

## RESOLUTION NO. 8

SERIES 2025

### A RESOLUTION OF THE CRESTED BUTTE TOWN COUNCIL AMENDING THE LEASING OF RESIDENTIAL MUNICIPAL PROPERTY POLICY.

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, the residential rental units administered under the Leasing of Residential Municipal Property Policy (the "Policy"); and

WHEREAS, the Policy is applicable to Town-owned residential rental units controlled and managed by the Town that prioritize Town employees for occupancy; and

WHEREAS, the purpose of the amendments to the Policy are to require that employee tenants must pay rent via payroll deductions eliminating the need to audit for non-payment and to explain that the below market rental rates constitute a taxable benefit under the Internal Revenue Service and that employee tenants are responsible for reporting the income and determining any withholdings from their taxable income; and

WHEREAS, Town Council finds the amendments to the Policy attached hereto as **Exhibit A** are necessary and appropriate.

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 Leasing of Residential Municipal Property Policy attached hereto as **Exhibit A**.

INTRODUCED, READ AND ADOPTED BEFORE THE TOWN COUNCIL THIS 5<sup>TH</sup> DAY OF MAY 2025.

TOWN OF CRESTED BUTTE, COLORADO

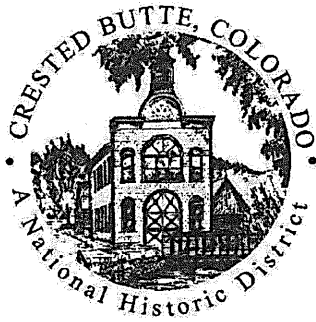
By: \_\_\_\_\_

Ian Billick, Mayor

ATTEST:

\_\_\_\_\_  
Lynelle Stanford, Town Clerk





## **LEASING OF RESIDENTIAL MUNICIPAL PROPERTY POLICY**

### **I. Goals**

The goals of the Town's Employee Rental Housing program are as follows:

- A. Ensure that the Town has sufficient employees to operate efficiently by providing safe and stable housing.
- B. Help retain and attract employees by providing housing, thereby lowering the Town's costs for recruitment and training.
- C. Create a transparent, predictable, and equitable housing policy understood and valued by Town employees.

### **II. Applicability**

This Municipal Residential Rental Policy ("Policy") applies to Town-owned residential rental units controlled and managed by the Town of Crested Butte ("Units") that prioritize Town employees for occupancy.

Town-owned residential rental properties that are managed by a third party are not subject to this Policy rather they are subject to the guidelines and policies established for those properties.

Previous guidelines and policies for the Units are repealed and replaced by this Policy.

### **III. Reasonable Accommodation Statement**

The Town of Crested Butte provides reasonable accommodation and encourages all applicants and interested parties to reach out to Gunnison Valley Regional Housing Authority (GVRHA) to initiate a discussion to ensure that the Town's housing programs are inclusive and responsive to the community's needs.

#### IV. Definitions

- A. Core Service Workers are full-time employees of Mountain Express, Gunnison Valley Rural Transportation Authority, Crested Butte Fire Protection District (including dispatch personnel), Gunnison Watershed School District, Gunnison County, Mt. Crested Butte, and others as deemed appropriate by the Town Manager. Full-time employment is 30 hours per week, 52 weeks per year, or a minimum of 1,450 hours per calendar year.
- B. Full-time Town Employees work for the Town of Crested Butte a minimum of 30 hours per week, 52 weeks a year.
- C. Household means one or more people who intend to occupy a single housing unit.
- D. Local Employer is a business that maintains a place of business in Gunnison County and employs individuals that are Qualified Residents as defined herein.
- E. Part-time Town Employee works for the Town less than 30 hours per week, 52 weeks per year.
- F. Qualified Resident is a full-time employee or business owner who lives in Gunnison County and works for a Local Employer(s), as defined herein, a minimum of 1,500 hours per calendar year.
- G. Seasonal Town Employee can be either a full-time or part-time Town Employee, with a start and end date not exceeding 26 weeks in a calendar year.

Town employment categories are defined by the Town of Crested Butte Employee Handbook, which may be amended from time to time. In instances of discrepancy, definitions in the Handbook supersede those in this Policy.

