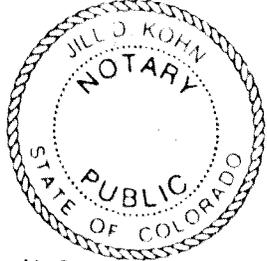
Jeannie Stone
Notary Public

My Commission Expires May 22, 2013

STATE OF Colorado)
COUNTY OF Adams)ss.

The foregoing instrument was acknowledged before me this 25 day of May, 2012, by Roger William Sharp.

My commission expires: 4-13-14



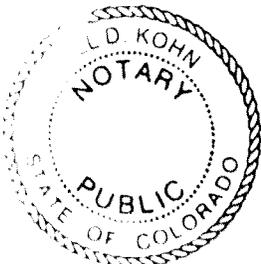
My Commission Expires
APRIL 13, 2014

Jill D. Kohn
Notary Public

STATE OF Colorado)
COUNTY OF Adams)ss.

The foregoing instrument was acknowledged before me this 25 day of May, 2012, by Mary C. Bell.

My commission expires: 4-13-14



My Commission Expires
APRIL 13, 2014

Jill D. Kohn
Notary Public

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DRAFT

MISSION STATEMENT & PURPOSE

“The Gunnison Valley Regional Housing Authority’s MISSION is to advocate, promote, plan and provide the long-term supply of desirable and affordable housing in Gunnison County in order to maintain a well-rounded community.”

- GVRHA Mission Statement Adopted January 16, 2013

Each year the Gunnison Valley Regional Housing Authority (“GVRHA”) establishes these Guidelines that govern the development of, admission to and occupancy of deed-restricted affordable housing units for residents throughout Gunnison County. These Guidelines support the GVRHA’s goals and are not intended to supersede Codes of Gunnison County, the City of Gunnison, the Town of Crested Butte, the Town of Mt. Crested Butte or the International Building Code.

These Affordable Housing Guidelines respond to housing needs in communities throughout Gunnison County. The Guidelines are used to:

- Review Land Use Applications
- Establish Employee Housing Income Categories
- Establish Employee Housing Rental Rates
- Establish Employee Housing Sales Prices
- Establish Criteria for Qualifying and Occupancy of Units
- Develop and Prioritize Current and Long-range Housing Programs
- Provide Information, Support and Process for Developing Affordable Housing

It is the intent of the Regional Housing Authority to provide affordable housing opportunities for persons who are currently or have actively been employed or self-employed in Gunnison County, and who also provide goods and services to individuals, businesses or institutional operations in Gunnison County.

NOTE: These Affordable Housing Guidelines will remain in effect until such time as the Board of Directors for the Gunnison Valley Regional Housing Authority Board approve new or amended Guidelines. These Guidelines will, at the minimum, be amended and approved in January of each year to reflect changes in income levels and rental/sales pricing for the upcoming calendar year.

PART I

GUNNISON VALLEY REGIONAL HOUSING AUTHORITY GOALS

The 2013 GVRHA Housing Guidelines established nine goals that reflect the overall mission of the GVRHA, which is to meet the housing needs of persons living in the Gunnison Valley. The goals are intended to provide a long-range vision for the production of affordable employee housing within the Gunnison Valley Region.

The following goals will be reviewed and revised by the GVRHA Board of Directors on 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 with Gunnison County and all municipalities within the county and municipal planning agencies to encourage the development of affordable housing and eliminate constraints to such housing development. Counsel government staff and agencies as to possible housing-friendly changes to zoning and land use policies.
3. Participate in available federal and state housing support and assistance programs to acquire funding for the provision of affordable housing. In addition, work with all municipalities and private interests to access funding and/or land resources for housing production.
4. Whenever possible, provide housing that is within close proximity to the employment locations of residents. In particular, provide housing opportunities that are relatively close to employment centers in the Gunnison Valley and new employment centers.
5. Maintain the affordability of existing and newly-constructed housing stock. Techniques that can be used include rental agreements, deed restrictions, ownership of land and subsequent leasing of that land. The Board intends to work closely with the GVRHA to utilize these techniques. (In specific cases, affordability must take into account HOA/Association fees and HUD-mandated utility allowances).
6. Form working relationships with housing providers. Assist the private sector with the construction and maintenance of affordable, employee units. Encourage public-private partnerships.
7. Encourage "housing mobility" for current renter households by providing affordable, ownership opportunities. The transition out of a rental unit, in turn, will increase the availability of rental units to low-moderate income households.
8. Promote well-designed, energy-efficient housing units. Attention should be paid to solar access, community-oriented development and the livability of each affordable housing unit.
9. Promote equal opportunity in housing throughout Gunnison County.

PART II AFFORDABLE HOUSING INCOME CATEGORIES

Rental rates and sales prices are established in these Guidelines and they apply to employees of Category 1 through Category 5 income levels as related to housing costs in Gunnison County. In order to carry out this objective, deed-restricted housing units are categorized with the intent to reflect which income levels they are to service as set forth in Sections 1 and 2 below.

- Category 1* *Very Low Income*
- Category 2* *Lower Income*
- Category 3* *Moderate Income*
- Category 4* *Middle Income*
- Category 5* *Upper Middle Income*
- Category 6* *Upper Income*

SECTION 1 INCOME CATEGORIES

Current income amounts are derived from 2013 data provided by the US Dept of Housing and Urban Development (HUD) and the U.S. Census Bureau regarding Area Median Income Levels (AMI) for Gunnison County. Future increases to these amounts are determined annually based upon current year HUD Data Sets, the CPI or 3%, whichever is lower, of the existing maximum income levels.

The maximum gross household income (as defined in the Definitions Section) for each income category is set forth in **Table I**.

The following procedure may be utilized by a qualified household with a Category 1, 2 or 3 income level, but net assets greater than Category 3, desiring to rent or purchase a Category 4, or 5 Unit:

If the household's net assets exceed the Category 3 net asset limit, each \$50,000 of assets over \$175,000 (the Category 3 asset limit) will be treated as \$4,500 of annual income and added to the Gross Household Income. However, should a household's net assets exceed \$400,000, that household will be ineligible for GVRHA-controlled, deed-restricted housing. NOTE: THIS PROCEDURE ONLY ALLOWS FOR A HOUSEHOLD TO MOVE INTO CATEGORY 4 OR ABOVE HOUSING UNIT (with corresponding sales prices).

**TABLE I
MAXIMUM INCOMES BY CATEGORY**

Maximum rental incomes are different than maximum sales incomes. Due to the nature of the working adult in Gunnison County and the wages that are required to maintain a consistent employee base, the GVRHA and its Board of Directors have recognized the need for a higher allowable income adjusted by the number of adults and the bedroom mix. Maximum sales incomes are not attributed to the number of bedrooms, but will remain the same per household, with an adjustment to dependents only.

TABLE Ia. MAXIMUM INCOMES for RENTAL UNITS

	60%	80%	100%	120%
No. of Adults	CATEGORY 1	CATEGORY 2	CATEGORY 3	CATEGORY 4
1	\$ 28,860	\$ 38,450	\$ 48,063	\$ 57,675
2	\$ 48,200	\$ 64,096	\$ 80,120	\$ 96,144
3	\$ 57,860	\$ 81,194	\$ 101,493	\$ 121,792
Net Asset Limit	\$ 100,000	\$ 125,000	\$ 150,000	\$ 175,000

TABLE I. MAXIMUM INCOMES for SALES/Ownership UNITS

	60%	80%	100%	120%	160%	200%
Household Size	CATEGORY 1	CATEGORY 2	CATEGORY 3	CATEGORY 4	CATEGORY 5	CATEGORY 6
1	\$ 28,860	\$ 38,450	\$ 48,063	\$ 57,675	\$ 76,900	\$ 96,200
2	\$ 32,940	\$ 43,950	\$ 54,938	\$ 65,925	\$ 87,900	\$ 109,800
3	\$ 37,080	\$ 49,450	\$ 61,813	\$ 74,175	\$ 98,900	\$ 123,600
4	\$ 41,160	\$ 54,900	\$ 68,625	\$ 82,350	\$ 109,800	\$ 137,200
5	\$ 44,460	\$ 59,300	\$ 74,125	\$ 88,950	\$ 118,600	\$ 148,200
6	\$ 47,760	\$ 63,700	\$ 79,625	\$ 95,550	\$ 127,400	\$ 159,200
Net Asset Limit	\$ 100,000	\$ 125,000	\$ 150,000	\$ 175,000	\$ 225,000	\$ 300,000

**PART III
RENTING AFFORDABLE HOUSING**

**SECTION 1
TENANT QUALIFICATIONS TO RENT AFFORDABLE HOUSING**

1. To qualify, be eligible, and remain eligible to *rent and reside* in an affordable-housing unit (Category 1, 2, 3, or 4, ~~or 5~~), except for approved seasonal housing units, a person/household may not exceed the following:

TABLE Ia. MAXIMUM INCOMES for RENTAL UNITS

	60%	80%	100%	120%
No. of Adults	CATEGORY 1	CATEGORY 2	CATEGORY 3	CATEGORY 4
1	\$ 28,860	\$ 38,450	\$ 48,063	\$ 57,675
2	\$ 48,200	\$ 64,096	\$ 80,120	\$ 96,144
3	\$ 57,860	\$ 81,194	\$ 101,493	\$ 121,792
Net Asset Limit	\$ 100,000	\$ 125,000	\$ 150,000	\$ 175,000

2. To qualify for tenancy, a person/household must be a full-time employee working in Gunnison County for an employer whose business address is located within Gunnison County, whose business employs employees within Gunnison County, whose state business license denotes an address in Gunnison County, and/or the business taxes are paid in Gunnison County (if an employer is not physically based in Gunnison County, an employee must be able to verify that they physically work in Gunnison County a minimum of 1500 hours per calendar year for individuals, businesses or institutional operations located in Gunnison County); or be a retired person who has been a full-time employee in Gunnison County a minimum of four years immediately prior to his or her retirement (as further defined in the Definition section); or be a handicapped person residing in Gunnison County who has been a full-time employee for a Gunnison County employer a minimum of four years immediately prior to their disability as defined in these Guidelines.
3. The occupying qualified household, at the time of a qualified employee's death, are permitted to remain for the balance of the lease term. The remaining member of the household can remain in the unit beyond the lease term IF the qualified member worked as a qualified employee for at least four years or the remaining member of the household becomes a qualified employee.
4. In a two-person household of two adults only (no dependents as defined in the Guidelines), both adults must be working in Gunnison County to qualify for an additional bedroom.
5. Upon rental of the unit, employee(s) must occupy the unit as their primary residence.
6. The tenant must not own residential real estate or a mobile home, or have an interest in an LLC pertaining to such developed real estate or a mobile home, in those portions of the Ownership Exclusion Zone ("OEZ") as defined in the Definitions Sections of these Guidelines. If the tenant owns developed residential real estate or a mobile home within the OEZ, the tenant will have 180 days to sell said property. Documentation shall be provided to the GVRHA on how the property is to be disposed. **WAIVERS:** There may be specific conditions whereby a waiver may be granted to the OEZ requirement.

