

HOUSING AUTHORITY BOARD

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for their continued support.

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CREATION

The Housing program was created in 1974. There were two separate entities at that time – the City and County. In 1981/1982, a citizen panel was formed and combined both entities into one City and County entity, creating the Aspen/Pitkin County Housing Office. The entity became the Aspen/Pitkin County Housing Authority in November of 1988 so that the entity could do the following:

- *incur debt*
- *borrow money*
- *secure mortgages*
- *obtain grants, gifts or otherwise*
- *obtain funds for implementing, completing and operating housing projects*
- *condemnation*

There were two new legislations that passed in 2001 relating to Housing Authorities -- House Bill 1172 and House Bill 1174. Both Bills expanded the duties of Housing Authorities. The City of Aspen, Pitkin County and the Community support the Aspen/Pitkin County Housing Authority. There are two main funding sources for the housing program -- a Real Estate Transfer Tax (RETT) and a portion of a sales tax. The RETT is a 1% transfer tax on the sales price of all real estate sold within the City of Aspen only and does not apply to the first \$100,000 of each sale. The RETT alone raises over \$3 million per year for the employee housing program and was extended for a third time in 2001 for an additional 20 years -- December 31, 2024.

The Authority was established for the purpose of effecting the planning, financing, acquisition, construction, reconstruction or repair, maintenance, management and operation of housing projects pursuant to a multi-jurisdictional plan to provide residential facilities and dwelling accommodations at rental or sale prices within the means of persons of low, moderate and middle income who are permanent residents and persons employed in the City and County.

Housing authorities are created by Section 29-1-204.5, Colo. Revised Statutes. The Housing Board consists of a five-member (with an additional alternate) Board of Directors that help to make policy. Until November of 1992, the Authority dealt with three separate accounting firms. Currently, all money transactions are handled through the City of Aspen with support by Pitkin County.

PURPOSE

"To assure the existence of a supply of desirable housing for persons currently employed in Pitkin County, persons who were employed in Pitkin County prior to retirement, the handicapped, and other qualified persons of Pitkin County as defined herein."

***- Aspen/Pitkin County Housing Authority's Goal -
(Originally Adopted 1983)***

Each year the Aspen/Pitkin County Housing Authority (hereinafter the Housing Office) establishes Guidelines that govern the development of, admission to and occupancy of deed restricted employee-housing units for Aspen and Pitkin County. The guidelines support the Housing Office's goals and are not intended to supersede City or County Land Use Codes or the Uniform Building Code.

The Employee Housing Guidelines respond to housing needs in Aspen and Pitkin County as identified by the Housing Office. The guidelines are used to:

- Review land use applications
- Establish employee rental rates
- Establish employee sales prices
- Establish criteria for qualifications and occupancy
- Develop and prioritize current and long range housing programs
- Provide information and a process for developing employee housing

It is the intent of the Housing Program to provide housing opportunities for persons who are or have been actively employed or self-employed in Pitkin County, which provide goods and services to individuals, businesses or institutional operations in Pitkin County.

These Employee Housing Guidelines shall remain in effect until such time as the Housing Board, the City Council and the Board of County Commissioners approve new or amended Guidelines.

HOUSING BOARD POLICY STATEMENTS

The purpose of this section is to assist the staff, development community and public in understanding the Housing Board's philosophies regarding various aspects of the program. These Policy Statements will be reviewed and revised by the Housing Board on an annual basis.

EMPLOYEE/WORK FORCE HOUSING

As the purpose states on page 2, the existence of the housing program is to provide housing opportunities for persons who are or have been actively employed or self-employed in Pitkin County and Aspen, and which provide goods and services to individuals, businesses or institutional operations in Pitkin County. The term "employee housing" is used interchangeably throughout this document as work force housing. All deed-restricted housing, of any type or Category, requires an individual to:

- **Work full-time in Pitkin County (due to the nature of the seasonality of the town, full-time is defined as working 1500 hours per calendar year); and**
- **Not own any other developed property within the Roaring Fork Valley as defined in Part X, Definitions.**

There are other specific criteria for the category units and for the RO units, and these are spelled out within this document. Most relate to maximum household income and maximum assets for the specific category unit and/or the specific RO unit.

Mitigating Employee Housing Impacts

The Housing Board has prioritized the following options in order of preference depending on the site location:

1. On-Site Housing – that the location of a deed restricted property used for construction or redevelopment of a property for mitigation purposes be either next to or attached to the development.
2. Off-Site Housing – that the location of a deed restricted property used for construction or redevelopment of a property for mitigation purposes be at a separate location approved by the Housing Office.
3. Cash-In-Lieu or Land-in-Lieu – that the applicant for a development may, under certain conditions and subject to certain requirements, satisfy the mitigation requirement by payment of an employee housing dedication fee or a donation of land. The preference of cash or land shall be determined on a case-by-case basis.

Development and Construction of Employee Housing

The Housing Board has prioritized the following options in order of preference regarding the types of units to construct:

The private sector priorities for development should be as follows:

1. For-sale type units whereby the average sales price is no higher than Category 3 and the units consist of one-bedroom and two-bedroom units, with associated RO units
2. Family-oriented sales units (Categories 3 and 4)

The public sector priorities for development should be as follows:

1. Entry-level rental units consisting of 1-bedroom Categories 1 and 2
2. For-sale units consisting of Categories 2 and 3 1-bedroom and 2-bedrooms
3. Family-oriented sales units consisting of Categories 3 and 4

PART I.

EMPLOYEE HOUSING CATEGORIES

The Housing Office's goal is to establish and implement a plan to provide housing within the community. Rental rates and sales prices are established which are provided to employees and families of low (Category 1), moderate (Categories 2 and 3) middle (Category 4) and upper middle (Categories 5, 6, 7 and RO) income levels as related to housing costs in Aspen and Pitkin County. In order to carry out this objective, employee-housing units are categorized to reflect which income levels they are to service as set forth in Sections 1 and 2 below.

SECTION 1

INCOME CATEGORIES

Prior to 1990, income categories were designated as low, moderate or middle income in accordance with the applicable guidelines at that time. In 1990, APCA redefined the terms and established four income categories in an effort to create a greater variety of units to serve the community's income levels; along with Resident Occupied (RO). The four income categories were equated to the past income categories and adjusted annually using the Consumer Price Index (CPI). In 2003, Categories 5, 6 and 7 were added.

Current income amounts were derived from 1999 data collected by the APCA including: 1999 Housing Survey of Pitkin County Employees; Colorado Department of Labor and Employment reports; Colorado Department of Employment and Wages reports; U.S. Census Bureau: Flow of Funds Accounts Report and Annual Expenditures Per Child Report; and Housing and Urban Development Data Sets, and increased by 3% or the Consumer Price Index (as defined in the Definition section).

The survey of employees within Pitkin County determined the median household income for households with zero and one dependent was \$60,000.

Category 1 low-income level

Category 2 lower moderate-income level

Category 3 upper moderate-income level

Category 4 middle-income level

Category 5, 6, 7 and RO upper middle-income level

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

If net assets exceed the Category 4 net asset limit for any household with a Category 1, 2 or 3 income, prior to construction of the first phase of Burlingame Ranch, the following method will be used to calculate income: Each \$45,000 of excess assets over \$175,000 (the Category 4 asset limit) will be converted to \$4,152 of income and added to the Gross Household Income. This is the amount necessary to purchase \$346 per month of mortgage at an 8.5% interest rate over 30 years. However, should a household's net assets exceed \$900,000, that household will be ineligible for deed-restricted housing. THIS METHODOLOGY ONLY ALLOWS FOR A HOUSEHOLD TO MOVE INTO CATEGORY 4.

**TABLE I
MAXIMUM INCOMES BY CATEGORY**

Maximum rental incomes are different than maximum sales incomes. Due to the nature of the working adult in Pitkin County and the wages that are required to maintain a consistent employee base, the Housing Office and Board 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.

Maximum Incomes for RENTAL Units Only (See Income Verification, Part II, Section 2, No. 1)				
No. Of Adults	Category 1	Category 2	Category 3	Category 4
One Adult	\$30,000	\$47,000	\$76,000	\$123,000
Two Adults	44,000	70,000	114,000	184,000
Three Adults	52,000	82,000	133,000	214,000
Net Assets not in Excess of	100,000	125,000	150,000	175,000

Maximum Incomes for SALES/OWNERSHIP Units Only (See Income Verification, Part III, Section 2, No. 1)				
No. Of Dependents	Category 1	Category 2	Category 3	Category 4
0 Dependents	\$30,000	\$47,000	\$76,000	\$123,000
1 Dependent	37,500	54,500	83,500	130,500
2 Dependents	45,000	62,000	91,000	138,000
3 or More Dependents	52,500	69,500	98,500	145,500
Net Assets Not in Excess of	100,000	125,000	150,000	175,000

Maximum Incomes for SALES/OWNERSHIP Units Only (See Income Verification, Part III, Section 2, No. 1)				
No. of Dependents	Category 5	Category 6	Category 7	Category RO
0 Dependents	\$132,000	\$145,000	\$159,000	N/A
1 Dependent	139,500	152,500	166,500	N/A
2 Dependents	147,000	160,000	174,000	N/A
3 or More Dependents	154,500	167,500	181,500	N/A
Net Assets Not in Excess of	200,000	225,000	250,000	\$900,000

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

SECTION 2 RESIDENT OCCUPIED UNITS

In addition to the income categories for employee housing units set forth in Table I, employee housing units may also be designated "Resident Occupied" (RO) units. Persons shall occupy RO units who qualify as stated in Part III, Section 1 and 3, **Qualifications for Purchase of Resident Occupied Units**. Resident Occupied units with deed restrictions recorded prior to the establishment of the RO Guidelines are subject to their individual deed restrictions. Information on Resident Occupied Units is also found in Part V, Section 6, **Sale or Resale of Resident Occupied Units**; and Part VII, Section 7, **Resident Occupied Units**.

PART II.
RENTING EMPLOYEE HOUSING
SECTION 1
QUALIFICATIONS TO RENT EMPLOYEE HOUSING

To qualify, be eligible, and remain eligible to *rent and reside* in a long-term employee-housing unit (Category 1, 2, 3, 4, 5, 6, 7, RO, or long-term at Marolt & Truscott), a person/household must meet the following criteria and must not be over the maximum income and net assets as stipulated in the table below:

Maximum Incomes for RENTAL Units Only (See Income Verification, Part II, Section 2, No. 1)				
No. Of Adults	Category 1	Category 2	Category 3	Category 4
One Adult	\$30,000	\$47,000	\$76,000	\$123,000
Two Adults	44,000	70,000	114,000	184,000
Three Adults	52,000	82,000	133,000	214,000
Net Assets not in Excess of	100,000	125,000	150,000	175,000

1. Be a full-time employee working in Pitkin County for an employer whose business address is located within Aspen or Pitkin County, whose business employs employees within Pitkin County, whose business license is in Aspen or Pitkin County, and/or the business taxes are paid in Aspen or Pitkin County (if an employer is not physically based in Pitkin County, an employee must be able to verify that they physically work in Pitkin County a minimum of 1500 hours per calendar year for individuals, businesses or institutional operations located in Pitkin County); or a retired person who has been a full-time employee in Pitkin County a minimum of four years immediately prior to his or her retirement (as further defined in the Definition section); or a handicapped person residing in Pitkin County who has been a full-time employee for a Pitkin County employer a minimum of four years immediately prior to their disability as defined in these Guidelines; or in the event of the qualified employee's death, the spouse of any such employee, retired person, or handicapped person; and/or a dependent living with that qualified employee, retired person or handicapped person. In a two-person household of two adults only (no dependents as defined in the Guidelines), both adults must be working in Pitkin County to qualify for an additional bedroom.
2. Upon rental of the unit, employee(s) shall occupy the unit as the primary residence.
3. The tenant must not own developed residential real estate or a mobile home in those portions of the Roaring Fork Valley as defined in Part X, *Definitions*.
4. If vacant land is owned in the portions of the Roaring Fork Valley as defined in Part X, *Definitions*, while leasing an employee-housing unit, the land must remain unimproved. If the land is improved with a residence, the individual must then relinquish the employee-housing unit by vacating the rental unit. Upon approval of a building permit, such owner shall have three-years to build on such free-market lot. If the residential lot (whether free-market or deed-restricted) remains undeveloped after the three-year time frame, the owner must sell the lot within 180 days or list the deed-restricted unit according to their deed-restriction. **NOTE: Persons owning improved**

residential property, residing in employee housing prior to May 1, 1994, will be allowed to retain ownership of that residential property and still be eligible to reside in employee housing. However, once the residential property is sold, the person residing in employee housing may not acquire additional residential property and remain eligible to reside in employee housing.

