

RESOLUTION NO. 17

SERIES 2025

**A RESOLUTION OF THE CRESTED BUTTE TOWN
COUNCIL APPROVING THE 2025 AMENDED
AFFORDABLE HOUSING GUIDELINES.**

WHEREAS, the Town of Crested Butte, Colorado ("Town") is a home rule municipality duly and regularly organized and now validly existing as a body corporate and public under and by virtue of the Colorado Constitution and laws of the State of Colorado; and

WHEREAS, pursuant to Article XX, Section 6 of the Colorado Constitution, Section 29-20-101, et seq., C. R. S. and other authorities granted to municipal governments, the Town has enacted and enforces regulations governing the use of property within the Town's jurisdiction; and

WHEREAS, Town Council by Ordinance 8, Series 2024 has repealed Appendix N – Affordable Housing Guidelines of the Crested Butte Municipal Code; and

WHEREAS, the Town Council adopted the 2024 Affordable Housing Guidelines on November 18, 2024, replacing the 2016 Affordable Housing Guidelines; and

WHEREAS, Town Council finds the 2025 Amended Affordable Housing Guidelines attached hereto as Exhibit A are necessary and appropriate to clarify policies and procedures related to, and assignment of, administration while the Gunnison Valley Regional Housing Authority undergoes transition as well as update lottery procedures, the Capital Improvement Policy, and Area Median Incomes issued by Department of Housing and Urban Development.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CRESTED BUTTE, COLORADO, THAT,

Section 1. The Town Council incorporates the foregoing recitals as its conclusions, facts, determinations and findings.

Section 2. The Town Council hereby approves the 2025 Amended Affordable Housing Guidelines attached hereto as **Exhibit A**.

INTRODUCED, READ AND ADOPTED BEFORE THE TOWN COUNCIL THIS 7th DAY OF JULY 2025.

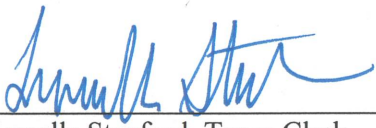
TOWN OF CRESTED BUTTE, COLORADO

By:



Mallika Magner, Mayor pro-tem

ATTEST:



Lynelle Stanford, Town Clerk



TOWN OF CRESTED BUTTE

AFFORDABLE HOUSING GUIDELINES

Adopted November 18, 2024

Amended JULY 7, 2025

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1. PURPOSE

The Town of Crested Butte is deeply invested in helping to create a resilient, connected community. One of the seven goals identified in the Community Compass, the Town's Comprehensive Plan, is to *Enable people who live and work here to thrive.*

"Our community – ranging from Crested Butte's youth to its aging population – needs attainable and secure housing, a vibrant local business scene, and affordable essential goods and services, such as childcare, to not only live here, but to thrive and build a future."

- *The Crested Butte Community Compass*

2. APPLICABILITY

These Guidelines establish policies, standards and procedures for the Town's Affordable housing programs. They shall apply to all new affordable housing development that is permitted or approved after the date of their initial adoption and to all units that reference the Town's Affordable Housing Guidelines as amended.

These Guidelines are not applicable to rental units that prioritize Town employees, rental properties operated under a Tenant Selection Plan or management agreement with the Town of Crested Butte, nor to projects that operate within a federal regulatory framework, such as Anthracite Place Apartments and Mineral Point.

Occupant-Qualified Affordable Housing units, such as accessory dwelling units, residential units in commercial buildings, and Resident Occupied Affordable Housing units, are subject to a variety of qualification requirements governed by the applicable Deed Restriction and the Town of Crested Butte's Municipal Code. These Guidelines provide detail for administrative and compliance processes associated with those units.

These Affordable Housing Guidelines supersede and replace all prior versions of the Town's Affordable Housing Guidelines. Capitalized terms shall have the meaning as defined in Section 27. If a discrepancy exists between these Guidelines and a recorded Deed Restriction, the recorded Deed Restriction shall prevail.

Sale or rental of a housing unit subject to the Guidelines will be administered in accordance with the Guidelines in effect at the time of sale or rental.

- 2.1. Owners and tenants are subject to the Guidelines that are in effect as amended over the course of their ownership or lease term.
- 2.2. At the sale or transfer of interest of a Buyer-Qualified Affordable Housing unit, the new owner is required to enter into the Town's current form of Deed Restriction. See Section 17.1.

- 2.3. Owners of appreciation capped units that use the Capital Improvement Policy are required to enter into the Town's current form of Deed Restriction. See Sections 17.1 and 20.
- 2.4. There are circumstances that may not fit clearly within the specific provisions of the Guidelines but still meet affordable housing program intents and policies. For these cases, the variance request process is set forth in Section 26.

As used in these Guidelines the terms "Town" means the Town of Crested Butte or its designee, "Town Council" means the Town Council of the Town of Crested Butte or their designee and, "Town Manager" shall mean the Town Manager or their designee. To provide clarification of the intent of the provisions of these Guidelines, policy statements may be adopted by resolution of the Town Council at a properly noticed public meeting. Additionally, these Guidelines shall be reviewed and amended annually by the Town Council to update Area Median Incomes (AMI) as issued by the U.S. Department of Housing and Urban Development (HUD).

These Guidelines have binding effect on all individuals and courts and run with a housing unit in perpetuity in accordance with the recorded Deed Restriction. In addition to any remedy provided by law for enforcement of the Deed Restriction and these Guidelines, the Town is authorized to establish fees for service as well as penalty fees for violations. Penalty fees for violations may not exceed the general penalty parameters of the Town of Crested Butte Municipal Code Section 1-4-20, as amended.

3. AFFORDABLE HOUSING TYPES

Affordable rental and ownership units are located throughout the Town of Crested Butte. Some affordable housing units require qualification to purchase, known as Buyer-Qualified Affordable Housing. Other units require qualification for the tenant or confirmation of owner occupancy and are referred to as Occupant-Qualified Affordable Housing.

4. AFFORDABILITY ASSUMPTIONS

4.1. Affordable Purchase Price

For purposes of these Guidelines, the purchase price is considered "affordable" if the monthly housing payment, inclusive of principal and interest on any loan, taxes, insurance, utilities and homeowners' association dues, assessments, and common area charges, are equal to or less than 30% of the household's gross income at the income level established in the Deed Restriction. Current income levels as issued by HUD are included in Appendix A.

The calculation of initial affordable prices for homeownership units shall assume a 30-year, fixed rate mortgage with a downpayment of 10% and current interest rates per Freddie Mac plus a 0.5% cushion.

4.2. Affordable Rental Rates

Individual Deed Restrictions may limit the maximum rental rate to a variety of different indices or be determined by methodologies approved by the Town. In all cases, affordable rental rates shall include the cost of utilities, not including communication services such as Wi-Fi and satellite, plus all charges passed onto the tenant that are not optional. Maximum rental rates under the current HUD issued AMI limits are presented in Appendix B and shall be updated annually.

4.3. Occupancy Assumptions in Determining Initial Prices and Affordable Rents

Income limits are further defined by Household size. Initial sales prices shall be based on the unit size, assuming one person per bedroom. For the purpose of establishing affordable rental rates, the number of bedrooms of the rental unit determines the Household size. For example, a two-bedroom unit shall be priced to be affordable based on the HUD income for a two-person household at the applicable AMI.

5. FRAUD WARNING

Material errors or discrepancies found after an applicant, owner or tenant signs a certification confirming the accuracy of information provided to the Town will result in immediate disqualification from a lottery, mandatory sale of the unit or eviction from the unit. Additionally, the offending person will be barred from qualifying for affordable housing with the Town of Crested Butte in the future.

6. NON-DISCRIMINATION STATEMENT

Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental and financing of dwellings and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under age 18 living with parents or legal custodians, pregnant women, and people securing custody of children under age 18) and disability.

7. REASONABLE ACCOMMODATION STATEMENT

The Town of Crested Butte is committed to providing housing to all individuals, including those with disabilities, and will make reasonable accommodation to ensure equal access and enjoyment of the Town's housing. If you are an individual who has a disability and requires a reasonable accommodation to participate in this process, please contact the Housing Director to make this request.

housing@crestedbutte-co.gov

Phone: (970) 349-5338 ext. 112

8. ELIGIBILITY

The purpose for these eligibility requirements is to direct scarce affordable housing resources to those who are or who have worked full-time for a Local Business or Local Employer 1,450 hours per year, based on the definitions herein; to increase full-time occupancy in the town; and to exclude those who currently own Improved Residential Property in the Gunnison Valley from being eligible for affordable housing sponsored by the Town. These eligibility requirements are ongoing for the duration of occupancy or ownership.

Affordable Housing units may also maintain specific income and asset limitations; the requirements for such are discussed in Section 9. Exceptions for specific Occupant-Qualified and Owner-Occupied units are included in Sections 21.1.1 and Section 23.