**V. Eligibility Qualifications**

A. Individuals shall be qualified as eligible lessees of Units in the following priority:

1. Full-time Town Employees ("Category 1").
2. Part-time Town Employees ("Category 2").
3. Core Service Workers ("Category 3").
4. Qualified Resident ("Category 4").

Seasonal Town Employees can be Category 2 or Category 4 as follows: a Seasonal Town Employee who is "off season" and not currently employed by the Town is a Category 4 individual unless they worked for the Town more than one season and are committed to work for the Town in the upcoming season, in which case, they are deemed to be a Category 2 individual.

B. To ensure that the Units are put to the greatest beneficial use, Households with the highest number of legal dependents will be prioritized for larger Units.

C. The Town Manager reserves the right to relocate lessee households to appropriately sized Units as deemed appropriate.

D. Category 3 and Category 4 employees will be required to provide adequate documentation to the GVRHA to confirm that they meet eligibility requirements. Such documentation may include a letter from employers, pay stubs, tax returns, W2s, or other documents as requested by the GVRHA. Whether adequate documentation has been provided will be determined by the Town Manager in their sole discretion.

Eligible lessees shall not own developed residential property in Gunnison County with plowed, year-round access unless the Town Manager exempts for good cause in their sole discretion.

**VI. Lottery Process**

A. The Town shall notify Town Employees when a Unit becomes available. If a Unit is not leased by a Category 1 individual, the Unit will be made available to Category 2, and so on.

B. If there is more than one interested individual in the applicable category, then the Town shall conduct a lottery; however, the Town Manager reserves the right, in their sole discretion, to offer a Units to a prospective Town employee without conducting a Lottery to retain and recruit employees for high priority positions and to respond to housing emergencies.

C. The notification will be issued at least two weeks in advance of the lottery.

D. Attendance at the lottery is not mandatory but is encouraged.

E. All lottery entries will be drawn and recorded in the order in which they were drawn in case the winning individual or next individual(s) in line do not sign a lease.

F. If the individual winning the lottery does not sign a lease with the Town within 14 days of the lottery, the next person on the list shall be given the option to lease the Unit, and so on.

G. If no individuals from Categories 1 or 2 lease the Unit, the Unit shall be advertised in the Crested Butte News one time announcing the date of the lottery, information about the Unit, lease terms, and information defining how to apply. Interested Category 3 and Category 4 individuals must be qualified by the Gunnison Valley Regional Housing Authority to enter the lottery.

## **VII. Calculation of Lottery Entries**

A. Category 1: Each Category 1 individual shall receive a minimum of one lottery entry regardless of length of employment. For each full year of employment with the Town, that individual will receive one additional lottery entry.

1. All terms of employment with the Town, previous and current, are considered in the calculation of lottery entries. Partial years are rounded downward.

2. If the Category 1 individual was a former Seasonal Town Employee or Part-time Town Employee, they will receive an additional 0.5 lottery entry for each full season served as a Seasonal Town Employee and full year of service as a Part-time Town Employee. Half lottery entries will be rounded downward.

3. Full-time Town Employees that were unsuccessful in a lottery shall be allocated an additional 0.5 lottery entry for each previous unsuccessful lottery. Half lottery entries will be rounded downward. Once the employee has secured housing through the lottery, the previous lottery entries will not be considered in future lotteries.

B. Category 2: Each Category 2 individual shall receive a minimum of one lottery entry regardless of length of employment. For each full year of employment with the Town, that individual will receive an additional one-half lottery entry. Half lottery entries will be rounded downward.

C. Category 3: Each Category 3 individual shall receive one lottery entry regardless of length of employment.

D. Category 4: Each Category 4 individual shall receive one lottery entry regardless of length of employment.

## **VIII. Lease Terms**

A. The lease term for a Unit shall be one year.

B. A lease with an individual in Category 1 or 2 shall be renewed for a subsequent term if the lessee is current in rental payments and is not in violation of any term or condition of the lease.

C. Category 3 and 4 lease terms are limited to one year.

D. Rent increases for all leases will occur on June 1, starting in 2024.

E. All Household members shall be named as occupants on the lease.

F. Lessees may vacate prior to the end of their lease term without penalty provided that they give 30-days notice in writing to the Town.

G. Category 1 and 2 tenants must pay rent via a payroll deduction.

**IX. Allowable Uses**

A. The Unit must be the lessee's primary residence.

B. Under no circumstance may any lessee or occupant of a Unit engage in any short-term rental activity as defined by the Town code.

