



# **SILVERTON AFFORDABLE HOUSING GUIDELINES**

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## Table of Contents

|                                                                                    |    |
|------------------------------------------------------------------------------------|----|
| DEFINITIONS .....                                                                  | 1  |
| MISSION AND VISION STATEMENTS.....                                                 | 6  |
| SECTION 100: SILVERTON AFFORDABLE HOUSING GUIDELINES.....                          | 6  |
| Section 101: PURPOSE & APPLICABILITY.....                                          | 6  |
| Section 102: GENERAL AFFORDABLE HOUSING PROGRAM GOALS .....                        | 3  |
| Section 103: QUALIFICATION STANDARDS .....                                         | 4  |
| Section 104: HOUSEHOLD INCOME VERIFICATION.....                                    | 12 |
| Section 105: WAITLIST DRAWING PROCEDURE .....                                      | 13 |
| Section 106: OWNERSHIP, USE, OCCUPANCY .....                                       | 15 |
| Section 107: INITIAL SALE AND RESALE OF UNITS .....                                | 18 |
| Section 108: AFFORDABILITY COVENANTS .....                                         | 22 |
| Section 109: EXCEPTIONS, APPEALS, GRIEVANCES AND REASONABLE<br>ACCOMMODATION ..... | 23 |
| Section 110: LENDERS, LOANS AND INSURANCE .....                                    | 35 |
| Section 111: GENERAL MISCELLANEOUS PROVISIONS.....                                 | 36 |
| SECTION 200: SJDA HOMEOWNERSHIP PROGRAM.....                                       | 38 |
| Section 200: PROGRAM DESCRIPTION .....                                             | 38 |
| Section 201: PURPOSE AND APPLICABILITY.....                                        | 39 |
| Section 202: PROGRAM POLICY GOALS .....                                            | 39 |
| Section 203: INITIAL QUALIFICATION STANDARDS AND PROCESS .....                     | 39 |
| Section 204: WAITLIST CREATION AND MANAGEMENT PROCEDURE.....                       | 46 |
| Section 205: OWNERSHIP, USE, AND OCCUPANCY.....                                    | 48 |
| Section 206: SALE AND RESALE PROCEDURE .....                                       | 50 |
| Section 207: EXCEPTION, APPEAL, AND GRIEVANCE PROCEDURE.....                       | 50 |
| EXHIBIT A.....                                                                     | 52 |
| SECTION 300: ANVIL TOWNHOME OWNERSHIP PROGRAM.....                                 | 53 |
| Section 300: PROGRAM DESCRIPTION .....                                             | 53 |
| Section 301: PURPOSE AND APPLICABILITY .....                                       | 54 |
| Section 302: PROGRAM POLICY GOALS.....                                             | 54 |

|                                                                     |    |
|---------------------------------------------------------------------|----|
| Section 303: INITIAL QUALIFICATION STANDARDS AND PROCESS.....       | 54 |
| SECTION 304: WAITLIST CREATION AND MANAGEMENT PROCEDURE.....        | 62 |
| SECTION 305: OWNERSHIP, USE, AND OCCUPANCY .....                    | 64 |
| SECTION 306: SALE AND RESALE PROCEDURE .....                        | 65 |
| EXHIBIT A .....                                                     | 65 |
| APPENDIX.....                                                       | 66 |
| Appendix A: Area Median Income Eligibility Limits .....             | 66 |
| Appendix B: Original Purchase Prices and Maximum Rental Rates ..... | 67 |
| Appendix C: Waitlist Drawing Bonus Matrix .....                     | 68 |
| Appendix D: Fee and Penalty Schedule.....                           | 70 |
| Appendix E: Permitted Capital Improvements .....                    | 71 |

## DEFINITIONS

Affordability Covenants – Also referred to as Covenants, is a contract prepared by SHA Staff in coordination with the Town legal counsel and entered between SHA, the Town or County and the Owner, or buyer of real property identifying and burdening the conditions of use, occupancy, and sale of the property in accordance with these Guidelines, which may not be altered without the written consent of all parties.

Affordable Housing - Any Housing Unit restricted to sale or rental at a specified price to a Qualified Household meeting the Income Level requirements of the Affordability Covenants.

Affordable Housing Program or Housing Program – The set of regulations which apply to a specific Affordable Housing Unit within a specific project or development. Unless specifically excluded, all Housing Programs are subject to the regulations of these Guidelines.

Affordable Housing Unit – A property with affordability covenants placed by the Silverton Housing Authority, subject to these Guidelines and any additional covenants that may run with the land.

Applicant – A Household that has submitted the required application for Qualification as a renter, tenant, occupant or buyer of an Affordable Housing Unit, for admittance to the Waitlist and/or program , or for Exceptions, Appeals or Grievances under these Guidelines.

Application – A formal request submitted by an Applicant to the Silverton Housing Authority in the format provided and required by the Silverton Housing Authority within a designated Application Period for a specific Housing Unit within a Housing Program, or, an application for a Leave of Absence, Exception, Appeal, or Grievance.

Application Period – A timeframe within which the Silverton Housing Authority accepts Applications for specific Housing Units or Housing Programs. See [Section 105.3: Waitlist Drawing Procedure](#).

Area Median Income (AMI) - A metric that represents the midpoint of the income distribution in an area, specifically San Juan County, established by the U.S. Department of Housing and Urban Development (HUD). Also referred to as Income Level. See [Appendix A](#).

Assets – Anything owned which has tangible, intangible, commercial, or exchange value. Assets consist of specific property or claims against others, in contrast to obligations due others. For the purposes of these Guidelines, Assets are real or personal property including without limitation retirement accounts, education accounts, patents and causes of action, stock in a corporation or interest in any other type of business entity, interest in the estate of a decedent, property of a person, association, corporation, or estate that is applicable

or subject to the payment of debts, and funds on property held in a living trust or any similar entity or interest where the person has management rights or the ability to apply the Assets to the payment of debts. Assets are evaluated at current Fair Market Value, not accounting book value.

Gross Assets - All Assets combined of all Household members, including children.

Net Assets - Household Gross Assets less the Household Gross Liabilities.

Bonus Entry – Specific requirements of Applicants that earn Applicants additional entries into the Waitlist Drawing (see [Section 103](#), and [Appendix C](#)).

Compliance Check – Also referred to as Annual Compliance Recertification, is a periodic verification of ongoing Qualification to own or occupy an Affordable Housing Unit. See [Section 108.10: Covenant Monitoring](#).

Developed Residential Property – Property that contains at least one (1) dwelling unit as defined in the Silverton Municipal Code.

Exception - A variance from these Guidelines granted through the Exception Procedure set forth in [Section 109.2](#). See also Appeal and Grievance definitions in [Section 109](#).

Fair Market Value – The price at which bona fide non-distress sales have been consummated for Assets of like type, quality, and quantity in a particular market.

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

Gross Income – The sum of all wages, salaries, profits, interest payments, rents, and other forms of earnings, before any deduction or taxes, also referred to as “income.”

Guidelines – These Silverton Affordable Housing Guidelines or specific provisions thereof as context requires, adopted by the Silverton Housing Authority as may be required, and amended from time to time, that provide definitions, standards and procedures to be applied to specific Affordable Housing Units and Programs.

Household – All owners and/or tenants, their immediate family and any parties who will be occupying the Housing Unit, excluding guests.

HUD – Abbreviation of the U.S. Department of Housing and Urban Development.

Immediate Family – The Qualified Household and their Dependents, siblings, parents and/or children, all of whom may be related either biologically, by marriage, by civil union and/or by legal adoption, and regardless of age. Immediate Family also includes: a minor for

whom the Qualified Household becomes the legal foster parent. Such children shall be treated as biological children and have the same Immediate Family status, regardless of age.

Income Eligibility Level – The standard of Household Gross Income as defined by the Area Median Income that applies to a particular Affordable Housing Unit or Housing Program. See [Appendix A: Income Eligibility Levels](#).

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

Leave of Absence – An Exception from the requirement that a Qualified Household maintain the Affordable Housing Unit in question as its Primary place of Residence granted according to the [Section 106.1.A1](#), or otherwise stated in a Housing Program or Affordability Covenants.

Liabilities - Financial obligations owed through the transfer of money, Assets, goods or services.

Gross Liabilities – The Household's total amount owed to other persons or entities including loans, liens, mortgages, accounts payable, and other financial obligations as defined by generally accepted accounting practice.

Luxury Items – Luxury Items are non-essential appliances, fixtures or upgrades. See [Appendix E: Permitted Capital Improvements](#).

Local Workforce – A Household with a member currently employed by a business located and licensed in San Juan County a minimum of forty (40) hours a month on an annual average. Additional entries are dependent on length of employment seen in [Section 103.5](#).

Maximum Rental Rate – The maximum amount per month including utilities that a Qualified Household may be charged when leasing an Affordable Housing Unit.

Maximum Sale Price (MSP) – The maximum amount that an Affordable Housing Unit may be sold for to a Qualified Owner. Unless otherwise defined in the Affordability Covenants covering the unit, the Maximum Sale price is determined according to [Section 107.4: Maximum Sale Price Calculation](#).

Notice of Violation – A formal written notice from the SHA to an Affordable Housing Unit Owner or Tenant who is in violation of provisions of the Unit's Affordability Covenants or the provisions of the Silverton Affordable Housing Guidelines.

Option to Purchase – A legal document signed by the mortgagee, and where applicable a co-signer, acknowledging the provisions of the Affordability Covenants and granting a right to the Town or SHA to purchase the Affordable Housing Unit in a foreclosure under certain conditions.

Original Purchase Price (OPP) – The price paid for the Affordable Housing Unit by the current Owner(s) and used as a basis to determine the Maximum Sale Price. The OPP is recorded in the Affordability Covenants attached to each Affordable Housing Unit.

Owner – An individual or individuals who have a legal right to a property by deed, Tenancy In Common, Joint Tenancy or Tenancy in Entirety or other relationship and who have a proprietary interest in a property. Owners are subject to these Guidelines. See [Section 106: Ownership Standards](#).

Owner-Occupied – At least one Qualified Owner holding title occupies the property as their Primary Residence.

Permitted Capital Improvements - Unless otherwise defined in the Affordability Covenants for an Affordable Housing Unit, a Permitted Capital Improvement is any Fixture or improvement ***approved by SHA Staff prior to erection, construction or installation*** that is not a Luxury Item and is erected, constructed or installed as a permanent improvement to real property or non-recurring expenses for physical improvement that provide a long-term upgrade or improvement to the Affordable Housing Unit. See [Appendix E](#).

Policy Statement – A directive formally adopted by the SHA Board to clarify and aid in the application and enforcement of these Guidelines.

Primary Residence – A Household's sole and exclusive place of residence.

Qualification – An Applicant, Household, Owner, or Tenant that meets the and the standards and requirements of the Affordability Covenants of the Housing Units and Housing Program being applied for or subject to.

Qualified Disabled – A person with disability as is defined in 42 US Code § 12102.

Quality – A Housing Unit that meets the Town of Silverton Municipal Code standards.

Qualified Volunteer - A person who verifiably performs work locally for one or more of the following non-profit and community organizations for which no monetary or other material compensation is received for a minimum of forty (40) hours per month: Silverton Medical Rescue, Silverton San Juan Fire and Rescue Authority, Silverton Creative District, San Juan Development Association, Silverton Chamber of Commerce, San Juan County Historical Society, Silverton Singletrack Society, Town of Silverton, San Juan County, Silverton Public Library, Silverton Farmers Market, San Juan County Public Health Service, Silverton School District, Silverton Family Learning Center, Silverton Senior Center, KSJC 92-5 FM L.P. Community Radio, Mountain Studies Institute, Silverton Skijoring, San Juan Mountains Association, A Theatre Group, Silverton Community Radio, Silverton Film Office, Silverton Snowmobile Club. Qualified Volunteer hours are eligible for the Employment Standard and for the Vital Workforce Bonus Qualification, and excluded from the Local Workforce Bonus Qualification – See Bonus Matrix.