7. The tenant must not own developed residential real estate or a mobile home in the OEZ as defined in **Part X, Definitions**. There may be specific conditions whereby a waiver will be given on a case-by-case basis.
8. Household income and assets may be no greater than the maximum amount specified for the applicable Category 1, 2, 3, 4, 5, or 6. Assets which have been assigned, conveyed, transferred or otherwise disposed of within the last two years without fair consideration in order to meet the net asset limitations shall be valued at fair market prices. Maximum net asset limits for households, which consist of at least one qualified employee of retirement age, shall be 150% of the applicable income category. Fair Market Value will be determined by an appraiser of GVRHA's choice and paid by tenant.
9. If the tenant's residency began prior to ownership by the City, County or the GVRHA (public?) as a result of a "Buy down" situation, and the tenant's residency has been continuous since that time, the tenant must qualify *only* as a full-time employee. The tenant does not have to qualify under the income or asset provisions. The tenant will be required to pay rent commensurate with his or her household income regardless of the price category of the unit.

If a tenant or potential tenant is under review for a non-compliance issue, the tenant or potential tenant will not be approved and/or his or her lease will not be renewed until the non-compliance issue is satisfied.

10. An emergency worker may be placed in the top position of the rental sign-up list if approved as a qualified Emergency Worker through GVRHA review and as defined under the **Definitions** section herein. The applicant's supervisor must request the priority, in writing, to the GVRHA's Executive Director. It is the responsibility of the supervisor to prove to the GVRHA that the employee is a required emergency response priority. GVRHA approves the individual for priority status, written verification must be provided to the GVRHA. At such time, the GVRHA will place the individual at the top of the rental sign-up list for City-owned projects. They must verify their continued service (see **Definitions**) to that agency for their lease to be renewed. This requirement expires after two years of residency/service.
11. Roommates are permitted under the Guidelines. Individuals residing in two or three bedroom units must, at all times, have the unit filled with qualified tenants. In case of the vacancy of any bedroom, the remaining tenant(s) must find a new qualified person within forty-five (45 days). All tenants shall be qualified through the GVRHA prior to occupancy within that unit's category requirements and must be part of the lease.
12. All qualification requirements must be verified every two years by the GVRHA staff unless the property has a yearly verification requirement.
13. The use and occupancy of the rental units shall be limited exclusively to housing for 'natural person(s)' who meet the enclosed Tenant Qualifications.

SECTION 2 INITIAL QUALIFICATION TO RENT

In order to determine that a person or household desiring to rent an affordable housing unit meets all of the criteria set forth in Part II, Section 1, PRIOR to occupancy, the GVRHA must review and have on file specific documentation which provides proof of: residency, employment, income and assets. The GVRHA may request any or all of the following documentation. (All information and documentation received will remain confidential.) 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 non-traditional jobs whereby traditional documentation may not be available. In these circumstances, GVRHA may require non-traditional forms of documentation to determine eligibility. If documents provided are still not to GVRHA's satisfaction, the applicant may appeal to the Special Review Committee.

1. Income Verification:

- a. Copy of the previous year's (most current) completed, executed and filed tax return, including federal and state returns and any applicable schedules.
- b. Current income and financial statement verified by the applicant to be true and correct. If there is a variance of 20% or more between the last two years' tax returns, the two years' incomes will be averaged. 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 report of employer(s) and location(s).

If the above information is not available, the applicant must provide other documentation as requested by the GVRHA and to satisfaction of the GVRHA staff.

2. **Employment Verification:** To Establish program eligibility, the GVRHA may request all or part of the following documentation. In certain instances, such requests may not be limited to the following: (Background and credit checks will be performed after passing this initial qualification level).

- 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 full term that was specified on the Sign-Up sheet).
- b. Recent paystubs (if W-2's are not available).
- c. Employer(s) name, address, telephone and dates of employment.
- d. GVRHA's "Employment Verification Form" [signed by employer(s)].
- e. Evidence of legal residency.
- f. Landlord verification of residency, stating specific dates.
- g. Valid Colorado Driver License.
- h. Valid Gunnison County Voter Registration.
- i. 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.
- k. A picture I.D. (driver's license, state issued ID card, passport, etc.) is required.

If the above information is not available, the applicant must provide other documentation as requested by the GVRHA and to the satisfaction of GVRHA staff.

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 Gunnison 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 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 Gunnison 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 GVRHA 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 GVRHA 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 current policy, the household may request a Hearing before the Board for review.

Due to the need for an employer to house their employees on-site, for rental units owned by employers, if the deed-restricted housing is located on-site of the business, the employer may choose the tenant. If the income and/or assets are greater than the maximum allowed for that specific unit, that employee's income and/or assets shall be waived. All other qualifications must be adhered to.

Note: Applicants for Affordable 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 GVRHA. 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 affordable housing program.

SECTION 3
MAINTAINING ELIGIBILITY FOR RENTAL OF AFFORDABLE HOUSING

The status of Renters/Tenants of Affordable Housing Units shall be reviewed and verified every two years to ensure that they continue to meet the requirements of the Guidelines, including but not limited to: Minimum Occupancy, Income and Asset Requirements, and Employment. The GVRHA shall notify the landlord to provide the tenant written notice of the requalification at least thirty (30) days prior to the expiration of the two years. The GVRHA Rental Approval form should accompany this notice. The landlord shall disclose in the lease that the tenants must re-qualify every two years. Breach by the tenant and/or owner of the Guidelines or agreement /deed restriction will be considered a violation and result in denying any further participation in the affordable housing program. See Part VI, Compliance.

GVRHA Responsibilities:

1. If a complaint is received, it is forwarded to GVRHA staff, who researches the complaint. If staff finds grounds to move forward, the first compliance letter will be mailed within 30 calendar days of receipt of the complaint. The bi-annual requalification request will be treated as a compliance letter.
2. If the tenant and/or landlord (whichever applies) 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 by regular mail.
3. If the tenant and/or landlord 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 landlord. The NOV will provide the landlord an option if they wish to dispute the violation by requesting a GVRHA Board Grievance Hearing in writing within 15 calendar days from the date of the NOV letter. The NOV letter will be sent by regular and certified mail. GVRHA staff will also notify the GVRHA Board when a NOV letter is sent. For confidentiality purposes, the landlord situation will be referred to by a case number only, with no mention of client name or address, and will briefly outline the case.
4. If the landlord does not respond or does not request a GVRHA Board hearing, or the landlord does not request a Board hearing within the specified deadline, GVRHA staff will send a final letter to the landlord. For ownership units, the final letter will state the owner has 30 days to list his/her unit with the GVRHA and that appreciation has stopped. For rental units, the tenant will be notified that applicable lease will terminate by a date agreed upon by the GVRHA and the Property Manager (end of lease term or the Property Manager may choose to pursue legal eviction). The final letter will be sent by regular and certified mail.
5. Should a tenant or owner be receiving unemployment benefits, the tenant or owner must still meet the 1500-hour per calendar year work requirement.

Landlord Responsibilities:

1. The landlord shall provide disclosure in the lease that tenants must be qualified every two years and must reapply in the second year.
2. The landlord shall provide the tenant written notice of the requirement for requalification at least thirty

(30) days prior to the expiration of the two years. The GVRHA Rental Approval form should accompany this notice.

3. Provide the GVRHA a copy of the lease signed by both parties, prior to tenant occupancy.

Tenant Responsibilities:

1. Tenant must meet all of the Initial Qualifications stated previously in Part IT, Section 1. Should a tenant not meet the income/asset requirements of the category unit, the tenant shall have one year to come into compliance or find another place. A tenant who has entered into the bidding process to purchase a deed-restriction unit and is looking for other rental opportunities has one additional year to reside in the unit. However, the rent shall be increased to the category that matches the tenant's income.
2. Once a tenant receives a letter from the GVRHA, the tenant must provide the completed form and/or any additional documentation requested by the deadline stated in the letter.
3. If a tenant wishes to dispute a NOV, the tenant must submit a written request for a Board Grievance Hearing within the deadline stated in the tenant's NOV letter.
4. Once a tenant receives a final letter, the tenant will be notified their lease will terminate by a date agreed upon between the GVRHA and the designated Property Manager.
5. If the client does not respond by the final deadline, legal counsel will follow-up with appropriate legal action.
6. The tenant must pay a requalification fee, as stated in the Fee Schedule adopted on a yearly basis, when the documentation is filed with the GVRHA.

SECTION 4 MANAGEMENT OF RENTAL UNITS

Private management companies manage most of the deed-restricted rental properties. Each specific complex may differ in its rental procedures. ***Persons desiring to rent a Deed-Restricted unit must meet employment, income and asset requirements, as well as minimum occupancy.*** Please contact the GVRHA or individual property managers for specific rental information.

If a qualified tenant of a deed-restricted rental unit requests NW Colorado Legal Services (“NWCLS”) to resolve a housing dispute, NWCLS will contact the landlord to initiate mediation between the landlord and the tenant. If the landlord refuses to participate in the mediation process, NWCLS may directly assist the tenant to pursue their legal claim. If the parties are unable to resolve their dispute, NWCLS will refer the parties to private counsel, or for qualified tenants, NWCLS will attempt to place their case with a pro bono attorney for direct representation.

SECTION 5 RENTAL SIGN-UP POLICY

The GVRHA advertises any vacancies in the classified section of the local weekly newspapers. Any interested party may sign up for that specific unit in the GVRHA office at 202 E. Georgia in Gunnison. Staff reviews the sign-up list and contacts the household with the most years worked full-time in Gunnison County. The interested applicant(s) must provide proof of their work history in Gunnison County for all the years stated on the sign-up sheet.

**PART IV
PURCHASING AFFORDABLE HOUSING**

**SECTION 1
QUALIFICATIONS TO PURCHASE AFFORDABLE HOUSING**

1. To qualify, be eligible, and remain eligible to *purchase and reside in* an affordable-housing unit, a person/household must meet the following criteria and must not exceed the maximum income as stipulated in the table below. Once ownership is established for each specific unit, the household does not have to continue to comply with income, assets or minimum occupancy.