8.1. Local Workforce Requirements

At least one adult household member on the lease for an Occupant-Qualified Affordable Housing unit or on title of a Buyer-Qualified Affordable Housing unit must be designated as the Qualified Resident under one of the five definitions below.

- 8.1.1. A Qualified Resident is an employee of a Local Business or Local Employer, as defined herein, who lives in Gunnison County and works a minimum of 1,450 hours per calendar year for a Local Business or Local Employer. Full-time employees of special taxing districts within Gunnison County are eligible.

A Local Business or Local Employer is a business, including the Self-Employed, whose business address is located within Gunnison County, and whose business employs Qualified Residents and whose business provides goods and services to Gunnison County denizens and businesses.

A Qualified Resident may also be:

- 8.1.2. Self-Employed. A Self-Employed person carries on a trade or business as a sole proprietor, an independent contractor or a member of a partnership that carries on a trade or business; or a person who is otherwise in business for themselves and works for profit or fees, and meets the annual work requirement defined in Section 8.1.1 and the trade or business address is located within Gunnison County and provides goods and services to Gunnison County denizens and businesses.
- 8.1.3. Retired. Except for those residing in Employer-Owned Affordable Housing units, an individual who met the requirements of Section 8.1.1 for a minimum of 4 years immediately prior to Retirement Age as defined herein.
- 8.1.4. Temporarily Disabled. Except for those residing in Employer-Owned Affordable Housing units, an individual who met the requirements of Section 8.1.1 immediately prior to becoming temporarily disabled. Those who are temporarily disabled are expected to return to full qualification under Section 8.1.1 within a reasonable time.

- 8.1.5. Permanently Disabled. Except for those residing in Employer-Owned Affordable Housing units, an individual who met the requirements of Section 8.1.1 for a minimum of 4 years immediately prior to the event of permanent disability.

8.2. Prohibition on Owning Improved Residential Property in Gunnison County.

To apply, qualify, purchase and remain qualified as an owner of Buyer-Qualified Affordable housing, owners may not own any interest, full or partial, in Improved Residential Property in Gunnison County.

Improved Residential Property is a property that has been developed with the necessary infrastructure and amenities for residential use, including a mobile or manufactured home with or without landownership, that has received a Certificate of Occupancy and meets the requirements of habitability under the applicable jurisdiction's residential code.

8.3. Occupy the Affordable Housing Unit as a Primary Residence

The Affordable Housing unit must be used as the Qualified Resident's sole and exclusive place of residence, residing in the unit at least nine out of any 12 consecutive months (unless the owner has secured approval from the Town for a Leave of Absence, See Section 21.2).

9. QUALIFICATION

The Town ensures that affordable housing units are serving those who are eligible under Section 8 through a qualification process. Persons desiring to qualify to purchase a Buyer-Qualified Affordable Housing or occupy an Occupant-Qualified Affordable Housing unit with local workforce requirements unit must first submit a Qualification Application.

All persons who intend to occupy the unit, regardless of marital or legal status, shall be included in the application. An individual can only be a member of one household application at a time.

9.1. Local Workforce Verification

- 9.1.1. Verifying the local workforce requirements under Section 8 is undertaken at application and must be maintained over the course of ownership and occupancy.
- 9.1.2. The annual work requirement is 1,450 hours per calendar year, which averages 27.9 hours per week. The qualification process takes into account the seasonal nature of the local economy when evaluating applications. Meeting the annual requirement is the focus of the local workforce verification, not proving a consistent weekly average.
- 9.1.3. Applicants must submit competent evidence to the Town's satisfaction proving that they meet the requirements for the minimum work requirement, have met the requirements for retirement, temporary disability or permanent

disability. Documentation may include but is not limited to copies of paystubs, W2s, employment confirmation letters from employers, and offer letters.

9.1.4. Work hours for wage-earning employees are confirmed by paystubs.

9.1.5. Qualified Residents who are Self-Employed or owners of Local Businesses as defined herein must establish by competent evidence to the Town's satisfaction that they qualify. Evidence of workforce participation may include but is not limited to client contracts and invoices, time tracking records or other documentation.

9.2. Verification of Property Ownership

Applicants are required to demonstrate they do not own other Improved Residential Property in Gunnison County and may be asked to sign an affidavit confirming as such. This limitation must be maintained over the course of ownership and occupancy as applicable.

9.3. Confirmation of Household Size

The total number of persons in a household are counted in the qualification process to confirm whether the household is within designated income limits as well as to determine priority for the lottery, as applicable.

Proof of legal dependency and custody of Dependents may be required. A Dependent subject to a custody order must live in the household for a minimum of 100 days per year as demonstrated by court documents or a notarized custody affidavit to qualify the Dependent as a member of the household.

If at the time of application, a household is expecting the birth or adoption of a child, the incoming child may be counted as a member of the household upon the Town's receipt of confirmation by competent evidence to the Town's satisfaction of the pending birth or adoption.

9.4. Income Verification

Income verification refers to the confirmation of the annual Household income of a prospective purchaser or tenant and considers applicant household size and the maximum income allowed under the applicable income limit. Applicants must establish by competent evidence that they meet the income qualifications to the Town's satisfaction.

9.4.1. Income verification shall be done at the time of qualifications for purchase and at every subsequent sale or transfer of interest of a Buyer-Qualified Affordable Housing unit as applicable per the Deed Restriction, and prior to signing a lease on an Occupant-Qualified Affordable Housing unit as applicable.

9.4.2. A Household's Gross Income includes all members, except Dependents aged 21 years or younger, and is projected forward.

- 9.4.3. Co-signer's income is not included in the calculation of income for the applicant household provided the co-signer is not a member of the household.
- 9.4.4. The incomes of both married persons are considered in the application, regardless of whether they both plan to live in the Affordable Housing unit being applied for.
- 9.4.5. Annual gross anticipated income means all amounts, monetary or not, which:
- the household anticipates it will receive in the 12-month period following the date of their application.
 - go to, or are received on behalf of, any household member, even if temporarily, excluding Dependents aged 21 or younger.
 - include amounts derived (during the 12-month period) from assets to which any member of the household has access.
 - is derived from deployed military who identify the unit being applied for as their primary residence.

9.5. Verification of Assets

Asset verification tests an applicant's need to purchase or rent an Affordable Housing unit. The verification is intended to provide an equity-based solution to limit competition for scarce affordable housing units, and help ensure that higher assets, lower income applicants who might otherwise be able to access market rate housing are not eligible.

The term "asset" refers to cash in bank accounts, such as savings and checking; and stocks, bonds, or other instruments that can be converted to cash as well as real property. The net income produced by an asset — such as interest and dividends — is added to the household's income. All assets to which applicants have access to, and control are included in the asset calculation. See Exhibit C. for current asset limits. These values will be updated annually with the release of updated AMIs from HUD.

- 9.5.1. Applicants shall establish by competent evidence to the Town's satisfaction that they do not exceed the asset limit. Evidence may include but is not limited to current personal and/or business financial statements and tax documentation.
- 9.5.2. Applicants undergoing a divorce must have a final divorce settlement agreement to confirm assets and income (if applicable), and allocation of each to the applicant.
- 9.5.3. Real property will be valued at the most recent Total Actual Value as provided by the applicable assessor's office to determine the value of real estate holdings, less encumbrances and expenses, as evidenced by competent evidence that is satisfactory to the Town, regardless of percent of ownership interest.

- 9.5.4. The value of mobile and manufactured homes shall be included in the calculation of total assets, regardless of whether the title to the unit is purged.
- 9.5.5. Tax advantaged retirement accounts shall be valued at 75% of face value in the asset calculation.
- 9.5.6. Assets that have been assigned, conveyed, transferred or otherwise disposed of within the previous two years for consideration below fair market value shall, for qualification purposes, be valued at fair market value. Fair market value shall be established by a certified appraiser approved by the Town at the expense of the applicant.
- 9.5.7. For applicants of Buyer-Qualified Affordable Housing, the calculation of net assets will exclude downpayment and closing costs.

9.6. Home Buyer Education Requirements

First time homebuyers of Buyer-Qualified Affordable Housing units are required to take a certified home buyer education course through the Colorado Housing and Finance Authority with evidence of completion provided to the Town prior to closing. For more information, visit www.colohfa.org/homownership/homebuyer-education.

10. QUALIFICATION FOR EMPLOYER-OWNED AFFORDABLE HOUSING UNITS

As permitted under these Guidelines and in accordance with applicable Deed Restrictions, Local Employers may purchase Deed Restricted units to house employees. The purpose of allowing Local Employers to purchase affordable housing units is to support functional operations of governmental, quasi-governmental entities and Local Businesses.

The Employee Occupant shall meet the eligibility requirements as defined in the applicable Deed Restriction. Employee Occupants and Employer Owners must follow compliance requirements defined herein.