C. Unless approved in advance by the Town Manager, lessees may not be absent from the Unit for a period of more than 30 days.

**X. Subleasing**

Subleasing of bedrooms within a Unit may be allowed at the sole discretion of the Town Manager.

A. The sublessee must either be a Town employee or a Qualified Resident.

B. Qualified Residents must be approved by the Gunnison Valley Regional Housing Authority.

C. Sublessees must be approved in writing by the Town Manager prior to moving into the Unit.

D. The Town's form of sublease agreement must be used.

E. All rent, security deposit, etc. owed by the sublessee under the sublease shall be paid directly to the Town.

F. The monthly rental rate on a subleased bedroom in a three-bedroom Unit is equal to the monthly rental rate charged for single occupancy at the Ruby.

G. The monthly rental rate on a subleased bedroom in a two-bedroom Unit is equal to half of the full rent.

**XI. Pets and Animals**

**All pets must be pre-approved by the Town Manager prior to being allowed in the Unit.**

A. Lessees are limited to two domesticated pets, including cats and/or dogs, limited to a gross weight of 100 lbs.

B. Lessees shall pay a pet deposit of \$250.

C. Lessees must provide proof of current vaccination for each pet.

D. Lessees are liable for any damage caused by pets.

E. No exotic or wild animals are permitted.

F. Fish tanks are limited to 20 gallons or less.

G. Lessees must sign a pet addendum to the lease, identifying all pets by type, breed, and weight.

H. Certain Units are governed by covenants that place additional restrictions on pets. These restrictions will be included in the lottery announcement and documented in the lease. Notwithstanding the foregoing, the Town will make reasonable accommodations for Assistance Animals as defined under and pursuant to the Fair Housing Act.

## **XII. Rent Calculation**

- A. Rents are based on Unit size, amenities, and utility billing structure. Unit descriptions and utility billing structure are provided in **Exhibit A**. The rents and annual increases for all Units are provided in **Exhibit B**.
- B. In no case will the rents for a Category 1 lessee exceed 25% of gross actual pay.
- C. If more than one Category 1 individual occupies a Unit as a Household, the 25% calculation will be based on the higher gross actual pay of the Category 1 lessee.
- D. Rents will be reevaluated every five years.
- E. Unless approved by the Town Manager, the security deposit will be equal to one month's rent.

## **XIII. Taxable Benefit of Housing for Category 1 and 2 Tenants**

The Internal Revenue Service has specific guidelines regarding the taxation of fringe benefits received by employees. Under federal tax law, most fringe benefits that employees receive are taxable as income. IRS regulations require an employer to determine the taxable value of fringe benefits by subtracting any amount the employee paid for the benefit from the fringe benefit's fair market value. Fringe benefits are also subject to Social Security, Medicare and federal unemployment taxes. To determine the taxable value of employer-provided lodging, the Town subtracts the rent paid by the employee from the property's fair market value. Like other fringe benefits, free or discounted employer-provided lodging is subject to income and other taxes unless specific circumstances are met. Employees are responsible for reporting the income and determining any withholding from their taxable income.

## **XIV. Termination of Employment**

Full-time Town Employees, Part-time Town Employees, Seasonal Town Employees, and Core Service Workers shall vacate the Unit within 30 days of date of termination of employment, or at the end of the lease period, whichever occurs first.

Category 3 and 4 individuals that cease to qualify shall vacate the unit within 30 days of their last day of work.

Lessees who repeatedly violate their lease terms will be evicted. Eviction from a Unit does not have any impact on employment status with the Town.

## **XV. Utilities**

Under no circumstances does the Town pay for internet, communications, or entertainment services. The utilities that are paid by the lessee for each unit are defined in Exhibit A.



Approvals:

Date	Name	Resolution #
04/03/23	Town Council	Policy adoption
05/05/25	Town Council	2025-10

Revision History:

Version	Date Revised	Reason for Change
	05/05/25	To avoid conflicts between the proposed Paradise Park Workforce Rental Tenant Selection Plan and the Leasing of Municipal Residential Property Policy. Add information about taxable nature of below market rents for employees.

## EXHIBIT A: SUMMARY OF UNITS

The following list will be updated with the addition or disposition of Units.