TABLE I. MAXIMUM INCOMES for SALES/Ownership UNITS

	60%	80%	100%	120%	160%	200%
Household Size	CATEGORY 1	CATEGORY 2	CATEGORY 3	CATEGORY 4	CATEGORY 5	CATEGORY 6
1	\$ 28,860	\$ 38,450	\$ 48,063	\$ 57,675	\$ 76,900	\$ 96,200
2	\$ 32,940	\$ 43,950	\$ 54,938	\$ 65,925	\$ 87,900	\$ 109,800
3	\$ 37,080	\$ 49,450	\$ 61,813	\$ 74,175	\$ 98,900	\$ 123,600
4	\$ 41,160	\$ 54,900	\$ 68,625	\$ 82,350	\$ 109,800	\$ 137,200
5	\$ 44,460	\$ 59,300	\$ 74,125	\$ 88,950	\$ 118,600	\$ 148,200
6	\$ 47,760	\$ 63,700	\$ 79,625	\$ 95,550	\$ 127,400	\$ 159,200
Net Asset Limit	\$ 100,000	\$ 125,000	\$ 150,000	\$ 175,000	\$ 225,000	\$ 300,000

NOTE: A household can qualify to purchase a unit in a higher category.

2. To qualify for ownership, at least one a person in a qualifying household must be a full-time employee working in Gunnison County for an employer whose business address is located within Gunnison County, whose business employs employees within Gunnison County, whose state business license denotes a Gunnison County address, and/or the business taxes are paid in Gunnison County (if an employer is not physically based in Gunnison County, an employee must be able to verify that they physically work in Gunnison County a minimum of 1500 hours per calendar year for individuals, businesses or institutional operations located in Gunnison County); or be a retired person who has been a full-time employee in Gunnison County a minimum of four years immediately prior to his or her retirement (as further defined in the Definition section); or be a handicapped person residing in Gunnison County who has been a full-time employee for a Gunnison County employer a minimum of four years immediately prior to their disability as defined in these Guidelines.

3. At the time of a qualified employee's death the surviving household members are permitted to remain in the unit. If the remaining household member is a minor child (under the age of 18), the ownership of said unit may remain with the household; however, upon completion of high school and/or a four-year higher educational program, the minor child must return to Gunnison County and begin working full time to retain ownership of the unit.
4. In a two-person household of two adults only (no dependents as defined in the Guidelines), income-earning adults must be working in Gunnison County to qualify for an additional bedroom. Both qualified adults must continue to work in Gunnison County until they become a qualified retiree as stated in the Guidelines.
5. Upon purchase of the unit, employee(s) shall occupy the unit as the primary residence and maintain at least the minimum work requirement until retirement age as specified in these Guidelines.
6. The purchaser/owner must not own developed residential real estate or a mobile home in the OEZ as defined in Part X, Definitions. If such property is owned, the purchaser/owner must list for sale, at competitive market prices, the residential real estate or mobile home prior to or simultaneously with closing on the affordable housing unit and still meet the asset/income limitations as set forth in Table I. The purchaser must provide the GVRHA with a copy of the appraisal of the property. Upon the sale, a copy of the closing documents indicating the sale price must be provided to the GVRHA. If the property is not sold by the time of closing on the affordable-housing unit, it must remain listed until sold. The owner has 180 days to sell the free- market unit. After such time, the owner must list and sell the deed-restricted unit according to their deed-restriction.
7. The purchaser/owner must have total current household income and assets no greater than the maximum amount specified in Part III, Section 1, for the particular category. At no time can a member of the same household bid separately UNLESS they provide proof of a legal separation and/or divorce. At no time can a member of a household in a specific category bid on a lower category unit. Assets which have been assigned, conveyed, transferred, or otherwise disposed of within the last two years without fair consideration in order to meet the net asset limitations shall be valued at fair market prices. Fair Market Value will be determined by an appraiser (approved by the GVRHA) and paid by owner. Maximum net asset limits for households, which consist of at least one qualified employee of retirement age, shall be 150% of the applicable income category. This is applicable at the time of purchase ONLY. After purchase, owners must continue to work full-time in Gunnison County until retirement age as stated in the Guidelines, not only any other residential property within the OEZ AND live in the unit at least nine months out of each calendar year to continue to own and reside in GVRHA deed-restricted housing. For the purposes of entering a lottery, an individual can be a member of one household at one time. Each name can appear only one time in a lottery.
8. The ownership of any property owned by a qualifying buyer shall be considered in determining Maximum Net Assets.
9. Each owner is required to sign a Requalification Affidavit every two years verifying continuation of work in Gunnison County, not owning other residential property in the OEZ and residing in the unit at least nine months out of each calendar year.

NOTE: Any individual or household who is under review for a possible non-compliance issue may not enter any new lotteries, including in-complex bids, until the non-compliance issue has been satisfied. The owner MUST also be in good standing with their homeowners' association and a notarized document from the HOA will be required at the time of application.

SECTION 2 INITIAL QUALIFICATION TO PURCHASE

In order to determine that a person or household desiring to purchase an affordable housing unit meets all of the criteria set forth in Part III, Section 1, the GVRHA must review and have on file specific documentation which provides proof of: residency, employment, income and assets. The GVRHA may request any or all of the following documentation. **NOTE: All information and documentation received will remain confidential.**

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 non-traditional jobs whereby traditional documentation may not be available. In these circumstances, the GVRHA may require non-traditional forms of documentation to determine eligibility. If documents provided are still not to the GVRHA's satisfaction, the applicant may appeal to the Special Review Committee.

1. 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 W2's attached.
- b. Current income and financial statement verified by the applicant to be true and correct. If there is a variance of 20% or more between the last two years' tax returns, the two years' incomes will be averaged. 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 report of employer(s) and location(s), or W2's for all the years worked in Gunnison County.

If the above information is not available, the applicant must provide other documentation as requested by the GVRHA and to GVRHA staff satisfaction.

2. Employment Verification:

- a. All W-2 forms from a minimum of the previous three (3) years (purchase); paystubs will be accepted if W-2's cannot be provided.
- b. Recent pay stubs.
- c. Employer(s) name, address, telephone and dates of employment.
- d. GVRHA's **Employment Verification Form** [signed by employer(s)].
- e. Evidence of legal residency.
- f. Landlord verification of residency, specific dates.
- g. Valid Colorado Driver's License.
- h. Valid Gunnison County Voter Registration Card.
- i. 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.

- j. Applicants desiring to purchase a unit will be required to sign a release in order for the GVRHA to obtain a copy of the loan application from the lender.
- k. Any additional information the GVRHA will require verifying the applicant's full-time residency in their unit, 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 GVRHA.

- 3. When someone is self-employed and works too few or no hours for an employer, then the number of hours worked in Gunnison County must be clearly documented by providing:
 - 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 most recent W2's, 941's, and/or 1099's for each job (if applicant received W2's, 941's and/or 1099's).
 - b. Copies of any paycheck stubs received by the employee and/or an up-to-date profit and loss statement.
 - c. A copy of a current applicable business license for a business address in Gunnison County.
 - d. Copy of a lease for any office space rented by the applicant located in Gunnison 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' 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 GVRHA that this is the case.
 - 2) 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);
 - 3) A Client 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 GVRHA may require to verify 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. The applicant must provide documentation to the GVRHA's satisfaction. If the household does not specifically fall under the current policy, the household may request a Hearing before the Special Review Committee for review.

Note: Applicants for GVRHA 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 GVRHA.

SECTION 3

MAINTAINING ELIGIBILITY FOR OWNERSHIP OF AFFORDABLE HOUSING

There is not a requalification requirement to meet Income, Asset and Minimum Occupancy for persons who have purchased and own an affordable-housing unit. The household must remain a qualified employee or retiree, continue to occupy the unit as their primary residence as defined in these Guidelines, and not own any other property within the OEZ as defined in these Guidelines, and as they are amended from time to time. GVRHA will require all owners to complete and sign a Requalification Affidavit on a biennial basis.

The GVRHA has the right to request additional documentation through an audit or follow-up on a complaint to show proof of employment and residency. Additional documentation may include items previously stated in Section 1 above.

All qualification items under Part III, Section 1, 1-5 shall apply to continue ownership.

GVRHA RESPONSIBILITIES

1. If a complaint is received, it is forwarded to the Compliance Officer, who researches the complaint. If staff finds grounds to move forward, the first compliance letter will be mailed within 30 calendar days of receipt of the complaint or if the bi-annual Affidavit has not been returned. The bi-annual affidavit will be treated as a compliance letter.
2. If the 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 by regular mail.
3. 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 if they wish to dispute the violation by requesting a Board Grievance Hearing in writing within 15 calendar days from the date of the NOV letter. The NOV letter will be sent by regular and certified mail. The GVRHA 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, with no mention of client name or address, and will briefly outline the case.
4. 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 GVRHA will send a final letter to the owner. The final letter will state the client has 30 days to list their unit with the GVRHA and that their appreciation has stopped. The final letter will be sent by regular and certified mail.

OWNER RESPONSIBILITIES

1. Owner must meet and maintain all of the initial qualifications previously stated in Section 1 except for the income/asset qualification.
2. When vacant land is owned in the OEZ as defined in Part X, Definitions, and the same qualified household owns an affordable-housing unit, the land must remain unimproved. When that land is improved with a certified residential unit(s), the individual must relinquish the GVRHA deed-restricted unit by listing and selling that deed restricted unit.

3. Ownership of Other Property :

- Persons owning improved residential property while at the same time residing in GVRHA deed restricted housing (NOT FREE MARKET HOUSING) prior to *ADOPTION DATE*, will be allowed to retain ownership of that specific free market residential property and still continue to reside in their current GVRHA deed-restricted home. However, once the free market residential property is sold, the person residing in affordable housing may not acquire additional residential property within the OEZ while still residing in GVRHA deed-restricted housing.
- No household that currently owns any property in the recently expanded OEZ (see definition in GVRHA Guidelines) can retain ownership of OEZ property for longer than 180 days after closing on any new purchase of GVRHA deed restricted housing. Failure to sell the OEZ property within 180 days of closing on GVRHA housing will trigger the requirement to list and sell the GVRHA housing immediately. Price, salability, financing, or other market factors that may affect the ability to sell the OEZ property are not factors that can delay the need to sell the GVRHA property.

NOTE: A business owner, who owns a deed restricted unit, has an opportunity to purchase another unit in the OEZ as defined in Part X, Definitions, under the following conditions:

- the business owner would contact the GVRHA that a unit has been found in the free market that they would like to purchase;
- the business owner would then discuss with the GVRHA the needs of the owner;
- the specific Category would be agreed to by both parties (the owner and GVRHA), and
- the GVRHA has the option to approve the request as long as a recorded deed restriction is placed on the free market property relating to the business.
- if an agreement cannot be reached between GVRHA and the business owner, regarding how to manage the purchase of the property, said disagreement is equivalent to a denial by the GVRHA.

The employer would only be allowed to rent the unit to a qualified employee in Gunnison County. Should the Owner be unable to lease the unit to a qualified employee within 180 days of initial advertisement, the owner would be allowed to rent to an individual employed somewhere in the OEZ as defined in the **Definitions Section**, as long as the employees have the top priority to rent that unit, with the second priority going to someone employed in Gunnison County, with the last priority to any other qualified employee.