5. The tenant must have total current household income and assets no greater than the maximum amount specified for the particular Category 1, 2, 3, 4, 5, 6, 7 or RO unit. Any renter who has assigned, conveyed, transferred or otherwise disposed of property within the last two years without fair consideration in order to meet the net asset limitations shall be ineligible. Maximum net asset limits for households, which consist of at least one citizen of retirement age, are 150% of the applicable income category.
6. If the tenant's residency began prior to ownership by the City, County or Housing Office 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.
7. 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.
8. An emergency worker may be placed on the top of the rental sign-up list if approved as a qualified Emergency Worker through the Public Safety Council Committee review and as defined under the **Definitions** section herein. The individual's supervisor must request the priority, in writing, to the Public Safety Council Housing Subcommittee. This Subcommittee will consist of members from any emergency worker department, and a member of the Public Relations Board (PRB). It is the responsibility of the supervisor to prove to the Public Safety Council that the employee is a required response priority. The member of the PRB will not vote, but will comment on whether the individual should be allowed the priority. If the Public Safety Council Housing Subcommittee approves the individual for priority status, written verification must be provided to the Housing Office. At such time, the Housing Office 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.
9. 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 a vacancy, the remaining tenant(s) is/are responsible to find a new roommate within forty-five (45) days. All residents must be qualified through the Housing Office prior to occupancy.
10. The Minimum Occupancy Requirement of one qualified individual per bedroom must be met; however, if the property manager of a rental unit has advertised a vacant unit for over one month, minimum occupancy requirements can be waived. At such time the rental unit becomes vacant, the property manager must again try and meet the minimum occupancy requirement. The Housing Office may do random audits and investigate complaints or reports of non-compliance on an ongoing basis.

11. All qualification items are verified every two years by the Housing Office staff unless the property has a yearly requirement.

SECTION 2 INITIAL QUALIFICATION TO RENT

In order to determine that a person or household desiring to rent an employee housing unit meets all of the criteria set forth in Part II, Section 1, PRIOR to occupancy, the Housing Office must review and have on file specific documentation which provides proof of: residency, employment, income and assets. The Housing Office may request any or all of the following documentation. **(All information and documentation received will remain confidential.)**

1. Income Verification:

- a. Copy of the previous year's (most current) Federal Income Tax return.
- b. Current income and financial statement verified by the applicant to be true and correct. If there is a variance of more than or less than 20% between current income and income reported on the previous year's tax returns, the incomes will be averaged. This will establish the income 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 Housing Office.

2. Employment Verification:

- a. All W-2 forms from the current or previous year **(a potential tenant who has signed up on for a specific unit must provide documentation of employment for the full term that was specified on the Sign-Up sheet).**
- b. Wage stubs (if W-2's are not available).
- c. Employer(s) name, address, telephone and dates of employment.
- d. Housing Office "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 Pitkin County Voter Registration.
- i. Verification of telephone service in Pitkin County.
- j. 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.
- 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 Housing Office.

3. When someone is self-employed and works too few or no hours for an employer, then the number of hours worked in Pitkin 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 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.
 - d. The following documentation must be provided if a, b and c 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 Housing Office 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 Housing Office may require to verify the applicant is employed in Pitkin 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 Housing 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 Employee Housing will verify on the application that all information provided is true and accurate. If any of the information is determined to be inaccurate or non-verifiable, the applicant may be subject to disqualification by the Housing Office from the application and/or approval process.

SECTION 3

MAINTAINING ELIGIBILITY FOR RENTAL OF EMPLOYEE HOUSING

The status of Renters/Tenants of Employee 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 Housing Office 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 Housing Office Rental Approval form should accompany this notice. The landlord shall disclose in the lease that the tenants must requalify every two years.

Housing Office Responsibilities:

1. If a complaint is received, it is forwarded to the Qualifications Specialist, 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 client 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 client 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 Housing 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. APCHA will also notify the APCHA Board when a NOV letter is sent. For Board update 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 Board hearing, of the landlord does not request a Board hearing within the specified deadline, APCHA will send a final letter to the landlord. For ownership units, the final letter will state the client has 30 days to list their unit with the Housing Office and that their appreciation has stopped. For rental units, the client will be notified their lease will terminate by a date agreed upon by the Housing Office 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 Housing Office Rental Approval form should accompany this notice.
3. Provide the Housing Office 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 II, 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 to live. 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 Housing Office, 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 Housing Office 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 Housing Office.

SECTION 4 MANAGEMENT OF RENTAL UNITS

Private management companies manage most of the rental projects. Each specific complex may differ in its rental procedures. **Persons desiring to rent an Employee Housing unit must meet employment and income requirements as well as minimum occupancy.** *A list of the rental projects and managers is located in Appendix D.* Units managed by the Housing Office are Truscott Place Phase I and Phase II, Smuggler Mountain Apartments, Aspen Country Inn and Marolt Ranch Seasonal Housing. Please contact the Housing Office or individual property managers for specific rental information.

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

SECTION 5
RENTAL SIGN-UP POLICY

The Housing Office advertises any vacancies in the classified section of the local newspaper on Mondays and Tuesdays. Any interested party may sign up for that specific unit in the Housing Office. The sign-up for an advertised unit ends at 3:00 p.m. that following Wednesday. Staff reviews the sign-up list and contacts the household with the most years worked full-time in Pitkin County. The interested applicant(s) must provide proof of their work history in Pitkin County for all the years stated on the sign-up sheet.

SECTION 6
SEASONAL HOUSING

Beginning September 1 of each year and ending May 31 (winter season) of each year, the units located at Marolt Ranch and Burlingame Seasonal Housing can accept students, as defined in the Guidelines. At the time of sign-up, each student shall provide to APCHA documentation proving enrollment in a school, or documentation proving an internship with a Pitkin County business. Each student shall sign a lease for the appropriate time frame and provide first, last months and a security deposit as required from each seasonal housing project. See the **Definition** section for the definition of Accredited and Student.

PART III
PURCHASING EMPLOYEE HOUSING
SECTION 1
QUALIFICATIONS TO PURCHASE EMPLOYEE HOUSING

To qualify, be eligible, and remain eligible to *purchase and reside in* an employee-housing unit, a person/household must meet the following criteria and must not be over the maximum income as stipulated in the table below. An owner, however, does not have to continue to comply with income and/or assets.

Maximum Incomes for SALES/OWNERSHIP Units Only (See Income Verification, Part III, Section 2, No. 1)				
No. Of Dependents	Category 1	Category 2	Category 3	Category 4
0 Dependents	\$30,000	\$47,000	\$76,000	\$123,000
1 Dependent	37,500	54,500	83,500	130,500
2 Dependents	45,000	61,000	91,000	138,000
3 or More Dependents	52,500	69,500	98,500	145,500
Net Assets Not in Excess of	100,000	125,000	150,000	175,000

Maximum Incomes for SALES/OWNERSHIP Units Only (See Income Verification, Part III, Section 2, No. 1)				
No. of Dependents	Category 5	Category 6	Category 7	Category RO
0 Dependents	\$132,000	\$145,000	\$159,000	N/A
1 Dependent	139,500	152,500	166,500	N/A
2 Dependents	147,000	160,000	174,000	N/A
3 or More Dependents	154,500	167,500	181,500	N/A
Net Assets Not in Excess of	200,000	225,000	250,000	\$900,000

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

1. Be a full-time employee working in Pitkin County for an employer whose business address is located within Aspen or Pitkin County, whose business employs employees within Pitkin County, whose business license is in Aspen or Pitkin County, and/or the business taxes are paid in Aspen or Pitkin County (if an employer is not physically based in Pitkin County, an employee must be able to verify that they physically work in Pitkin County a minimum of 1500 hours per calendar year for individuals, businesses or institutional operations located in Pitkin County); or a retired person who has been a full-time employee in Pitkin County a minimum of four years immediately prior to his or her retirement (as further defined in the Definition section); or a handicapped person residing in Pitkin County who has been a full-time employee for a Pitkin County employer a minimum of four years immediately prior to their disability as defined in these Guidelines; or in the event of the qualified employee's death, the spouse of any such employee, retired person, or handicapped person; and/or a dependent living with that qualified employee, retired person or handicapped person. In a two-person household of two adults only (no dependents as defined in the Guidelines), both adults must be working in Pitkin County to qualify for an additional bedroom.

2. 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.
3. The purchaser/owner must not own developed residential real estate or a mobile in the Roaring Fork Valley as defined in Part X, **Definitions**. If 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 employee housing unit and still meet the asset/income limitations as set forth in Table I. The purchaser must provide the Housing Office 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 Housing Office. If the property is not sold by the time of closing on purchase of the employee-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. If the owner of the other residential property desires to rent that property prior to sale, the owner shall be required to rent such property as employee housing in accordance with the Guidelines at the income category determined by the Housing Office to be appropriate under the circumstances.
4. If vacant land is owned mobile in the Roaring Fork Valley as defined in Part X, **Definitions**, while owning an employee-housing unit, the land must remain unimproved. If the land is improved with a residence, the individual must then relinquish the employee-housing unit by listing and selling the ownership interest in that unit. Upon approval of a building permit, such owner shall have three-years to build on such free-market lot. If the residential lot (whether free-market or deed-restricted) remains undeveloped after the three-year time frame, the owner must sell the lot within 180 days or list the deed-restricted unit according to their deed-restriction. **NOTE: Persons owning improved residential property, residing in employee housing prior to May 1, 1994, will be allowed to retain ownership of that residential property and still be eligible to reside in employee housing. However, once the residential property is sold, the person residing in employee housing may not acquire additional residential property and remain eligible to reside in employee housing.**

A business owner, where the individual owns a deed restricted unit, has an opportunity to purchase another unit mobile in the Roaring Fork Valley as defined in Part X, **Definitions**, under the following conditions: 1) the business owner would contact APCA that a unit has been found in the free market that they would like to purchase; 2) the business owner would then discuss with the APCA the needs of the owner; 3) the specific Category would be agreed to by both parties (the owner and APCA) and 4) the Housing Office 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. The employer would only be allowed to rent the unit to a qualified employee of Pitkin County unless the unit is located in the down valley area. Should the unit be located down valley, the owner would be allowed to rent to an individual employed somewhere mobile in the Roaring Fork Valley as defined in Part X, **Definitions**, as long as their employee would have the first right of refusal, with the second right of refusal going to someone employed in Pitkin County, with the last right to any other qualified employee.

5. 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. Any purchaser who has assigned, conveyed, transferred, or otherwise disposed of property within the last two years

without fair consideration in order to meet the net asset limitations shall be ineligible. Maximum net asset limits for households, which consist of at least one citizen of retirement age, are 150% of the applicable income category. This is applicable at the time of purchase ONLY. After purchase, owners must continue to meet 1-5 above to continue to own and reside in employee housing.

6. The ownership of any property shall be considered in determining Maximum Net Assets.
7. All qualification items stated above in 1-5 are verified by requesting each owner to sign a Requalification Affidavit every two years.
8. **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 employee housing unit meets all of the criteria set forth in Part III, Section 1, the Housing Office must review and have on file specific documentation which provides proof of: residency, employment, income and assets. The Housing Office may request any or all of the following documentation. **All information and documentation received will remain confidential.**

1. Income Verification:

- a. Copies of the past two years complete Federal income tax returns, 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 more than or less than 20% between current income and income reported on the previous year's tax returns, the incomes will be averaged. This will establish the income category.
- c. Social Security records, or W2's for all the years worked in Pitkin County.

If the above information is not available, the applicant must provide other documentation as requested by the Housing Office.

2. Employment Verification:

- a. All W-2 forms from a minimum of the previous four years (purchase).
- b. Wage stubs (if W-2's are not available).
- c. Employer(s) name, address, telephone and dates of employment.
- d. Housing Office **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 Pitkin County Voter Registration.

- i. Verification of telephone service in Pitkin County.
- j. 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.
- k. Applicants desiring to purchase a unit will be required to sign a release in order for the Housing Office to obtain a copy of the loan application from the lender.
- l. Any additional information the Housing Office will require to verify the applicant's full-time residency in their unit, e.g., business and personal banking records, utility bills, etc.
- m. Picture I.D.

If the above information is not available, the applicant must provide other documentation as requested by the Housing Office.

- 3. When someone is self-employed and works too few or no hours for an employer, then the number of hours worked in Pitkin 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 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 and/or an up-to-date profit and loss statement.
 - c. A copy of a current business license.
 - d. The following documentation must be provided if a, b and c 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 Housing Office 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 Housing Office may require to verify the applicant is employed in Pitkin 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 Housing Board for review.