Employee Occupants who have retired or suffered an event of permanent disability and no longer meet the minimum work requirements are not eligible for Employer-Owned Affordable Housing.

11. ALLOWED OWNERSHIP STRUCTURES FOR BUYER-QUALIFIED AFFORDABLE HOUSING UNITS

Qualified Residents who own Buyer-Qualified Affordable Housing units must hold them in their name as a natural person. They may not be held by a trust or in any other ownership structure. Employer Owners may hold title either as a natural person or in a Limited Liability Company. Governmental and quasi-governmental Employer Owners may hold title in the name of the operating entity. Any co-ownership interest other than Joint Tenancy or Tenancy-In-Common must be approved by the Town.

12. LOTTERY TICKET ALLOCATION

The following section is specific to Buyer-Qualified affordable housing units that are required to be sold via lottery. Lotteries are held when more than one qualified applicant applies for a unit. As applicable, a lottery will only be conducted for the second-tier priority category if there are no qualified applicants in the first tier as applicable. Likewise for the third tier.

12.1. Ticket Allocation

The allocation of lottery tickets for Buyer-Qualified Affordable Housing units prioritizes longevity in the workforce and matching larger households with larger units.

12.2. Longevity in the Workforce

Lottery tickets are awarded to one member of an applicant household based on the number of full years they have met the employment requirements of Section 8.1.

More than 20 years of cumulative employment	11 tickets
More than 16 less than 20	9 tickets
More than 12 less than 16	7 tickets
More than 8 less than 12	5 tickets
More than 4 less than 8	3 tickets
4 years or less	1 ticket

Applicants must provide competent evidence to the Town's satisfaction that they met the local workforce participation requirement of 1,450 hours per year. Such evidence must be provided for each year for it to count toward allocated tickets. Evidence of participation may include, but is not limited to, W2s, a letter from an employer confirming dates of employment or commercial leases for business owners or the self-employed with accompanying tax returns.

12.3. Lottery Priority Categories

Household sizes are not prioritized for studio, one-, and two-bedroom units. However, to provide incentive to owners of larger units to downsize, thereby making the larger units available to larger households, they are given the first opportunity to purchase smaller units. If multiple owners express interest in downsizing to an available, smaller unit, a lottery will be held.

Units with three or more bedrooms are prioritized for larger households by employing a tiered lottery as outlined below:

First Tier: A household composed of three people including at least one Qualified Resident.

Second Tier: A household composed of two people including at least one Qualified Resident.

Third Tier: A household composed of one Qualified Resident.

After prioritization, names of applicants of equal priority status shall be placed in a lottery for each applicable tier.

13. QUALIFIED APPLICANT PRELOTTERY OBJECTION PERIOD

- When a unit that is required to be sold via lottery is listed for sale, there will be a published application window. After the application window closes, Town will announce a three-day period for applicants to object to the application and qualification processes or number of lottery tickets allocated to the applicant household. Applicants may only object to their own qualification and/or lottery ticket allocation, not to the qualification or lottery ticket allocation of others.
- Objections will be reviewed by the Town Manager and the Town Attorney to determine validity. Decision will be emailed to the objecting applicant within three business days of submission.
- Applicants may appeal the decision to the Town Council. The appeal will be heard at the next meeting of the Town Council with a minimum of five business days' notice.
- The Town Council may uphold the decision of the Town Manager and Town Attorney, modify the decision or overturn the decision.
- The objection process is not meant to identify or resolve fraud. The Town may investigate fraud at any time.

14. LOTTERY AND OBJECTIONS PROCESS

14.1. Lottery Process

- 14.1.1. After the prelottery objection period closes with necessary time to address objections, the Town will announce the time and location of the lottery, not to be held less than five business days from the date of the announcement. The announcement will include a list of eligible applicants and the total of allocated tickets for the applicant pool. The announcement will be emailed to eligible applicants and posted in Town Hall.
- 14.1.2. The lottery will be held in person.
- 14.1.3. Attendance at the lottery is voluntary.
- 14.1.4. Participants may designate a proxy to attend the lottery in their place. Participants using a proxy must communicate the name of their proxy by email to the Town at housing@crestedbutte-co.gov prior to the lottery.
- 14.1.5. Virtual attendance will be made available; however, those participating virtually may only observe. Technology failures that impede virtual attendance will neither disrupt, stop nor be grounds for an objection to the lottery.

- 14.1.6. A count of each participant's assigned tickets will be conducted prior to the drawing as well as after to ensure that all parties and all their tickets are accounted for.
- 14.1.7. The individual conducting the lottery, known as the lottery administrator, has the right to take corrective action to address ministerial errors in the lottery process.
- 14.1.8. If no objections are made, the Town will confirm the drawing order to participants.

14.2. Lottery Objections by Lottery Participant

- 14.2.1. After the lottery, participants have three business days to raise an objection to the lottery process.
- 14.2.2. Objections will be reviewed by the Town Manager and the Town Attorney to determine validity. The decision will be emailed to the objecting participant within three business days of submission. Objections will be handled to minimize disruption to the overall lottery results.
- 14.2.3. Participants may appeal the decision to the Town Council. The appeal will be heard at the next meeting of the Town Council with a minimum of five business days' notice.
- 14.2.4. If the Town Council supports the objection, the lottery will be run again.
- 14.2.5. If the Town Council overrules the objection, the Town will certify the lottery results and email them to lottery participants. Results are available upon request.

15. PURCHASE AND SALE OF A BUYER-QUALIFIED AFFORDABLE HOUSING UNIT

15.1. General Process for All Buyer-Qualified Affordable Housing Units

- 15.1.1. Owners of Buyer-Qualified Affordable Housing must submit an Intent to Sell form to the Town to initiate the sales process.
- 15.1.2. If applicable, the Town will order a title commitment at the Town's expense to confirm the Deed Restriction and will work with the seller to establish the sales process as defined by the applicable Deed Restriction and these Guidelines.
- 15.1.3. The Town shall prepare legal documents associated with the Deed Restriction and shall review and approve all documents related to the sale of the unit to ensure compliance with the applicable Deed Restriction and the Guidelines.

- 15.1.4. Prior to submitting a bid, applicants must provide evidence of loan prequalification from a lender and a Qualification Certificate from the Town that confirms eligibility for the unit.
- 15.1.5. Buyers and sellers are advised to consult legal counsel regarding examination of all contracts, agreements and title documents. The retention of any professional services shall be at the buyer's or seller's own expense.
- 15.1.6. Buyers are required to sign an Acknowledgment of Deed Restriction and cause it to be recorded at closing. If an Acknowledgment of Deed Restriction is not signed and recorded at closing, the sale is void.

15.2. Determining the Maximum Allowable Resale Price for Units with an Appreciation Cap

Affordable Housing units that are subject to an appreciation cap must be inspected prior to listing in order for the Town to establish the Maximum Allowable Resale Price.

- 15.2.1. The seller shall schedule and pay for an inspection with a certified home inspector who has passed the National Home Inspector Examination. Fifty percent of the cost for the inspection will be reimbursed to the seller by the buyer at closing, see Section 15.4.
- 15.2.2. The Minimum Standards to achieve the Maximum Allowable Resale Price (the Standards) are included in Appendix D. The inspection shall include the scope of the Standards.
- 15.2.3. The seller shall provide a copy of the inspection report to the Town and the Town will calculate the Maximum Allowable Resale Price, accounting for inspection findings as well as additional inspection by the Town if applicable.
- 15.2.4. The unit shall be thoroughly cleaned and all life safety concerns remedied prior to closing.
- 15.2.5. To achieve the Maximum Allowable Resale Price, prior to closing, the seller must either correct conditions that do not meet the Standards as determined by the Town, or at the Town's discretion, the seller may escrow 150% of the costs to fund the buyer's correction of conditions that do not meet the Standards after closing. Excess funds after completion of the repairs and/or replacements shall be returned to the seller.
- 15.2.6. Buyers shall have the opportunity to inspect the unit within two days of closing to confirm condition.

15.3. Units Subject to Sale by Lottery

In addition to requirements in Sections 15.1 and 15.2, the following process is required for units that are subject to sale by lottery.

- 15.3.1. The Town shall announce the unit's availability on the Town's website and via the homeownership interest list.
- 15.3.2. Upon the announcement, there shall be a three-week application period during which interested households can apply to be qualified to purchase the unit.
- 15.3.3. During the application period, there will be at least one open house date for showing.

15.4. Negotiating the Purchase and Sales Contract of Lottery Units

The seller and lottery winner have a three business day negotiation period from the date that the lottery results are certified to engage in good-faith negotiations and reach an agreement regarding terms, including but not limited to the closing date and financing contingencies. If the lottery winner and seller do not sign a purchase contract within the negotiation period, the second-place winner is notified and they begin a three-day negotiation period, and so on, until the unit is under contract for purchase. If the seller rejects all bids, the unit shall be placed back on the market for new bids or withdrawn from the market. Regardless of the outcome, the seller shall be subject to Town fees as applicable.