4. Owner must make timely payment of all regular and special assessments duly imposed upon the property by the applicable homeowners' association.
5. Once an owner receives a NON-COMPLIANCE NOTICE ("NCN") from the GVRHA, the owner must provide the applicable completed form and/or additional documentation in the manner outlined in the non-compliance NOTICE.
6. Should the owner be found out of compliance, the appreciation on the unit will be suspended until compliance is re-established.
7. If an owner wishes to dispute the NCN, the owner must submit a written request for a Board Grievance Hearing within the deadline stated in the NCN. The owner will then be scheduled for a hearing at the next available Board meeting. The Owner and the GVRHA will each be allowed one extension of the

originally scheduled Board meeting. Per the GVRHA Guidelines and Grievance procedures, "the decision of the Board shall be binding and the GVRHA shall take all action necessary to carry out their decision."

8. Once an Owner receives a Final NOTICE of Non-compliance, the Owner shall list his/her unit for sale within 30 days.
9. If the Owner does not respond and/or if the Owner does not list said unit by the final deadline, legal counsel will follow-up with appropriate action.

SECTION 4

PRIORITIES FOR PERSONS BIDDING TO PURCHASE AN AFFORDABLE HOUSING UNIT

When necessary, the GVRHA will operate a lottery for the sale of affordable housing properties. The qualified person(s) submitting the highest bid price, which does not exceed the maximum bid price, during the bid period shall have the first right to negotiate the purchase of the unit. If two or more qualified bids are submitted at the highest bid price, they shall receive preference and be prioritized for selection as the top bidder in the following order:

1. Persons with a present ownership interest Joint or Tenants In Common, in the affordable housing unit.
2. Person(s) chosen by the remaining owner(s) to purchase the interest of another owner, as long as the household is qualified as defined herein. ANY OTHER OWNERSHIP INTEREST MUST BE APPROVED BY SPECIAL REVIEW IF NOT UNDER A COURT ORDER DUE TO DISSOLUTION PROCEDURES AND SOLD TO A QUALIFIED EMPLOYEE.
3. Qualified spouses and/or children of current owners, including joint custody of the children, and/or qualified parent(s) meeting minimum occupancy. A transfer between siblings is permitted; however, any person who is gaining ownership by a transfer between a family member (as defined in these Guidelines) must qualify fully under that specific category. Any transfer must be to an actively employed Gunnison County employee as defined herein. For example, if the unit is a Category 3 unit, the sibling must qualify as a fully qualified Category 3 person with a work history of at least the last four years. *Transfer within immediate family to a qualified buyer requires a \$100 transfer fee, and must be approved by the GVRHA prior to the transfer. The qualified buyer is also required to enter into a new deed restriction during the transfer process.*
4. Persons living in and owning another unit within the complex who meet minimum occupancy standards. A person must have owned his/her in-complex unit for at least one year prior to receiving the in-complex priority; however, a household who has owned less than one year can also receive an in-complex priority if a person with at least one year ownership in that complex has not applied or will be in the next highest priority. However, in new developments, the initial owner of a new unit may exercise the "in-complex" priority prior to a one-year ownership as long as minimum occupancy is met and the household still qualifies within the category of the unit opening up. If there are more than one in-complex bids meeting minimum occupancy¹, a lottery will be held by giving the number of chances as stipulated below. On an in-complex move, a unit must open up to bid to other qualified persons before receiving the in-complex priority. For new multi-phase projects, the in-complex priorities will apply after completion of each phase; however, the initial owner may exercise the "in-complex" priority prior to a one-year ownership within the phase associated with that household's unit and may

¹ *Minimum Occupancy (Definitions) as used herein is one person (with an ownership interest) per bedroom and/or a Dependent. A Dependent can be counted towards a bedroom's occupancy as stipulated in the Definitions Section.*

not exercise the in-complex priority in any other additional employee-housing phases of the project. The in-complex priority DOES NOT apply to any single-family homes.

NOTE: No bids will be accepted for a household that is in a higher category than the dwelling unit that is being sold. Priorities for the lottery process are as follows for each specific unit size.

STUDIO UNITS

1. A single person with four or more consecutive years of employment in Gunnison County immediately prior to application for purchase.
2. A household greater than one with four or more consecutive years of employment in Gunnison County immediately prior to application for purchase.
3. A household with one to four years of consecutive years of employment in Gunnison County immediately prior to application for purchase.
4. A household with less than four years of consecutive years of employment in Gunnison County immediately prior to application for purchase.

ONE-BEDROOM UNITS

1. A household of one or more qualified employees with three (3) or more consecutive years of employment in Gunnison County immediately prior to application for purchase.
2. A household of one or more qualified employees with one to three consecutive years of employment in Gunnison County immediately prior to application for purchase.
3. A household of one or more qualified employees with less than one consecutive year of employment in Gunnison County immediately prior to application.

TWO-BEDROOM UNITS

1. A household of at least two qualified employees or one qualified employee and one dependent which said employee(s) has three (3) or more consecutive years of employment in Gunnison County immediately prior to application for purchase.
2. A household of at least two qualified employees or one qualified employee and one dependent which said employee(s) has worked one to three consecutive years of employment in Gunnison County immediately prior to application for purchase.
3. A household of at least two qualified employees or one qualified employee and one dependent which said employee(s) has worked less than one consecutive year of employment in Gunnison County immediately prior to application.
4. A household of one with three (3) or more consecutive years of employment in Gunnison County immediately prior to application for purchase.
5. A household of one with one to three years of consecutive years of employment in Gunnison County immediately prior to application for purchase.
6. A household of one with less than one year of consecutive employment in Gunnison County immediately prior to application for purchase.

THREE-BEDROOM UNITS

1. A household of at least two qualified employees and one dependent, or one qualified employee with two dependents which said employee(s) has four or more consecutive years of employment in Gunnison County immediately prior to application for purchase.
2. A household of at least two qualified employees and one dependent, or one qualified employee and two dependents which said employee(s) has worked one to four consecutive years of employment in Gunnison County immediately prior to application for purchase.
3. A household of at least two qualified employees and one dependent, or one qualified employee and two dependents which said employee(s) has worked less than one consecutive year of employment in Gunnison County immediately prior to application.
4. A household of at least two qualified employees or one qualified employee and one dependent which said employee(s) has four or more consecutive years of employment in Gunnison County immediately prior to application for purchase.
5. A household of at least two qualified employees or one qualified employee and one dependent which said employee(s) has worked one to four consecutive years of employment in Gunnison County immediately prior to application for purchase.
6. A household of at least two qualified employees or one qualified employee and one dependent which said employee(s) has worked less than one consecutive year of employment in Gunnison County immediately prior to application.
7. A household of one with four or more consecutive years of employment in Gunnison County immediately prior to application for purchase.
8. A household of one with one to four years of consecutive years of employment in Gunnison County immediately prior to application for purchase.
9. A household of one with less than four years of consecutive years of employment in Gunnison County immediately prior to application for purchase.

If you have left Gunnison County and then returned, you may only become re-eligible for affordable housing if you meet all of the following criteria: 1) worked in Gunnison County at least three (3) years prior to your absence; 2) your absence has been for no longer than two years; 3) currently employed for at least 30 hrs/wk in Gunnison County; and 4) annual income will be based on current annual income or annual income in Gunnison County prior to your absence, whichever is greater.

Each household in the top priority will receive the following number of chances. These chances relate only to those households who have worked in Gunnison County three (3) years or more. Any other applicant who has worked in Gunnison County less than three (3) years, will receive only one chance if a separate lottery is held.

Working in Gunnison County greater than 3 years, less than 5 years	5	chances
Working in Gunnison County greater than 5 years, less than 8 years	6	chances
Working in Gunnison County greater than 8 years, less than 10 years	7	chances
Working in Gunnison County greater than 10 years, less than 15 years	8	chances
Working in Gunnison County greater than 15 years	9	chances

After prioritization, names of bidders with the highest bids of equal amounts and equal priority status shall be placed in a lottery which will be held within a reasonable amount of time following the deadline for bids.

If the terms of the proposed purchase contract, other than maximum price, as initially presented to the owner, are unacceptable to the owner, there shall be a mandatory negotiation period of three (3) business days. During this period, the owner and potential buyer shall endeavor to reach an agreement regarding said terms, including but not limited to the closing date and financing contingencies. If the owner and buyer have not reached an agreement at the end of the negotiation period, the next bidder's offer will then be presented to the owner for consideration. A new three-business day negotiating period will begin. All follow-up qualified bids will be processed in a like fashion until the unit is sold or all bids are rejected. If the owner rejects all bids, the unit shall be placed back on the market for new bids or withdrawn from sale. The owner shall be subject to the provisions of Part V, Section 3, paragraph 1, regarding sales fees.

NOTE: If a unit has been expanded to include another bedroom, minimum occupancy shall be based on the original bedroom count (e.g., for a 1-bedroom unit expanded to a 2-bedroom unit, a single person household would meet minimum occupancy, and the unit would be marketed as a one-bedroom unit). This standard is in place to maintain capital improvements limitations; thus, maintaining affordability for a specific Income/Household Category..

EXCEPTIONS TO PRIORITIES SUBJECT TO (SPECIAL REVIEW):

1. Emergency workers (see Definitions) meeting minimum occupancy may qualify for placement into the top lottery priority (except paragraphs 1, 2, 3 and 4, of Part III, Section 6). The employee may compete with other applicants in that category (with a maximum of 5 chances) upon approval from the GVRHA Board of Review. In order to receive the emergency worker priority, the emergency worker must have been in service to the community with that agency for a least one year. The worker will be required to be in service to the agency as a qualification of ownership until they have completed four years of service. If the worker leaves the emergency status position before that time, they will be required to list their unit for sale to a qualified employee. (The option for Special Review of circumstances for leaving is open to emergency workers.)
2. After in-complex bidders, first priority for mobility disability units shall be given to physically disabled persons prioritized by length of residency and who meet the definition of a mobility disability. The applicant must meet GVRHA's Guidelines criteria for a mobility disability as well as other minimum occupancy criteria to receive this priority.
3. Persons removed from their residence in an applicable Municipality or Gunnison County due to conversion or reconstruction of their residence by government action may receive higher priority upon Special Review.
4. It is within the discretion of the GVRHA to determine that any deed-restricted unit located in a condominium or subdivision, which also includes free-market units, has been rendered unaffordable as a deed-restricted unit as a result of general or special assessments. The owner(s) of the deed-restricted unit will have the highest priority to move into a like unit at the same category of the unit currently owned.