Note: Applicants for Employee Housing will verify on the application that all information provided is true and accurate. If any of the information is determined to be inaccurate or non-verifiable, the applicant may be subject to disqualification by the Housing Office from the application and/or approval process.

SECTION 3 QUALIFICATIONS FOR THE PURCHASE OF RESIDENT OCCUPIED UNITS

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

1. Income Verification:

- a. Copies of the past two years complete Federal income tax returns, with W2's attached.
- b. Current income and financial statement verified by the applicant to be true and correct.
- c. Social Security records, or W2's for all the years worked in Pitkin County.

If the above information is not available, the applicant must provide other documentation as requested by the Housing Office.

2. Employment Verification:

- a. All W-2 forms from a minimum of the previous four years (purchase).
- b. Wage stubs (if W-2's are not available).
- c. Employer(s) name, address, telephone and dates of employment.
- d. Housing Office **Employment Verification Form** [signed by employer(s)].
- e. Evidence of legal residency.
- f. Landlord verification of residency, specific dates.
- g. Valid Pitkin County Driver License.
- h. Valid Pitkin County Voter Registration.
- i. Verification of telephone service in Pitkin County.
- j. 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.
- k. Applicants desiring to purchase a unit will be required to sign a release in order for the Housing Office to obtain a copy of the loan application from the lender.
- l. Any additional information the Housing Office will require to verify the applicant's presence in Pitkin County; e.g., business and personal banking records, utility bills, etc.

m. Picture I.D.

If the above information is not available, the applicant must provide other documentation as requested by the Housing Office.

3. When someone is self-employed and works too few or no hours for an employer, then the number of hours worked in Pitkin 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 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 or an up-to-date profit and loss statement.
 - c. A copy of a current business license.
 - d. The following documentation must be provided if a, b and c 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 Housing Office 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 Housing Office may require to verify the applicant is employed in Pitkin 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 Housing Board for review.

4. Additional Conditions and/or Requirements:
 - a. Gross income is not limited, but net assets are limited to no more than \$900,000.
 - b. An owner cannot own any other developed residential property within the Roaring Fork Drainage System.
 - c. See the deed restriction for the specific RO unit for any other additional restrictions and/or conditions.
 - d. Applicant must demonstrate that their income/earnings are earned primarily in Pitkin County (75%). Applicants must demonstrate that they pay Colorado Income Tax as a Colorado resident.

5. Resale of RO Units: The owners of an RO unit must list the unit through the Housing Office, unless the specific deed restriction states otherwise. At the time of the listing, the Owner will pay to the Housing Office a **Listing Fee** of one percent (1%) of the total sales price. The unit will go through the normal selling process, with a lottery held at the end of the two-week bid period. At the time of closing, the Owner will pay an additional **Sales Fee** of one percent (1%) of the total sales price, for a total of a two-percent (2%) of the overall sale's fee.

SECTION 4 MAINTAINING ELIGIBILITY FOR OWNERSHIP OF EMPLOYEE HOUSING

There is not a requalification requirement to meet Income, Asset and Minimum Occupancy for persons who have purchased and own an employee-housing unit. The individual 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 Roaring Fork Valley as defined in these Guidelines, and as they are amended from time to time. APCHA will require all owners to complete and sign a Requalification Affidavit on a bi-yearly basis.

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

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

Housing Office Responsibilities:

1. If a complaint is received, it is forwarded to the Qualifications Specialist, 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 Housing 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. APCHA will also notify the APCHA 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, APCHA will send a final letter to the owner. The final letter will state the client has 30 days to list their unit with the Housing Office and that their appreciation has stopped. The final letter will be sent by regular and certified mail.

Owner's Responsibilities:

1. Owner must meet all of the initial qualifications previously stated in Section 1 except for the income/asset qualification.
2. Once an owner receives a letter from the Housing Office, the owner must provide the completed form and/or any additional documentation requested by the deadline stated in the letter.
3. Should the owner be found out of compliance, the appreciation on the unit will be suspended.
4. If an owner wishes to dispute the NOV, the owner must submit a written request for a Board Grievance Hearing within the deadline stated in the NOV letter. The owner will then be scheduled for a hearing at the next available Board meeting. The owner and the Housing Office will each be allowed one extension of the originally scheduled Board meeting. Per APCHA Guidelines and Grievance procedures, "the decision of the Board shall be binding and the Housing Office shall take all action necessary to carry out their decision."
5. Once an owner received the final letter, the owner shall list their unit for sale within 30 days.
7. 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 legal action.

**SECTION 5
PRIORITIES FOR PERSONS BIDDING TO PURCHASE
AN EMPLOYEE HOUSING UNIT**

The Housing Office operates a lottery for the sale of employee 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 employee housing unit.

2. Person(s) chosen by the remaining owner(s) to purchase the interest of another owner. **ANY FRACTIONAL SALES MUST BE APPROVED BY SPECIAL REVIEW IF NOT UNDER A COURT ORDER DUE TO DISSOLUTION PROCEDURES.**
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. 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 fee, and must be approved by the Housing Office 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 in-complex unit for at least one year prior to receiving the in-complex priority. 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 only after completion of all employee-housing phases of the project. **The in-complex priority DOES NOT apply to any single-family homes.**

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

STUDIO UNITS:

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

ONE-BEDROOM UNITS:

1. A household of one or more qualified employees with four or more consecutive years of employment in Pitkin County immediately prior to application for purchase.
2. A household of one or more qualified employees with one to four consecutive years of employment in Pitkin County immediately prior to application for purchase.

¹ Minimum Occupancy (see Definitions) as used herein is one person (with an ownership interest) per bedroom and/or a dependent. A Dependent is defined and can be counted for a bedroom as stipulated in Part X, Definitions.

3. A household of one or more qualified employees with less than one consecutive year of employment in Pitkin 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 four or more consecutive years of employment in Pitkin 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 four consecutive years of employment in Pitkin 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 Pitkin County immediately prior to application.
4. A household of one with four or more consecutive years of employment in Pitkin County immediately prior to application for purchase.
5. A household of one with one to four years of consecutive years of employment in Pitkin County immediately prior to application for purchase.
6. A household of one with less than four years of consecutive years of employment in Pitkin 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 Pitkin 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 Pitkin 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 Pitkin 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 Pitkin 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 Pitkin 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 Pitkin County immediately prior to application.
7. A household of one with four or more consecutive years of employment in Pitkin County immediately prior to application for purchase.
8. A household of one with one to four years of consecutive years of employment in Pitkin County immediately prior to application for purchase.
9. A household of one with less than four years of consecutive years of employment in Pitkin County immediately prior to application for purchase.

FOUR-BEDROOM UNITS:

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

If you have left the Roaring Fork Valley and then returned, a you would only become re-eligible if you meet all of the following criteria: 1) work in Pitkin County at least four years prior to absence; 2) absence has been for no more than one year; and 3) working in Pitkin County for at least one full year after returning.

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

Working in Pitkin County greater than 4 years, less than 8 years	5 chances
Working in Pitkin County greater than 8 years, less than 12 years	6 chances
Working in Pitkin County greater than 12 years, less than 16 years	7 chances
Working in Pitkin County greater than 16 years, less than 20 years	8 chances
Working in Pitkin County greater than 20 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.

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).

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 Public Safety Council. 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. First priority for mobility disability units shall be given to handicapped persons prioritized by length of residency and who meet the definition of a mobility disability. The handicapped person must meet APCHA'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 Aspen or Pitkin County **due to conversion or reconstruction of their residence by government action** may receive higher priority upon Special Review.

PART IV LOTTERY PROCESS

Priority for purchasing via the Housing Lottery is given to those persons who have worked in Pitkin 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 Pitkin 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 are more than one in-house bids, 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 qualified households who have bid on that 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 is currently 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 APCA and an appointment is scheduled.
8. The lottery is then classified as "official" and the names posted on the bulletin board in the Housing Office.
9. If the winner of the lottery does not proceed to contract the Housing Office and sign the contract within three business days, the next in line is notified and so on, until the unit is under contract for purchase.

NOTE: The APCA 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.

PART V
PROCEDURES FOR THE SALE
OF A CATEGORY EMPLOYEE HOUSING UNIT

SECTION 1
LISTING A UNIT WITH THE HOUSING OFFICE

1. An owner of an employee housing unit desiring to sell should consult with the Housing Office 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 Housing Office and the Housing Office 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 Housing Office lottery process, except that the developer may select the first fully-qualified purchaser as stated in Section 26.520.070, *Deed Restrictions and Enforcement*, of the City of Aspen Municipal Code.
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 APCHA 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 APCHA 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 Housing Office are to be paid regardless of any actions or services that the purchaser or seller may undertake or acquire.
8. 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.
9. A *Seller's Property Disclosure Form* will be completed by the Seller at the time of listing. This will be reviewed with the Sales Manager. 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 APCHA, 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 Housing Office.

SECTION 2 ADVERTISING THE SALE: BID PERIODS

1. After a unit is listed for sale with the Housing Office, the Housing Office, at its expense, arranges to advertise the unit for sale in the Wednesday daily papers. Upon listing, there is an initial two-week bid period during which the unit is advertised with one open house date for showing. APCHA 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 employee housing and can obtain names of lenders from the Housing Office sales department. Sales 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 Employee Housing unit -- a **Listing Fee** and a **Sales Fee**. The **Sales Fee** is equal to two percent (2%) of the sale's price of the property, unless otherwise specified in the Deed Restriction. Also, unless otherwise specified in the Deed Restriction, the Housing Office will collect half of the total fee (the **Listing Fee**) at the time of the listing. If a sale is completed by the Housing Office, the **Listing Fee** is considered part of the overall **Sales Fee** and will be applied to the total **Sales Fee** payable at closing. The Housing Office may instruct the title company to pay said fees to the Housing Office 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** 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 Housing Office 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 Housing Office and for recording with the Pitkin 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 an Occupancy and Resale Agreement. The form is provided for signature by the Housing Office 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 Housing Office.
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 Housing Office. An additional document will be required for the non-qualifying owner to sign at the time of closing and will be provided by the Housing Office.

SECTION 6 SALE OR RESALE OF RESIDENT OCCUPIED UNITS

1. There may be a maximum initial sales price for a newly developed Resident Occupied Unit. This will be based on a project-by-project basis.
2. If a vacant lot is purchased for development, an initial Certificate of Occupancy must be obtained within three years of the sale of the lot.
3. For those RO projects that do not require the unit to be listed with the Housing Office, the Housing Office shall qualify prospective purchasers (under Housing Office qualifications). Any other resales of RO units shall be listed with the Housing Office and will be marketed through the same process as the category units, unless specified differently in that project's specific deed restriction. This will guarantee that the maximum sales price is being adhered to in all aspects of the housing program. The Seller will be required to pay a **Listing Fee** of one percent (1%) of the total sale's price in addition to the one percent (1%) **Sales Fee**, for a total of two percent (2%) of the overall sale's price. Mobile home parks with no sales price limits are exempt from this section, except that at the time of closing, a 1% fee of the sales price will be paid by the seller into the housing program, unless stated otherwise.
4. The maximum resale price shall be calculated as follows (unless specified differently in a recorded deed restriction). The appreciation is calculated using the simple method, not the compounded method.
 - the initial sale price of the RO lot or unit, plus 3% or the Consumer Price Index (CPI) whichever is less, appreciation on that amount, subject to the requirements below; **PLUS**

- the actual cost to construct a unit on a lot, plus 3% or CPI, whichever is less, appreciation on that amount from the time of Certificate of Occupancy (CO), subject to the requirements below ; **PLUS**
 - any additional cost to expand the unit to the maximum 2,200 square feet, plus 3% or CPI, whichever is less, appreciation on that amount, from the time of CO for that addition, subject to the requirements section stated below; **PLUS**
 - the actual cost of permitted capital improvements stated in an exhibit attached to the deed restriction, not to exceed 10% of the initial sales price of the completed unit, or the expanded unit.
5. Existing mobile home park(s) converted to the RO category will not have an appreciation cap on the mobile home and/or lot if the unit owners are qualified Pitkin County residents as defined by the Guidelines. The Housing Office shall retain the right of first refusal on any resale.

SECTION 7 SALE OF SINGLE FAMILY LOTS

The City or County will receive sales proceeds from single-family lots when the land is being provided as mitigation of employee housing impacts for a development or growth.

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

SECTION 8 LEAVE OF ABSENCE FOR OWNERS OF EMPLOYEE HOUSING UNITS

An owner of an employee-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 Pitkin 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 Housing Office for one year. The homeowner must provide clear and convincing evidence, which shows a bona fide reason for leaving and a commitment to return to the Aspen/Pitkin area.