Resident – A person who has maintained verifiable residency in San Juan County for twelve (12) months in the past 5 years immediately prior to application.

Sale – The exchange of an Affordable Housing Unit for an agreed amount of money or other consideration in which title to the Affordable Housing Unit is Transferred in whole or in part to a new Qualified Owner.

Short Term Rental – A Unit rented for the purpose of transient lodging or transient living accommodations for a period of less than thirty (30) days.

Silverton Housing Authority (SHA) – The Silverton Housing Authority of the Town of Silverton, referred herein as SHA. As used in these Guidelines, SHA may also mean the SHA Board of Directors or SHA Staff as the context requires.

SHA Board – The Board of Directors of the Silverton Housing Authority.

SHA Staff – The person or persons who the Silverton Housing Authority or its designee employs for the purpose of administering and enforcing these Guidelines.

Tenancy in Common – Co-ownership in which an individual holds an undivided interest in real property as if they were sole Owner.

Tenancy in the Entirety – A special Joint Tenancy between two (2) lawfully married individuals which places all title to property (real or personal) into the marital unit, with both spouses having an equal, undivided interest in the whole property.

Tenant – A person who has temporary use and occupancy of real property owned by another and complies with the requirements of [Section 106.2: Rental Procedure](#).

Town – The Town of Silverton, Colorado – municipality.

Transfer – Any transaction, conveyance, settlement, disposition, assignment, or event which introduces a new ownership interest in a Housing Unit or changes the percentage of current ownership interest in a Housing Unit.

Undeveloped Residential Property – Vacant property which allows residential uses as the principal use and uses accessory thereto, as defined in the Silverton Municipal Code Chapter 16 Zoning.

Vacant Property – a home that is no longer occupied as a principal residence by the Qualified Owner or Tenant for a period of 90 consecutive days without a SHA approved Leave of Absence.

Vital Workforce – Any Household with a member employed, or can provide a letter of intent to hire by San Juan County, Town of Silverton, Silverton School, Silverton Family Learning Center, Silverton Medical Rescue, OR any household with a member who has volunteered

for Silverton Fire Department or Silverton Medical Rescue a minimum of forty (40) hours a month for twelve (12) of the previous fourteen (14) months immediately prior to Application. Receives additional entries into the Waitlist Drawing per [Section 103.5 Bonus Entry Matrix](#).

Waitlist – The order in which Applicants are ranked to be considered for the opportunity to purchase a housing unit.

Waitlist Drawing – A process with an outcome that is governed by chance for the selection of [Qualified Applicants](#) to have the opportunity to purchase or rent a [Housing Unit](#) enrolled in the Waitlist Drawing.

## MISSION AND VISION STATEMENTS

The Silverton Housing Authority’s mission is to advocate, promote, plan, and provide the long-term supply of quality affordable housing to support equitable access to housing in the Town of Silverton.

*SHA Mission Statement Adopted 09/09/2024*

Our vision is to support the quality of life and economic vitality of the unique community of Silverton by increasing housing choices, opportunities, and education for residents.

*SHA Vision Statement Adopted 09/09/2024*

## SECTION 100: SILVERTON AFFORDABLE HOUSING GUIDELINES

### Section 101: PURPOSE & APPLICABILITY

**101.1** The purpose of the Silverton Affordable Housing Guidelines is to provide consistent governance of the development of, admission to and occupancy of [Affordable Housing Units](#) throughout San Juan County.

**101.2** These Affordable Housing Guidelines are used to:

- Review Land Use Applications
- Establish Affordable Housing Income Categories
- Establish Affordable Housing Rental Rates
- Establish Affordable Housing Sales Prices
- Establish Criteria for Qualifying and Occupancy of Units

- Provide Information and Process for Developing Affordable Housing
- Provide Information on Monitoring and Compliance

- 101.3** These Affordable Housing Guidelines will remain in effect until such time as the Board of Directors for the Silverton Housing Authority approve new or amended Guidelines.
- 101.4** In the event that the Silverton Housing Authority ceases to exist or is otherwise unable to fulfill its obligations under these Guidelines, enforcement and administration of these provisions shall be transferred to the Town of Silverton or another entity designated by the Silverton Housing Authority or Town of Silverton. The successor entity shall assume all responsibilities necessary to ensure continued compliance with these Guidelines in alignment with their original intent and purpose.
- 101.5** Each Housing Program is subject to provisions that are unique to that program.
- 101.6** Every Sale or rental of a Housing Unit is subject to the Guidelines in effect at the time of Sale or rental. Subsequently, Owners and Tenants are expressly subject to the Guidelines in effect as amended during their ownership or lease.
- 101.7** SHA Staff is charged with administration and enforcement of the Guidelines. To provide SHA Staff with clarification of intent of provisions of these Guidelines, Policy Statements may be adopted by resolution of the SHA Board at a properly noticed public meeting.
- 101.8** These rules have binding effects on all individuals and courts and run with a Housing Unit in perpetuity in accordance with the recorded Affordability Covenants. In addition to any remedy provided by law for enforcement of the Affordability Covenants and these Guidelines, SHA Board is authorized to establish fees or penalties for violations (see [Appendix D](#)).
- 101.9** Paragraph or section headings within these Guidelines are inserted solely for convenience of reference and are not intended to and shall not govern, limit or aid in the construction of any terms or provisions contained herein.
- 101.10** Whenever the context so requires in these Guidelines, the neuter gender shall include any or all genders and vice versa and the use of the singular shall include the plural and vice versa.
- 101.11** **DISCLAIMER:** The Silverton Housing Authority expressly disclaims any and all warranties, express or implied, including without limitation fitness for a particular purpose with respect to the provision of Housing Units. Silverton Housing Authority does not represent, warrant or promise to construct, finance or otherwise produce, in whole or in part, any Housing Units pursuant to these Guidelines or under any other programs. No Applicant may rely upon any promise implied or expressed that Housing Units shall be constructed, financed or otherwise produced, in whole or in part, by the Silverton Housing Authority. In no event shall Silverton Housing Authority be liable to any Applicant for any direct, indirect, incidental, punitive, or consequential damage of any kind whatsoever, including without limitation lost profits, lost sales, lost business, lost opportunity, lost information, lost or wasted time. None of the information contained in these guidelines constitutes an offer to sell or the solicitation of an offer to buy a Housing Unit.

- 101.12 Fair Housing** – The Silverton Housing Authority shall fully comply with all Federal, State and local nondiscrimination laws; the Americans with Disabilities Act; and, to the extent applicable, the U.S. Department of Housing and Urban Development regulations governing Fair Housing and Equal Opportunity.

Pursuant to the Fair Housing Act and public policy, SHA shall not discriminate on the basis of race, creed, color, sex, sexual orientation, gender identity, age, religion, national or ethnic origin, familial status, or disability in the lease, sale, use or occupancy of a Unit. Section 24-34-502(1) of the Colorado Revised Statutes prohibits source of income discrimination and requires a non-exempt landlord to accept any lawful and verifiable source of money paid directly, indirectly, or on behalf of a person, including income derived from any lawful profession or occupation and income or rental payments derived from any government or private assistance, grant, or loan program.

To further its commitment to full compliance with applicable civil rights laws, SHA will provide Federal/State/local information to Applicants/tenants under this Policy regarding tenant rights and any recourse available to them if they believe they may be victims of discrimination. Such information will be made available with the Application, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made available at the SHA office and website. In addition, all written information and advertisements will contain the appropriate Equal Opportunity language and logo.

SHA will assist any applicant or tenant that believes they have suffered illegal discrimination by providing them copies of the appropriate housing discrimination forms. SHA will also assist them in completing the forms if requested and will provide them with the address of the nearest HUD office of Fair Housing and Equal Opportunity.

In addition to Federal civil rights laws as outlined above, SHA will comply with regulations including but not limited to: the Fair Housing Act Amendments of 1988; Title VI of the Civil Rights Act of 1964; Age Discrimination Act of 1975; Section 504 of the Rehabilitation Act of 1973; Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity; Executive Order 13166 – Limited English Proficiency; Violence Against Women and Justice Department Reauthorization Act of 2013.

- 101.13 Fraud Warning** – Signatures on documents submitted to SHA constitute verification that all information provided is true and accurate. If any such information provided is determined to be false or non-verifiable, such person may be disqualified by SHA and referred to law enforcement for investigation and/or prosecution. Disqualified persons may be denied future participation in SHA Programs. Mortgage fraud may be referred to the FBI for investigation.

## Section 102: GENERAL AFFORDABLE HOUSING PROGRAM GOALS

This Section lays out the general Affordable Housing Program Goals of the Silverton Housing Authority.

- 102.1** The primary goal of the Affordable Housing Programs is to provide Quality, Affordable Housing for residents who are otherwise priced out of the housing market in Silverton.

This is accomplished by regulating and restricting occupancy of Housing Units to Qualified Households and Ownership to Qualified Owners.

- 102.2** Ensure ongoing affordability of Housing Units. Most Housing Units are subject to price and appreciation limits for sale, resale and/or rental. These limitations are intended to ensure affordability for both the current Household and for the long-term affordability of the Housing Unit.
- 102.3** Enhance residents' knowledge, understanding, and access to information about housing-related matters through targeted educational programs. The objective of educational programming is to empower residents across the housing continuum to make informed decisions, access resources, and achieve and maintain safe and healthy living environments.

## Section 103: QUALIFICATION STANDARDS

### 103.1 Initial Qualification Evaluation

There are two (2) levels of evaluation to determine the Initial Qualification of Applicants for the purchase or occupancy of Housing Units known as Qualification and Bonus.

1. **Qualification** refers to the most general requirements for all Housing Programs and includes both Initial Qualification Standards and Continuing Qualification Standards per the applicable Housing Program. A Qualified Owner, Qualified Household, or Qualified Tenant must maintain Qualified status for the duration of ownership or rental of a Housing Unit as described in the Housing Unit's Affordability Covenants. Failure to maintain Qualification will require vacation or Sale of the Housing Unit (see [Section 108.10](#)).
2. **Bonus** refers to specific requirements that earn Applicants additional entries into the Waitlist Drawing based on type of employment or residency, as applicable. See [Appendix C](#) for Bonus Point Matrix and [Section 103.3](#).

### 103.2 Household Initial Qualification Standards

1. **"Qualified Household" Defined** - A Household that has applied or been admitted to a Housing Program that has been verified by SHA to meet the applicable standards according to the Affordability Covenants and Housing Program Guidelines governing the Unit.
2. The following Qualification Standards may be applied to Housing Programs administered under these Guidelines. The application of specific standards will depend on the requirement of each specific Housing Program, as outlined in their respective provisions:

#### A. Income-Level Standard

- i. Income-Level Standards are subject to the Housing Program and Deed-Restrictions associated with each Housing Unit. Income Levels for San Juan County are posted in Appendix A and are updated annually.
- ii. These Guidelines identify categories of income levels for Households for the purpose of establishing Original Purchase Prices, rental rates, and Housing Program specific Qualifications for Affordable Housing Units. These categories correspond to income levels by Household size provided by the US Department of Housing and Urban Development (HUD) and the Colorado Housing and Finance Authority (CHFA) known as the Area Median Income (AMI) for San Juan County on an annual basis. The SHA will post the annual AMIs on the SHA website and administratively update these Guidelines when made available by CHFA every spring. Area Median Income for San Juan County are found in Appendix A. All Sales, Qualification, Waitlist Drawings, and Programs are subject to the Income Levels of the most recently adopted version of these Guidelines at the time of Sale, Qualification, and Waitlist Drawing.
- iii. **Income Categories**

|                       |                   |
|-----------------------|-------------------|
| Very-Low Income Limit | ≤ 50% AMI         |
| Low Income Limit      | ≥ 51% ≥ 80% AMI   |
| Moderate Income Limit | ≥ 81% ≥ 100% AMI  |
| Middle Income Limit   | ≥ 101% ≥ 120% AMI |
| Upper Income Limit    | ≥ 121% ≥ 140% AMI |
- iv. **Exclusion from Income** – An Applicant may apply to SHA Staff for an exclusion to an Applicant's Household Income for verifiable student loan debt, verifiable necessary medical expenses, paid childcare expenses, and verifiable education, healthcare, and/or retirement account contributions from the prior twelve (12) months. Exclusions being requested require SHA Staff verification. In determining whether an account contribution is eligible for such an exclusion, SHA Staff or the SHA Board, as appropriate, will consider the criteria as set forth in Section 103.2E.3. Student loan debt must be related to post-high-school studies (trade school, undergraduate, or graduate degree) from an accredited institution. A combined maximum of ten thousand dollars (\$10,000) of the above expenses or contributions per Household may be excluded from income.