The GVRHA, the applicable Municipality, or Gunnison County will have the highest priority to purchase the unit that the owner is currently in at the maximum resale price according to the deed-restriction recorded on said property and subject to the provisions of these Guidelines. The GVRHA may release the deed-restriction on said property and sell the property at fair-market value as a free-market property.

The GVRHA will be reimbursed the amount of the purchase price of said unit plus a 2% sales fee with the balance of the funds going to the applicable Municipality or County for future development of deed-restricted housing. If the GVRHA, Municipality or County paid in any additional assessments, those funds shall also be reimbursed to GVRHA, Municipality or County. The GVRHA shall only approve deed-restricted units in mixed projects IF the condominium declarations include adequate provisions limiting assessments on the deed-restricted units so that they will remain affordable.

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PART V
INFORMATION FOR DEVELOPMENT OF AFFORDABLE HOUSING

Part VII of these Guidelines contains information to be used by developers of affordable housing units in Gunnison County or Municipalities within the County whether required in connection with an application for free-market development or other proposals containing an affordable housing component.

SECTION 1
NET MINIMUM LIVEABLE SQUARE FOOTAGE FOR
NEWLY DEED-RESTRICTED AFFORDABLE HOUSING UNITS

Tables III, A and B set forth the allowable Minimum Net Livable Square Feet (see Definitions) for each unit type and category. Developers may choose to construct larger units; however, allowable rental and sales prices for such larger units may not exceed the maximum levels set forth in Tables IV and V. The minimum net livable square foot requirements may be reduced upon demonstration to and approval by the Gunnison Valley Regional Housing Authority that the development satisfies, or is required to adjust to, other physical factors or considerations including, but not limited to, design for livability, common storage, other amenities, location or site-specific designs.

TABLE III, A: MINIMUM NET LIVEABLE SQUARE FEET FOR EACH OWNERSHIP UNIT TYPE AND CORRESPONDING INCOME CATEGORY

Unit Type	Category 1	Category 2	Category 3	Category 4	Category 5	Category 6
	Square Feet					
1 Bedroom	550	600	750	N/A	N/A	N/A
2 Bedroom	750	850	950	1100	N/A	N/A
3 Bedroom	1000	1075	1200	1350	1450	1700
4-Bedroom	1,150	1,200	1300	1450	1550	1850

TABLE III, B: MINIMUM NET LIVEABLE SQUARE FEET FOR EACH RENTAL UNIT TYPE AND CORRESPONDING INCOME CATEGORY

Unit Type	Category 1	Category 2	Category 3	Category 4
	Square Feet	Square Feet	Square Feet	Square Feet
Studio	450	525	625	N/A
1 Bedroom	550	600	725	N/A
2 Bedroom	750	825	950	1,050
3 Bedroom	975	1,050	1,200	1,275

NOTE: Net Livable Square Footage (see Definitions) calculations shall be required for the affordable housing component of a project and must be verified by the relevant Building Department prior to issuance of any building permits for either the free market or affordable housing component of the project. Said Building Department shall retain a set of approved building permit drawings for the project. The relevant Building and Planning Departments shall coordinate with the GVRHA to verify the construction of the affordable housing units with the approved building permit plans.

SECTION 2
MAXIMUM SALES PRICES FOR NEWLY DEED RESTRICTED
AFFORDABLE HOUSING UNITS AND FOR AFFORDABLE LOTS

Table IVA sets forth the Maximum Sales Prices for newly deed-restricted affordable housing units to the initial purchaser. The maximum resale price of a unit shall be controlled by the Deed Restriction covering the unit executed by the initial purchaser upon closing of the initial purchase. *NOTE: The following prices are MAXIMUM limits. A developer should not assume that constructing units and marketing them at the maximum sales price will be satisfactory to the GVRHA. Prices are dependent upon unit size, location, and levels of public buy-down of land and construction costs/fees.*

TABLE IV: MAXIMUM SALES PRICES FOR COMMUNITY HOUSING UNITS

UNIT TYPE	Calc Factor	CATEGORY 1	CATEGORY 2	CATEGORY 3	CATEGORY 4	CATEGORY 5	CATEGORY 6
1-BDRM	1.5	\$ 80,668	\$ 107,557	\$ 134,446	N/A	N/A	N/A
2-BDRM	2.5	\$ 91,397	\$ 121,915	\$ 152,329	\$ 182,795	N/A	N/A
3-BDRM	3.5	\$ 109,090	\$ 136,208	\$ 170,211	\$ 204,254	\$ 272,338	\$ 340,423
4-BDRM	4	\$ 121,920	\$ 149,066	\$ 186,267	\$ 223,520	\$ 298,027	\$ 372,533

NOTE: The above table should be used in cases where a unit owner does not pay homeowners fees and land lease payments each month. The cost for Taxes and Insurance are deducted at a rate of 10% of housing costs. In cases where Homeowner's Fees are required of a deed restricted unit, the portion of the Homeowner's Fees that cannot be directly attributed to payment of shared utilities, water/sewer or refuse, shall be deducted from available income in order to calculate a Maximum Sales Price for the deed restricted unit.

NOTES:

1. Single-family lots shall be developed with homes of three bedrooms or larger and shall be prioritized for lottery as set forth in Part V, herein.
2. Sales units will be offered for sale through the GVRHA to all qualified persons under the procedures established by these Guidelines.
3. In the event affordable housing units associated with a lodge, agricultural operation or commercial development are retained by the owner/operator of the development, persons employed directly by such owner/operator shall be given first priority to purchase; however, said persons must meet the GVRHA's Guidelines for occupancy, income and assets criteria in order to qualify to occupy the unit(s). In the event there are no household(s) directly employed by the owner who qualify, the unit shall then be offered to other qualified households according to Part III, Section 5 of these Guidelines.
4. All newly deed restricted affordable housing sales units must be in a marketable condition and comply with the local, applicable Building Code and with all rules, regulations, and codes of all governmental utilities and agencies having jurisdiction. Prior to sale, the unit must be inspected and approved by a certified building inspector, architect, or engineer approved by the GVRHA for compliance with the Guidelines. Cost of such inspections shall be the responsibility of the applicant, and the results of such inspection must be approved by the GVRHA.

SECTION 3
MAXIMUM MONTHLY RENTAL RATES FOR
NEWLY DEED RESTRICTED AFFORDABLE HOUSING UNITS

Table V sets forth the maximum monthly rental rates which may be charged by the developer for newly deed restricted affordable housing units. The rental rates apply and shall be in effect for a twelve (12) month period from the commencement date of the initial lease with the first tenant of the newly deed restricted unit. Thereafter, the maximum monthly rental rate may be increased only if, and to the extent that, the maximum rents outlined by the Housing Guidelines then in effect permit an increase in rental rates.

TABLE V: MAXIMUM ALLOWABLE RENTS,
GUNNISON VALLEY REGIONAL HOUSING AUTHORITY

	CATEGORY 1	CATEGORY 2	CATEGORY 3	CATEGORY 4
Studio	\$ 482	\$ 634	N/A	N/A
1-BDRM	\$ 557	\$ 675	\$ 843	N/A
2-BDRM	\$ 667	\$ 803	\$ 978	\$ 1,163
3-BDRM	\$ 802	\$ 945	\$ 1,122	\$ 1,334

Note: Maximum allowable rents in the above table are rents that would be utilized in scenarios where federal tax credits or other subsidies are not utilized by the developer. Those operating under the restrictions of LIHTC or other funding systems must follow the rules and rental guidelines of those, specific systems. The GVRHA will assist in the coordination of development efforts with the Colorado Housing & Finance Authority (CHFA) and private-sector development groups. Lease periods and rental rates shall be dictated primarily by the CHFA, HUD and the IRS.

The GVRHA is the body responsible for enforcing the rents outlined herein. The GVRHA, typically, does not feel that rental units for Categories 4 and above are appropriate; therefore, these categories are not listed. In addition, the restriction of rents to Category 3 levels may not always be considered as the provision of "affordable units," and will be up to the discretion of the GVRHA. Developers seeking density bonuses from a government body and/or financial assistance from a municipality, the county, or the GVRHA should be aware of these maximum rent levels.

NOTES:

1. Units constructed prior to the effective date of these Guidelines shall charge rents that do not exceed those set forth in Part IV.
2. Rental rates shall apply whether the units are provided furnished or unfurnished.
3. Rental rates in Table V include, and may not be increased to pay for, the cost of utilities in common areas, condominium dues, management costs and taxes. In the event that utilities are commonly metered, a charge to the tenant may be made in addition to the maximum rents in Table V for the tenant's share of such utilities attributable to the tenant's net living area. Tenants shall be responsible for individually metered utilities.

4. Prior to occupancy of a deed restricted rental unit. A proposed tenant must be qualified by GVRHA for occupancy and provide to the Authority all verification materials required under these Guidelines. The occupant must provide owner/landlord with proof of verification and qualification by the Authority prior to occupancy. The owner shall be required to provide a copy of the lease agreement with the tenant to the GVRHA for approval, which shall be given or denied within five working days after receipt by the two bodies. Leases shall meet occupancy standards and allowed rental rates, and shall be for a minimum term of six (6) consecutive months. An executed copy of the lease shall be provided to GVRHA prior to occupancy by tenant.
5. In the event affordable housing units associated with a lodge, commercial, agricultural operation, or residential development are retained by the owner/operator of the development, persons employed directly by such owner/operator meeting the income, occupancy, and asset standards may be given first priority to rent. In the event there are no persons directly employed by the owner who qualify, the unit shall then be offered to other qualified persons according to the procedures contained in Part II of the Guidelines.
6. All newly deed restricted affordable housing rental units must comply with the applicable Building Code and with all rules, regulations, and codes of all governmental bodies and agencies having jurisdiction. The owner of affordable housing rental units, at his/her cost and expense, must keep and maintain the interior and exterior of the total structure (including all residential units therein) and the adjacent open areas in a safe and clean condition and in a state of good order and repair, reasonable wear and tear and negligent or intentional damage by tenants excepted.

PART VI LOTTERY PROCESS

Priority for purchasing via the Housing Lottery is given to those persons who have worked in Gunnison County a minimum of four consecutive years. An initial lottery is held for persons who have priority status. A subsequent lottery may be held if necessary. Any persons employed in Gunnison County and meeting the criteria are eligible to participate in the Housing Lottery, however, demand for housing is so great that it is unlikely in the foreseeable future that a non-priority lottery will need to be held.