To ensure that affordable housing units are maintained in good condition and remain affordable to subsequent buyers, the following contract terms are non-negotiable:

- 15.4.1. The seller shall not accept any other consideration or compensation above the Maximum Allowable Resale Price.
- 15.4.2. Inspections cannot be waived.
- 15.4.3. Closing costs will be divided between the seller and buyer as follows:

Seller's Costs	Buyer's Costs
50% of the Crested Butte "Land Transfer Excise Tax"	50% of the Crested Butte "Land Transfer Excise Tax"
50% of the Title Company's Closing/Settlement fees	50% of the Title Company's Closing/Settlement fees
50% of the inspection cost	50% of the inspection cost
All real property taxes prorated to the date of closing based upon taxes for the calendar year immediately preceding closing or the most recent mill levy and most recent assessment	Survey or Improvement Location Certificate, if applicable
Prorated water and sewer monthly use fees to the date of closing	Recording fees
All other outstanding fees and assessments, such as homeowners' association dues, prorated to the date of closing	Certificate of taxes due
Owner's title insurance	100% of loan fees
Town Sales and Administration Fees	Lender title insurance
All real estate commissions	

- (a) Buyers of affordable housing units may finance closing costs.

The sale process may be paused at any time if there is evidence of any buyer or seller manipulation of the process including but not limited to any agreements or consideration being provided not allowed above. Confirmation of any violation of the above process may result in termination of the sales contract or other necessary actions to ensure compliance with these Guidelines.

16. NON-LOTTERY TRANSFERS

16.1. Beneficiary or Transfer-on-Death Deed Transfers

Owners of Buyer-Qualified Affordable Housing units may designate a beneficiary to whom the property can be transferred upon the owner's death. The receiving party has six months from the date of the owner's death to become qualified under the applicable Deed Restriction and these Guidelines, or the unit must be sold in accordance with the Deed Restriction.

16.2. In-Title and Shared Ownership Transfers

Units that are subject to sale via lottery may be transferred among the owners on title if the remaining owner(s) continues to be compliant with the requirements of the Deed Restriction and these Guidelines.

16.3. Transfers of Interest within LLC Ownership

Transfer of ownership via purchase and sale of membership interests in Limited Liability Companies (LLCs) that own Buyer-Qualified Affordable Housing units is prohibited. These transfers present compliance and foreclosure risk that is inappropriate in the administration of Deed Restricted Affordable Housing. Buyer-Qualified Affordable Housing units owned by Employer-Owners that are held in an LLC are subject to specific compliance requirements outlined herein.

16.4. Co-Signers

Co-signers, persons providing security or assuming partial responsibility for the loan, may be approved for ownership of an affordable housing unit but shall not occupy the unit as the Qualified Resident unless qualified by the Town. If title to a unit transfers solely to a non-qualified co-signer, either the co-signer must become a Qualified Resident within six months of the transfer, or the unit must be sold in accordance with the Deed Restriction.

17. ADMINISTRATIVE CONSIDERATIONS

17.1. Requirement to Update to the Current Form of Deed Restriction

At the sale or transfer of the interest in a Buyer-Qualified Affordable Housing unit, the new buyer shall be qualified under the existing Deed Restriction and must execute and record the Town's current form of Deed Restriction at closing and the owner must execute and record a new Acknowledgement of Deed Restriction with updated terms. The purpose of this change is to improve program administration and to engage current best practices for qualification, compliance, variance and grievance process. If the unit also includes an appreciation cap, the new form of deed restriction shall require that subsequent sales are subject to a lottery.

The new form of Deed Restriction will maintain the material elements of the existing Deed Restriction and will reference the Guidelines as amended. Material elements may include, but are not limited to the following:

17.1.1. Income and asset limits.

17.1.2. Appreciation caps.

17.1.3. Priority offer or purchase windows for Town employees.

17.2. Refinance Restriction

An owner of an appreciation capped unit shall not encumber the unit with debt, exclusive of interest, in any form that exceeds 97% of the Maximum Allowable Resale Price as determined by the Deed Restriction.

17.3. Insurance Requirements

Deed Restricted housing is built with public subsidies to make the unit affordable to the buyer, which means that the cost to build the home is higher than the sales price. Owners of deed

restricted housing must obtain coverage equal to the replacement cost, not the sales price of the unit. The Town recommends that owners of appreciation capped units routinely update the replacement costs of their unit to ensure adequate coverage.

17.4. Party Wall Agreement

All newly developed properties with shared party walls and no homeowner's association must include a Party Wall Agreement, signed by the owners and recorded prior to issuance of Temporary Certificates of Occupancy.

18. AFFORDABLE HOUSING RENDERED UNAFFORDABLE

The Town may purchase an affordable unit if the Town has determined the unit has been rendered unaffordable. In that event, the Town may at its discretion release the applicable Deed Restrictions and sell such property at market value. All costs incurred by the Town shall be reimbursed from sale proceeds. The balance of the proceeds shall be deposited in the Town Affordable Housing Fund to support the housing program.

19. PROHIBITION OF SHORT-TERM RENTAL

Rental of Affordable Housing units for periods of less than six months is prohibited.

20. CAPITAL IMPROVEMENT POLICY

The Town has a strong interest in maintaining the long-term affordability and extending the useful life of affordable housing units. To incentivize owners of appreciation capped units to support this goal, the focus of this capital improvement policy is to encourage investment in critical building elements that prolong the useful life of the building. An owner wishing to utilize this capital improvement policy will be required to enter into the Town's current form of Deed Restriction prior to receiving approval for the improvements, subject to lender approval. See Section 17.1.

In determining whether an improvement is a Qualified Capital Improvement (QCI), Town staff will consider whether the improvement is necessary to extend the life of the unit or to preserve the health and safety of occupants and whether the element proposed to be replaced has achieved its useful life.

Not all QCIs are eligible. The Town has full discretion in determining eligibility. Generally allowed QCIs include replacement and repair of the building elements listed below. Maintenance costs, proactive efforts that aim to prevent issues by keeping things in good working order, are not eligible expenses.

- Heating system.
- Water heater.
- Roof.
- Windows.
- Exterior doors.

- Siding.
- Exterior paint.

20.2. Owners must comply with the following to request that a QCI be added to the Maximum Allowable Resale Price:

- 20.2.1. Obtain Town approval prior to making an improvement and incurring expenses for a proposed QCI.
- 20.2.2. Obtain Board of Zoning and Architectural Review approval and building permits, as applicable, as well as homeowners' association approval if required.
- 20.2.3. Within 60 days of completing the work, provide legible copies of receipts and invoices, including proof of payment to third parties to the Town for review.

20.3. QCI Value Allowance

Approved QCIs are allowed in an amount not to exceed 10% of the original sales price of the home. For each consecutive ten-year period thereafter, the 10% QCI value allowance is reset based on the Town's calculation of the Maximum Allowable Resale Price.

- 20.3.1. Town of Crested Butte plan review and building permit fees are waived for units with appreciation caps.
- 20.3.2. If the owner performs the work for a QCI, the value of that contribution is capped at 15% of the hard costs as determined by the Town.
- 20.3.3. The use of grants and rebates to help support investment in QCIs is encouraged. Amounts funded by grants and rebates are neither counted toward the QCI value allowance nor added to the Maximum Allowable Resale Price.
- 20.3.4. The Town may approve unique circumstances where a QCI should not be subject to the 10% cap.

20.4. Depreciation and Addition of Value to Maximum Allowable Resale Price

The value of approved QCIs is added to the Maximum Allowable Resale Price of the unit and depreciated in accordance with the Marshall and Swift depreciation schedule with the exceptions listed below. The Town may accelerate depreciation or exclude items in the Maximum Allowable Resale Price if they are damaged beyond ordinary depreciation. If a previously approved improvement is removed or is no longer operational, the depreciated value of the improvement shall be deducted from the Maximum Allowable Resale Price.

QCIs excluded from depreciation:

- 20.4.1. Structural addition or additions of conditioned space, garages and storage sheds that require BOZAR approval.

20.4.2. Modifications or improvements to accommodate a disabled person under the International Code Council's Accessibility Code.

20.4.3. Improvements for life and safety, such as installation of a radon mitigation system.

20.4.4. The addition of bedrooms will be evaluated on a case-by-case basis to determine appropriate valuation.

Other improvements to affordable housing units are allowed subject to all applicable rules, regulations and permitting requirements. Adjustments to the Maximum Allowable Resale Price will only be given for QCIs. No other categories or types of expenditures may qualify as a QCI unless pre-approved in writing by the Town.