## **B. Property Ownership Standard**

- i. For purposes of this Section, "Ownership by any member of a Household" means ownership interest in any form, direct or indirect, including without limitation ownership or membership in a business or entity that owns real property, or a Leasehold Interest in real property for longer than a period of one (1) year. A Household may not circumvent this Section by declaring indirect or non-controlling interest in real property subject to this Section.

- ii. Ownership by any member of a Household of a property outside the boundaries of San Juan County that is a Commercial Property or Undeveloped Residential Property or is Developed Residential Property is not permitted.
- iii. Ownership by any member of a Household of a property within the boundaries of San Juan County that is Commercial Property or Undeveloped Residential Property is permitted and does not require an Exception.
- iv. Ownership by any member of a Household of Developed Residential Property within the boundaries of San Juan County is restricted as follows:
  - a. **If the residential property is deed restricted as affordable**, the Household is required to enter into a contractual agreement with the Silverton Housing Authority, or its designee, setting forth the terms of the agreement to sell the other residential property. The Household is required to be under contract to sell the property within four (4) months and close the Sale within six (6) months of taking title to the Housing Unit being applied for.
  - b. **If the property is any other form of Developed Residential Property**, the Household is required to:
    - 1) Sell the other property under the terms of Section 103.2.E.4.i; OR
    - 2) Apply for and be granted an Exception according to the Exception Procedure in Section 109.2 for consideration of the terms under which ownership of other Developed Residential Property will be allowed.
- v. In determining the terms under which ownership of other Developed Residential Property will be allowed, the SHA Board as appropriate shall take into consideration the location of the other Developed Residential Property, the current Affordable Housing needs in the, and the practicality of requiring the other property to be leased to a Qualified Household.
  - a. It is the stated intent of SHA to only allow ownership of other Developed Residential Property within the boundaries of San Juan County if the Household demonstrates a commitment to utilizing the property to meet local or regional Affordable housing needs.

- b. Exceptions granted for ownership of Developed Residential Property in San Juan County will require the Household to enter into a contractual agreement with the Silverton Housing Authority or its designee that provides for rental of the other property to a Qualified Household under the rental procedures in Section 106.2. The property must be leased beginning no more than ninety (90) days after purchase of the Housing Unit or other property and be continuously leased, reasonable turnover and maintenance time excepted, so long as the Household owns the Housing Unit. If the property remains vacant or out of lease for more than thirty (30) consecutive days, SHA may give notice requiring the Owners to sell either the Housing Unit or the other Developed Residential Property within one (1) year of the date of notice, and will impose daily penalties for non-compliance (see Appendix D).
- c. The Fair Market Value of any interest in real property owned by any member of a Household will be taken into consideration when determining whether the Household exceeds the limitations of Section 103.2E Net Assets Standard.

**C. Net Assets Standard**

- i. Household Net Assets shall not exceed eighty percent (80%) the Original Purchase Price of the Housing Unit. As defined, Assets of all members of a Household, including children, must be included in the determination of a Household's Net Assets.
- ii. A one-time gift of up to thirty percent (30%) of the Original Purchase Price used only as a down payment for the purchase of a Housing Unit will be considered an asset and not income for the purposes of initial Qualification.
- iii. **Exclusion from Assets** – An Applicant may apply to SHA Staff for an exclusion or partial exclusion to Assets for money held in verifiable education, healthcare, and retirement accounts. In determining whether an account is eligible for such an exclusion, the reviewing body, as appropriate, shall consider whether the holder or beneficiary of the account would be penalized for early withdrawals for any reason, or whether withdrawals without penalty are restricted to withdrawals for qualified retirement, medical, or educational expenses. It is the intent of this Section to only allow exclusions for accounts functionally equivalent to a 401(k), 401(a), Roth IRA retirement account, 529 education account, or a Health Savings Account established while an Applicant was enrolled in a high deductible health plan.

- iv. **Disposition of Assets** – Any member of a Household who has assigned, conveyed, transferred or otherwise disposed of Assets within the last two (2) years without receiving Fair Market Value for the Assets to qualify under these Guidelines shall render the Household ineligible.

**103.3 Bonus Entry Qualification Standards – The following standards may earn additional entries into the Waitlist Drawing as determined by the Housing Program.**

1. **Vital Workforce:** Any Household with a member Employed, or can provide a letter of intent to hire by San Juan County, Town of Silverton, Silverton School, Silverton Family Learning Center, Silverton Medical Rescue, OR any household with a member who has volunteered for Silverton Fire Department or Silverton Medical Rescue a minimum of forty (40) hours a month on an annual average in the immediate year prior to the Application Period. *To qualify for Bonus entries for Vital Workforce, Applicant's employer must submit a completed Employment Verification Form to the SHA as specified in the application packet.*
2. **Local Workforce:** Any Household with a member currently Employed or can provide a letter of intent to hire by a business located and licensed in San Juan County or meets the Qualified Volunteer definition. Additional entries are dependent on length of employment / volunteerism according to the Bonus Entry Matrix seen in [Section 103.5](#). *To qualify for Bonus Entries for Local Workforce, Applicant's employer or volunteer organization must submit a completed Employment Verification Form to the SHA as specified in the application packet.*
3. **Resident of San Juan County:** Any Household with a member who has lived and resided in San Juan County for a minimum of twelve months in the two years immediately prior to Application. Bonus entries are dependent on length of residency in San Juan County. *To qualify for the Bonus Entries for Resident of San Juan County, the Applicant must complete the residential history within the application packet and may be required to provide the following information: executed lease agreements and local utility bills, if applicable.*

**103.4 Bonus Stipulations**

1. **For two (2) or more applicants per application:**
  - A. Maximum of three (3) additional entries per Application.
  - B. Employment and Residence history for Bonus qualifications may be applied only to the person in the Household that has worked, or when applicable, lived in San Juan County the longest. Residency length cannot be combined amongst Household members.

**103.5 Bonus Entry Matrix**

The following Qualification Standards earn additional entries into the Waitlist Drawing:

| <b>Bonus Qualification</b>         | <b>Sum of Monthly Employment in the Immediate Last 5 Years</b> | <b>Additional Entries</b> |
|------------------------------------|----------------------------------------------------------------|---------------------------|
| <u>Vital Workforce</u>             |                                                                | +3 entries                |
| <u>Local Workforce</u>             | 0-12 months (0-1years)                                         | +2 entries                |
|                                    | 13+ months (1+ years)                                          | +3 entries                |
| <u>Resident of San Juan County</u> | Sum of Monthly Residency in the Immediate Last 2 Years         |                           |
|                                    | 12+ months (1+ years)                                          | + 2 entries               |
|                                    | 24+ months (2+ years) of Residency                             | +3 entries                |

### **103.6 Lawful Presence Standard**

Lawful Presence Standards differ between Housing Programs based on funding sources associated with the project. Funding sources will be disclosed in Packet to be given to each prospective Applicant.

#### **1. Federally Funded Projects:**

- A. Properties funded by Federal funds, lawful presence in the United States is required. A Residency Declaration form will be included in the Application Informational Packet.

#### **2. State Funded Projects:**

- A. Properties funded by State funding, lawful presence is not required pursuant to CRS §24-76.5-103.

### **103.7 Criminal Background Check**

SHA Staff may require a criminal background check to determine Qualification for Housing Program. Housing Programs and Applications will specify the types of convictions that disqualify an Applicant.

### **103.8 Grounds for Denial**

1. SHA is not required or obligated to Qualify or assist Applicants who:
  - A. Do not meet any one or more of the eligibility criteria;
  - B. Do not supply information or documentation required by the Application process;
  - C. Breach any agreement made between the Applicant and SHA;
  - D. Any material misstatement of fact or deliberate fraud by the members of an Applicant Household in connection with any information submitted to SHA shall be cause for denial, removal from program, and will prohibited from reapplying, individually or as a member of a Household, for Waitlist Drawings for a period of three (3) years;
  - E. Have failed to respond to a written request for information or a request to declare their continued interest in the program;
  - F. Have a history of not meeting financial obligations, especially rent; provided, however, that if a landlord or SHA uses rental history or credit history as criteria in consideration of an application, they shall not consider any rental history or credit history beyond seven (7) years immediately preceding the closing date of the Application Period;
  - G. Do not have the ability to maintain (with assistance) their housing in a decent and safe condition where such habits could adversely affect the health, safety, or welfare of other tenants;
  - H. Have a history of criminal convictions by any household member involving crimes of physical violence against persons or property and any other criminal convictions including drug-related criminal convictions that would adversely affect the health, safety, or well being of other tenants or Staff or cause damage to the property; provided that if SHA, or landlord, uses criminal history as a criterion in consideration of an application, they shall not consider an arrest record of a prospective tenant from any time or conviction of a prospective tenant that occurred more than five years before the closing date of the Application Period; except that a landlord/SHA may consider any criminal conviction record or deferred judgement relating to:
    - i. The unlawful distribution, manufacturing, dispensing, or sale of a material, compound, mixture, or preparation that contains methamphetamine, as described in Section 18-18-405 of the Colorado Revised Statutes;
    - ii. The unlawful possession of materials to make methamphetamine and amphetamine, as described in Section 18-18-412.5 of the Colorado Revised Statutes;

- iii. Any offense that required the prospective tenant / Owner to register as a sex offender pursuant to Section 16-22-103 of the Colorado Revised Statutes; or
  - iv. Any offence described in Part 1 or Part 6 of Article 3 of Title 18 of the Colorado Revised Statutes;
- I. Have a history of disturbing neighbors or destruction of property;
- J. Currently owes rent or other amounts to any housing authority in connection with their public housing or Housing Choice Voucher programs;
- K. Have committed fraud, bribery or any other corruption in connection with any Federal housing assistance program or SHA Program, including the intentional misrepresentation of information related to their housing application or benefits derived there from;
- L. Are illegally using a controlled substance or are abusing alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents. SHA may waive this requirement if:
  - i. The person demonstrates to SHA's satisfaction that the person is no longer engaging in drug-related criminal activity or abuse of alcohol;
  - ii. Has successfully completed a supervised drug or alcohol rehabilitation program;
  - iii. Has otherwise been rehabilitated successfully; or
  - iv. Is participating in a supervised drug or alcohol rehabilitation program;
- M. Have engaged in or threatened abusive or violent behavior towards any SHA Staff, SHA Board, or residents of Housing Program. Such behavior would include using profane, racially or sexually abusive language;
- N. Have a Household member who is currently a registered sex offender.
- O. **Denied for Life:** If any Household member has been convicted of manufacturing or producing methamphetamine on assisted housing premises;
- P. **Denied for Life:** Has a lifetime registration under a State sex offender registration program.

## 2. Denial Procedure –

- i. Applicants will be notified of denial for Waitlist Drawing, also referred to as disqualification, in writing and will include the reason(s) for denial.

- ii. Applicants will have the right to Appeal decision and will be provided [Section 109.3 Appeal Procedure](#) information.
- iii. SHA's exercising of the Denial Procedure due to findings of Applicant ineligibility will not violate the rights of persons with Disabilities. If an applicant claims that their failure to respond to a request for information or updates was caused by a Disability, SHA Staff will verify that there is in fact a Disability and the Disability caused the failure to respond, and may provide a [Reasonable Accommodation](#) per [Section 109.6](#).

## Section 104: HOUSEHOLD INCOME VERIFICATION

The following standards are applicable to the [Initial Qualification of Applicants](#) for ownership or rental of [Affordable Housing Units](#).