1. The lottery is held the Monday after the listing period has ended, unless otherwise specified. Should there be an in-complex bid, the lottery will not be held. If there is more than one in-house bid, a lottery will be held for those in-complex households only. Should all in-house people decline the unit or not get financing, the lottery will be held for the households who entered the lottery prior to the deadline.
2. All top priority qualified households who have bid on the unit are entered into the lottery.
3. The names are printed out and verified prior to running the lottery to ensure that a household has not been excluded. The names are verified by the bid sheets and by the receipts provided to each bidder. This list will be posted on the outside door of the Courthouse Plaza Building by Noon, the Friday before the lottery is held.
4. The lottery shall be run on the date specified in the advertisement.
5. 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. If there is a problem, the problem is noted on the printout and explained as to why the lottery has to be rerun. The lottery is then rerun with the correction(s) made.
6. The file of the lottery winner is pulled and reviewed for completion.
7. Once the winner's information is verified, the winner is notified by the GVRHA and an appointment is scheduled.
8. The lottery is then classified as "official" and the names posted on the bulletin board in the GVRHA office and can then be found on the GVRHA website, www.gvrha.org.
9. If the winner of the lottery does not proceed to contact the GVRHA and sign the contract within five (5) business days, the next in line is notified and so on, until the unit is under contract for purchase.

NOTE: The GVRHA has the right to disqualify a potential winner, if the winner's qualification information cannot be verified, is incomplete, or inaccurate at the time of contract. The GVRHA will allow assistance from the potential winner within the five-day grace period noted in Part IV, (9), above.

PART VII
PROCEDURES FOR THE SALE OF A CATEGORY AFFORDABLE HOUSING UNIT

SECTION 1
LISTING A UNIT WITH THE GVRHA

1. An owner of an affordable housing unit desiring to sell shall consult with the GVRHA and review the Deed Restriction covering the unit to determine the maximum sales price permitted and other applicable provisions concerning a sale.
2. Unless otherwise provided in the Deed Restriction, the unit must be listed for sale with the GVRHA and the GVRHA staff will administer the sale in accordance with the Guidelines in effect at the time of listing.
3. The sale of an Accessory Dwelling Unit (ADU) deed-restricted as a "for-sale" unit must be through the GVRHA lottery process.
4. There shall be a minimum listing period of three months before a unit's price can be readjusted. Any termination in the listing may require the payment of administrative and advertising costs.
5. The GVRHA acts as a Transaction Broker representing both Buyer and Seller. Questions will be answered and help provided to any potential purchaser or seller EQUALLY in accordance with the current Guidelines.
6. The GVRHA is responsible for preparing all documents pertaining to the sale and purchase of Category Units.
7. All purchasers and sellers are advised to consult legal counsel regarding examination of title and all contracts, agreements and title documents. The retention of such counsel, licensed real estate brokers, or such related services, shall be at purchasers or sellers own expense.
8. The fees paid to the GVRHA are to be paid regardless of any actions or services that the purchaser or seller may undertake or acquire.
9. A seller in the process of purchasing a different unit may find it necessary to secure additional financing should the property listed for sale not close prior to the closing date on the newly purchased property.
10. A **Seller's Property Disclosure Form** will be completed by the Seller at the time of listing. This will be reviewed with the Executive Director or Transaction Broker. Each seller will be provided a copy of the Minimum Standards required in order for the Seller to receive maximum value. It is required that the Seller shall provide the Buyer with a clean, working unit upon delivery of deed. Holes in the walls will be filled, carpets steam cleaned, damaged windows will be repaired, appliances will be in working order, and the plumbing shall be in working order. A final inspection of the unit shall be conducted by the Buyer on the day of closing. If the unit is not left in satisfactory condition, at the sole discretion of the GVRHA, monetary compensation shall be held in escrow at closing from the Seller's proceeds until the repairs and/or cleaning are completed. The repairs and/or cleaning shall be paid from this fund. Any monies left over shall then be distributed to the Seller. The escrow amount shall be determined by the GVRHA.

SECTION 2 ADVERTISING THE SALE: BID PERIODS

1. After a unit is listed for sale with the GVRHA, the GVRHA, at its expense, arranges to advertise the unit for sale in the local weekly papers. Upon listing, there is an initial two-week bid period during which the unit is advertised with one open house date for showing. GVRHA will accept in-complex bids the first week only. Such deadline will be stated in the Guidelines. After the deadline, any bid from an in-complex owner will be treated as all other bids. The initial two-week bid period ends on the Wednesday after the second week of advertising. If there are no bids received in the initial bid period, there will follow consecutive one-week bid periods, ending Wednesday, until the unit is sold.
2. Prospective purchasers are encouraged to investigate sources of financing prior to submitting a bid for affordable housing and can obtain names of lenders from the GVRHA. Staff are available to assist interested parties with the purchase procedure and to answer any questions about the process.
3. If more than one bid is received during any bid period, bids are prioritized according to the Guidelines. If more than one bid is in top priority, a lottery is held.

SECTION 3 FEES FOR LISTING AND SALES

There are two fees involved in the listing and sale of a Deed Restricted Affordable Housing unit -- a Listing Fee, a Sales Fee, and an Agent Fee. The Sales Fee and Transaction Fee is equal to two percent (2%) of the sale's price of the property plus five hundred dollars (\$500), unless otherwise specified in the Deed Restriction. Also, unless otherwise specified in the Deed Restriction, the GVRHA will collect half of the total Sales Fee (the Listing Fee) at the time of the listing (calculated on 90% of Maximum Sales Price). If a sale is completed by the GVRHA, the Listing Fee is considered part of the overall Sales Fee and will be applied to the total Sales Fee payable at closing. The GVRHA may instruct the title company to pay said fees to the GVRHA out of the funds held for the Seller at the closing. In the event that the Seller: a) fails to perform under the listing contract, b) rejects all offers at maximum price in cash or cash-equivalent terms, or c) withdraws the listing after advertising has commenced, that portion of the Listing Fee spent by the GVRHA for those purposes will not be refunded. In the event that the Seller withdraws for failure of any bids to be received at maximum price or with acceptable terms, the advertising and administrative costs incurred by the GVRHA shall be deducted from the fee. The balance will be credited to the Seller's sales fee when the property is sold.

SECTION 4 DEED RESTRICTION

The purchaser must execute, in a form satisfactory to the GVRHA and for recording with the Gunnison County Clerk concurrent with the closing of the sale, a document acknowledging the purchaser's agreement to be bound by the recorded Deed Restriction covering the sale unit. This form is either a Memorandum of Acceptance that relates to a Master Deed Restriction, or a Deed Restriction. The form is provided for signature by the GVRHA at the time of closing, and will be recorded along with the other documents that are required to be recorded.

**SECTION 5
CO-OWNERSHIP AND CO-SIGNATURE**

1. Any co-ownership interest other than Joint Tenancy or Tenancy-In-Common must be approved by the GVRHA.
2. Co-signers (persons providing security or assuming partial responsibility for the loan) may be approved for ownership of the unit but shall not occupy the unit unless qualified by the GVRHA. An additional document will be required for the non-qualifying owner to sign at the time of closing and will be provided by the GVRHA. If title to a Unit transfers solely to a non-qualified co-signer, the Unit must be placed up for sale as per the Unit's Deed Restriction Agreement.

**SECTION 6
SALE OF RESIDENTIAL LOTS**

The applicable Municipality or County will receive sales proceeds from residential lots when the land is being provided as mitigation of affordable housing impacts for a development or growth. Said Municipality or County may also request that Affordable Housing Units be constructed as part of development mitigation policy.

The property owner or developer will receive sales proceeds from single-family lots when the land is not being provided as mitigation of affordable housing impacts for a development or growth.

**SECTION 7
LEAVE OF ABSENCE FOR OWNERS OF AFFORDABLE HOUSING UNITS**

An owner of an affordable-housing unit must reside in their unit at least nine months out of the year and work at least 1500 hours per calendar year. There are instances in someone's life where they must leave Gunnison County for a limited period of time and desire to rent their unit during their absence. In those instances, a Leave of Absence may be granted by the GVRHA. The homeowner must provide clear and convincing evidence, which shows a bona fide reason for leaving and a commitment to return to the Gunnison area. A leave of absence can be requested for up to one year, with the possibility for an extension for up to one more year. At no such time shall a leave of absence be approved for longer than two years.

LEAVE OF ABSENCE REQUEST PROCEDURE

1. A **LEAVE OF ABSENCE REQUEST FORM** must be completed and returned to the GVRHA at least 30 days prior to leaving Gunnison County. This form must be obtained by the applicant from the GVRHA.
2. Notice of such intent to rent an affordable dwelling unit and the ability to comment shall be provided to any applicable homeowners' association at the time of request for their input and recommendation.

Terms and Conditions:

1. The unit may be rented during said period so long as the Deed Restriction covering the unit permits the rental. A three to six month leave of absence may be granted upon approval of the GVRHA and the appropriate HOA.
2. In the event that a maximum rental rate is not set forth in the Deed Restriction, the rent shall be charged based on the owner's costs plus \$50. For someone who no longer has debt on their unit, the rent would be calculated beginning with the rental amount associated with the Guidelines in effect at the time they bought the unit, and then appreciated forward per Table VI in the Guidelines.
3. Owner's cost as used herein includes the monthly mortgage principal and interest payment, condominium fees, utilities remaining in owner's name, taxes (if not part of the mortgage payment) and insurance prorated on a monthly basis, plus \$50 per month.
4. Prior to the GVRHA's qualification of tenant, said tenant shall acknowledge as part of the lease that said tenant has received, read and understands the homeowners' association covenants, rules and regulations for the unit and shall abide by them. Enforcement of said covenants, rules and regulations shall be the responsibility of the homeowners' association.
5. A copy of the executed lease shall be furnished by the owner or tenant to the GVRHA and homeowners' association.
6. Should the homeowners' association or GVRHA recommend denial of the owner's request for a leave, the GVRHA will conduct a Special Review with the owner, homeowners' association representative(s) present or a member of GVRHA.
7. A short-term rental may be permitted, with the consent of the GVRHA and the Homeowners' Association, to faculty or employees of a non-profit group and who shall be qualified without meeting income and assets only for a short-term rental (three months or less).

**SECTION 8
ROOMMATES IN SALES UNITS**

Owners are allowed to have roommates; however, there are certain conditions that must be followed when renting a room.

Terms and Conditions:

1. Roommates are permitted as long as the owner is a qualified employee and residing full-time in their unit.
2. An owner may rent a unit or room to a qualified employee 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.
3. An owner may rent a room to a qualified employee for as short a period of time as one month. However, the rent cannot exceed the amount as stipulated in paragraph 2 above.

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

SECTION 9 CAPITAL IMPROVEMENT POLICY AND MINIMUM STANDARDS TO RECEIVE FULL VALUE AT TIME AT RESALE

Capital improvements and upkeep on deed-restricted units are necessary to enhance the longevity of the affordable housing unit. A maximum sales price will be affected, either higher or lower, relating to the condition of the unit and if the unit meets the minimum standard criteria. Any owner wishing to utilize the new capital improvement policy will be required to enter into the deed restriction that is currently being used at the time of the request.