	Address	Square Footage	Year Built	Unit Type	Amenities	Tenant Paid Utilities
1	19 Ninth Street (ADU)	493	2008	ADU	1 bed / 1 ba ADU over neighbor's garage. Original interior finish.	Electric
2	716 Elk (Depot)	502	1900/1965	Stacked Flat, Mixed Use Building	1 bed / 1 ba in mixed use building with office and leased event space. Multiple storage closets. 1965 original interior finishes. No DW. Town plows parking.	Electric
3	814 Teocalli	560	2005	Duplex, townhome	1 bed/bath + 70 SF storage. 2005 interior finish.	Electric and Gas
4	902 Ninth Street #1 (Town Ranch)	595	1979/1985	Triplex, stacked flat	First floor, 1 bed / 1 ba, 1985 interior, newer W/D.	Electric
5	902 Ninth Street #3 (Town Ranch)	710	1979/1985	Triplex, stacked flat	First floor, 1 bed / 1 ba, 1985 interior, newer W/D.	Electric
6	817 Gothic	720	2019	Duplex, townhome	2 bed/1 bath + garage (living space is above garage). Original interior finish.	Electric
7	107 Teocalli	924	1991	Manufactured home	2 bed / 1 bath, deck and mudroom. Newer W/D and carpet, otherwise 1991 interior finish.	Electric and Gas
8	906 Butte	1,008	2017	Single family	2 bed / 2 bath + 50 SF shed.	Electric and Gas
9	815 Gothic	1,144	2019	Duplex, townhome	2 bed / 1.5 bath + 216 SF storage	Electric
10	902 Ninth Street #2 (Town Ranch)	1,206	1979/1985	Triplex, stacked flat	Second floor, 2 bed / 2 ba, 1985 interior finish, newer W/D.	Electric
11	263 A Escalante CB South	1,238	1994	Duplex, townhome	Duplex, 3 bed / 2 bath. Garage. No DW. Original interior finish.	Electric, Gas, Water, Sewer, and Trash
12	18 Tenth Street (Haney)	1,314	1977/2021	Single family	3+ bed / 2.5 bath. Renovation in last 2019 and 2023 (baths partial)	Electric*
13	812 Teocalli	1,320	2005	Duplex, townhome	3 bed / 2 bath + 112 SF storage. 2005 interior finish.	Electric and Gas
14	17 Ninth	1,600	2008	Single family	3 Bed / 2 Bath + 2 Car Garage	Electric

Unit Mix	
1 Bed	5
2 Bed	5
3 Bed	4

## EXHIBIT B: RESIDENTIAL RENTAL RATES 2024-2028

Rent increases occur on June 1.

	Address	Rents as of 6/1/2024	Rents as of 6/1/2025	Rents as of 6/1/2026	Rents as of 6/1/2027	Rents as of 6/1/2028	Annual Increase
1	19 Ninth Street (ADU)	\$550	\$570	\$590	\$610	\$630	\$20
2	716 Elk (Depot)	\$500	\$515	\$530	\$545	\$560	\$15
3	814 Teocalli	\$550	\$570	\$590	\$610	\$630	\$20
4	902 Ninth Street #1 (Town Ranch)	\$600	\$620	\$640	\$660	\$680	\$20
5	902 Ninth Street #3 (Town Ranch)	\$650	\$670	\$690	\$710	\$730	\$20
6	817 Gothic	\$950	\$980	\$1,010	\$1,040	\$1,070	\$30
7	107 Teocalli	\$800	\$825	\$850	\$875	\$900	\$25
8	906 Butte	\$750	\$775	\$800	\$825	\$850	\$25
9	815 Gothic	\$875	\$905	\$935	\$965	\$995	\$30
10	902 Ninth Street #2 (Town Ranch)	\$875	\$905	\$935	\$965	\$995	\$30
11	263 A Escalante CB South	\$1,000	\$1,035	\$1,070	\$1,105	\$1,140	\$35
12	18 Tenth Street (Haney)	\$1,150	\$1,190	\$1,230	\$1,270	\$1,310	\$40
13	812 Teocalli	\$1,150	\$1,190	\$1,230	\$1,270	\$1,310	\$40
14	17 Ninth Street	Town Manager Unit					

1 car garage adds \$100 to base rent. 2 car garage adds \$200

Town will re-evaluate the rent structure every 5 years