**104.1 Income Testing and Income Calculation** - Income testing refers to the verification of the annual [Household](#) income of an [Applicant](#), either a prospective purchaser or [Tenant](#) who wishes to qualify for an Affordable Unit. Income testing shall only be done at the time of [Qualification](#) for initial purchase or initial occupancy of the unit, and at every subsequent [Transfer](#) of occupancy of the Affordable Unit.

**104.2** [Household](#) income should be calculated using a standard method for all prospective purchasers and tenants of [Affordable Housing](#). These [Guidelines](#) require [SHA Staff](#) to use the Colorado Division of Housing's standard method of calculating income. The current standard is Part 5 of section 24 CFR 5.609 of the Code of Federal Regulations.

**104.3** The [SHA](#) may request the following documentation including without limitation for the following purposes: to calculate [Household](#) income, verify [Qualification](#) and [Qualification](#) for the applicable [Standards](#).

### 1. Persons employed by others:

Most recent 2 years complete personal federal tax returns  
 Most recent 2 years W-2s from all employers  
 Most recent 2 consecutive paystubs from all employers  
 Employer Verification of Employment

### 2. Persons with some kind of self-employment:

Most recent 2 years complete personal federal tax returns  
 Most recent 2 years W-2s from all employers  
 Employer verification of employment  
 Most recent 2 years business tax returns:  
     Partnership-K-1 and 1065  
     S-Corporation-K-1 and 1120S

Corporation – 1120 (including W-2's and most recent paystubs)

3. Persons with unearned income:

Most recent 'award letter' stating the monthly or annual Gross Income received (SSI, SSDI, VA Benefits, Unemployment, etc.)

4. Persons newly employed and/or with no previous tax return:

Evidence of income to be earned (employment contract, written verification from new employer of income to be earned, etc.).

Most recent consecutive business and personal bank statements from start of business.

5. Under certain circumstances the SHA may require other, non-traditional forms of documentation to accurately calculate gross household income.

**104.5** SHA may require third-party verification of employment and income records for self-employed Applicants at initial Qualification and during Compliance Checks.

**104.6** SHA may, at the Applicant's expense, require outside accounting expertise to evaluate the reasonability of the Applicant's or Household's representations of income and Assets. It shall be the burden of the Applicant to provide all required information for verification of Qualification, and any missing or incomplete information or documentation, or information that cannot be verified, shall be construed against the Applicant and may be grounds for denial.

## Section 105: WAITLIST DRAWING PROCEDURE

**105.1** SHA Staff administers Waitlist Drawings subject to the provisions of this document established to create an orderly and fair process for offering Housing Units for Sale and rent to Qualified Households and give bonus entries to Qualified Households with Bonus status detailed below.

**105.2** Waitlist Drawing results are not subject to Appeals.

**105.3** **Waitlist Drawing Procedure -**

**1. Opening and Announcement of Waitlist Application Information –**

A. Notice of the date, time, and location at which Applications will be accepted shall be published as a "Legal Notice" in a newspaper of general circulation in the Silverton Standard at least twenty-one (21) days prior to the close of an Application Period, through Town of Silverton and Silverton Housing Authority communication channels, and on the Silverton Housing Authority website.

- B. Applications and information shall be available online on the Silverton Housing Authority website concurrent with the publication of the Legal Notice.

## 2. **Waitlist Drawing Procedure** –

- A. **Entering the Waitlist Drawing:** After the end of the Application Period, notification of Qualification status has been communicated to Applicants per 105.3.B.6.5., and completion of Appeal hearings, if any, a list of Qualified Households will be assigned a Waitlist Drawing entries. **Each Qualified Household will receive one (1) Waitlist Drawing entry.** Bonus Entries are assigned as additional entries as explained in Section 105.7 Bonus Entry Matrix.

### B. **Waitlist Drawing Procedure:**

- i. The Waitlist Drawing must be conducted at a duly noticed public meeting of the Silverton Housing Authority.
- ii. The meeting must meet Board quorum in addition to the presence of the SHA Chair or designee, the SHA Secretary or designee, one SHA Staff member, and one unaffiliated third-party to be present to witness the entire process and verify the assignment of entries to each Applicant and that each Applicant's entry(ies) is entered into the entry container.
- iii. Unaffiliated third-party: an individual or entity that has no direct or indirect affiliation with the Silverton Housing Authority, Town of Silverton, San Juan Development Association, or San Juan County. This includes current or former employees, board members, or immediate family members of such individuals.
- iv. The SHA Board shall make a motion to approve, or to approve with conditions, the Applicant List prior to the assignment of entries.
- v. Upon Board approval of the Applicant List, the SHA Secretary or designee shall assign one or more entry numbers to each Applicant, as specified in the adopted Applicant List. Each assigned entry number will be added to the entry container as it is assigned.
- vi. The entry container shall be solid and non-transparent, and entries shall be sufficiently mixed
- vii. After the SHA Chair or designee, SHA Secretary or designee, and the unaffiliated third party verify that all entries have been placed in the entry container, the unaffiliated third party shall thoroughly mix the entries and then draw them one at a time. The order in which entries are drawn will determine the Waitlist order. If an Applicant has multiple entries, only the first entry drawn will determine their placement on the Waitlist. Any additional entries for that Applicant will be recorded but will

not affect the Waitlist order. The drawing process shall continue until all entries have been drawn from the entry container.

- viii. The official Waitlist shall be posted on the front door of the Silverton Town Hall immediately following the adjournment of the SHA Board meeting and shall remain posted for a minimum of twenty-four (24) hours. Within twenty-four hours of the Waitlist Drawing, SHA Staff shall notify Applicants of their Waitlist position via email in the order established by the Waitlist.

**C. Organization of the Waitlist Drawing Result List** - The Waitlist Drawing Result List will be maintained in accordance with the following guidelines:

- i. The Application will be a permanent file;
- ii. All applications will be maintained in order of the Waitlist Drawing Results;
- iii. Any communications between SHA Staff and the Applicant will be documented in the Applicant file.
- iv. The Waitlist Drawing Results List will be a public record on the SHA Website.

## Section 106: OWNERSHIP, USE, OCCUPANCY

The primary intent of Affordable Housing Programs is to provide quality, Affordable Housing for local residents. Affordability Covenants on Affordable Housing Units may require that the home be Owner-Occupied as a Primary Residence for the owner. Affordability Covenants may allow for a Qualified non-owner, a Tenant, to fulfill the Primary Residence requirement of the home.

**106.1 Ownership Standards** – Affordable Housing Units for Ownership according to these Guidelines and the Unit's Affordability Covenants require the Unit to serve as the Primary Residence of the Qualified Owner, or in some circumstances stated in Section 106.2, a Qualified Tenant.

**A. Continuing Residency Standard** – Qualified Households must occupy their Housing Unit for at least eight (8) of every twelve (12) months on a rolling twelve (12) month basis.

- 1. **Leave of Absence** - Households who will not occupy their Housing Unit for any period in excess of four (4) months must apply for a Leave of Absence as follows:

- i. Leaves of Absence for a period of one (1) year or less will be considered and may be approved or denied by SHA Staff as an Administrative Exception pursuant to Section 109.5.
  - ii. Leaves of Absence for any period of time longer than one (1) year, and any extension to a Leave of Absence previously granted by SHA Staff, must be granted by the SHA reviewing body through the Exception Process in Section 109.1.
2. Leaves of Absence will be conditioned upon rental of the Housing Unit during the absence to a Qualified Household at the established Maximum Rental Rate or a rate established by the SHA Board following the Rental Procedure in Section 106.2.
  3. Applications for a Leave of Absence must provide clear and convincing evidence showing both a bona fide reason or leaving and a commitment to re-occupy the Housing Unit.

**106.2 Rental Procedure:** In cases where rental of a Housing Unit is permitted or required, the following applies:

**1. Tenant Households –**

- A. SHA Staff must certify the Qualification of a Tenant prior to the occupancy and/or the signing of a lease. Tenants must meet the Household Qualification Standards of the Unit in question prior to the execution of a lease.
- B. Tenants must meet the Household Qualification Standards upon each lease renewal.
- C. Tenants must use the Unit as their Primary Residence throughout the entirety of the lease agreement.

**2. Landlords –**

1. Landlords must obtain certification of Qualification of all Tenants from SHA Staff prior to execution of a lease with the Tenants and prior to the occupancy by Tenants.
2. Landlords must execute a written lease with Tenants and must provide a copy of the lease to SHA within five (5) business days of execution.
3. Landlords are subject to a penalty for each day of Tenant's occupancy without proof of Qualification, and for each day late submitting an executed lease to SHA (see Appendix D).

3. Landlords may not charge more than the Maximum Rental Rate published in Appendix B at the time of lease execution. This rate shall apply for the full duration of the lease. The Maximum Rental Rate must include all utility expenses.
4. **Leases** – Occupancy of a Housing Unit by any person other than a Qualified Owner must be a Qualified Household and must be memorialized by a written lease.
  - A. Leases must include:
    - i. Reference to applicable provisions of the Affordability Covenants including without limitation restrictions on rental rates (see [Appendix B](#));
    - ii. A provision stating that it is a material violation of the lease for the Tenant Household to fail to meet or maintain the Qualification Standards and Continuing Residency Standard. Landlords shall promptly enforce this material term of the lease, including initiating an action of Forcible Entry and Detainer when appropriate. Notice of lease violation and/or termination shall follow all requirements of the Colorado Forcible Entry and Detainer Statutes, C.R.S. § 13-40-101, et. seq. as may be amended.
    - iii. A provision stating that the landlord must deliver written notice to Tenants and to SHA a minimum of thirty (30) days prior to lease expiration should Landlord choose not to renew the lease.
    - iv. A provision stating that no subleases are permitted.
  - B. Leases shall not include:
    - i. A provision stating that the Tenant maintain employment with the Landlord or any other specified person or business as a material term of the lease. This prohibition does not preclude landlord from nonrenewing a lease upon expiration, subject to the noticing requirements for nonrenewal as set forth in Section [106.2.C.3.iii](#), or terminating the lease for other reasons or no reason provided all requirements for notice of the same have been met pursuant to C.R.S. § 13-40-101, et. seq. as may be amended.
    - ii. Any provision which would contradict these Guidelines.
  - C. The lease term must be a minimum of six (6) months and may not exceed twenty-four (24) months depending on the SHA approved length of Leave of Absence.
  - D. Copies of the executed lease must be filed with SHA within five (5) business days of execution. Late fees will be enforced according to [Appendix D](#).

- E. **Lease Renewal** - At lease renewal the Maximum Rental Rate (See [Appendix B](#)) will be adjusted up or down to comply with the current Guidelines. Landlords are permitted to charge less than, but never more than the Maximum Rental Rate.
- F. The Landlord shall comply with all applicable federal, state, and local laws, regulations, and ordinances that provide protections to renters, including but not limited to the Colorado Residential Tenants Health and Safety Act, the Warranty of Habitability Act, the Federal Fair Housing Act, and any other relevant statutes or regulations in effect during the term of the lease. Any violation of such laws by the Landlord shall constitute a material breach of these Guidelines.