21. BUYER-QUALIFIED AFFORDABLE HOUSING: MAINTAINING ELIGIBILITY AND COMPLIANCE PROCEDURES

Owners of Buyer-Qualified Affordable Housing must maintain the requirements of ownership in good standing. Owners shall comply with these Guidelines as well as the applicable Deed Restriction. Breach of, or non-compliance with a Deed Restriction or the Guidelines are violations and will result in a Notice of Violation. See Section 25.4.

After the initial qualification to purchase, owners are not required to remain within the income and asset limits required for qualification but shall be required to maintain all eligibility requirements in Section 8. Any owner who ceases to meet the requirements in Section 8 must sell their unit.

Periodically, the Town will undertake routine compliance efforts and will investigate complaints of non-compliance. To the Town's satisfaction, owners must establish by competent evidence that they continue to meet ongoing eligibility requirements under the applicable Deed Restriction and these Guidelines.

Owners shall respond to compliance inquiries in a timely fashion. Failure to do so will result in a Notice of Violation and could result in various penalties, including but not limited to fines levied against the owner, appreciation on a unit to be arrested, forced sale of the unit or disqualification of the owner from future participation in Town housing programs.

21.1. Ownership of Other Improved Residential Real Estate

If an owner of a Buyer-Qualified Affordable Housing Unit owns an Improved Residential Property in Gunnison County in addition to their affordable unit, they will be required to execute a Purchase and Sale Contract to sell one of the properties at an arm's length transaction within 120 days.

21.2. Leaves of Absence

Owners of Buyer-Qualified Affordable Housing who wish to leave the Town for a limited period of time, resulting in non-compliance with the Primary Residency requirement, may request a Leave of Absence provided that such an absence is permissible under the applicable

Deed Restriction. The owner must be in good standing with their Deed Restriction and these Guidelines to request a Leave of Absence.

A Leave of Absence Request shall provide clear and convincing evidence of a bona fide reason for taking leave and a commitment to return and re-qualify for affordable housing, confirming eligibility requirements under Section 8 are met. The request shall be submitted to the Town at least 30 days prior to the start of the proposed leave. A Leave of Absence may be for up to one year, with the possibility of an extension for one additional year. Owners seeking to extend an approved leave of absence shall submit an additional request to the Town at least 30 days prior to the extension of the proposed leave.

Upon the Town's approval of a Leave of Absence request, the owner's ongoing requirement to remain compliant with the local workforce and Primary Residency elements of Section 8, shall be temporarily waived. A household on a Leave of Absence cannot apply for any other affordable housing unit until such time they are back in compliance with all of Section 8, working Gunnison County and living in their deed restricted home.

If the Leave of Absence is received after the owner has moved, appreciation of the value of the unit is paused retroactively from the date the owner vacated the unit until the date that an approved Leave of Absence is in place.

21.3. Rental During Approved Leave of Absence

If the applicable Deed Restriction permits an owner to take an approved Leave of Absence, the owner may rent their unit subject to the Town's approval and under the following conditions:

- 21.3.1. The lease term shall not be longer than the time allowed for the Leave of Absence.
- 21.3.2. Tenants must meet the eligibility requirements in Section 8.
- 21.3.3. The owner must provide a copy of the signed lease to the Town within 30 days of execution.
- 21.3.4. If the Deed Restriction does not establish an allowable rental rate, the maximum permitted rental rate shall be no greater than the owner's normal monthly expenses including mortgage payments, HOA dues, utilities that remain in the owner's name, and insurance and property taxes that are not included in the monthly mortgage plus \$50 per month. Owners may not charge any additional amount for the use of furniture, garage or storage unit associated with the home, etc.
- 21.3.5. In the lease, tenants must acknowledge the need to be in compliance with the Deed Restriction and these Guidelines.
- 21.3.6. The form of lease must include the provisions outlined in Section 22.1.2.

Tenants do not acquire any right or priority for the purchase of the unit if the owner elects to sell during or at the end of the Leave of Absence.

21.4. Retirement

An owner of a Buyer-Qualified Affordable Housing unit is eligible to remain in their unit into retirement if they remain in compliance with the eligibility requirements in Section 8.

21.5. In the Event of Disability

An owner of a Buyer-Qualified Affordable Housing unit who experiences an event of permanent disability is eligible to remain in their unit if they remain in compliance with the eligibility requirements in Section 8.

21.6. Death of Qualified Resident

At the time of a Qualified Resident's death, the surviving household members are permitted to remain in the unit. Within six months, a surviving household member on title must become a Qualified Resident to remain in compliance with the Deed Restriction and these Guidelines. If the remaining household member is a Minor Child, a guardian appointed by the deceased may occupy the unit to enable the Minor Child to remain in the unit until the later of reaching the age of 18 or graduating from high school.

22. OCCUPANT-QUALIFIED AFFORDABLE HOUSING: MAINTAINING ELIGIBILITY AND COMPLIANCE PROCEDURES

Owners and tenants of Occupant-Qualified Affordable Housing must maintain the requirements of ownership in good standing. Owners shall comply with these Guidelines as well as the applicable Deed Restriction. Breach of, or non-compliance with a Deed Restriction or the Guidelines are violations and will result in a Notice of Violation. See Section 25.4.

Within the Town's affordable housing program, there are a variety of Occupant-Qualified Affordable Rental Housing units that are regulated by Deed Restrictions that require the unit be used as a long-term residential rental, including but not limited to Accessory Dwelling Units, residential units in commercial buildings and Resident Owned Affordable Housing units. The definition of long-term residential rental unit and the qualification requirements to occupy these units are provided in the Crested Butte Municipal Code, Section 16-1-20 as amended and the applicable Deed Restriction.

Periodically, the Town will undertake routine compliance efforts and will investigate complaints of non-compliance. To the Town's satisfaction, owners and tenants must establish by competent evidence that they continue to meet ongoing eligibility requirements under the applicable Deed Restriction and these Guidelines.

Owners and tenants shall respond to compliance inquiries in a timely fashion. Failure to do so will result in a Notice of Violation and could result in various penalties, including but not limited to fines levied against the landlord, a requirement for the landlord to terminate the lease and/or disqualification of the tenant from future participation in Town housing programs.

22.1. Owner Responsibilities

22.1.1. Tenant Qualification Prior to Lease Signing

Tenants of Deed Restricted rental units that include local workforce requirements shall qualify through the Town prior to executing a lease and occupying a unit. Owners may not lease a unit to a prospective tenant until the tenant has been approved by the Town and received a Qualification Certificate.

In the case of long-term rental units approved before May 16, 2023, the landlord's submittal of the lease with required terms in Section 22.1.2 below and accompanying attestation to tenant eligibility replace the need for prospective tenants to qualify. Please see the Crested Butte Municipal Code, Section 16-1-20 as amended for qualification requirements.

If the Town has not rendered a decision for a complete tenant qualification application within 10 business days of receipt, the tenant shall be deemed to be approved.

22.1.2. Required Lease Terms

The form of lease must clearly state the following:

- Start date of the lease.
- Term, or duration of the lease.
- Lease rate.
- Requirement that the tenant remain in compliance with the applicable Deed Restriction and these Guidelines and be responsive to compliance inquiries from the Town.
- Full name, phone number and email address for the landlord and the tenant.

22.1.3. Submittal of Signed Leases

A copy of the fully executed lease must be submitted to the Town within 30 days of execution.

22.1.4. Minimum Maintenance Requirements

Habitability standards are controlled by Colorado Revised Statute 38-12-503 as amended and by the Town adopted building and maintenance codes as amended.

22.1.5. Maximum Vacancy Period

Unless otherwise authorized by the Town with proof of a building permit or unusual hardship, Occupant-Qualified rental units must be leased and occupied except for the allowed three-month period between tenancies as defined in the Crested Butte Municipal Code, Section 16-1-20, as amended. A vacancy period exceeding this limit

without the Town approval shall be considered a violation and subject to the maximum penalties under the Town of Crested Butte's Municipal Code 1-4-20, as amended, or other such remedies as provided by law.

22.1.6. Tenant Responsibilities

To continue to be a Qualified Resident, tenants of affordable rental housing units shall be required to maintain the eligibility requirements under the applicable Deed Restriction and these Guidelines and must continue to meet the definitions of a Qualified Resident per the Crested Butte Municipal Code, Section 16-1-20, as amended.

A tenant under review for non-compliance shall not be eligible for requalification and shall not be permitted to renew their lease until compliance issues are resolved.

22.2. Retirement

With the exception of Employer Owned Affordable Housing units, a retired individual is eligible to remain in an Occupant-Qualified Affordable Housing unit if they meet the eligibility requirements in Section 8.

22.3. Event of Permanent Disability

With the exception of Employer Owned Affordable Housing units, a tenant in an Occupant-Qualified Affordable Housing unit who suffers an event of permanent disability is eligible to remain in their unit if they meet the eligibility requirements in Section 8.