An owner will be required to maintain a minimum standard for the unit purchased. See Table I, Minimum Standards for Seller to Receive Full Value. Prior to any sale of a unit, the GVRHA Staff will determine a maximum sales price. The GVRHA shall conduct an inspection and a list provided to the Seller as to the items that will need to be done PRIOR to closing to get full value. The Buyer also 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. If the unit meets the standard criteria, the Property or Unit shall not be sold for an amount ("Maximum Resale Price") in excess of the lesser of the purchase price PLUS:

- An increase of three percent (3%) of such price per year from the date of purchase to the date of Owner's notice of intent to sell (prorated at the rate of .25 percent for each whole month for any part of a year); OR
- An amount based upon the Consumer Price Index [All Items, U.S. City Average, Urban Wage Earners and Clerical Workers (Revised), published by the U.S. Department of Labor, Bureau of Labor Statistics] calculated as follows: the Owner's purchase price divided by the Consumer Price Index published at the time of Owner's purchase stated on the Settlement Statement, multiplied by the Consumer Price Index current at the date of intent to sell; AND
- Any GVRHA-approved capital improvements.

Homeowners Requesting the Ability to Use this Capital Improvement Policy:

If an owner requests to utilize the capital improvement policy, such owner shall be required to enter into a new, updated deed restriction.

Capital improvements can be added to the maximum resale price. A 10% Capital Improvement maximum will be established for each new owner. All capital improvements will be depreciated. Certain capital improvements will not be counted towards the 10% cap. Each capital improvement will depreciate according to the depreciation schedule stated in an approved handbook. The current source is the Marshall Swift Residential Handbook. Any capital improvements associated with health and safety, energy efficiency, water conservation, and green building products will be exempt from the 10% capital improvement cap; however, such capital improvements shall be depreciated according to the depreciation schedule stated in an approved handbook. An owner should check with the GVRHA prior to starting any improvement to verify that the cost can be recouped.

It will be up to the homeowner to maintain the unit in good condition. This maintenance includes, but is not limited to, the condition of the roof, boiler or water heater, and all appliances. Educational programs shall be scheduled for existing homeowners' associations and newly developed homeowners' associations as to what their responsibilities are in maintaining a project in good condition

Permitted Capital Improvements

1. The term "Permitted Capital Improvement" as used in the Agreement shall only include the following:
 - a. Improvements or fixtures erected, installed or attached as permanent, functional, non-decorative improvements to real 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 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; and/or
2. Permitted Capital Improvements as used in this Agreement shall NOT include the following:
 - a. Jacuzzis, saunas, steam showers and other similar items;
 - b. Upgrades or addition of decorative items, including lights, window coverings and other similar items.
 - 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.
3. All Permitted Capital Improvement items and costs shall be approved by the GVRHA staff 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 will not be counted unless a Letter of Completion was obtained by the applicable Building Department.

MINIMUM STANDARDS FOR SELLER TO RECEIVE FULL VALUE

- Thoroughly cleaned Dwelling Unit
- Carpets steam-cleaned two or three days prior to closing
- All major scratches, holes, burn marks repaired in hardwood floors, linoleum, tile, counter tops, etc.
- No broken windows
- All screens in windows (if screens were originally provided)
- All doors will be in working order with no holes
- All locks on doors will work
- All keys will be provided; e.g., doors, mail box, garage
- All mechanical systems shall be in working order
- Walls paint ready
- Normal wear and tear on carpet; if carpet has holes, stains, etc., the carpet and padding shall be replaced or escrow funds at current market value per square foot for a comparable product shall be held at the time of closing to be used by the new buyer
- No leaks from plumbing fixtures
- No roof leaks
- Any safety hazards shall be remedied prior to closing
- All light fixtures shall be in working order

DEFINITIONS

A Clean Unit: All rooms will be cleaned as stated below.

KITCHEN:

- Range -Inner and outer services will be cleaned.
- Range hood and Exhaust Fan
- Refrigerator and Freezer - Inner and outer surfaces of refrigerator and freezer will be clean. Freezer will be defrosted.
- Cabinets and Countertops - Exterior and interior surfaces of cabinets and drawers will be clean. Door and drawer handles, if provided, shall be clean and in place.
- Sink and Garbage Disposal - Sink and plumbing fixtures will be clean. If garbage disposal provided, this must be in working order.
- Dishwasher – If provided prior to move-in, must be in working order and inner and outer surfaces shall be clean.

BLINDS, WINDOWS, SCREENS:

- Mini-blinds, Venetian Blinds, Vertical Blinds, and Pull Shades - Will be clean.
- Windows - All window surfaces, inside and outside of the window glass, shall be clean.
- Screens - Screens will be clean and in place with no holes or tears.

CLOSETS:

- Closets, including floors, walls, hanger rod, shelves and doors, shall be clean.

LIGHT FIXTURES:

- Light fixtures will be clean and shall have functioning bulbs/fluorescent tubes.

BATHROOMS:

- Bathtub, Shower Walls, Sinks -Bathtubs, shower walls and sinks shall be clean.
- Toilet and Water Closet - Water closets, toilet bowls and toilet seats will be clean. If the toilet seat is broken or peeling, the seat shall be replaced.
- Tile - All tile and grout will be clean.
- Mirrors and Medicine Cabinets - Shall be cleaned inside and out.
- Shelves and/or Other Cabinetry - Shall be cleaned inside and out.

WALLS, CEILINGS, PAINTED DOORS AND BASEBOARDS:

- Painted surfaces must be cleaned with care to ensure the surface is clean without damaging the paint.

FLOORS:

- Floor cleaning includes sweeping and mopping and could include stripping, waxing and buffing. Types of floor surfaces include wood, wood parquet tiles, linoleum, asphalt tile, vinyl tile, mosaic tile, concrete and carpet. If carpet, all carpets shall be cleaned at least two days prior to closing.

INTERIOR STORAGE/UTILITY ROOMS:

- Storage/utility rooms shall be cleaned. Properly cleaned storage/utility rooms will be free from odors, removable stains, grease marks or accumulations.

WALLS PAINT-READY:

- All holes shall be patched; all posters, pictures, etc., shall be removed from all walls; all nails, tacks, tape, etc., shall be removed from all walls; and all walls shall be clean and ready for the new buyer to paint. If wallpaper has been placed on the wall and in good condition, the wallpaper can remain; if the wallpaper is peeling off, the wallpaper must be removed and walls made paint-ready.

WINDOWS:

- If a window is broken, including the locking mechanism, the window shall be replaced.

NOTE: Safety Hazards. Any item(s) that provides a safety hazard shall be fixed. This would include, but is not limited to, exposed electrical wiring, ventilation for gas hot water system, etc.

PART VIII SPECIAL REVIEW

A Special Review for 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 request a Special Review, a letter must be submitted to the GVRHA Executive Director stating the request, with documentation regarding the unusual hardship. The applicant shall submit any additional information reasonably requested by the GVRHA and a Special Review meeting will be scheduled in a timely manner (within 10 business days).

The Special Review Committee may grant the request, with or without conditions, if the approval will not cause a substantial detriment to the public good and without substantially impairing the intent and purpose of the Guidelines, and if an unusual hardship is shown.

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PART IX GRIEVANCE PROCEDURES

A grievance is any dispute that a tenant or purchaser (see Definitions) may have with the GVRHA with respect to action or failure to act in accordance with the individual tenant's or purchaser's rights, duties, welfare or status. A grievance may be presented to the GVRHA Board of Directors under the following procedures.

I. FILING A GRIEVANCE

A. Any grievance must be presented in writing to the GVRHA. It may be simply stated, but shall specify: 1) the particular ground(s) upon which it is based; 2) the action requested; and 3) 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 GVRHA Board of Directors shall be scheduled for the next scheduled Board 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.

C. The complainant and the GVRHA 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 GVRHA that are relevant to the hearing. Any document not made available after written request may not be relied upon at the hearing.

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

II. CONDUCT OF THE HEARING

A. If the complainant fails to appear at the scheduled hearing, the Board may make a determination 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 Board as follows: 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 Board and may be regulated by the Board as it deems necessary for a fair hearing.

D. Based on the records of proceedings, the Board will provide a written decision and include therein the reasons for its determination. The decision of the Board shall be binding on the GVRHA that shall take all actions necessary to carry out the decision.

PART X DEFINITIONS

Accessory Dwelling Unit - The residential dwelling unit must be a private unit, with a private entrance, a full bath and a kitchen as defined in these Guidelines.

Affordable Housing / Employee Housing / Work Force Housing - Dwelling units restricted to the housing size and type for individuals meeting asset, income and minimum occupancy guidelines approved by the Municipal Council, Board of County Commissioners and/or the GVRHA, whichever shall apply.

Gunnison Valley Regional Housing Authority - GVRHA.

Assets - Anything owned by an individual that has commercial or exchange value. Assets consist of specific property or claims against others, in contrast to obligations due others. See also definition for Gross Assets and Net Assets.

Basement - As defined by the applicable City or County Land Use Code.

Bedroom - A room designed to be used for sleeping purposes that shall contain closets, have access to a bathroom and meets applicable City or County International Building Code requirements for light, ventilation, sanitation and egress.

Buy Down Unit - Free-market residential dwelling unit that the government (Municipality, Gunnison County, GVRHA) and/or private sector acquired and deed-restricted to affordable housing category.

Capital Improvements - Unless otherwise defined in the Deed Restriction covering the affordable housing unit, any fixture erected as a permanent improvement to real property excluding repair, replacement, and maintenance costs.

Caretaker Dwelling Units - The unit must be a totally private unit, with a private entrance, a full bath and a kitchen as defined in these Guidelines.

Category - Income limit category, sales price category, or maximum rental rate category as determined by the GVRHA Housing Guidelines according to household income and net assets.

Consumer Price Index (CPI) - The Consumer Price Index that is used for purposes of the Guidelines and for purposes of the Deed Restriction is the **Consumer Price Index - U.S. City Average and Regions, Urban Wage Earners and Clerical Workers (CPI-W)**, All Items (1967=100). Updated information is received on a monthly basis from the U.S. Department of Labor, Bureau of Labor Statistics.

Co-signer - A joint signatory of a promissory note who shall not occupy the unit unless qualified by the GVRHA.

Deed Restriction - A contract entered into between the GVRHA and the owner or purchaser of real property identifying the conditions of occupancy and resale. Such document shall be recorded with Gunnison County.

Dependent - a "dependent" is either a "qualifying child" or a "qualifying relative." Generally, a "qualifying child" is: (a) a child (including stepchild, adopted child, or eligible foster child), or a sibling (or stepsibling) of the applicant or resident, or a descendant of either; (b) has resided in the principal abode of the applicant or resident for **at least 100 days out of a calendar year**; (c) has not attained age 19 (or is a student who has not attained age 24 as of the end of the year); and (d) has not provided more than half of his or her support for that year. A child who does not satisfy the qualifying child definition may be a "qualifying relative."