## Section 107: INITIAL SALE AND RESALE OF UNITS

- 107.1 Initial Sale** – The initial sale of all Housing Units must occur in accordance with the applicable Waitlist Drawing or other Applicant selection procedures as determined by the SHA and may vary depending on the specific Housing Program under which the Housing Units were created.
- 107.2 Resale** – Sellers are required to consult with SHA Staff prior to offering a Housing Unit for Sale for the purpose of obtaining the most current information about the applicable Guidelines and processes, and to verify to Maximum Sale Price and other applicable provisions of the Affordability Covenants affecting the Sale.
- 107.3 Resale Procedures** – Unless otherwise limited or required by the Affordability Covenants or the governing Housing Program, options for selling Housing Units are as follows:
  - 1. SHA Ownership Waitlist Drawing per [Section 105 or in applicable Housing Program guidelines](#), according to each Housing Program's Initial Qualification Standards.
    - A. If a SHA Ownership Waitlist Drawing is unsuccessful for the resale of a Unit, Direct Sale or listing with a real estate broker licensed to do business in the State of Colorado provided that:
      - i. the chosen buyer is a Qualified Owner approved by SHA prior to closing; and
      - ii. seller's real estate commissions are borne exclusively by the seller and are not passed on to the buyer; and
      - iii. the Sale Price does not exceed the Maximum Sale Price
- 107.4 Maximum Sale Price** – The Maximum Sale Price of a Housing Unit is calculated by SHA Staff according to the Housing Unit's Affordability Covenants. In no case shall a

Housing Unit be sold for more than the Maximum Sale Price. The contracted sale price shall be the only exchange of value between parties to any Sale, and buyer and seller must execute a sworn statement affirming that the contracted sale price is the only exchange of value in the Sale. Any exchange of value outside the contracted sale price shall invalidate the Sale and may result in additional civil and criminal penalties.

1. **Minimum Standards for Maximum Sale Price-** The Owner and buyer must work together in addressing the repairs necessary to bring a Housing Unit to Minimum Standards for Maximum Resale Price. The Minimum Standards for a Sale at Maximum Resale Price include but are not limited to:

- Compliance with all applicable building code standards, including health, safety, and habitability requirements, as determined by the Town of Silverton Building and Code Department;
- Clean, odor-free interior;
- Carpets professionally steamed withing seven (7) days prior to closing, and are less than seven (7) years old;
- Appliances present, clean and in good working order;
- Surface scratches, marks, holes in doors, floors, walls, woodwork, cabinets, countertops, other than normal wear and tear, repaired;
- Walls in good repair and paint-ready;
- Windows and window locks in good repair, and broken panes replaces;
- Window screens in place and in good repair;
- Doors and door locks in good repair and working keys for all locks;
- Light Fixtures, outlets, switches secure and in working order;
- No apparent plumbing leaks;
- Tile grout in good repair, mold free and clean;
- No apparent roof leaks (if home is single family); and
- No apparent safety hazards.

2. **Maximum Sale Price Calculation** - The following method of calculating the Maximum Sale Price ("MSP") if otherwise not stated in Affordability Covenants:

- An increase of the OPP of three percent (3%) per year from the date of purchase to the date of Owner's Notice Intent to Sell (compounded annually and prorated at the rate of .25 percent (0.25%) per each whole month of any part of a year);
- PLUS, the costs of Permitted Capital Improvements, not to exceed five percent (5%) of the OPP provided that:
  - i. Improvements are approved by SHA Staff prior to the commencement of any work or installation, as explained in [Appendix E](#);
  - ii. Proof of homeowners' association approval, if applicable, is provided to SHA prior to commencement of work;

- iii. Improvements are property permitted and inspected by the Town Building Official if applicable; and
    - iv. Paid invoices and documentation of improvements are submitted to SHA upon completion.
  - PLUS, the costs of Permitted Capital Improvements exceeding five percent (5%) of the OPP provided that the improvements have been pre-approved by the SHA Board through the Exception Procedure in Section 109.2. In no case shall Permitted Capital Improvements exceed ten percent (10%) of the OPP. The impact of Exception requests and of any previously approved Maximum Sale Price increased to the Housing Unit will be assessed by SHA when considering any Exception under this Section to ensure continued affordability for Households with respect to this Housing Unit's targeted Income Eligibility Level;
  - LESS the depreciation on Permitted Capital Improvements pursuant to the Marshall & Swift Depreciation Guidelines;
  - PLUS, any other costs allowed by SHA or Town pursuant to policies in effect on the date of the Notice of Intent to Sell.
3. **Mitigation of Repairs** – SHA Staff will perform a limited cursory inspection to assess Minimum Standards only. This inspection is not a substitute for a professional inspection, and SHA strongly encourages all buyers to obtain a professional inspection which may detect health and safety issues and reveal unpermitted or defective work on the Housing Unit. If SHA Staff determines that the Housing Unit does not meet Minimum Standards for Maximum Sale Price, or if a professional inspection reveals health and safety issues needing to be addressed:
- A. The seller must completed identified repairs to meet Minimum Standards prior to closing; or
  - B. The buyer must agree in writing to complete the identified repairs by a date certain, with one of the following documented at closing:
    - i. A reduction in sales price to cover the cost of repairs; or
    - ii. A credit from seller to buyer sufficient to cover the cost of repairs; or
    - iii. Funds placed in escrow by seller in an amount sufficient to ensure satisfactory repairs, the balance of which will be returned to the seller after verified completion of repairs.
4. To be considered in the calculation of the Maximum Sale Price, Permitted Capital Improvements must be pre-approved by SHA Staff or the SHA Board as appropriate (see Appendix E).

**107.5 Disclosure of Relevant Contracts and Information** – Both buyer and seller of any Housing Unit must sign a release allowing SHA to obtain copies of all documents relevant to the Sale and must disclose all relevant information known to them. All financial information will remain confidential except as noted in [Section 104.4](#).

1. Relevant documents include without limitation:
  - A. the sales contract for the Housing Unit;
  - B. the buyer's application for financing and related documentation; and
  - C. title and escrow documents related to the Sale.
2. If applicable, sellers must inform buyers of any proposed or pending increases in homeowners' association dues, as well as any proposed or pending assessments.

**107.6 Notification Required-** Written notice to SHA of any pending change in financing or ownership interest in a Housing Unit is required, including, but not limited to a refinance, or an ownership change as might happen in a divorce proceeding or in the event of a death of an Owner. Failure to timely notify SHA is considered a material breach of the Affordability Covenants and a violation of the Guidelines and is subject to a Notification Required Penalty for each day the failure to notify persists.

1. A Notice of Intent to Sell a Housing Unit must be submitted to the SHA at least sixty (60) days prior to the Sale on notice forms available from the SHA.
2. Notice of any Transfer or change in ownership interest in a Housing Unit must be given at least thirty (30) days after the change in ownership interest, and will require execution and recording of a new Affordability Covenants concurrent with the Transfer or change, and may require execution and recording of a new Option to Purchase.
3. Notice of financing or refinancing of a Housing Unit must be given at least thirty (30) days prior to the closing of the loan, and may necessitate execution and recording of a new Option to Purchase and Affordability Covenants at closing.

**107.7 Independent Legal Counsel** – All sellers and buyer of Housing Units are advised to consult independent legal counsel at their own expense regarding the examination of title and all contracts, agreements, restrictions, and title documents.

**107.9 Title Company** – Title documents involved in the closing of Housing Units are unique and technical, and buyers are advised to use title companies and escrow agents experienced in such Sales. Mistakes in closing documents are easily made and difficult to correct. Sellers must authorize SHA to review the conveyance documents prior to closing, however SHA shall not be responsible for any mistakes contained therein.

**107.10 Affordability Covenants** – SHA Staff in coordination with SHA legal counsel shall prepare Affordability Covenants and Options to Purchase pursuant to [Section 108](#).

## Section 108: AFFORDABILITY COVENANTS

- 108.1** Affordability Covenants, also referred to as Covenants must be executed prior to and recorded concurrent with each Sale, change in ownership, or transfer in ownership of a Housing Unit, and may be necessary for any refinance, finance, or transfer by other means. Original executed and recorded Affordability Covenants are retained by SHA. Provisions herein regarding the form of Affordability Covenants cover some but not all significant policies. Sellers and buyers are advised to consult these Guidelines and the Affordability Covenants for the Housing Unit recorded with the San Juan County Clerk and Recorder which is the principal controlling document to ascertain specific provisions governing the Housing Unit.
- 108.2** Affordability Covenants shall specify:
1. The Original Purchase Price ("OPP"). Each Sale of a Housing Unit generates a new OPP. Transfer in ownership by other means or refinance of a Housing Unit does not necessarily change the OPP.
  2. The Maximum Rental Rate. If applicable and not otherwise governed by these Guidelines, the Maximum Rental Rate shall be stated including provisions for any increases.
  3. The designated Income Eligibility Level, if applicable.
  4. The method of calculating the Maximum Sale Price ("MSP") if applicable.
  5. A statement indicating that SHA does not guarantee an Owner's ability to sell a Housing Unit for its Maximum Sale Price or rent a Housing Unit for its Maximum Rental Rate as applicable.
  6. The requirements for use of a portion of Housing Unit for an office of a Home Occupation as defined in the Municipal Code, as amended, or its successor document, is provided to SHA if applicable;
    - A. Homeowners' association approval of the office or Home Occupation is filed with SHA if applicable;
    - B. That the business holds a current Town of Silverton business license; and
    - C. That the business holds current Town of Silverton sales and excise tax licenses and timely reports and remits such taxes if applicable.
- 108.3** Violation of covenants, conditions or terms of the Affordability Covenants shall also be a violation of these Guidelines whether or not a corollary provision exists.
- 108.4** Affordability Covenants shall include a provision requiring, at SHA's option, conveyance of an interest in the Housing Unit to SHA (or similar agency acceptable to

SHA) meeting the requirements of C.R.S. § 38-12-301 for rent control. SHA may in its sole discretion accept or reject any proposed conveyance of interest pursuant to this Section, and may designate and require conveyance of which interest is best suited to maintain this purpose of rent control under these Guidelines. Such interest may include without limitation:

1. A fractional undivided ownership or trustee interest in the Housing Unit provided that SHA is indemnified against any and all liability by reason of its interest in the Housing Unit including any and all tax obligations; or
2. A lease to SHA of the Housing Unit with authorization to SHA to sublet pursuant to these Guidelines, provided that SHA assumes no liability by reason thereof.

- 108.5** An Option to Purchase shall be granted by the lender to SHA and/or the Town to redeem the Housing Unit in the event of default by purchasing the unit from the holder of the trustee's deed at the redemption price plus reasonable costs of the holder.
- 108.6** The Affordability Covenants shall be binding on all Owners, successors and assigns including any holder of a deed in lieu of foreclosure.
- 108.7** The Affordability Covenants, Option to Purchase, and any amendments thereto must be recorded in the property records of San Juan County. The original executed and recorded documents must be returned to and retained by the SHA.
- 108.8** Affordability Covenants may not be transferred off a Housing Unit unless permitted by the governing Housing Program. Transfers require the express consent of the SHA Board which must find that the General Affordable Housing Program Goals are met by such Transfer, and such Transfer promotes the provision of Affordable Housing.
- 108.9** No modification or amendment to the Affordability Covenants shall be effective unless agreed to in writing by SHA and any other beneficiary.
- 108.10** **Monitoring** - To verify compliance with Affordability Covenants and these Guidelines, SHA will conduct regular Compliance Checks, and may initiate Compliance Checks to investigate complaints or reports of non-compliance. Households must submit all necessary paperwork to verify that they remain in compliance with the Affordability Covenants within twenty-one (21) days of a written notice of Compliance Check or a penalty will be assessed (see Appendix D). It shall be the burden of the Household to provide all required information for compliance, and any missing or incomplete information or documentation, or information that cannot be verified, shall be construed against the Household and may be grounds for a finding of non-compliance.
- 108.11** Affordability Covenants shall include a provision requiring Owners to maintain Homeowner's Insurance, pursuant to Section 110.8: Obligation to Maintain Homeowner's Insurance.

## Section 109: EXCEPTIONS, APPEALS, GRIEVANCES AND REASONABLE ACCOMMODATION

### 109.1 Definitions

1. **Exceptions** – Except as otherwise prohibited herein, a request for an Exception to provisions of these Guidelines may be appropriate when an Applicant understands and acknowledges the requirements of the Guidelines and believes that there exists a legitimate and compelling reason why they should be exempt from or allowed a modification to the requirements.
  1. Exceptions to the Guidelines may be granted on a case-by-case basis, provided the reviewing body finds that granting such Exception promotes the provision of Affordable Housing and supports [Section 102](#): General Affordable Housing Program Goals.
2. **Appeals** – An appeal is appropriate when an Applicant understands and acknowledges the requirements of these Guidelines and believes that provisions of the Guidelines have been applied incorrectly by SHA Staff or the SHA Board.
3. **Grievances** – A Grievance is any dispute that any person may have with the SHA regarding an action or failure to act in accordance with the individual's rights, duties, welfare, or status. A Grievance may be presented directly to the SHA Board under the procedures in [Section 109.4](#).