22.4. Death of Qualified Resident

At the time of a Qualified Resident's death, under the purview of these Guidelines, the surviving household member(s) is permitted to remain for the balance of the lease term provided that they become compliant with the applicable Deed Restriction and these Guidelines.

22.5. Affordable Housing Rental Units with Income Restrictions

If the Deed Restriction on the affordable housing unit includes income restrictions, the rents charged by the Employer Owner shall not exceed the maximum allowable rents for the applicable income limit as defined in Section 4.2 and Appendix B.

22.6. Allowance for Master Leasing

Governmental and quasi-governmental entities may master lease to operating entities.

22.7. Compliance Requirements for Affordable Housing Units owned by LLCs

Employer Owned Affordable Housing units may be owned by LLCs. Employer Owners who hold the title to the affordable housing unit in an LLC must provide routine confirmation of the LLC membership as part of the compliance process.

22.8. Governmental and Quasi-Governmental Owned Affordable Housing

As trusted partners in housing, governmental and quasi-governmental entities that own affordable housing that is subject to Deed Restricted units in the Town of Crested Butte are subject to reduced compliance requirements. Prequalification of tenants is not required. Rather, the quasi-governmental entity need only communicate the tenant's name and duration of the lease term for each unit to the Town.

23. NON-PAYMENT OF HOMEOWNER ASSOCIATION DUES AND ASSESSMENT

Should a Homeowner Association (HOA) be unable to collect dues from a deed restricted owner after due diligence as stated in their collection policy, the HOA shall provide evidence to the Town and the Town shall send a Notice of Violation which may require the owner to list the home for sale as stated in the Deed Restriction.

24. OWNER-OCCUPIED UNITS WITHOUT BUYER QUALIFICATION

Owner-Occupied is defined in the Town of Crested Butte Municipal Code, Section 16-1-20, as amended. Owners of units governed by Restrictive Covenant Agreements that allow for owner occupancy must meet the Code definition of Owner-Occupied.

25. ENFORCEMENT

The Town's affordable housing programs come at great cost to the community in terms of investment of financial, material, and legal resources, dedication of staff time and effort in gaining the support of the community. It is incumbent upon the Town to protect that investment and ensure that the integrity of housing programs is maintained. The Town ensures that affordable housing units are serving those they were intended to serve through qualification processes, compliance monitoring and enforcement.

All owners and occupants of Buyer-Qualified and Occupant-Qualified Affordable Housing must comply with the requirements of applicable Deed Restrictions, the Town's Guidelines, as amended from time to time, and applicable federal, state and local laws. Violations are subject to enforcement as provided herein.

Owners and occupants must respond in a timely manner to compliance inquiries made by the Town. It is a violation of these Guidelines to refuse or neglect to respond to compliance inquiries.

25.1. Enforcement Procedures

The Town has the right and authority to investigate matters of non-compliance. Investigation may include but is not limited to the following:

25.1.1. Contact with the owner, occupant, neighbors and homeowner's association;

25.1.2. Inspection of the property;

- 25.1.3. Inspection of lease agreements, title documents, loan documents and all others pertaining to legal ownership and occupancy of the property;
- 25.1.4. Verification of employment directly with the owner's or occupant's employer(s), review of tax returns, U.S. Internal Revenue Service verification of tax return authenticity and other documents as warranted by the Town;
- 25.1.5. Social media searches and all other publicly accessed resources; and
- 25.1.6. Other means of verifying compliance as deemed necessary by the Town.

25.2. Complaint Based Investigation

Any person may submit a complaint to the Town regarding a suspected violation. If sufficient grounds are found, the Town shall investigate. For good cause and as authorized by law, the Town may withhold the identity of the complainant.

In connection with the investigation, the Town shall request that the alleged violator provide documentation as the Town deems as reasonably necessary for its investigation.

The Town shall maintain the confidentiality of any information provided by the alleged violator that is not required to be disclosed by the Colorado Open Records Act.

Upon completion of the investigation, the Town shall either notify the parties in writing that there are not reasonable grounds to determine that a violation has occurred, or it shall issue a Notice of Violation.

25.3. Investigations and Site Visits

In responding to a complaint, as a part of an investigation or as deemed appropriate by the Town, the Town may inspect the subject premises. Any such inspection shall be preceded by at least 24 hours' written notice to the owner and occupants. The notice shall either be given by mail or posted on the premises in a conspicuous place.

25.4. Notice of Violation

If the Town determines that a violation has occurred, the Town shall serve a Notice of Violation (NOV) to the person(s) deemed to be in violation. The NOV may be served by regular mail, e-mail or as otherwise provided by the applicable Deed Restriction or by law for service of process. The NOV shall state the following:

- 25.4.1. The name(s) of the alleged violator(s);
- 25.4.2. The date(s) of the violation, if known;
- 25.4.3. The actions or inactions constituting the violation(s); and
- 25.4.4. The requirement(s) that have been violated.

From the date of the NOV, appreciation on appreciation capped units will be terminated until the homeowner is brought back into compliance. Such owners are prohibited from recouping the appreciation lost during the period of non-compliance. Deed restricted units without appreciation caps are subject to daily fines for non-compliance in accordance with the Crested Butte Municipal Code, Section 1-4-20, as amended.

The NOV shall require one of the following:

- 25.4.5. That the violation be cured within 15 days of the date of the NOV;
- 25.4.6. That within the 15-day period, the person charged with the violation submits a written request to the Town for a special review at a public meeting before the Town Council to dispute the charges contained in the NOV;
- 25.4.7. The lease (if a rental unit) shall be terminated effective immediately and the unit vacated within 60 days; or
- 25.4.8. That the unit shall be listed for sale as stated in the Deed Restriction with specific performance as defined in Section 17.1.

If the alleged violator requests a special review, see Section 26.4, the Town Council may uphold the NOV in whole or in part, or it may dismiss the NOV. In taking any such action, the Town Council may impose a remedy appropriate to the case, which may include but is not limited to, a requirement for the owner to sell the subject property, the occupants to vacate the premises, a lease to become subject to non-renewal, a fine levied against the owner or an owner required to reimburse the Town for the cost to replace the Deed Restricted unit, including adjustments for inflation. Where a sale is required, the procedures identified in the applicable Deed Restriction shall be followed. The determination of the Town Council may direct that legal action be taken by the Town to enforce its decision. The cost of such action, including reasonable attorney's fees, shall be taxed against the proceeds of the sale or the tenant's security deposit.

If the alleged violator neither cures the violation nor requests a special review before the Town Council within the 15-day period, the violation identified in the NOV shall be deemed final. In the event of litigation, the failure to request a special review as provided above shall be considered by the Town to constitute a failure to exhaust administrative remedies for the purposes of judicial review. At the conclusion of the 15-day period, the Town may pursue all remedies as provided by law or in equity.

26. VARIANCE, GRIEVANCE, and SPECIAL REVIEW

26.1. Variance Request Process

An applicant, owner or occupant of an Affordable Housing unit governed by these Guidelines may request a variance from the strict application of the applicable deed restriction or the Guidelines if unusual hardship and consistency with the intent and policy of these Guidelines and the Deed Restriction is shown.

26.1.1. To request a variance, the applicant must submit a request in writing to the Town Manager including the following information:

- Name, address, telephone number and email address of the applicant;
- Summary of the variance request;
- Identification of the provision of the applicable Deed Restriction and/or Guidelines at issue;
- Evidence of the unusual hardship; and
- Demonstration of consistency of the variance request with the Town's housing programs intent and policies.

The Town Manager shall review the submitted materials and provide a response to the variance applicant within three business days.

26.2. Variance Appeal

If the variance applicant is unsatisfied with the decision of the Town Manager, the applicant may appeal the decision and request a special review with the variance committee, which shall be comprised of at least three members of the Town Council. The requests shall be submitted in writing and include the information outlined in Section 26.1.1.

Unless the issue is time-sensitive, the variance committee will be formed at the next regularly scheduled Town Council meeting with five business days' notice. If the issue is time-sensitive, the Town Manager shall call a special meeting of the Town Council to form the committee and to schedule the special review. The variance committee shall meet within five business days of the Town Council meeting.

The variance committee may grant the variance request with or without conditions if the approval will not cause a substantial detriment to the public good, without substantially impairing the intent and policy of the Guidelines and applicable Deed Restriction, AND if an unusual hardship is shown. The committee's determination is considered a final administrative determination.

26.3. Grievance Process

A grievance is any dispute, claim or request a person may have with the Town that is not covered by Section 25 arising out of a Deed Restriction or the Town's Guidelines that adversely affect the individual's rights as a tenant or homeowner, their duties, welfare or status. The grievance process is not applicable to disputes between neighbors, tenants and landlords or for class grievances.