Leave of Absence Request Procedure

1. A *Leave of Absence Request* form must be completed and returned to the Housing Office at least 30 days prior to leaving. This form must be obtained from the Housing Office.
2. Notice of such intent to rent 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 leave of absence shall be up to one year and may, at the discretion of the Housing Office, be extended for one more year, for a maximum of two years.

2. The unit may be rented in accordance with Part II, Section 5, during said period so long as the Deed Restriction covering the unit permits the rental. A summer Leave of Absence may be granted and units rented under provisions of Part II, Section 5.
3. In the event that the rental rate is not set forth in the Deed Restriction, the rent shall be charged based on the owners 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.
4. 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.
5. Prior to the Housing Office'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.
6. A copy of the executed lease shall be furnished by the owner or tenant to the Housing Office and homeowners' association.
7. Should the homeowners' association recommend denial of the owner's request for a leave, the Housing Office will conduct a Special Review with the owner and homeowners' association representative(s) present.
8. Bona fide reasons for a leave of absence shall be limited to: an illness or death in the family, educational purposes, job enhancement, travel, exploring relocation options. Should the owner be denied the Leave of Absence, the owner may request a Special Review.
9. A short-term rental may be permitted, with the consent of the Housing Office 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 9 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. The maximum rental rate for the room shall not exceed the maximum rental rate permitted under Part VIII, for said unit pro rated on a per bedroom basis. One roommate in a two-bedroom unit shall

pay a maximum rent of one-half (1/2) of the costs; one roommate in a three-bedroom household shall pay a maximum rent of one-third (1/3) of the total costs.

3. 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.

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 Pitkin County, or residing in the unit fewer than nine (9) months out of any twelve (12) consecutive months.

SECTION 10 CAPITAL IMPROVEMENT POLICY AND MINIMUM STANDARDS TO RECEIVE FULL VALUE AT TIME OF 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.

Units Built After January 1, 2004 and Re-Sale Units: 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 Housing Office Staff will determine a maximum sales price. The Sales Manager 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 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;
- Plus any approved capital improvements.

Homeowners Requesting the Ability to Use this Capital Improvement Policy: If an owner requests to utilize the new 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 as the 10%. 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. Any improvement to bring the unit up to the *Aspen Affordable Housing Building Guidelines* will also be allowed as part of the 10% cap. An owner should check with the Housing Office prior to starting the improvement to verify that the cost can be recouped.

It will be up to the homeowner to maintain the unit in good condition. This would include, but not be limited to, the condition of the roof, boiler and water heater, and appliances. Educational programs shall be scheduled for existing homeowners' associations and newly developed homeowners' associations as to what their responsibilities are in maintaining the 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. Landscaping;
 - h. The cost of adding decks and balconies, and any extension thereto; and/or
 - i. Improvements associated with health and safety, energy efficiency, water conservation, and green building products.
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 APCHA 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 Building Department.

MINIMUM STANDARDS FOR SELLER TO RECEIVE FULL VALUE

- Clean unit
- Carpets steam-cleaned two or three days prior to closing
- All scratches, holes, burned marks repaired in hardwood floors, linoleum, tile, counter tops etc.
- No broken or foggy 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., door, 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 hazard remedied prior to closing
- Satisfaction of radon issue if found at time of inspection
- All light fixtures shall be in working order

DEFINITIONS:

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

- **Kitchen:**
 - Range – Inner and outer surfaces 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, 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/florescent 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 – Mirrors and medicine cabinets shall be cleaned inside and out.
 - Shelves and/or Other Cabinetry – All other shelving or 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.

Safety Hazard: Any item that provides a safety hazard shall be fixed. This would include, but is not limited to, exposed electrical wiring, satisfaction of any radon issue found, ventilation for gas hot water system, etc.

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.

Windows: If a window is broken, including the locking mechanism, the window shall be replaced. If the window has a fog residue in the inside, it shall be replaced.

PART VI
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 Aspen/Pitkin County Housing Authority stating the request, with documentation regarding the unusual hardship. The applicant shall submit any additional information reasonably requested by APCA and a Special Review meeting will be scheduled in a timely manner.

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.

PART VII
INFORMATION FOR DEVELOPMENT OF
EMPLOYEE HOUSING

Private sector development is critical in order to meet our employee housing goals. The Housing Office Operations Manager will track employee housing zone projects through the Planning and Building Permit process in order to aid in communication between the developer and government. This tracking system will ensure that all employee housing developments are treated as expeditiously as the City and County policies intend.

Part VII of the Guidelines contains information to be used by developers of employee housing units in the City of Aspen and Pitkin County. This section applies to development applications for free-market development, residential subdivisions, under the Multifamily Housing Replacement Program, Chapter 26.530, of the City of Aspen Land Use Code, and in calculating the dedication fee (payment-in-lieu fee) for exempt single-family home and exempt duplex units, and for calculating mitigation requirements as stipulated under the growth management quota system.

Units developed by a private developer under the Affordable Housing Zone District will have the option to choose a qualified employee(s) for one-third of the deed-restricted units being developed. The one-third chosen by the developer must meet the minimum occupancy requirements, and all other requirements for the specific category. All other units will be placed in the general housing lottery.

SECTION 1
PRIORITIES FOR EMPLOYEE HOUSING UNITS

The Housing Board establishes the following equal priority unit types based on current needs.

The private sector priorities for development should be as follows:

1. For-sale type units whereby the average sales price is no higher than Category 3 and the units consist of one-bedroom and two-bedroom units, with associated RO units
2. Family-oriented sales units (Categories 3 and 4)

The public sector priorities for development should be as follows:

1. Entry-level rental units consisting of 1-bedroom Categories 1 and 2
2. For-sale units consisting of Categories 2 and 3 1-bedroom and two-bedroom
3. Family-oriented sales units consisting of Categories 3 and 4

The Housing Board has established the following options, in order of preference depending on the site location, available to obtain credit for providing deed-restricted employee housing units under the City's or County's Growth Management Quota System (mitigation units):

- a. On-Site Housing Employee housing units located either on the same site as or attached to the proposed development.

- b. Off-Site Housing – Employee housing units located within the City of Aspen or the Aspen Metro Area, as defined by the Aspen Area Community Plan and approved by the APCA.
- c. Cash-in-Lieu or Land-in-Lieu – Payment of an employee housing dedication fee or a donation of land. The preference of cash or land shall be determined on a case-by-case basis.

SECTION 2
EMPLOYEE HOUSING UNITS REQUIRED FOR MITIGATION

The following provisions shall apply to all employee-housing units required as mitigation for residential or commercial development. All such employee housing units must meet the size, type, income and occupancy requirements as contained in these Guidelines. Applicants are encouraged to schedule a pre-application conference with the Aspen/Pitkin County Housing Authority staff to obtain guidance regarding the application of these Guidelines to specific development projects. The following applies to, and credit shall be given for, Category 1, 2, 3, 4, 5, 6, 7 and Resident Occupied housing as defined in these Guidelines, and as amended from time to time.

- 1. Mitigation Credit: Credit under the Growth Management Quota system may be obtained by any of the following methods or combination thereof:
 - a. Production of new dwelling units deed restricted in perpetuity to rental and sale price terms as defined in these guidelines.
 - a. Conversion of existing dwelling units to deed restricted status by recording a deed restriction in perpetuity upon those units restricting them to the rental and sale price terms, qualification and occupancy requirements of these guidelines (such units may not already be deed restricted by APCA guidelines).
 - b. Payment or Land-in-Lieu may be accepted on a case-by-case basis. Payment shall be made to the City of Aspen for projects in the City, or Pitkin County, for projects in the County. Such payment shall be made prior to and on a proportional basis to the issuance of any building permits for the non-deed restricted dwelling units of the proposed development. Applicants may choose to prepay the employee housing dedication fee prior to issuance of any building permits for the project and receive a discount on the fee, based on the present value index included within these Guidelines. Approval of the present value discount shall be at the option of the APCA and the City Council or Board of County Commissioners, depending on the location of the project.
 - d. Should a proposed development cause the displacement of housing units that are currently deed restricted to employee housing guidelines, the Employee housing mitigation credit of new free market development that is on a site where deed-restricted employee housing was demolished is only given for the deed-restricted units that are constructed in excess of the deed-restricted units required to replace the deed-restricted units that were demolished.

- e. The deed restrictions created to obtain credit for employee housing may be amended by agreement between the property owner and the City Council upon the recommendation of the Planning and Zoning Commission.
2. Unit Location: Employee housing units must meet the “Acceptance of Employee Housing Units” policies set forth in the Housing Board Policy Statements.
3. Unit Size: Employee housing units must meet the minimum size requirements set forth in Part VII, Section 8. Reductions in the minimum square footage shall be allowed based on the criteria specified.
4. Unit Price: Rental or sales prices shall be no greater than allowable under these Guidelines (Tables III and IV). Should a unit be proposed that is larger than the minimum sizes set forth in these Guidelines, the rental or sales price shall be no greater than the prices specified.
5. Buy-Down of Existing Units: If the employee units are proposed to be provided off-site through the deed restriction of existing units, the applicant shall be required to document the feasibility of this off-site location by demonstrating that they have an interest in the property or dwelling units and by specifying the size and type of units to be provided and any physical upgrade to be accomplished. Future buy-down requests for deed-restricted units shall be accepted only in existing complexes at Category 3 or above, if at all, and shall be reviewed on a case-by-case basis. In any new projects that consist of free-market and deed-restricted units, the homeowners’ assessments shall be based on the value of the free-market units compared to the deed-restricted units. This language shall be required in the approval and in the Covenants associated with the project. No changes to these requirements would be allowed without APCHA’s approval.
6. Mitigation Requirements for Lodge Developments: Lodge developments shall not be restricted to housing employees of their own business, but shall also be required to house qualified employees of the community at large. It should be anticipated that the housing units proposed will be required to be restricted to Category 2 price and occupancy guidelines unless the housing unit is restricted to use by an owner or manager. The category requirement is subject to review of the Aspen/Pitkin County Housing Authority based on current community housing needs and wage rates.

SECTION 3 REQUIREMENTS FOR EMPLOYEE HOUSING UNITS IN RESIDENTIAL SUBDIVISIONS

The requirements relating to employee housing units in residential subdivisions relates to Section 26.470.C.8 & 9 of the City of Aspen Land Use Code and is stated below:

- ***Residential Development – 60 Percent Affordable***. The development of a residential project, or an addition of units to an existing residential project, in which a minimum of sixty (60) percent of the additional units and thirty (30) percent of the additional Floor Area is affordable housing deed restricted in accordance with the Aspen/Pitkin County Housing Authority Guidelines shall be

approved, approved with conditions, or denied by the Planning and Zoning Commission based on the following criteria:

- a) Sufficient growth management allotments are available to accommodate the uses, pursuant to Section 26.470.030.C, Development Ceiling Levels and Section 26.470.030.D, Annual Development Allotments.
 - b) A minimum of sixty (60) percent of the total additional units and thirty (30) percent of the project's additional Floor Area shall be affordable housing. Multi-site projects are permitted. Affordable housing units provided shall be approved pursuant to Section 26.470.040.C.7, Affordable Housing and shall average Category 4 rates as defined in the Aspen/Pitkin County Housing Authority Guidelines, as amended. An applicant may choose to provide mitigation units at a lower Category designation.
 - c) If the project consists of only one (1) free-market residence, then a minimum of one (1) affordable residence representing a minimum of thirty (30) percent of the project's total Floor Area and deed restricted as a Category 4 "for-sale" unit, according to the provisions of the Aspen/Pitkin County Affordable Housing Guidelines, shall qualify.
 - d) The project represents minimal additional demand on public infrastructure or such additional demand is mitigated through improvement proposed as part of the project. Public infrastructure includes, but is not limited to, water supply, sewage treatment, energy and communication utilities, drainage control, fire and police protection, solid waste disposal, parking, and road and transit services.
- ***Residential Development – 70 Percent Affordable.*** The development of a residential project, or an addition to an existing residential project, in which seventy (70) percent of the project's additional units and seventy (70) percent of the project's additional bedrooms are affordable housing deed restricted in accordance with the Aspen/Pitkin County Housing Authority Guidelines shall be approved, approved with conditions, or denied by the Planning and Zoning Commission based on the following criteria:
 - a) Sufficient growth management allotments are available to accommodate the uses, pursuant to Section 26.470.030.C, Development Ceiling Levels and Section 26.470.030.D, Annual Development Allotments.
 - b) Seventy (70) percent of the total additional units and total additional bedrooms shall be affordable housing. At least forty (40) percent of the units shall average Category 4 rates as defined in the Aspen Pitkin County Housing Authority Guidelines, as amended. The remaining thirty (30) percent affordable housing unit requirement may be provided as Resident Occupied (RO) units as defined in the Aspen Pitkin County Housing Authority Guidelines, as amended. Multi-site projects are permitted. Affordable housing units provided shall be approved pursuant to Section 26.470.040.C.7, Affordable Housing. An applicant may choose to provide mitigation units at a lower Category designation.
 - c) The project represents minimal additional demand on public infrastructure or such additional demand is mitigated through improvement proposed as part of the project. Public infrastructure includes, but is not limited to, water supply, sewage treatment, energy and communication utilities, drainage control, fire and police protection, solid waste disposal, parking, and road and transit services.