## 109.2 Exception Procedure

1. Except as otherwise prohibited herein, a request for an Exception to provisions of these Guidelines may be appropriate when an Applicant understands and acknowledges the requirements of the Guidelines and believes that there exists a legitimate and compelling reason why they should be exempt from or allowed a modification to the requirements.
2. Exceptions will not be accepted, considered, nor granted for the Income Level Standard, except for income exemption requests.
3. **Submission Process** - Exception requests must be submitted in writing to SHA on forms available from SHA. Complete Exceptions applications include:
  - A. The name, mailing and email address, and telephone number of the Applicant(s) and of Applicant's representative, if applicable;
  - B. A narrative:
    - i. identifying the specific provision(s) or requirement(s) for which the Exception is being requested;
    - ii. detailing the particular ground(s) upon which the Exception is based;
    - iii. describing the action or remedy requested; and
  - C. The Exception fee (See [Appendix D](#)).
4. **Review Process** – All requests for Exceptions will be Administratively reviewed and granted/denied. Applicant has the right to appeal the administrative decision

according to Section 207.2 Appeal Procedure. **Standards for Review of Exception Applications** – Applicants seeking an Exception must demonstrate to the satisfaction of the reviewing body that granting the Exception would:

- A. meet General Affordable Housing Program Goals; and
- B. meet one or more of the following additional review standards:
  - i. Promotes greater affordability by:
    - a. decreasing the long-term operating and maintenance costs of the Housing Unit in question;
    - b. enabling the Applicant to take advantage of a financing opportunity that would not otherwise be available; or
    - c. protecting the long-term affordability of the Housing Unit through price control or other means.
  - ii. Demonstrates or recognizes the long-term commitment of the Applicant to residency, employment, and community involvement within the Town of Silverton Town Limits;
  - iii. Provides housing for a critical community need;
  - iv. Increases square footage or increases livability or durability in materials, finishes, Fixtures or appliances (which do not include Luxury Items or items which significantly exceed standards set in recent SHA constructed Housing Units);
  - v. Creates living space for additional member of the Household without compromising the affordability for the Housing Unit's targeted Income Eligibility Level;
  - vi. Enables the Qualified Household to own and occupy a Housing Unit more suitable to the Household's needs;
  - vii. Furthers currently adopted Town of Silverton Goals and Objectives related to Affordable Housing; or
  - viii. Enables the Qualified Household to respond to life circumstances that arise beyond the reasonable control of the Household (such as the need to care for a retired or Disabled Household member).

**5. Exceptions shall not be granted:**

- A. for any provision of these Guidelines if an Applicant is under a Notice of Violation;

- B. for income to exceed the Income Eligibility Level limit for Transfer, purchase or rental of a Housing Unit, or for exclusion from income to exceed ten-thousand dollars (\$10,000) pursuant to Section 103.2C.4.
- C. for an unqualified co-borrower or co-signor unless title is vested 100% in the Qualified Household;
- D. for Permitted Capital Improvements in excess of five percent (5%) of OPP, if
- E. commencement of any work or installation has already begun or is complete; or
- F. to increase the total debt secured by a Housing Unit in excess of the OPP.

**6. Encouraged are Exception requests for:**

- A. The requirement that a Housing Unit sell by Waitlist Drawing if:
  - i. the Qualified Owners of two (2) different Housing Units with to sell to one another resulting in more appropriate housing for both Owners, for example, due to changes in Household size (i.e. a Housing Unit swap);
  - ii. a Qualified Owner wishes to convey to their child their Housing Unit which would otherwise be required to sell by Waitlist Drawing, provided that the child's Household has been certified by SHA as a Qualified Owner for the Housing Unit; or
  - iii. a Qualified Owner of a Housing Unit identifies another Housing unit due to be sold by Waitlist Drawing better suited to their needs provided that the such buyer:
    - a. is deemed a Qualified Owner for purchase of the Housing Unit better suited to their needs; and
    - b. agrees in turn to sell their current Housing Unit by Waitlist Drawing.
  - iv. Guideline requirements not otherwise prohibited for an Exception that might facilitate creative solutions for the development of additional or improvement of existing Affordable Housing, or the advancement of the Town's Affordable Housing goals.

**109.3 Appeal Procedure**

- 1. An appeal is appropriate when an Applicant understands and acknowledges the requirements of these Guidelines and believes that provisions of the Guidelines have been applied incorrectly by SHA Staff or the SHA Board.

**2. Submission Process** - Appeals must be submitted in writing to SHA on forms available from SHA within ten (10) calendar days of the decision or determination being appealed and must include:

1. The name, mailing and email address, and telephone number of the appellant(s) and of appellant's representative, if applicable;
2. A narrative:
  - A. identifying the specific determination being appealed;
  - B. establishing the particular ground(s) upon which the appeal is based; and
  - C. describing the action or remedy requested; and
3. The Appeal fee (See Appendix D).

**3. Hearing Process** – Appeal applications will be reviewed by SHA Staff for completeness and complete submissions will be forwarded to the SHA Board.

1. Appeals shall be heard at the next regularly scheduled meeting following the submittal of a complete application unless noticing requirements cannot be met or additional time is required to prepare an appeal record. In such cases, the appeal shall be heard as soon thereafter possible.
2. Hearings shall be fair and provide for the basic safeguards of due process, including notice and an opportunity to be heard in a timely, and reasonable manner.
3. The opportunity to examine all relevant documents, records, and regulations must be accommodated. Any document not made available after written request may be relied upon at the hearing. Parties to an appeal have the right to be represented by counsel at their own expense.
4. Hearing shall be conducted by a "Hearing Officer" who shall be a designated member of the SHA Board.
  - A. In the event a party fails to appear at the hearing, the hearing body may make a determination to continue the hearing, or a determination based upon the evidence submitted.
  - B. The hearing shall be recorded and oral or documentary evidence may be received without strict compliance with the Colorado Rules of Evidence.
  - C. The right to cross-examine shall be at the discretion of the Hearing Officer and may be regulated as the Hearing Officer deems necessary for a fair hearing.

5. **Binding Determination** - The SHA Board shall provide a final determination with findings to support the determination. Unless timely appealed, the determination shall be binding, and the SHA shall take all actions necessary to carry out or enforce the decision.

#### **109.4 Grievance Procedure**

1. **Submission Process** - Grievances must be submitted in writing to SHA and must include:
  - A. The name, mailing and email address, and telephone number of the complainant(s) and of complainant's representative, if applicable;
  - B. The particular ground(s) upon which the grievance is based;
  - C. The action or remedy requested; and
  - D. The Grievance fee (See [Appendix D](#)).

2. **Hearing Process** – The hearing process shall be as presented in Section 109.3.C.

#### **109.5 Administrative Exceptions-** The SHA Board grants SHA Staff the authority to approve specific Exceptions, with or without conditions as deemed appropriate by SHA Staff, to be noticed on the Consent Calendar at the SHA Regular Meeting immediately following SHA Staff approval. SHA Staff, in making its decision, shall follow all procedures and apply all criteria set forth in [Section 109.2](#), and may refer a matter to the SHA Board if, in SHA Staff sole discretion, deemed more appropriate. Administrative Exceptions are authorized for:

1. Approval of Exceptions for use of a co-borrower or co-signer for unconventional lending after SHA legal counsel review of documents to be recorded pursuant to [Section 110.7](#).
2. Approval of Exceptions for Leaves of Absences for a period of one (1) year or less pursuant to [Section 106.1A.1](#).

#### **109.6 Reasonable Accommodation**

In accordance with Section 504, the Americans with Disabilities Act (ADA) and the Fair Housing Act, it is the policy of the Silverton Housing Authority to make reasonable accommodation in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program.

A copy of this Reasonable Accommodation Policy will be available on the Silverton Housing Authority website, as part of any application materials.

The SHA will ask all applicants and participants if they require any type of accommodations, in writing, on the SHA website by including the following language or similar language in application and other materials:

If you or anyone in your household is a person with disabilities, and you require a specific accommodation in order to fully utilize SHA programs and services, please contact the Section 504 Coordinator:

Name: Anne Chase

Address: 1360 Greene Street

Phone: 970-880-0278

TDD/TTY or Colorado Relay: 800-659-2656 or 711

E-Mail: [achase@silverton.co.us](mailto:achase@silverton.co.us)

### **1. Definitions –**

- A. **Reasonable Accommodation** – A reasonable accommodation is a change, modification, exception, alteration, or adaptation in a policy, procedure, practice, program, service, activity, facility, or dwelling unit that may be necessary to provide an Individual with a Disability an equal opportunity to: (1) use and enjoy a dwelling, including public and common use areas of a development; (2) participate in, or benefit from, a program (housing or non-housing), service, or activity; or (3) to avoid discrimination against an Individual with a Disability. Such accommodation must be granted unless it would (i) pose an undue financial and administrative burden, or (ii) fundamentally alter the essential nature of the program, service, or activity.

### **2. Types of Reasonable Accommodations** – When needed, SHA will modify normal procedures to accommodate the needs of a person with disabilities. Examples include:

- A. Providing application and reporting documents in alternative format
- B. Providing TDD/TTY Number or translation services when necessary
- C. Providing time extensions for completing paperwork
- D. Permitting Applicants, Tenants, and Owners (as applicable) to have a live-in aide
- E. Permitting assistance or service animals in the Unit
- F. Physical modifications to a unit such as installation of a ramp into a building, lowering the entry threshold of a unit, or the installation of grab bars in a bathroom.

### **3. Request for an Accommodation**

- A. **Requests** – If an Applicant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, SHA will

treat the information as a request for a reasonable accommodation, even if no formal request is made. Once a tenant tells a housing provider that they are a person with a disability and need something changed in order to accommodate their disability, the provider is obligated to begin the reasonable accommodation process.

A request may be oral or written. However, the best practice is to request the accommodation in writing so that there is a clear record of the request. If an Applicant/Tenant is unable to write the request, the request can be heard orally and written for the individual allowing them to confirm the accuracy.

Requests for accommodations must be assessed on a case-by-case basis, taking into account factors such as the cost of the requested accommodation, the financial resources of SHA at the time of the request, the benefits that the accommodation would provide to the household, and the availability of alternative accommodations that would effectively meet the Household's disability-related needs.

A certification of continued need for a reasonable accommodation must be made annually. Third party verification of the continued need will not be required if the household certifies that the accommodation is still required.

If the granted accommodation is unit-specific, the request must be re-verified at the time the participant moves into a new Unit.

- B. Verification of Disability** – Before providing an accommodation, SHA will determine that the person meets the definition of a person with a disability, and that the accommodation will enhance the household's access to DOH's programs and services.

If a person's disability is obvious or otherwise known to SHA, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required.

If a household indicates that an accommodation is required for a disability that is not obvious or otherwise known to SHA, SHA will verify that the person meets the definition of a person with a disability, and that the limitations imposed by the disability require the requested accommodation.

Third-party verification must be obtained from an individual identified by the household who is competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may provide verification of a disability.

SHA must request only information that is necessary to evaluate the disability-related need for the accommodation. SHA will not inquire about the nature or extent of any disability.

Medical records will not be accepted or retained in the Applicant file.

In the event that SHA does receive confidential information about a person's specific diagnosis, treatment, or the nature or severity of the disability, SHA will dispose of it. In place of the information, SHA will note in the file that the disability and other requested information have been verified, the date the verification was received, and the name and address of the knowledgeable professional who sent the verification.

- C. **Nexus** – The request should state specifically what accommodation the Applicant is seeking and demonstrate that the Applicant has a disability that could be accommodated by the specific request. If the need for the accommodation is not readily apparent or known to SHA, the Applicant must explain the relationship between the requested accommodation and the disability. There must be an identifiable connection, or nexus, between the requested accommodation and the individual's disability.