Any person with a grievance shall first submit such matter to the Town Manager in writing, clearly defining the grievance. The Town Manager shall review the submittal and attempt to resolve the matter informally with the aggrieved party.

If either the Town Manager or the aggrieved party determines that the procedure above will not resolve the matter, or by agreement of the Town Manager and the aggrieved party, the

aggrieved party may submit their grievance to the Town Council to request a special review. All grievances shall be submitted in writing and shall include the name, address, telephone number and email address of the aggrieved party and a summary of the grievance, the relief requested and identification of the provision of the applicable Deed Restriction and Guidelines at issue.

26.4. Special Review

Requested special reviews will be set for the next regularly scheduled meeting of the Town Council with five business days' notice and no later than 30 days from the date of the request. If the request is time-sensitive, the Town Manager may convene a special meeting. At such meeting, Town staff, the aggrieved party and interested members of the public shall be permitted to present evidence in the form of testimony and documents to the Town Council.

The Town and the person(s) requesting the special review shall exchange the documentary evidence they wish to present at the public meeting at least five business days prior to the meeting. The Town Council may accept additional documentary evidence at the hearing for good cause shown and may continue the hearing if it is deemed necessary in the interest of fairness.

The Town Council shall base its decision on the evidence in the record and it shall make its decision in writing within 30 days of the conclusion of the meeting. Such determination shall be considered a final administrative determination.

27. DEFINITIONS

Acknowledgement of Deed Restriction. A contract entered into between the Town of Crested Butte and the purchaser of a Buyer-Qualified Affordable Housing unit that confirms the basic elements of the Deed Restriction.

Accessory Dwelling Unit. As defined in the Crested Butte Municipal Code.

Buyer-Qualified Affordable Housing. Affordable housing units that require qualification by the Town to purchase.

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

Deed Restriction. A contract entered into between the Town of Crested Butte and the owner or purchaser of real property identifying the conditions of occupancy and resale. Such documents shall be recorded with Gunnison County.

Dependent. Dependents are either a qualifying child or a qualifying relative of the taxpayer as defined by the Internal Revenue Service. The taxpayer's spouse cannot be claimed as a dependent.

Employee Occupant. A Qualified Resident of Employer-Owned Affordable Housing.

Employer-Owned Affordable Housing. Affordable housing that is owned by a Local Business, Local Non-Profit, Local Quasi-Governmental Partner or Local Governmental Partner.

Employer Owner. A Local Business as defined herein, Local Non-Profit as defined herein, Local Quasi-Governmental Partner or Local Governmental Partner that owns Affordable Housing.

Full-Time Employee. An employee of a Local Business as defined herein who lives in Gunnison County and works a minimum of 1,450 hours per calendar year; an employee of a Local Business who worked 1,450 hours per calendar year for the four years immediately prior to their retirement.

Household. All individuals who occupy a residential unit regardless of their relationship to one another.

Improved Residential Property. Improved residential property is a property that has been developed with the necessary infrastructure and amenities for residential use, including a mobile and manufactured home with or without landownership, that has received a Certificate of Occupancy and meets the requirements of habitability under the applicable jurisdiction's International Residential Code.

Leave of Absence. A duration of time, not to exceed a total of two years, that has been pre-approved by the Town and enables a Qualified Owner to be exempt from the occupancy and local employment requirements under the applicable Deed Restriction and these Guidelines, allowing them to tend to personal business outside of Gunnison County for the duration of the leave granted.

Local Business. A Local Business or Local Employer is a business, including the Self-Employed, whose business address is located within Gunnison County, and whose business employs Qualified Residents and whose business provides goods and services to Gunnison County denizens and businesses.

Local Employer. See Local Business.

Local Non-Profit. An entity based in the North Gunnison Valley that is created and operated for charitable or socially beneficial purposes that serve the North Gunnison Valley rather than making a profit.

Long-term Rental – As defined in the Crested Butte Municipal Code, Section 16-1-20, as amended.

Maximum Allowable Resale Price. Unless otherwise defined in the applicable Deed Restriction, the owner's purchase price multiplied by the appreciation (as permitted by the Deed Restriction) plus approved capital improvement within the allowances as defined in the Deed Restriction and these Guidelines.

Minor Child. A person who is under 18 years of age or less, or who is 19 years of age or less and a full-time student in secondary school or vocational or technical training.

Net Assets. Gross assets minus liabilities.

North Gunnison Valley. The portion of the Gunnison Valley located north of the Roaring Judy Fish Hatchery.

Owner-Occupied. A unit shall be considered to be Owner-Occupied if at least one individual on the title occupies the unit as their Primary Residence as defined herein at least nine of any 12 consecutive months and shall have the same meaning as defined in Crested Butte Municipal Code Section 16-1-20 and 16-21-20 as amended.

Occupant-Qualified Affordable Housing. Affordable housing units that require qualification by the Town for the tenant or confirmation of Owner Occupancy.

Party Wall Agreement. A legal document outlining the rights and responsibilities of property owners who share structural parts of a building that physically connects two adjoining units.

Permanent Disability. The employee is unable to earn any wages in the same or other employment. The employee shall provide competent evidence to the Town's satisfaction that the employee is unable to earn any wages in the same or other employment.

Pre-qualification. A borrower's tentative mortgage approval from a lender.

Primary Residence. The sole and exclusive place of residence, the owner or tenant shall live in the unit for not less than nine out of any 12 consecutive months (unless the owner has secured approval from the Town for a Leave of Absence).

Qualification Application. A binding application and all supporting documentation in which an applicant for Affordable Housing establishes by competent evidence to the Town's satisfaction that they meet the eligibility and qualification requirements under the Deed Restriction and these Guidelines.

Qualification Certificate. A document issued by the Town that confirms an applicant's eligibility to participate in a lottery, to rent an Occupant-Qualified Affordable Housing unit or purchase a Buyer-Qualified Affordable Housing unit.

Qualified Applicant. An applicant that has been approved for participation in a lottery.

Qualified Resident. Person(s) meeting the income, asset, employment and residency requirements and property ownership limitations, including retired and disabled persons or dependent(s) of any of these under a specific Deed Restriction and these Guidelines (as such terms are defined herein) as approved by the Town.

Qualified Retiree. A person who has met the local employment requirements for a minimum of four years immediately before achieving Retirement Age and does not own other Improved Residential Property in Gunnison County.

Restrictive Covenant Agreement. See Deed Restriction.

Retirement Age. 65 years of age.

Self-Employed. A Self-Employed person carries on a trade or business as a sole proprietor, an independent contractor or a member of a partnership that carries on a trade or business; or a person who is otherwise in business for themselves and works for profit or fees, and meets the annual work requirement defined in Section 8.1.1 and the trade or business address is located within Gunnison County and provides goods and services to Gunnison County denizens and businesses.

Appendix A: Gunnison County Income Limits (Area Mean Incomes – AMIs) as issued by the Department of Housing and Urban Development (HUD)

Income levels are defined below and are updated annually. Maximum income limits, referred to as AMIs, are derived from annual data provided by HUD for Gunnison County. 100% AMI refers to the median income for Gunnison County households as averaged over five years of data from the American Community Survey. Households with incomes that are 20% more than the median are 120% AMI. Households with incomes that are 20% below the median are 80% AMI. AMIs also account for household size. The income limit for a two-person household at 60% AMI will be higher than the income limit for a single person household at 60% AMI.

2025 AMI	Household Size					
	1	2	3	4	5	6
30%	\$23,650	\$27,000	\$30,400	\$33,750	\$37,650	\$43,150
40%	\$31,480	\$36,000	\$40,480	\$45,000	\$48,600	\$49,800
50%	\$39,350	\$45,000	\$50,600	\$56,250	\$60,750	\$62,250
60%	\$47,220	\$54,000	\$60,720	\$67,500	\$72,900	\$74,700
70%	\$55,090	\$63,000	\$70,840	\$78,750	\$85,050	\$87,150
80%	\$63,000	\$72,000	\$81,000	\$90,000	\$97,200	\$104,400
90%	\$70,830	\$81,000	\$91,080	\$101,250	\$109,350	\$112,050
100%	\$78,700	\$90,000	\$101,200	\$112,500	\$121,500	\$124,500
110%	\$86,570	\$99,000	\$111,320	\$123,750	\$133,650	\$136,950
120%	\$94,440	\$108,000	\$121,440	\$135,000	\$145,800	\$149,400
130%	\$102,310	\$117,000	\$131,560	\$146,250	\$157,950	\$161,850
140%	\$110,180	\$126,000	\$141,680	\$157,500	\$170,100	\$174,300
150%	\$118,050	\$135,000	\$151,800	\$168,750	\$182,250	\$186,750
160%	\$125,920	\$144,000	\$161,920	\$180,000	\$194,400	\$199,200
170%	\$133,790	\$153,000	\$172,040	\$191,250	\$206,550	\$211,650
180%	\$141,660	\$162,000	\$182,160	\$202,500	\$218,700	\$224,100
190%	\$149,530	\$171,000	\$192,280	\$213,750	\$230,850	\$236,550
200%	\$157,400	\$180,000	\$202,400	\$225,000	\$243,000	\$249,000

Appendix B: Affordable Rents

Affordable monthly rents by Area Mean Income (AMI) including utilities.