Generally, a "qualifying relative" is an individual who: (a) is a child (including stepchild, adopted

child, or eligible foster child), a sibling (including stepsiblings), the taxpayer's father or mother or an ancestor of either of them, a stepparent, a niece or nephew, an aunt or uncle, certain in-laws of the taxpayer, or an individual, other than a spouse, who resides in the principal abode of the taxpayer and is a member of the household; (b) has gross income in the relevant calendar year not exceeding the exemption (\$5,200 for 2010); (c) receives more than half of his/her support for the year from the taxpayer; and (d) is not a qualifying child of any other taxpayer for the calendar year.

In the case of divorced families with children, to obtain a bedroom, each child shall be used once for proving minimum occupancy. Should both parents enter the same lottery, the top winner only shall be allowed to purchase the unit; the other parent shall be able to use the child(ren) to obtain one additional bedroom only.

Disabled Person - See definition for Disability.

Dormitory - A structure or portion thereof under single management that provides group sleeping accommodations for occupants in one (1) or more rooms for compensation. Standards for use occupancy, and design of such facilities shall be approved by the GVRHA. See Part III, Sec. 4.

Emergency Worker - An employee or volunteer of a community based organization that provides on-scene assistance giving emergency personal care to victims, including, but not limited to the following: Fire Department Workers, Mountain Rescue, Sheriffs Deputies, Police Officers, Hospital Emergency Room Technicians, Social Service Workers (mental health and abuse case workers), Ambulance Drivers, Emergency Medical Technicians, Communications Dispatchers through the Sheriff's Office or Police Department, etc.

Employee/Qualified Resident/Buyer - A person who is employed for an employer as defined below on the basis of a minimum of 1,500 hours worked per calendar year in Gunnison County, which averages 35 hours a week, 10 months a year; or 32 hours a week, 11 months a year,

physically working in Gunnison County and must reside in the unit a minimum of nine (9) months out of the year.

Employer (Gunnison County Employer) - A business whose business address is located within Gunnison County, whose business employs employees (as defined herein) within Gunnison County, who work in Gunnison County, and whose business taxes are paid in Gunnison County. If an employer is not physically based in Gunnison County, an employee must be able to verify that they work in Gunnison County for individuals, businesses or institutional operations located in Gunnison County.

Employee (Non-Profit) - A person who works/performs for a non-profit organization. Employees include artists, performers, musicians, organizers, bookkeepers, etc., but excluding construction workers. Non-profit organizations include any certified non-profit organization providing services to and located in Gunnison County.

Employee Dwelling Unit - This is a deed-restricted unit that is required to be rented out. Also see the Gunnison County Land Use Code, Section 3-150-120.

Employee Housing. See definition for Affordable/Employee Housing.

Family - For purposes of transferring property only, a family (or immediate family) is defined as a husband, wife, domestic partner, mother, father, brother, sister, son, daughter, either biologically or by legal adoption. Any transfer to a family member must fall under this definition.

Family-Oriented Unit - A dwelling unit attached or detached; 3 bedrooms or more, with direct ground floor access to a useable yard area.

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

Fee Simple Estate - The maximum possible estate that one can possess in real property; complete and

absolute ownership of indefinite duration, freely transferable, and inheritable .

Financial Statement - A statement detailing all personal assets, liabilities, and net worth (the difference between assets and liabilities) as of a specific date. GVRHA may provide an Asset Declaration Form upon request.

Fixture - 1) A tangible thing which previously was personal property and which has been attached to or installed on land or a structure thereon in such a way as to become a part of the real property; 2) Any non-portable lighting device built in or attached securely to the structure; 3) The permanent parts of a plumbing system and fixtures.

Gross Assets - Anything which has tangible or intangible value, including property of all kinds, both real and personal; includes among other things, patents and causes of action which belong to any person, as well as any stock in a corporation and any interest in the estate of a decedent; also, the entire property of a person, association, corporation, or estate that is applicable or subject to the payment of debts. Gross assets shall include funds or property held in a living trust or any similar entity or interest, where the person has management rights or the ability to apply the assets to the payment of debts. Gross assets shall not include, pension plans

Gross Income - The total income to include alimony and child support derived from a business, trust, employment and from income-producing property, before deductions for expenses, depreciation, taxes, and similar allowances.

Disability – With respect to a person, a physical or mental impairment which substantially limits one or more major life activities; a record of such impairment; or being regarded as having such impairment. This term does not include the current, illegal use of or addiction to a controlled substance. (If conflicts arise during application of this definition, the GVRHA will follow strict definitions of 'disability' as outlined by US Dept.

of Housing and Urban Development).

Household - All individuals occupying the residential unit regardless of legal status and/or a married couple, whether both will be living in the unit or not.

Household - Lotteries - All individuals who will be occupying the unit regardless of legal status and/or a married couple, whether both will be living in the unit or not. All married couples may only enter into a lottery once and cannot bid separately.

If two separate households (single, file separate income tax returns as single, etc.) enter together into one lottery, the combined income and assets will be carried forward to other single lotteries for a one-year period of time. Should circumstances change within the one-year time frame, the employee may request a change in category once during that one-year time frame.

Household Net Assets - Combined net assets of all individuals who will be occupying the unit regardless of legal status.

Household Income - Combined gross income of all individuals who will be occupying the unit regardless of legal status. See definition of Household - Lotteries above for further clarification. Adjustments to the gross for business expenses can be made for persons who are self-employed.

In-Complex (In House) Bid - Priority bid granted to person(s) having lived in their unit in a given complex for a minimum of one year. If a new project is built in phases, the in-complex priority does not go into effect until all affordable housing phasing of the project is completed.

Joint Tenancy - Ownership of real estate between two or more parties who have been named in one conveyance as joint tenants. Upon the death of one tenant, surviving joint tenant(s) have the right of survivorship.

Kitchen - For Accessory Dwelling Units, Caretaker Dwelling Units and all other deed-restricted units, a minimum of a two-burner stove with oven, standard sink, and a refrigerator plus freezer. The oven must

be able to bake and broil and be at least 5 cubic feet; the sink must measure at least 14" W X 16" D X 5.25" H; refrigerator must be at least 5.3 cubic feet and include at least a .73 cubic foot freezer.

Leasehold Interest - A time-restricted interest in real property created by a lease whether written or oral; a tenancy in real property.

Lottery - A drawing to select a winner from equal applicants of highest priority.

Maximum Bid Price - Unless otherwise defined in the Deed Restriction covering the unit, the owner's purchase price multiplied by the appreciation (as permitted by the Deed Restriction) plus the accepted level of capital improvements costs as defined in the Deed Restriction and these Guidelines.

Minimum Occupancy - One person (with a leasehold/ownership interest) per bedroom. A minor child or dependent shall be granted equal status as a person with leasehold/ownership interest. In a two adult household, both adults must be working in Gunnison County in order to qualify for an additional bedroom.

Mortgagee - A lender in a mortgage loan transaction.

Mortgagor - A borrower in a mortgage loan transaction.

Net Assets - Gross assets minus liabilities. Retirement accounts will be reviewed on a case-by-case basis to determine whether or not they shall be included as a net asset.

Net Livable Square Footage - Is calculated on interior living area and 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.

Nondiscrimination Policy - GVRHA shall not discriminate against anyone due to race, color,

creed, religion, ancestry, national origin, sex, age, marital status, physical handicaps, affectional or sexual orientation, family responsibility, or political affiliation, resulting in the unequal treatment or separation of any person, or deny, prevent, limit or otherwise adversely affect, the benefit of enjoyment by any person of employment, ownership or occupancy of real property, or public service or accommodations.

Ownership Exclusion Zone (OEZ) - Any developed residential property that has an address within Gunnison, Delta, Hinsdale, Montrose and/or Saguache Counties.

On-Site / Off-Site - Location of deed restricted property used for mitigation purposes: either next to or attached to the development (on-site) or at a separate location approved by the GVRHA (off-site).

Pre-qualification - A borrower's tentative mortgage approval from a lender. **Present Value** - *For the purposes of these Guidelines and any Deed Restrictions containing such terms, the present value shall be the cost or price of any capital improvements as established at the time of such improvement and shall be neither appreciated nor depreciated from such time.*

Primary Residence - The sole and exclusive place of residence. The owner or renter shall be deemed to have ceased to use the unit as his/her sole and exclusive place of residence by accepting permanent employment outside of Gunnison county, or residing in the unit fewer than nine (9) months out of any twelve (12) consecutive months (unless permitted by GVRHA).

Purchaser - A person who is buying or has purchased a deed restricted unit which is subject to these Guidelines, and any qualifying potential purchaser or past owner (claiming rights when he/she was a purchaser) of any such deed restricted unit, but only with respect to any issue arising under these Guidelines.

Qualified Resident - Person(s) meeting the income, asset, employment, and residency requirements and property ownership limitations, including retired and handicapped persons, or

dependent(s) of any of these (as such terms are defined herein) established by the GVRHA.

Requalification - Requirements which renters/ tenants and owners of affordable housing must meet bi-annually to ensure continued eligibility (every two years).

Resale Agreement - A contract entered into between the GVRHA and the owner or purchaser of real property identifying the conditions of occupancy and resale (also commonly referred to as a Deed Restriction).

Residential Dwelling Unit – Any residential property that has an address within the Ownership Exclusion Zone.

Retirement Age – The age where an employee can retire and maintain eligibility to continue to reside in affordable housing is 65 years of age.

Seasonal Employee - A person working not less than 35 hours per week during the Winter Season (generally November through April) and/or Summer Season (generally June through August).

Self-Employed - You are self-employed if you carry on a trade or business as a sole proprietor or an independent contractor; you are a member of a partnership that carries on a trade or business; you are otherwise in business for yourself; and you work for profit or fees. You must show a profit on an income tax return at least three out of every five years. The trade or business is required to provide goods and services to individuals, businesses or institutional operations in Gunnison County.

Storage Space - Space intended and commonly utilized as location for preservation or later use or disposal of items. To be used for storage purposes only and shall not contain plumbing fixtures or mechanical equipment that support the principal residential use.

Student – A student enrolled in an accredited school full-time, and/or an intern who is a student or recent graduate undergoing

supervised practical training full-time and working in a temporary capacity for a Gunnison County business; and/or a full-time combination of work in Gunnison County and school; such student shall be 18 years of age or older.

Tenancy In Common – Co-ownership in which individual holds an undivided interest in real property without right of survivorship. Upon the death of one of the owners, the ownership share of the descendant is inherited by the party or parties designated in the decedent's will.

Tenant - A person who is leasing or has leased a deed restricted unit which is subject to these Guidelines, and any qualifying potential lessee or past lessee of any such deed restricted unit, but only with respect to any issue arising under these Guidelines.