**4. Approval/Denial of a Requested Accommodation** – After a request for accommodation is presented to SHA, SHA will respond, in writing, within ten (10) business days.

- A. SHA will approve a request for an accommodation if the following three conditions are met:
  - i. The request was made by or on behalf of a person with a disability.
  - ii. There is a disability-related need for the accommodation.
  - iii. The requested accommodation is reasonable, meaning it would not fundamentally alter the nature of the SHA program or impose undue financial and administrative burden, considering all resources available to SHA.
- B. Requests for accommodations must be assessed on a case-by-case basis, taking into account factors such as the overall size of SHA's program, type of operation including composition and structure of workforce, the nature and cost of the requested accommodation, and the availability of alternative accommodations that would effectively meet the Household's disability-related needs.
- C. **Interactive Dialogue** – Before making a determination whether to approve the request, SHA may enter into an interactive dialogue and negotiation with the household, request more information from the household, or may require the

household to sign a consent form so that SHA may verify the need for the requested accommodation.

- i. If SHA denies a request for an accommodation because there is no relationship, or nexus, found between the disability and the requested accommodation, the notice will inform the Household of the right to appeal SHA's decision.
- ii. Before SHA denies a request for an accommodation because it is not reasonable, it would impose an undue financial and administrative burden, or fundamentally alter the nature of SHA's operations, SHA must enter into an interactive dialogue with the participant to discuss whether an alternative accommodation could effectively address the household's disability-related needs without a fundamental alteration to the program and without imposing an undue financial and administrative burden.
- iii. If SHA believes that the Applicant has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, SHA will notify the Household, in writing, of its determination ***within 10 business days*** from the date of the most recent discussion or communication with the household.

**5. Reasonable Accommodation Grievance Procedure** – This Grievance Procedure is specific to Reasonable Accommodation decisions.

- A. Complaints or grievances must be submitted to the Section 504 Coordinator within ***ninety (90) calendar days*** of the date the person filing the grievance becomes aware of the alleged discriminatory action.
- B. An aggrieved person must submit a statement (preferably written) to SHA setting forth the nature of the alleged discrimination. The statement must include the name and address of the person filing the complaint. The complaint must state the problem or action alleged to be discriminatory and the remedy or relief sought. The statement should be submitted to the Section 504 Coordinator named below:

Name: Anne Chase

Address: 1360 Greene Street, Silverton, CO 81433 (PO 250 Mailing).

Phone: 980-880-0278

Colorado Relay: 800-659-2656 or 711

Email: [achase@silverton.co.us](mailto:achase@silverton.co.us)

- C. The Section 504 Coordinator (or a designee) shall conduct an investigation of the complaint. This investigation may be informal, but it must be thorough, affording all interested persons an opportunity to submit evidence relevant

to the complaint. The Section 504 Coordinator will maintain the files and records relating to such complaints or grievances.

- D. The Section 504 Coordinator (or a designee) shall contact the complainant no later than **fifteen (15) business days** after receiving the written statement to establish a meeting with the objective of resolving the matter informally. The informal meeting will be conducted no later than **forty-five (45) business days** after receiving the statement (complaint or grievance). The resident/applicant or the resident/applicant's representatives may request a reasonable accommodation to assist with facilitation of the meeting.
- E. **Within fifteen (15) business days** of the informal meeting, SHA will provide the resident/applicant or resident/applicant's representative with a written decision about whether SHA determines the complaint is valid and if so, what steps will be implemented to rectify the situation.
- F. If it is determined, by the Section 504 Coordinator (or a designee), that the complaint is not valid, the aggrieved person has the right to appeal the decision **within fifteen (15) business days** of the date of the written notification. The appeal meeting will be conducted by staff who were not originally involved in the original denial. [Name of Housing Provider] will provide written decision in response to the appeal no later than **fifteen (15) business days** after its filing.
- G. The availability and use of this grievance procedure does not prevent a person from filing a complaint of discrimination on the basis of disability with the U.S. Department of Housing and Urban Development's Office of Fair Housing and Equal Opportunity or the U.S. Department of Health and Human Services' Office for Civil Rights.
- H. SHA will make appropriate arrangements to ensure that disabled persons are provided other accommodations, if needed, to participate in this grievance process. Such arrangements may include, but are not limited to, providing interpreters for the deaf, providing written materials in alternative formats for the blind, or assuring a barrier-free location for the proceedings. The Section 504 Coordinator will be responsible for such arrangements.
- I. If the Section 504 Coordinator is made aware that the aggrieved person was subject to discrimination on the basis of disability, or an accommodation/modification was improperly denied, the matter will be referred to the Executive Director (or the SHA Board if the Director serves as the 504 Coordinator). The Section 504 Coordinator and Executive Director/SHA Board will determine how best to correct the issue. Should the Section 504 Coordinator or Executive Director be involved in the original discriminatory behavior, the matter will be referred to the SHA Board. The Staff originally involved in the discriminatory behavior will be required to take

additional training. Subsequent or blatant violations may lead to additional corrective action.

**6. Program Accessibility for Persons with Hearing or Vision Impairments –** SHA's policy is to ensure that persons with disabilities related to hearing and vision have reasonable access to SHA's programs and services.

- A. At the initial point of contact with each Application, SHA shall inform all Applicants of alternative forms of communication that can be used.
  - i. To meet the needs of persons with hearing impairments, TTD/TTY (text telephone display / teletype) communication will be available.
  - ii. To meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with SHA Staff, one-on-one assistance will be provided upon request.
  - iii. Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by SHA Staff; or having a third party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain materials and be present at all meetings.

**7. Denial or Termination of Assistance –** SHA's decision to deny or terminate the assistance of a Household that includes a person with disabilities is subject to consideration of reasonable accommodation.

- A. When Applicants with disabilities are denied assistance, the notice of denial must inform the Applicant of SHA's informal review process and their right to request an informal review. In addition, the notice must inform applicants with disabilities of their right to request reasonable accommodations to participate in the informal review process.
- B. When a Household's assistance is terminated, the notice of termination must inform them of SHA's informal hearing process and their right to request a hearing and reasonable accommodation.
- C. When reviewing reasonable accommodation requests, SHA must consider whether any mitigating circumstances can be verified to explain and overcome the problem that led to SHA's decision to deny or terminate assistance. If a reasonable accommodation will allow the Household to meet the requirements, SHA must make the accommodation.

## Section 110: LENDERS, LOANS AND INSURANCE

- 110.1 Purpose** – This Section is intended to facilitate the financing of Housing Units while meeting the following goals:
1. Protect the public investment and regulatory integrity of the Town's overall Affordable Housing Programs in the short and long term.
  2. Minimize financial and other risks to the Town's overall Affordable Housing Program by prohibiting excessive debt or other obligations from being secured by Housing Units.
  3. Minimize the financial risk to Owners of Housing Units.
  4. Increase the potential financing opportunities for Applicants and Owners.
- 110.2 Lenders and Mortgages** – Borrowers are restricted to either conventional or governmental guaranteed mortgages with a fixed rate from commercial banking and lending institutions authorized to engage in mortgage lending practices in the State of Colorado. All other mortgages will require an Exception prior to purchase of a Housing Unit (see Section 109.2).
- 110.3 Notification Required** – Notification to SHA as set forth in Section 107.6 is required for any changes in financing or ownership of a Housing Unit. An Owner failing to notify SHA is subject to a Notification Required Penalty for each day the failure to notify persists (see Appendix D), and such violation is grounds for loss of Qualification status for the entire Household.
- 110.4 Option to Purchase** – Lenders who are beneficiaries of any Deed of Trust executed in connection with the Sale of a Housing Unit must sign an Option to Purchase acknowledging the provisions of the Affordability Covenants and granting a right to the Town or the SHA to purchase the Housing Unit in a foreclosure.
- 110.5 Total Debt** - Owners shall not incur debt, judgments, liens or other obligations secured by the Housing Unit and in no event shall any obligation be secured by the Housing Unit.
- 110.6 Refinance** – Owners must notify the SHA immediately when refinance of a mortgage is anticipated and must fully cooperate in securing the required signatures for a new Option to Purchase and also for a new Affordability Covenants if required. Owners must also verify that their Household remains a Qualified Household prior to closing on a refinance. An Owner failing to timely notify the SHA is subject to a Notification Required Penalty for each day the failure to notify persists (see Appendix D), and such violation is grounds for loss of Qualification status for the entire Household (see Section 107.6).
- 110.7 Co-borrower or Co-signer** - Co-borrowers or co-signers who are not part of the Qualified Household must be approved through the Administrative Exception Procedure (see Section 109.5). Approved co-borrowers and co-signors must execute a separate agreement requiring Sale of the Housing Unit in the event the Qualified Owner becomes unqualified, is in default under its Affordability Covenants or the

Guidelines, or is otherwise required to sell the Housing Unit. Co-signers and co-borrowers may not occupy the Housing Unit unless Qualified by the SHA.

- 110.8 Obligation to Maintain Homeowner's Insurance** - The cost to build Affordable Housing Units is often greater than the sales price due to the use of public and private subsidies. Because of this, Owners shall maintain at all times full replacement cost coverage for the Housing Unit through an insurance provider licensed with and compliant with the Colorado Department of Regulatory Agencies which will repair or replace the Housing Unit in the event of damage or destruction. Owners are encouraged to verify whether coverage under any applicable master condominium insurance policy is sufficient to meet this requirement. Failure to maintain adequate homeowner's insurance shall be considered a violation of these Guidelines and material breach of the Affordability Covenants.

## Section 111: GENERAL MISCELLANEOUS PROVISIONS

### 111.1 Legislative History - Silverton Affordable Housing Guidelines adopted 9/9/2024.

The history of the amended, consolidated and reenacted Guidelines is as follows:

1. **02/10/2025** - Amendment to incorporate Section 200: SJDA Homeownership Program. Approved 7/0 on February 10, 2025, by Resolution 2025-01: A RESOLUTION OF THE HOUSING AUTHORITY OF THE TOWN OF SILVERTON AMENDING THE SILVERTON AFFORDABLE HOUSING GUIDELINES TO INCORPORATE THE SJDA HOMEOWNERSHP PROGRAM.
2. **03/10/2025** – Amendment to revise the Qualification Standards, change Lottery to Waitlist Drawing, Deed Restriction to Affordability Covenants, removal of mention and duties of the Town of Silverton Board of Adjustments. Approved 7/0 on March 10, 2025 by Resolution 2025-02: A RESOLUTION OF THE HOUSING AUTHORITY OF THE TOWN OF SILVERTON AMENDING THE SILVERTON AFFORDABLE HOUSING GUIDELINES SECTIONS 100-111 AND DEFINITIONS SECTION.
3. **08/04/2025**- Resolution 2025-08 Resolution 2025-08 A Resolution of the Housing Authority of the Town of Silverton Amending the Silverton Affordable Housing Guidelines Sections 100-111, 200-207, Appendix C, and Incorporating the Anvil Townhomes Ownership Program. Approved 4/0.
4. **9/22/2025** Resolution 2025-09. A Resolution of the Housing Authority of the Town of Silverton Amending the Silverton Affordable Housing Guidelines Sections 107.4, 303.6, 304.2 and Anvil Townhomes Ownership Program Exhibit A.

- 111.2 Amendments** – These Guidelines shall be reviewed at least every two (2) years by the SHA Staff and any changes will be recommended to the SHA Board for adoption.

**111.3** Non-administrative amendments to these Guidelines shall be made according to the following procedure:

1. Proposed amendments must be presented by SHA Staff to the SHA Board for consideration. . Additionally, the SHA Board may direct SHA Staff to draft amendments to be considered at a later SHA Board Meeting.
2. Amendments shall be adopted by written resolution(s) of the SHA Board.

**111.4** Updates to the Area Median Income, Initial Sales Price, and Rental Affordability Standards will be made administratively by SHA Staff annually upon release of HUD updates based on the methodology in place.