2025 AMI	Unit size per Bedrooms		
	Studio & 1	2	3
30%	\$591	\$675	\$760
40%	\$787	\$900	\$1,012
50%	\$984	\$1,125	\$1,265
60%	\$1,181	\$1,350	\$1,518
70%	\$1,377	\$1,575	\$1,771
80%	\$1,575	\$1,800	\$2,025
90%	\$1,771	\$2,025	\$2,277
100%	\$1,968	\$2,250	\$2,530
110%	\$2,164	\$2,475	\$2,783
120%	\$2,361	\$2,700	\$3,036
130%	\$2,558	\$2,925	\$3,289
140%	\$2,755	\$3,150	\$3,542

Appendix C: Asset Limits

Net assets limits are calculated based on the average age of applicants aged 21 and older, the household size and the income limit.

Town of Crested Butte Asset Limits Based on 2025 GUNNISON COUNTY AMIs

Calculated based on income levels issued by the U.S Department of Housing and Urban Development

Age of Applicants Over 21, Averaged	Multiplier	100%	120%	140%	160%	180%	200%
1 Person - 2025 Annual Income Limit		\$78,700	\$94,440	\$110,180	\$125,920	\$141,660	\$157,400
Under 30 Years	1.5	\$118,050	\$141,660	\$165,270	\$188,880	\$212,490	\$236,100
Over 30 Years and Less than 40 Years	3	\$236,100	\$283,320	\$330,540	\$377,760	\$424,980	\$472,200
Over 40 Years and Less than 50 Years	4	\$314,800	\$377,760	\$440,720	\$503,680	\$566,640	\$629,600
Over 50 Years	5	\$393,500	\$472,200	\$550,900	\$629,600	\$708,300	\$787,000
2 Person - 2025 Annual Income Limit		\$90,000	\$108,000	\$126,000	\$144,000	\$162,000	\$180,000
Under 30 Years	1.5	\$135,000	\$162,000	\$189,000	\$216,000	\$243,000	\$270,000
Over 30 Years and Less than 40 Years	3	\$270,000	\$324,000	\$378,000	\$432,000	\$486,000	\$540,000
Over 40 Years and Less than 50 Years	4	\$360,000	\$432,000	\$504,000	\$576,000	\$648,000	\$720,000
Over 50 Years	5	\$450,000	\$540,000	\$630,000	\$720,000	\$810,000	\$900,000
3 Person - 2025 Annual Income Limit		\$101,200	\$121,440	\$141,680	\$161,920	\$182,160	\$202,400
Under 30 Years	1.5	\$151,800	\$182,160	\$212,520	\$242,880	\$273,240	\$303,600
Over 30 Years and Less than 40 Years	3	\$303,600	\$364,320	\$425,040	\$485,760	\$546,480	\$607,200
Over 40 Years and Less than 50 Years	4	\$404,800	\$485,760	\$566,720	\$647,680	\$728,640	\$809,600
Over 50 Years	5	\$506,000	\$607,200	\$708,400	\$809,600	\$910,800	\$1,012,000
4 Person - 2025 Annual Income Limit		\$112,500	\$135,000	\$157,500	\$180,000	\$202,500	\$243,000
Under 30 Years	1.5	\$168,750	\$202,500	\$236,250	\$270,000	\$303,750	\$364,500
Over 30 Years and Less than 40 Years	3	\$337,500	\$405,000	\$472,500	\$540,000	\$607,500	\$729,000
Over 40 Years and Less than 50 Years	4	\$450,000	\$540,000	\$630,000	\$720,000	\$810,000	\$972,000
Over 50 Years	5	\$562,500	\$675,000	\$787,500	\$900,000	\$1,012,500	\$1,215,000
5 Person - 2025 Annual Income Limit		\$121,500	\$145,800	\$170,100	\$194,400	\$218,700	\$262,440
Under 30 Years	1.5	\$182,250	\$218,700	\$255,150	\$291,600	\$328,050	\$393,660
Over 30 Years and Less than 40 Years	3	\$364,500	\$437,400	\$510,300	\$583,200	\$656,100	\$787,320
Over 40 Years and Less than 50 Years	4	\$486,000	\$583,200	\$680,400	\$777,600	\$874,800	\$1,049,760
Over 50 Years	5	\$607,500	\$729,000	\$850,500	\$972,000	\$1,093,500	\$1,312,200
6 Person - 2025 Annual Income Limit		\$124,500	\$149,400	\$174,300	\$199,200	\$224,100	\$268,920
Under 30 Years	1.5	\$186,750	\$224,100	\$261,450	\$298,800	\$336,150	\$403,380
Over 30 Years and Less than 40 Years	3	\$373,500	\$448,200	\$522,900	\$597,600	\$672,300	\$806,760
Over 40 Years and Less than 50 Years	4	\$498,000	\$597,600	\$697,200	\$796,800	\$896,400	\$1,075,680
Over 50 Years	5	\$622,500	\$747,000	\$871,500	\$996,000	\$1,120,500	\$1,344,600

Appendix D: Minimum Standards to Achieve Allowable Maximum Resale Price

To achieve the Maximum Allowable Resale Price, sellers of affordable housing units that include appreciation caps must meet or exceed the minimum standards described below, which will be verified by a certified third-party home inspector that has passed the National Home Inspector Examination and by the Town.

Flooring

- Carpets steam-cleaned prior to closing.
- Burn marks, tears, or gouges to flooring repaired.
- Normal wear and tear on carpet are permissible. If the carpet has holes, unremovable stains, etc., the carpet and padding shall be replaced by the seller or funds placed in escrow equal to the current market value per square foot for a comparable product at the time of closing to be used by the buyer to make the replacement or repairs.

Windows and Window Coverings

- If a window is broken, including the locking mechanism, the window must be repaired or replaced.
- If window seals are broken, the window must be replaced.
- Windows cleaned.

Doors

- Doors in working order with no holes or gaps.
- Hardware and locks functional.
- Keys and/or access codes provided to the buyer at closing.

Building Systems

- Mechanical systems in working order.
- Plumbing in working order with no leaks.
- Light fixtures and ceiling fans cleaned and in working order.
- Roof in good working order with no leaks.
- Siding in good condition.
- Exterior surface painted within the last five years and is free of excessive peeling or sun damage as determined by an inspection and the Town.

Appliances

- Appliances, including refrigerators, ranges, dishwashers, built-in microwaves, exhaust hoods, etc. cleaned inside and out and in good working order.

- Freezers defrosted and coils cleaned.

Cabinets and Counter Tops

- Exterior and interior surfaces of cabinets and drawers cleaned.
- Countertops cleaned. If there are chips larger than a dime, counter tops must be replaced.

Closets and Storage

- Closets, including floors, walls, hanger rod, shelves, and doors clean and functional.
- Storage/utility rooms shall be empty of seller's belongings, broom cleaned, free from odors and removable stains addressed.

Walls, Ceilings, Doors, and Baseboards

- Painted surfaces cleaned and paint ready.
- Holes patched; nails, tacks, tape, etc., removed; and walls clean and ready for the buyer to paint.
- If wallpaper has been installed and is in good condition, the wallpaper can remain. If the wallpaper is peeling off, the wallpaper must be removed and walls made paint-ready.

Appendix E: AMI Limits for Select Units in Paradise Park.

Legal Description	Physical Address	AMI (Income)
		Limit
Block 79 Lot 1	7 Tenth St	190%
Block 79 Lot 3	926 Butte Ave	135%
Block 79 Lot 5	918 Butte Ave	195%
Block 79 Lot 6A	914 Butte Ave	145%
Block 79 Lot 6B	916 Butte Ave	145%
Block 79 Lot 7	910 Butte Ave	170%
Block 79 Lot 9	902 Butte Ave	120%
Block 79 Lot 12	901 Teocalli Ave	195%
Block 79 Lot 13	905 Teocalli Ave	195%
Block 79 Lot 14A	909 Teocalli Ave	150%
Block 79 Lot 14B	911 Teocalli Ave	150%
Block 79 Lot 15	915 Teocalli Ave	185%
Block 79 Lot 17	923 Teocalli Ave	170%
Block 80 Lot 4	14 Tenth St	180%

**Appendix F: Addresses and legal descriptions of all units subject to a housing Deed
Restriction or Restrictive Covenant Agreement in the Town of Crested Butte.**