Note: A project comprised of one free-market residence, one RO residence, and one Category residence shall be considered meeting the 70 percent unit standard. A project comprised of two free-market residences, two RO residences, and two Category residences shall be considered meeting the 70 percent unit standard.

SECTION 4 REQUIREMENTS FOR EMPLOYEE HOUSING UNITS UNDER THE MULTI-FAMILY HOUSING REPLACEMENT PROGRAM

1. The average price of employee housing units required under Chapter 26.530 of the City of Aspen Land Use Code, *Multifamily Housing Replacement Program*, shall not exceed Category 3 maximum rental or sales prices as set forth in these Guidelines, and as they are amended from time to time.
2. All units provided under this Section must meet one or more of the priorities stated in Part VII, Section 1.
3. These requirements are not subject to any type of variance by Special Review.
4. No Resident Occupied (RO) units are permitted in the employee housing component.

SECTION 5 REQUIREMENTS FOR THE AFFORDABLE HOUSING ZONE DISTRICT

The requirements for the Affordable Housing Zone District are required by Section 26.710.110 of the City of Aspen Land Use Code and is stated below:

- A. *Purpose.*** The purpose of the Affordable Housing/Planned Unit Development (AH/PUD) zone district is to provide for the use of land for the production of Category affordable housing and resident occupied lots and units. The zone district also permits a limited component of free market lots/units to off-set the cost of developing affordable housing. It is contemplated that land may also be subdivided in connection with a development plan. The AH/PUD zone district is intended for residential use primarily by permanent residents of the community. Recreational and institutional uses customarily found in proximity to residential uses are included as conditional uses. Lands in the AH/PUD zone district should be scattered throughout the City to ensure a mix of housing types, including those which are affordable by its working residents; at the same time the AH/PUD zone district can protect the City's neighborhoods from rezoning pressures that other non-community oriented zone districts may produce. Further, lands in the AH/PUD zone district should be located within walking distance of the center of the City, or on transit routes.
- B. *Permitted uses.*** The following uses are permitted as of right in the AH/PUD zone district:
 1. Residential uses restricted to Category affordable housing guidelines and resident occupied units, which comply with the following requirements:

- a. **Minimum Bedroom Mix.** A minimum of seventy percent (70%) of the project's total bedrooms shall be deed restricted affordable housing consistent with the Affordable Housing Guidelines. The mix between categories of housing shall be consistent with the Affordable Housing Guidelines. The remaining bedrooms that are not deed restricted to affordable housing may be free market residential units.
 - b. **Permissible reduction in bedroom mix for exemplary projects.** A project may be eligible for a reduction of the minimum affordable housing bedroom mix requirement to a level of sixty percent (60%) of the project's total bedrooms if the applicant can demonstrate to the satisfaction of the City Council that the project meets the requirements for an exceptional project as set forth in the Affordable Housing Guidelines.
2. Home occupations;
 3. Accessory buildings and uses; and
 4. Accessory dwelling units meeting the provisions of Section 26.520.

C. *Conditional uses.* The followings uses are permitted as conditional uses in the Affordable Housing (AH) zone district, subject to the standards and procedures established in Chapter 26.425:

1. Park and open use recreation site;
2. Child care center;
3. Satellite dish antennae;
4. Dormitory; and
5. Transit facilities.

D. *Dimensional requirements.* The following dimensional requirements shall be established by adoption of a Final PUD Development Plan and shall apply to all permitted and conditional uses in the Planned Unit Development:

1. Minimum Lot Size.
2. Minimum Lot Area per dwelling unit.
3. Maximum allowable density.
4. Minimum lot width.
6. Minimum front yard.
7. Minimum side yard.
8. Minimum rear yard.
9. Maximum site coverage.
10. Maximum height (including view planes).
11. Minimum distance between buildings on the lot.
12. Minimum percent open space required for the building site.
13. Trash access area.
14. Allowable Floor Area.
15. Minimum off-street parking spaces.
16. Other dimensions determined necessary to establish through the PUD process.

Note #1: The maximum allowable density permitted in this zone shall be established by adoption of a Final PUD Development Plan by using the following table applied to the proposed fathering parcel as a guide:

Unit Type	Minimum Lot Area* per dwelling unit (square feet)
Dormitory	300
Studio	400
One Bedroom	500
Two Bedroom	1000
Three Bedroom	1500
3+ Bedrooms	500 /Bedroom

Note #2: The allowable floor area permitted in this zone shall be established by adoption of a Final PUD Development Plan by using the following table applied to the proposed fathering parcel as a guide:

Fathering parcel Lot Area*	Allowable Floor Area Ratio
0--15,000 square feet	1.1:1
15,001--25,000 square feet	1:1
25,001--43,560 square feet	.8:1
>1 acre--3 acres	.6:1
>3 acres--6 acres	.36:1
>6 acres	.3:1

* Lot Area as defined in the Land Use Code. (Ord. No. 55-2000, § 22)

In order to be eligible for a reduction in the requirement to the level of 60% Employee Housing and 40% Free Market Housing, the project shall be required to demonstrate to the satisfaction of the City Council that all of the following criteria have been met:

- The quality of the proposed development substantially exceeds that established in the minimum threshold for the scoring established in the GMQS Scoring section of the City of Aspen Municipal Code;
- The proposal maximizes affordability, consistent with housing needs established as priority through these Guidelines;
- The proposal integrates a mixture of economic levels and housing for a variety of lifestyles (e.g., singles, seniors and families);
- The proposal minimizes impacts on infrastructure by incorporating innovative, energy-saving site design, structural design characteristics or other techniques that minimize the use of water, heating and sewage disposal;
- The proposal incorporates or integrates with an existing local based economy (i.e., sustainable local businesses);
- The proposal accomplishes a level of design and site plan ingenuity that advances the community goals expressed in the Aspen Area Community Plan;
- The proposed project represents an exceptional commitment to advancing the visions, goals and specific actions items of the Aspen Area Community Plan, particularly those addressed in the scoring

criteria under the Growth Management Quota System as stated in the City of Aspen Municipal Code; and

- No RO units are included in the project; only category units are included in the project.

In any mixed project that contains an employee housing and a free market component, as a condition of condominiumization or subdivision rights, voting rights and fees will need to be determined and agreed to by the APCHA. The Declaration of Covenants must require one vote per unit, and handling of the homeowners' association dues and the types of improvements the employee-housing component will be responsible to pay. Homeowners' dues can be based on a sliding scale based on the square footage of the unit, the number of bedrooms, the cost of the home, or one fee across the board. This will be decided upon at the time of final approval for the development and incorporated into the Declaration of Covenants. All projects that involve an employee-housing component shall provide all documents to the Housing Office for review and approval. All units provided under this Section must meet one or more of the priorities stated in Part VII, Section 1.

SECTION 6 DEDICATION FEE FOR EXEMPT SINGLE-FAMILY HOME AND DUPLEX UNITS

See Part VII, Section 12, *Employee Housing Dedication Fee (Payment-in-Lieu Fee)* under these Guidelines.

SECTION 7 RESIDENT OCCUPIED UNITS

This category was created to offer the private sector an incentive to produce employee housing for the community. RO units shall be occupied by persons and families who qualify as stated below. RO units shall also be subject to their own deed restrictions recorded prior to the establishment of the RO Guidelines and are subject to their individual deed restrictions. This includes, but is not limited to, Smuggler Park Subdivision, Aspen Village, and the AABC Rowhouses. Williams Ranch contains 10 "RO Category 5" units, which limits gross income to \$181,000 and net assets to \$424,000.

RO Units shall meet the following criteria:

1. No income requirements, but the total net assets cannot exceed \$900,000.
2. Initial Sales Price will be set by the developer.
3. Maximum Resale Price/Appreciation: The maximum resale price is the purchase price plus 3% or the Consumer Price Index (CPI) appreciation, whichever is less (simple, not compounded) of the purchase price for each year or portion thereof, that the unit is owned.
4. Unit Size: A maximum of 2,200 gross square feet. In addition, a maximum 500 square foot garage and a maximum 800 square foot basement are permitted. If a larger garage or basement is

constructed, then all square footage over 500 or 800 square feet, respectively, will be considered as a part of the 2,200 square feet of space allowed.

5. **Employment Requirement:** Applicants must demonstrate that they are qualified employees and that they have four years of consecutive full-time employment, as defined by the Guidelines, in Pitkin County immediately prior to application. Individuals who are retired are required to demonstrate that they were qualified employees based upon the definition in these Guidelines for four years immediately prior to their retirement.
6. **Primary Residence:** A RO unit must be the owner's primary residence. Proof of residency, including but not limited to, voter registration and automobile registration, shall be required.
7. **Income/Earnings:** Applicants must demonstrate that their income/earnings are earned primarily in Pitkin County (75%). Applicants must demonstrate that they pay Colorado Income Tax as a Colorado resident.
8. The owner cannot own any other developed residential property in Eagle, Garfield, Gunnison or Pitkin Counties, or must list for sale, at competitive prices, the residential real estate or mobile home prior to or simultaneously with closing on the RO unit. Such other developed property must be sold to another buyer within 180 days, otherwise, said deed-restricted property must be sold as stipulated in the deed restriction.
9. **Sales and Marketing:** The APCA shall market all RO units the same as the category units, unless specifically specified in the respective deed restriction, with the exception of the sales fee. The sales fee charged will be 2% of the sales price.
10. All other qualification requirements as stated in Part III, Section 1, 1 through 4.
11. Each owner shall be required to prove compliance with their deed restriction as to employment, residency, and ownership of other property as specified in the Guidelines and as they are amended from time to time, by completing the Compliance Affidavit, and providing documentation when requested.

SECTION 8 NET MINIMUM LIVABLE SQUARE FOOTAGE FOR NEWLY DEED RESTRICTED EMPLOYEE HOUSING UNITS

Table II sets 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 rent and sale prices for such larger units may not exceed the maximum set forth in Tables III and IV.

PLEASE NOTE: Subject to approval by the Housing Office, the minimum net livable square foot requirements may be reduced. It must be demonstrated 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 designs.

TABLE II
MINIMUM NET LIVABLE SQUARE FEET
FOR EACH UNIT TYPE AND INCOME CATEGORY

<u>Unit Type</u>	<u>Categories 1 & 2</u> Square Feet	<u>Categories 3 & 4</u> Square Feet	<u>Categories 5 & 6</u> Square Feet	<u>Category 7</u> Square Feet
Studio	400	500	600	700
1 Bedroom	600	700	800	900
2 Bedroom	850	950	1,000	1,100
3 Bedroom	1,000	1,200	1,300	1,400
Single-Family Detached	1,100	1,400	1,700	1,900

In order to calculate mitigation requirements, 400 square feet of employee housing units shall be used to equate to one full-time employee in determining the required employee housing mitigation for the free-market residential component of a mixed use development. Net Livable Square Footage (see Definitions) calculations are required for the employee housing component of a project. The Community Development Department prior to issuance of any building permits for either the free market or employee housing component of the project must verify square footage. The Community Development Department shall retain a set of approved building permit drawings for the project. The Community Development Department or Housing Office may check the actual construction of the employee housing units for compliance with the approved building permit plans.

The conditions under which reductions may be made are stated below. However, no reduction greater than 20% of the category minimum will be allowed.

- Significant storage – additional storage outside the unit;
- Above average natural light – more windows than the Code requires;
- Efficient and flexible layout – limit to space used for halls and staircases;
- Site amenities – pool, near to park or open space, etc.;
- Location within the project – above ground versus ground level or below ground;
- If the applicant can achieve higher density of deed restricted units with this variance.

Square footage adjustments will be subject to APCA approval. A written analysis and recommendation will be completed during the Development Review Committee referral. Staff comments will be used in developing the project’s approval ordinance. Applicants will be allowed to appeal decisions to the Housing Board, followed by City Council or the BOCC.

SECTION 9
MAXIMUM SALES PRICES FOR NEWLY DEED RESTRICTED
EMPLOYEE LOTS AND HOUSING UNITS

Table III sets forth the maximum sales price for newly deed-restricted employee housing units and employee lots 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.

TABLE III - MAXIMUM UNIT SALES PRICES

<u>Unit Type</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Category 4</u>
Studio	\$35,000	\$79,000	\$132,000	\$224,000
1 Bedroom	\$44,000	\$95,000	\$145,000	\$239,000
2 Bedroom	\$53,000	\$117,000	\$172,000	\$266,000
3 Bedroom	\$62,000	\$144,000	\$199,000	\$293,000
SF Detached	\$75,000	\$171,000	\$226,000	\$318,000
SF Lot	N/A	N/A	N/A	N/A

<u>Unit Type</u>	<u>Category 5</u>	<u>Category 6</u>	<u>Category 7</u>	<u>Category RO</u>
Studio	\$313,000	\$349,000	\$391,000	N/A
1 Bedroom	\$339,000	\$375,000	\$417,000	N/A
2 Bedroom	\$366,000	\$402,000	\$444,000	N/A
3 Bedroom	\$391,000	\$427,000	\$470,000	N/A
SF Detached	\$418,000	\$454,000	\$496,000	N/A
SF Lot	\$91,000	\$127,000	\$130,000	\$159,700

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 III, Section 6 herein.
2. Category 1, 2, 3 and 4 single-family lots are not allowed. Lot prices for Category 5 through RO include the cost of access and utilities for the lot as set forth in Part VII, Section 13 herein.
3. Sale units will be offered for sale through the Housing Office to all qualified persons under the procedures established by the Guidelines.
4. Persons employed by an owner/operator shall be given first priority to purchase employee-housing units associated with a lodge, agricultural operation, or commercial development, when ownership has been retained by the owner/operator of the development. Employees must meet the Housing Office's Guidelines for occupancy, income and assets criteria in order to qualify to occupy the unit(s). 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 Guidelines. (Employee Housing [AH] Zone development is exempt from this section.) All resales will go into the general lottery and be sold by the APCA per the deed restriction.
5. Newly deed restricted employee-housing sales units must be in marketable condition. Properties must comply with the Uniform Building Code and 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 APCA. Cost of such inspections shall be the responsibility of the applicant. The APCA must approve the results of the inspection.

SECTION 10
MAXIMUM MONTHLY RENTAL RATES FOR NEWLY DEED RESTRICTED
EMPLOYEE HOUSING UNITS

Table IV sets forth the maximum monthly rental rates for newly deed-restricted employee 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. Thereafter, the maximum monthly rental rate may be increased only to the extent that the Guidelines then in effect permit.

TABLE IV
MAXIMUM MONTHLY RENT

<u>Unit Type</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Category 4</u>	<u>RO</u>
Studio	\$421	\$748	\$1,117	\$1,482	\$2,032
1 Bedroom	519	879	1,245	1,626	2,176
2 Bedroom	615	1,009	1,377	1,757	2,307
3 Bedroom	713	1,129	1,510	1,889	2,440
SF Detached	813	1,273	1,639	1,952	2,503

NOTES:

1. Units constructed prior to the effective date of these Guidelines shall charge rents that do not exceed those set forth in Part VIII, Table VI.
2. Rental rates shall apply whether the units are provided furnished or unfurnished.
3. Rental rates in Table IV 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 IV 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, the Housing Office must qualify the tenant. All verification required under these Guidelines must be provided. The tenant must provide the owner/landlord with proof of verification and qualification by the Housing Office prior to occupancy. The owner shall be required to provide a copy of the lease agreement to the Housing Office for approval. The Housing Office will approve or deny the agreement within five working days. Leases shall meet occupancy standards and allowable rental rates, and shall be for a minimum term of six consecutive months. Tenant shall provide an executed copy of the lease to the Housing Office prior to occupancy.
5. Persons employed by an owner/operator shall be given first priority to rent employee housing units associated with a lodge, agricultural operation, or commercial development, when ownership has been retained by the owner/operator of the development. Employees must meet the Housing Office's Guidelines for occupancy, income and assets criteria in order to qualify to occupy the unit(s). 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 Guidelines. (Employee Housing [AH] Zone development is exempt from this section.)

6. All newly deed restricted employee housing rental units must comply with the Uniform Building Code and with all rules, regulations and codes of all governmental bodies and agencies having jurisdiction. The owner of employee housing rental units, at its cost and expense, must keep and maintain the interior and exterior of the total structure (including all residential units therein) and the adjacent open areas in a safe and clean condition and in a state of good order and repair, reasonable wear and tear and negligent or intentional damage by tenants excepted.

SECTION 11 REQUIREMENTS FOR DORMITORY/LODGE (Seasonal Units)

Pursuant to the applicable City or County Land Use Codes, an applicant for a development may, under certain conditions and subject to certain requirements, satisfy the employee housing requirements by provision of dormitory/lodge units designed for occupancy by seasonal employees. Acceptance of such dormitory/ lodge units shall be at the sole discretion of the respective governing body at the recommendation of the Housing Office. The dormitory/lodge units must satisfy all requirements of the applicable Guidelines and shall be required to meet the following minimum standards:

1. Occupancy of a dormitory unit shall be limited to no more than eight persons.
2. There shall be 150 or greater net livable square feet of living area per person, including sleeping and bathroom. For purposes of this requirement, Net Livable square footage shall not include interior or exterior hallways, parking, patios, decks, cooking, lounge used in common, laundry rooms, mechanical areas, and storage. Rents for dormitory/lodge units and units developed for seasonal occupancy only pursuant to a plan approved by the Housing Office shall be calculated on the net livable square footage as described in Table II and computed at the rates set forth on a case-by-case basis.
3. Notes 3, 4, 5 and 6 under Table IV, Part VII, Section 10, apply to Dormitory/Lodge units.
4. At least one bathroom shall be provided for shared use by no more than four persons. The bathroom shall contain at least one water closet, one lavatory, one bathtub with a shower, and a total area of at least 60 net livable square feet.
5. A kitchen facility or access to a common kitchen or common eating facility shall be provided subject to the Housing Office's approval and determination that the facilities are adequate in size to service the number of persons using the facility.
6. Use of 20 net leasable square feet per person of enclosed storage area located within, or adjacent to, the unit.
7. A manager's or assistant manager's rent shall be calculated based on the income category of the respective manager.

8. Rents for dormitory units will be set by Special Review on a case-by-base basis, given the unique and varying characteristics of dormitory units, with affordability as the key issue.

**SECTION 12
EMPLOYEE HOUSING DEDICATION FEE
(Payment-In-Lieu Fee)**

1. Pursuant to the applicable City or County Land Use Codes, an applicant for a development may, under certain conditions and subject to certain requirements, satisfy the employee housing requirement by payment of an employee housing dedication fee (payment-in-lieu fee). The number of employees (employee housing residents) required to be housed is determined by the Employee Generation schedules contained in the applicable City and County Codes, or included herein. The time of payment of the fee is prior to the issuance of a building permit. Acceptance of the payment-in-lieu fee shall be at the sole discretion of the respective governing body at the recommendation of the Housing Office.
2. All County fees shall be paid to the Pitkin County Finance Director and all City fees shall be paid to the City Finance Director. A receipt shall be issued by the Finance Directors to the applicant for submission to the Community Development Director as verification of payment, with a copy of the receipt supplied by the developer to the APCHA prior to issuance of a building permit. The number of employees generated will be dictated by the applicable City and County codes or included herein. The City and County Codes will prevail in any conflict between the Guidelines and the Codes. The Employee Generation Table is included in the City Code for the specific zone districts.

3. Payment-In-Lieu Fee:	<i>Category 1</i>	\$252,244
	<i>Category 2</i>	\$211,045
	<i>Category 3</i>	\$199,132
	<i>Category 4</i>	\$124,307

The fee required for the construction of an exempt single-family home or duplex unit shall be calculated as follows:

Average of the Category 2 and Category 3 payment-in-lieu fee as specified above, divided by 3,000 square feet X the net increase in FAR of the new structure will equal the payment-in-lieu payment for replacement structures. The formula assumes that for every 3,000 square feet of new single-family or duplex floor area, the public will be required to provide housing for one moderate income employee. Currently, that amount is $\$211,045 + \$199,132 \div 2 = \$205,089 \div 3,000 = \68.36 per square foot of new structure.

When any other payment-in-lieu fee is required and the category is not specified, an average of Category 2 and 3 will be used to calculate the amount owed.

4. Deferral of the Employee Housing Impact Fee: If the owner of a single-family or duplex unit for which an employee housing impact fee is due is a qualified working resident, as that term is defined in the Guidelines, the obligation to pay the impact fee may be deferred, at the owner’s request, until such time as the dwelling unit is sold to a buyer who is not a qualified working resident.

Furthermore, the amount of the impact fee that was deferred shall be recalculated at the time of sale based on the Guidelines in effect at the time of sale. The obligation for the fee and the procedures for calculating the fee shall be set forth in a written document, signed by the owner or owners of the subject dwelling unit, approved by an APCA representative and the Community Development Department Director, and recorded in the records of the Pitkin County Clerk and Recorder prior to the issuance of a Certificate of Occupancy.

5. For the purposes of calculating payment-in-lieu fee, the following occupancy standards shall apply:

**TABLE V
OCCUPANCY STANDARDS BY UNIT TYPE**

<u>UNIT TYPE</u>	<u>OCCUPANCY</u>
Dormitory/Lodge	1.00 employee/150 sq. ft.
Studio	1.25 employees
One Bedroom	1.75 employees
Two Bedrooms	2.25 employees
Three Bedrooms	3.00 employees

For each bedroom in excess of three, the occupancy standard increases by .5 employees.

**SECTION 13
CONVEYANCE OF VACANT LOTS**

Pursuant to the applicable City or County Land Use Codes, an applicant for a development, under certain conditions and subject to certain requirements, may satisfy the employee-housing requirement by the conveyance of vacant lots. Acceptance of the lots shall be at the sole discretion of the respective governing body upon recommendation of the Housing Office.

1. All lots must be fully developed and ready for construction, i.e., improved lots with water or well, sewer or septic, roads, and telephone, electricity and gas (if available) in place to the property line. A soils report, prepared by a qualified engineer and based upon test holes within the building envelope of each lot, stipulating that the lot is suitable for construction of the intended dwelling type without requiring unusual excavation, foundation work or accommodation of other unusual conditions shall accompany the conveyance.
2. All lots shall be conveyed to the Housing Office concurrent with recordation of final plat for the project.
3. At the time of conveyance, the developer shall establish an escrow account in an amount sufficient to cover 125% of the estimated costs required to complete the improvement of the lots in accordance with number 1 above. Improvements as noted in number 1 above, shall be completed within one year from the date of conveyance of the property to the Housing Office.
4. The Subdivision Improvements Agreement and the Protective Covenants shall incorporate the conditions stated in 1, 2 and 3, directly above this paragraph.

SECTION 14
DEED RESTRICTING EXISTING DWELLING UNITS

1. Pursuant to the applicable City or County Land Use Codes, an applicant for a development, under certain conditions and subject to certain requirements, may satisfy the employee housing requirement by deed restricting existing unrestricted housing to comply with the Guidelines. Acceptance of existing units shall be at the sole discretion of the respective governing body upon recommendation of the APCHA.
2. If accepted by the City or County, existing units must be upgraded in accordance with the following criteria, (unless a variance from these requirements is approved by the applicable governing body upon the recommendation of the APCHA):
 - a. The interior walls of all units must be freshly painted.
 - b. The interior Appliances must be purchased within the last five years and be in good and working condition.
 - c. Carpet must be less than five year old and be in good condition and repair, or be replaced.
 - d. The exterior walls shall be freshly painted within one year of dedication.
 - e. A general level of upgrade to yards and landscaping shall be provided.
 - f. Windows, heating, plumbing, electrical systems, fixtures and equipment shall be in good and working order.
 - g. The roof must have a remaining useful life of at least ten (10) years.
 - h. All units shall meet the International Building Code minimum standards, any applicable housing code or, in the absence of an adequate code, the housing code acceptable to the APCHA.
 - i. All units shall be approved by the APCHA and verified by a qualified Building Inspector accepted and approved by the APCHA.
 - j. Applicant shall bear the costs and expenses of any required upgrades to meet the standards stated in Part VII, Section 14, a through i, as well as any structural/engineering reports required by the APCHA to assess the suitability for occupancy and compliance with the APCHA standards of the proposed units.

SECTION 15 EXECUTION OF DEED RESTRICTIONS BY APPLICANTS

Deed Restrictions must be submitted by the applicant to the APCHA according to the following time schedule:

1. **Conditional Use Applications** - Prior to issuance of a final building inspection or certificate of occupancy for a caretaker or accessory dwelling unit , the APCHA shall have an approved, executed and recorded Deed Restriction for the required commitment by the applicant. For any other projects, specifically new subdivisions, new employee-housing projects, new developments requiring filing a condominium plat, the deed restriction must be recorded simultaneously with the Final Plat, but prior to Certificate of Occupancy.
2. **Growth Management Plan Applications** - Prior to issuance of a final building inspection or certificate of occupancy for a project, the APCHA shall have an approved, executed and recorded Deed Restriction for the required commitment by the applicant. A copy of the recorded Land Use Code and Resolution and Deed Restriction shall be sent to the APCHA. Prior to issuance of any Certificate of Occupancy, the Deed Restriction shall be amended, if necessary. The amendment shall reflect changes approved by the APCHA and governing bodies that may have occurred during construction or conversion of the unit(s), (i.e., net livable square footage). The amendment will then be executed and recorded, with the original returned to the APCHA.
3. **Others** - Prior to issuance of a final building inspection or certificate of occupancy for a project, the APCHA shall have an approved, executed and recorded Deed Restriction for the required commitment by the applicant. A copy of the recorded Land Use Code Resolution and Deed Restriction shall be sent to the APCHA. Prior to issuance of any Certificate of Occupancy, the Deed Restriction shall be amended, if necessary. The amendment shall reflect changes approved by the Housing Office that may have occurred during construction or conversion of the unit(s) (i.e., net livable square footage). The amendment will then be executed and recorded, with the original returned to the APCHA for their files.

SECTION 16 MAXIMUM VACANCY

Deed restricted rental units are required to be occupied. They may be vacant between tenancies for a maximum period of forty-five (45) days, unless authorized by the APCHA. If the owner exceeds the forty-five day limit without APCHA approval, then the APCHA will place a qualified employee by advertising the vacancy in the classified section of the local newspaper on Mondays and Tuesdays. Any interested party may sign up for that unit in the Housing Office. The sign-up for an advertised unit ends at 3:00 p.m. that following Wednesday. Staff reviews the sign-up list and contacts the household with the most years worked full-time in Pitkin County. The interested applicant must provide proof of their work history in Pitkin County for all the years stated on the sign-up sheet.

PART VIII
MAXIMUM ANNUAL RENT INCREASE FOR
EXISTING DEED RESTRICTED RENTAL UNITS

The maximum monthly rent for an existing employee housing unit is calculated using the maximum monthly rent permitted under the Guidelines in effect at the time the unit was first occupied. The rent is increased each year by the maximum percentage permitted by the Guidelines.

Maximum rent increases allowed for existing units are as follows:

TABLE VI
PERMITTED INCREASE IN MAXIMUM RENT
FOR EXISTING EMPLOYEE HOUSING UNITS

<u>Year</u>	<u>Increase</u>	<u>Year</u>	<u>Increase</u>	<u>Year</u>	<u>Increase</u>
1978-1982	0.0%	1992	2.0%	2000	1.08%
1983	6.6%	1993	1.2%	2001	1.40%
1984	5.0%	1994	1.0%	2002	1.63%
1985	3.3%	1995	1.1%	2003	2.15%
1986-1988	0.0%	1996	.99%	2004	1.6%
1989	4.7%	1997	1.31%	2005	3.0%
1990	3.0%	1998	.73%	2006	3.0%
1991	0.0%	1999	.54%		

The 3.0% increase is based on the lesser of the percentage change in the Consumer Price Index (Urban Wage Earners), November 2004 - November 2005, or 3%, whichever is less. The index increased at the rate of 3.7% during this period, but because the increase is 3% or the CPI whichever is less, the increase is 3% for this period of time.

Prior to 2002, operating costs for rental housing, which are subject to the CPI increase, were assumed to be 40% of rental income. In order to maintain the efficient running of existing deed restricted units, rental rates can increase at the rate of CPI, or 3%, whichever is less, on a yearly basis. Please contact the APCA for the actual maximum rental rates available and the APCA will assist any applicant in determining their maximum permitted rent.

PART IX.

GRIEVANCE PROCEDURES

A grievance is any dispute that a tenant or purchaser (see Definitions) may have with the Housing Office 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 Housing Office Board of Directors under the following procedures.

I. FILING A GRIEVANCE

A. Any grievance must be presented in writing to the Housing Office. 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 Housing Office 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 Housing Office 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 Housing Office 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 Housing Office that shall take all actions necessary to carry out the decision.

PART X DEFINITIONS

Accessory Dwelling Unit - The unit must be a totally private unit, with a private entrance, a full bath and a kitchen as defined in these Guidelines. Also see City of Aspen Land Use Code, Chapter 26.520.070.

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

Affordable Housing Zone District - See Aspen Land Use Code, Chapter 26.710.

Aspen/Pitkin County Housing Authority - APCHA and/or Housing Office.

Assets - Any thing 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 - 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 that the government (Aspen, Pitkin County, Housing Office) and/or private sector acquired and deed restricted to employee housing.

Capital Improvements - Unless otherwise defined in the Deed Restriction covering the employee 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. See Section 3-150-130, County Land Use Code.

Category - Income limits, sales prices or maximum rental rates as determined by the APCHA 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 APCHA.

Deed Restriction - A contract entered into between the APCHA and the owner or purchaser of real property identifying the conditions of occupancy and resale.

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 taxpayer, or a descendant of either; (b) has resided in the principal abode of the taxpayer 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 amount (\$3,200 for 2005); (c) receives more than half of his or 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. The parent may request a Special Review to purchase a unit that has more than two bedrooms.

Disabled Person - See definition for Handicap.

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 APCHA. See Part III, Sec. 4.

Emergency Worker - An employee or volunteer (on call 24 hours/day, 7 days a week for human, life threatening emergencies) of a community based organization that provides on-scene assistance giving personal care to victims, including, **but not limited to** the following: Fire Department Workers, Mountain Rescue, Sheriff's 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. Emergency Service Department Head

approval is required, whereby the supervisor must demonstrate the need of that agency to house another Emergency Worker in the Aspen area by requesting a formal approval with the Public Safety Council Housing Subcommittee (see Part I, Section 1, #8 and Part III, Section 6, Exceptions).

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 Pitkin County, which averages 35 hours a week, 10 months a year; or 32 hours a week, 11 months a year, physically working in Pitkin County and must reside in the unit a minimum of nine (9) months out of the year. If self-employed, the worker must provide verification of the work done in Pitkin County.

Employer (Pitkin County Employer) - A business whose business address is located within Aspen or Pitkin County, whose business employs employees (as defined herein) within Pitkin County, who work in Pitkin County, and whose business taxes are paid in Aspen or Pitkin County. If an employer is not physically based in Pitkin County, an employee must be able to verify that they work in Pitkin County a minimum of 1500 hours per calendar year for individuals, businesses or institutional operations located in Pitkin 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 Pitkin County.

Employee Dwelling Unit - This is a deed-restricted unit that is required to be rented out. Also see the Pitkin 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 husband, wife, 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.

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.

Handicap – 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 current, illegal use of or addiction to a controlled substance. For purposes of these guidelines, an individual shall not be considered to have a handicap solely because that individual is a transvestite. Further explanations of “physical or mental impairment”, “major life activities”, and “has a record of such an impairment” can be found in the APCHA Office.

Household - 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.

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. 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 employee 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"WX16"DX5.25"H; refrigerator must be at least 5.3 cubic feet and include at least a .73 cubic foot freezer.

Leasehold Interest - A less than fee simple estate that a tenant possesses 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 present value of capital improvement costs including labor, if professionally provided, and for which verification of the expenditure is provided.

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 Pitkin 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 - APCA 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.

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 Housing Office (off-site).

Prequalification - 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 Pitkin county, or residing in the unit fewer than nine (9) months out of any twelve (12) consecutive months.

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 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 APCA.

Requalification - Requirements which renters/tenants and owners of employee housing must meet bi-annually to ensure continued eligibility.

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

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

Roaring Fork River Drainage/Roaring Fork Valley - The Roaring Fork River Drainage and/or Roaring Fork Valley, as used herein, includes the Roaring Fork River Valley and the valleys with tributary streams or rivers, including the Frying Pan River, the Crystal River, Snowmass Creek, Capital Creek, Maroon Creek and Castle Creek and including, but not limited to, the towns of Aspen, Snowmass Village, Woody Creek, Snowmass, Basalt, Meredith, El Jebel, Carbondale, Redstone, Marble, Glenwood Springs.

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 Pitkin County.

Special Review Committee - A Special Review Committee, as established from time to time by the Housing Office, is composed of three or more persons -- one person from City staff, one person from County staff, and a Housing Board member. The Committee shall have the authority to review special circumstances with respect to matters specifically designated in the Guidelines that are eligible for special review, including, but not necessarily limited to, the priority system; financial and asset limitations; verifications and qualifications; self-employment financial considerations; occupancy; admission; etc.

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 Pitkin County business; and/or a full-time combination of work in Pitkin 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 as if he were sole owner.

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.

**APPENDIX A
MAXIMUM INCOMES BY CATEGORY
(January 2006)**

Maximum rental incomes are different than maximum sales incomes. Due to the nature of the working adult in Pitkin County and the wages that are required to maintain a consistent employee base, the APCHA and Housing Board 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.

However, should a household's net assets exceed \$900,000, that household will be ineligible for deed-restricted housing.

Maximum Incomes for RENTAL Units Only (See Income Verification, Part II, Section 2, No. 1)				
No. Of Adults	Category 1	Category 2	Category 3	Category 4
One Adult	\$30,000	\$47,000	\$76,000	\$123,000
Two Adults	44,000	70,000	114,000	184,000
Three Adults	52,000	82,000	133,000	214,000
Net Assets not in Excess of	100,000	125,000	150,000	175,000

Maximum Incomes for SALES/OWNERSHIP Units Only (See Income Verification, Part III, Section 2, No. 1)				
No. Of Dependents	Category 1	Category 2	Category 3	Category 4
0 Dependents	\$30,000	\$47,000	\$76,000	\$123,000
1 Dependent	37,500	54,500	83,500	130,500
2 Dependents	45,000	62,000	91,000	138,000
3 or More Dependents	52,500	69,500	98,500	145,500
Net Assets Not in Excess of	100,000	125,000	150,000	175,000

Maximum Incomes for SALES/OWNERSHIP Units Only (See Income Verification, Part III, Section 2, No. 1)				
No. of Dependents	Category 5	Category 6	Category 7	Category RO
0 Dependents	\$132,000	\$145,000	\$159,000	N/A
1 Dependent	139,500	152,500	166,500	N/A
2 Dependents	147,000	160,000	174,000	N/A
3 or More Dependents	154,500	167,500	181,500	N/A
Net Assets Not in Excess of	200,000	225,000	250,000	\$900,000

APPENDIX B
CHART OF PRINCIPAL OWNERSHIP PROJECTS

PROJECT NAME	No. & Type of Units	Max. Income Category	Required Residency
1000 East Hopkins	3 2-Bedroom Units	Category 4	Per Guidelines
AABC Pitkin Park Place	14 Condos – 1, 2 & 3 Bedrooms	Category 1, 3 & RO	Per Guidelines
AABC Rowhouses	12 Townhomes	No Income Guidelines	See Covenants
Alpine Cottages	10 Townhomes	Category 4 and RO	Per Guidelines
Alpine Grove	1 2-Bedroom	Category 3	Per Guidelines
Annie Mitchell Homestead	39 1-Bedrooms	Category 2 & 3	Per Guidelines
Aspen Highlands Village	67 Units	Category 1, 2, 3 & 4	Per Guidelines
Aspen Village Subdivision	150 Units	Resident Occupied	See Deed Restriction
Aspen West #5	1 2-Bedroom	Category 3	Per Guidelines
Bavarian Inn Condos	19 Studios 1, 2 & 3 Bedrooms	Category 2, 3 & 4	Per Guidelines
Benedict Commons	27 Studios & 1-Bedrooms	Category 2, 3 & 4	Per Guidelines
Billings Place	7 Studios, 2 & 3 Bedrooms	Category 2, 3 & 4	Per Guidelines
Burlingame Ranch	97 Units	Category 2, 3, 4, 5, 6, 7, RO	Per Guidelines
Castle Creek Valley Ranch	4 Single-Family Homes	Category 4	Per Guidelines
Cemetery Lane (City)	3 Duplex Units	RO – City of Aspen Employment	City of Aspen Emp.
Centennial	92 Studios, 1, 2 & 3 Bedrooms	Category 4	Per Guidelines
Chaparral Ranch	3 SFH, 4 2-Bedrooms (2 duplexes)	Category 4/5	Employees of Ranch
Cipriano-Taylor	1 Duplex Unit	RO	Per Deed Restriction
Common Ground	21 Townhomes (land lease)	Category 2 & 3	Per Guidelines
Curton Condos (339 W. Francis)	1 3-Bedroom	Category 4	Per Guidelines
East Cooper (1230)	1 Single-Family Home	Category 4	Per Guidelines
East Cooper Court (939 E. Cooper)	2 Single-Family Homes	Category 3 & RO	Per Guidelines
East Hopkins	4 Townhomes	Category 4	Per Guidelines
East Owl Creek	4 Single-Family Homes	Category 4	Per Guidelines
Fairway III	30 Townhomes	Category 4	Per Guidelines
Five Trees	31 Single-Family Homes	Category 3 & 4	Per Guidelines

PROJECT NAME	No. & Type of Units	Max. Income Category	Required Residency
Highland Villas	16 2-Bedrooms	Category 4	Per Guidelines
Hopkins Roan	2 1-Bedroom & 2-Bedroom	Category 3 & 4	Per Guidelines
Hunter Creek	79 Condominiums	Category 1, 3 & 4	Per Guidelines
Juan Street	6 Units; 2 Duplexes, 2 SFH	Category 3 & 4	Per Guidelines
Lacet Court (East Cooper)	14 Townhomes/SFH	Category 3, 4 & RO	Per Guidelines
Lazy Glen	100 Mobile Homes/ Own Land	RO	Per Deed Restriction
Little Victorian/634 W. Main	1 1-Bedroom	Category 3	Per Guidelines
Lone Pine	28 Condominiums	Category 4	Per Guidelines
Maroon Creek Club/1151 Tiehack	1 Single-Family Home	Category 1	Per Guidelines
Marthinsson-Nostdahl	10 Condominiums	Category 3 & 4	Per Guidelines
Midland Park	37 Condominiums	Category 4	Per Guidelines
North 40	72 – 59 SFH, 13 Townhomes	RO	Per Guidelines
Oh-Be-Joyful	5 Single-Family Homes	Category 3	Per Guidelines
Park Avenue – 407-B	1 3-Bedroom	Category 4	Per Guidelines
Park Circle / 425 A-1	1 2-Bedroom	Category 2	Per Guidelines
Park Place – 411 E. Cooper	2 1-Bedrooms	Category 4	Per Guidelines
Pitkin Iron	15 Units	Category 2, 3 & 4	Per Guidelines
Red House Enclave	6 1, 2 & 3 Bedrooms	Category 2 & 3	Per Guidelines
Sagewood Condo (910 W. Hallam)	1 2-Bedroom	Category 4	Per Guidelines
Seventh & Main	12 Units; 11 1-Bdrm; 1 2-Bdrm	Category 2 & 3	Per Guidelines
Shadow Mountain 00A	1 3-Bedroom	Category 3	Per Guidelines
Shady Lane Condominium	1 3-Bedroom	Category 4	Per Guidelines
Smuggler Cove	3 2-Bedroom & 3-Bedroom	Category 2 & 4	Per Guidelines
Smuggler Park Subdivision	87 Single-Family (Modular)	RO	Per Deed Restriction
Smuggler Run	17 Single-Family (Modular)	Category 4	Per Guidelines
Snyder	15 1- and 3-Bedrooms	Category 2, 3 & 4	Per Guidelines
Sopris Creek Meadows (Cabins)	6 Units – SFH & Duplexes	Category 1 & 3	Per Guidelines
Stillwater	13 Units – 1 & 3-Bedrooms	Category 2, 3, 4 & 5	Per Guidelines
Tom Thumb	3 Studios	Category 3	Per Guidelines

PROJECT NAME	No. & Type of Units	Max. Income Category	Required Residency
Trainor's Landing (aka Barbee)	7 Units – SFH & Duplexes	Category 4 & RO	Per Guidelines
Twin Ridge	12 Townhomes; 13 SFH	Category 4	Per Guidelines
Two Moon	1 Single-Family Home	Category 4	Per Guidelines
Ute Park	7 Townhomes	Category 3 & 4	Per Guidelines
Valley Condo / 1135 Cemetery Lane	1 3-Bedroom	Category 3	Per Guidelines
Victorians at Bleeker	5 Condominiums	Category 4 & RO	Per Guidelines
Villas at Elk Run, Basalt	2 – 1 1-Bedroom / 1 3-Bedroom	Category 2 & 4	Per Guidelines
Vincenti Condos	2 – Studio & 1-Bedroom	Category 1	Per Guidelines
Water Place (City)	22 – Studio, 1, 2 & 3 Bedrooms	City of Aspen Employment	City of Aspen Emp.
West Hopkins	11 Townhomes	Category 2 & 3	Per Guidelines
Williams Ranch	35 Units	Category 2, 3, 4, RO-5 & RO	Per Guidelines
Williams Woods	18 Townhomes	Category 2 & 3	Per Guidelines
Winfield Arms	1 Studio	Category 2	Per Guidelines
W/J Ranch	56 Single-Family Homes	Category 4 & RO	Per Guidelines
Woody Creek Mobile Home Park	58 Mobile Homes	Category 6	Per Guidelines
TOTAL	1,355 Units		

APPENDIX C
CHART OF PRINCIPAL RENTAL PROJECTS AND REQUIREMENTS

PROJECT NAME	No. & Type of Units	Max. Income Category	Required Residency
715 CEMETERY LANE	1 Units	School Dist. Priority	Per Ordinance
985 MAROON CREEK (City)	1 2-Bedroom	City of Aspen Employment	Per Ordinance
AABC APARTMENTS	8 Units	Category 3 – School Dist. Priority	Per Deed Restriction
ALPINA HAUS	44 Units	RO	Per Deed Restriction
ANDERSON PARCEL	1 Units	Category 3	Per Guidelines
ANIMAL SHELTER (AABC)	2 Units	Category 2	Per Guidelines
ASPEN CONSOLIDATED SAN. DISTRICT	9 Units	ACSD EMPLOYEES ONLY	Per Guidelines
ASPEN COUNTRY INN	40 Units	Category 1 & 2	Per Guidelines
ASPEN HIGHLANDS VILLAGE	8 Rooms/13 Dorm Rooms	Category 1 & 2/RO	Per Guidelines
ASPEN RECREATION CENTER	1 1-Bedroom	Category 2	Per Guidelines
ASPEN VALLEY RANCH	7 Units	Category 1 & 3	Per Guidelines
BEAUMONT	24 Units	Hospital Priority	Per Deed Restriction
BELL MOUNTAIN LODGE	5 Units	Category 2	Per Guidelines
BRUSH CREEK	2 Units	Category RO	Per Guidelines
BURLINGAME - Permanent Seasonal	8 Units 92 Units (184 beds)	Category 2	Per Guidelines
CASTLE RIDGE	80 Units	Category 3	Per Guidelines
CENTENNIAL	148 Units	Category 3	Per Guidelines
CITY PLAZA BLDG.	4 Units	Category 1	Per Resolution
CLARENDON (625 W End St)	1 Unit	Category 3	Per Guidelines
COMCAST (AABC)	8 Units	Category RO	Per Guidelines
COPPER HORSE	13 Units	N/A - Resident Occupied	Per Resolution
CORTINA (Hotel Jerome)	16 Units	Category 1	Per Resolution
GUIDO'S	3 Units	Category 3	Per Guidelines
HEATHERBED	21 Dorm-Style Units	RO	Per Deed Restriction
HOLIDAY HOUSE	35 Dorm-Style Units	RO	Per Deed Restriction
HOPKINS	1 Units	Category 2	Per Guidelines

PROJECT NAME	No. & Type of Units	Max. Income Category	Required Residency
HUNTER LONGHOUSE	33 Units	Category 3	Per Guidelines
ISIS	2 Units	Category 3	Per Guidelines
KATY REID	2 Units	Category 3	Per Guidelines
LAZY GLEN	3 Units	Category 3	Per Guidelines
MAROLT HOUSE (City)	1 Unit	City Employee	Per Guidelines
MAROLT RANCH - Permanent Seasonal	4 Units 96 Units	Category 3 Pitkin County Employee	Per Guidelines
MAROON CREEK CLUB	42 Units	Maroon Crk Club Priority	Per Guidelines
MILL STREET STATION	7 Units	Category 3	Per Guidelines
MILL STREET PLAZA	3 Units	Category RO	Per Guidelines
MOCKLIN	7 Units	Category 1, 2 & 3	Per Guidelines
MOUNTAIN OAKS/HOSPITAL	21 Units	Hospital Priority	Per Hospital
PITKIN CENTER BLDG. (520 E. Hyman)	4 Units	Category 3	Per Guidelines
PUPPYSMITH APARTMENTS	18 Units	Resident Occupied	Per Resolution
RITZ (Prospector)	1 Unit	Category 2	Per Guidelines
RIVER GLEN (1015 E. Durant)	12 Units	Category 1 & 2	Per Guidelines
RIVER PARK	3 Units	Category 2 & RO	Per Guidelines
ST. MORITZ	2 Units	Category 3	Per Guidelines
SEGUIN (Range Restaurant)	2 Units	Category 2	Per Guidelines
SMUGGLER MTN APARTMENTS	11 Units	Category 1	Per Guidelines
STARRY PINES	2 Units	Category 2	Per Guidelines
SUNDECK	2 Units	Category 2	Per Guidelines
TENTH MOUNTAIN	2 Units	Category 3	Per Guidelines
TOWNE PLAZA	4 Units	Category 2 & 3	Per Guidelines
TRUSCOTT PLACE TRUSCOTT PLACE LLLP	108 Units 87 Units	RO & Category 3 Category 2 & 3	Per Guidelines
ULLR LODGE	26 Units	Category 3 & 4 - Employer Owned	Per Guidelines
UTE CITY PLACE	22 Units	Category 2 & 3 – St. Regis Priority	Per Guidelines
WATER PLACE (City)	3 Units	City Employee	Per Guidelines

PROJECT NAME	No. & Type of Units	Max. Income Category	Required Residency
WEST RANCH (School District)	10 Units	Category 4 – School District	Per Guidelines
TOTAL	955 Units Permanent <u>282</u> Units Seasonal 1,237 Units		

APPENDIX D

LISTING OF PRINCIPAL RENTAL PROJECTS AND PROPERTY MANAGERS (as of January 2006)

Aspen Country Inn
Cindy Tucker-Davis, Property Manager
Aspen/Pitkin County Housing Authority
530 E. Main, Aspen, CO 81611
(970) 925-2700; 920-1745 Fax

Alpina Haus
Kevin DeCarlo, Property Manager
935 East Durant, Aspen, CO 81611
(970) 920-3975; 920-2396 Fax

Burlingame Seasonal Housing
Mary Ferguson, Property Manager
050 Harmony Pl., Aspen, CO 81611
(970) 920-0171

Castle Ridge Apartments
Maxine Jacobs, Resident Manager
1175 Doolittle Circle, #603
Aspen, CO 81611
(970) 925-6851; 925-6851 Fax

Centennial Apartments
Kim Keilin, Property Manager
100 Luke Short Ct, Aspen, CO 81611
(970) 925-1876; 920-2691 Fax

Copper Horse
Kevin DeCarlo, Property Manager
328 W. Main St., Aspen, CO 81611
(970) 920-3975; 920-2396 Fax

Hunter Longhouse Apartments
Terry Kappeli, Property Manager
101 Lone Pine Road, Aspen, CO 81611
(970) 963-6494

Marolt Ranch (Seasonal Housing)
John Mickles, Property Manager
Aspen/Pitkin County Housing Authority
530 E. Main, Aspen, CO 81611
(970) 920-3499 (Jan.-May & Sept.-Dec)
(970) 920-0849 Fax

Maroon Creek Apartments
Stephanie Thurston, Property Manager
305 Stage Court, Aspen, CO 81611
(970) 544-1885; 544-0558 Fax

Smuggler Mountain Apartments
Kai Ramsey, Property Manager
Aspen/Pitkin County Housing Authority
530 E. Main, Aspen, CO 81611
(970) 379-6048; 920-5580 Fax

Truscott Place Apartments
Kai Ramsey, Property Manager
Aspen/Pitkin County Housing Authority
530 E. Main, Aspen, CO 81611
(970) 920-5139; 920-5358 Fax

Truscott LLLP - Phase II Units
Janet Krasnoff, Property Manager
Aspen/Pitkin County Housing Authority
530 E. Main, Aspen, CO 81611
(970) 544-8035; 544-4854 Fax