### **111.6 – Administrative Procedures**

1. **Reasonable Accommodation** - SHA Staff shall administer these Guidelines and SHA's Affordable Housing Programs in compliance with all reasonable accommodation standards, including without limitation the Americans with Disabilities Act. See [Section 109.6 Reasonable Accommodations](#). Staff may require SHA Board review and direction for granting and administering reasonable accommodations.
2. **Assignment of Administrative Responsibilities** – The SHA and/or the Town shall have the right to contract with any qualified person or entity for the purpose of administering these Guidelines. The contract for administration shall provide for oversight by the Town, including access to applicable records and the ability to conduct an audit of administrative procedures.

### **111.7 – Privacy Statement**

All personal and financial information provided to SHA will be kept strictly confidential, except as follows:

1. Signed contracts between the Applicant or Household and SHA or the Town including without limitation Contract to Purchase a Housing Unit, all recorded documents including Affordability Covenants, and any document that would customarily be a matter of public record in the applicable jurisdiction;
2. The names and Waitlist Drawing rankings of all Applicants who have participated in any Waitlist Drawing held per [Section 105](#);
3. Any record that a court of competent jurisdiction rules must be released under the Colorado Open Records Act, C.R.S. § 24-72-200.1 *et seq.*;
4. Personal and private information to the extent SHA determines the information is necessary for its deliberation of a request for an Exception or for a Grievance or Appeal at a public hearing, or for consideration during a violation hearing.

## 111.8 – Conflict of Interest

No employee or official of the Silverton Housing Authority, nor the Town of Silverton Administrator shall participate in a transaction, contract, activity, or service of the Silverton Housing Authority which has a direct or predictable effect on their financial interests or the financial interests of a close relative. A close relative is defined as within first, second, and third degree of consanguinity (blood) (1<sup>st</sup>: Parent, Child, 2<sup>nd</sup>: Grandparent, Brother/Sister, Grandchild, 3<sup>rd</sup>: Great Grandparent, Aunt/Uncle, Niece/Nephew, Great Grandchild) or the first or second degree of affinity (marriage) (1<sup>st</sup>: Spouse, 2<sup>nd</sup>: Parent-in-Law, Daughter/Son-in-Law).

1. **Disclosure Requirements** - Any employee or official of the Silverton Housing Authority, or the Town of Silverton Administrator, who becomes aware of a potential Conflict of Interest must disclose it in writing to the Board of the Silverton Housing Authority before participating in the relevant transaction, contract, activity, or service.
2. **Recusal Process** - In the event of a disclosed or identified Conflict of Interest, the individual must recuse themselves from any discussions, decisions, or actions related to the matter. The recusal must be documented, and alternative arrangements should be made to ensure the integrity of the decision-making process.
3. **Consequences of Non-Compliance** – Failure to comply with this Conflict of Interest policy may result in disciplinary action, up to and including termination of employment, and may be subject to legal consequences as provided by applicable laws and regulations.

# SECTION 200: SJDA HOMEOWNERSHIP PROGRAM

## Section 200: PROGRAM DESCRIPTION

The SJDA Homeownership Program governs the property at 735 Martha Rose Street (the “Property,” “Unit,” “Housing Unit,” “Subject Unit”), more particularly described in Exhibit A hereto. San Juan Development Association partnered with San Juan County and 9318 Contracting for the construction of this property funded by the Colorado Department of Local Affairs Division of Housing through the Housing Development Grant awarded to San Juan Development Association. San Juan County, the Silverton Housing Authority, and 9318 Contracting are parties to the Affordability Covenants filed on 3/25/2025 at Reception Number 155850, herein referred to as “Covenants” or “Restrictions.”

### 200.1 Unit Mix

|                                   |                                      |
|-----------------------------------|--------------------------------------|
| <b>SJDA Homeownership Program</b> | <b>Subject Unit: 735 Martha Rose</b> |
| <b>AMI Level</b>                  | ≤ 80% AMI                            |
| <b>Bedroom Count</b>              | 2                                    |

## Section 201: PURPOSE AND APPLICABILITY

- 201.1** The SJDA Homeownership Program, herein referred to as “these Provisions” governs the Affordable Housing Unit herein referred to as the “Subject Unit,” “Housing Unit,” “735 Martha Rose” or “Property” to permanently protect affordable homeownership opportunities. These provisions govern the purchase, sale, transfer, assignment, or conveyance of Housing Units subject to this SJDA Homeownership Program.
- 201.2** Application of the provisions herein is established by a resolution of the Silverton Housing Authority.
- 201.3** **Conflict:** In cases where there is conflict between these Provisions and the Town of Silverton Municipal Code, the Municipal Code shall govern. In cases where there is a conflict between these Provisions or the Land Use Code and the Affordability Covenants the provisions of the Affordability Covenants shall govern. In cases where there is conflict between the SJDA Homeownership Program Provisions and the Silverton Affordable Housing Guidelines, these SJDA Homeownership Program Provisions shall govern.

## Section 202: PROGRAM POLICY GOALS

- 202.1** The SJDA Homeownership Program is designed to provide affordable housing opportunities for Households earning less than eighty percent (80%) Area Median Income and to preserve Silverton’s affordable housing supply.

## Section 203: INITIAL QUALIFICATION STANDARDS AND PROCESS

This Section governs the Initial Qualification Standards and Process for Applicants for the SJDA Homeownership Program.

### **203.1 Administration of Waitlist Application**

- 1. Fair Housing** – The Silverton Housing Authority shall fully comply with all Federal, State and local nondiscrimination laws; the Americans with Disabilities Act; and, to the extent applicable, the U.S. Department of Housing and Urban Development regulations governing Fair Housing and Equal Opportunity.
- 2. Limited English Proficiency** – The SJDA Homeownership Program and Application process will be administered in compliance with Colorado and

Federal Guidelines. Free interpretation services and translations of vital documents will be provided as needed. Language preference will be identified during the application process, and reasonable steps, such as using bilingual staff or interpreters, will ensure effective communication. Applicants and tenants will be informed of their right to these services, and staff shall be trained on LEP requirements. No individual will be excluded or treated unfairly due to limited English proficiency, in line with Title VI of the Civil Rights Act and Executive Order 13166.

3. **Lawful Presence** - The SJDA Homeownership Program is administered in accordance with C.R.S. § 24-76.5-103. Pursuant to 8 U.S.C. § 1621(d). Lawful presence is not required to determine eligibility for state or local public benefits, including the SJDA Homeownership Program.
4. **Reasonable Accommodation** – Applicants may request a reasonable accommodation in accordance with the Americans with Disabilities Act if they require modifications to the Initial Qualification Application process or to the SJDA Homeownership Program in general according to Section 109.6. Requests for accommodation must be submitted to the Silverton Housing Authority Staff before the closure of an Application Period, who will review and determine accommodations.

**203.2 Initial Qualification Standards** – The following standards apply to determine eligibility to apply for the SJDA Homeownership Program and warrant one (1) entry to the Waitlist Drawing:

1. **Income Level Standard** – The Applicant's Gross Income must be verified by SHA or its designee that it does not exceed the Eighty Percent (80%) Area Median Income Level posted in Appendix A at the time of Application and Purchase of the Housing Unit.
  - a. Applicants may request an Exclusion from Income pursuant to Section 103.2.C.4 of the Silverton Affordable Housing Guidelines.

**203.3 Bonus Entry Qualification Standards** – The following Qualification Standards earn additional entries into the Waitlist Drawing.

**1. Definitions:**

- A. **Vital Workforce:** Any Household with a member Employed, or can provide a letter of intent to hire by San Juan County, Town of Silverton, Silverton School, Silverton Family Learning Center, Silverton Medical Rescue, OR any household with a member who has volunteered for Silverton Fire Department or Silverton Medical Rescue a minimum of forty (40) hours a month on an annual average in the immediate year prior to the Application Period. *To qualify for Bonus entries for Vital Workforce, Applicant's employer must submit a completed Employment Verification Form to the SHA as specified in the application packet.*

- B. **Local Workforce:** Any Household with a member currently Employed, or can provide a letter of intent to hire by a business located and licensed in San Juan County or meets the Qualified Volunteer definition. Additional entries are dependent on length of employment / volunteerism according to the Bonus Entry Matrix. *To qualify for Bonus Entries for Local Workforce, Applicant's employer or volunteer organization must submit a completed Employment Verification Form to the SHA as specified in the application packet.*
- C. **Resident of San Juan County:** Any Household with a member who has lived and resided in San Juan County for a minimum of twelve months in the two years immediately prior to Application. Bonus entries are dependent on length of residency in San Juan County. *To qualify for the Bonus Entries for Resident of San Juan County, the Applicant must complete the residential history within the application packet and may be required to provide the following information: executed lease agreements and local utility bills, if applicable.*

**2. Bonus Entry Stipulations:**

- A. Maximum of three (3) additional entries per Application.
- B. Employment and Residence history for Bonus qualifications may be applied only to the person in the Household that has worked, or when applicable, lived in San Juan County the longest. Residency length cannot be combined amongst Household members.

**3. Bonus Entry Matrix –** The following entries will be in addition to the one (1) entry for Initial Qualification Standards.

| Bonus Qualification                | Sum of Monthly <u>Employment</u> in the Immediate Last 5 Years | Additional Entries |
|------------------------------------|----------------------------------------------------------------|--------------------|
| <u>Vital Workforce</u>             |                                                                | +3 entries         |
| <u>Local Workforce</u>             | 0-12 months (0-1 years)                                        | +2 entries         |
|                                    | 13+ months (1+ Years)                                          | +3 entries         |
| <u>Resident of San Juan County</u> | Sum of Monthly Residency in the Immediate Last 2 Years         |                    |

|  |                                       |            |
|--|---------------------------------------|------------|
|  | 12+ months (1+ years)<br>of Residency | +2 entries |
|  | 24+ months (2+ years)<br>of Residency | +3 entries |

**203.4 Grounds for Denial** – SHA is not required or obligated to qualify, assist, or accept Applicants into the Program if they meet the criteria of Section 103.8 Grounds for Denial.

**203.5 Initial Qualification Process** – SHA, or its assigns, administers Applications for the SJDA Homeownership Program Waitlist subject to the following provisions to create an orderly and fair process for offering the Housing Unit for Sale to Eligible Applicants.

**1. Opening and Announcement of Application Period –**

- A. Notice of the date, time and location at which Applications will be accepted for the Waitlist shall be published as a Legal Notice in a newspaper of general circulation in the Silverton Standard at least twenty (20) days prior to the closure of an Application Period, through the Silverton housing authority communication channels and on the Silverton Housing Authority website.
- B. Applications and information shall be available online on the Silverton Housing Authority website concurrent with the publication of the Legal Notice.

**2. Application Requirements -**

- A. Households interested in purchasing a Housing Unit must submit a complete Application to SHA within the Application Period. No late or incomplete applications will be accepted.
- B. Each member of an Applicant Household over the age of eighteen (18) must sign and be submitted as a Household:
  - i. A release allowing SHA to obtain additional information for Qualification purposes; and
  - ii. A sworn statement including without limitation the following certifications:
    - a. the facts contained in the application are true and correct to the best of the Applicant's knowledge; and
    - b. the Applicant has reviewed the standard application information packet; and
    - c. the Applicant, on the basis of the application presented, believes the Applicant Household qualifies to own the Housing unit in question

according to the Affordability Covenants, these Guidelines, and all other applicable procedures, rules and regulations; and

- d. the Applicant agrees to indemnify, defend, and hold harmless the Silverton Housing Authority and any and all legal bodies corporate and/or politic flowing therefrom including their officers, trustees, directors, agents, representatives, employees, and assigns against any and all claims including attorneys' fees and costs, which may be brought against any of them by anyone claiming to have been injured as a result of Applicant's participation in the Application Program or my removal therefrom; and
- e. the Applicant agrees to provide all requested information to SHA upon request within the specified timeframe communicated by SHA.

**C. Application Fee** – Applications must be submitted with the Application Fee according to Appendix D.

- **Mortgage Pre-qualification Letter** – the Applicant must submit a Mortgage Pre-qualification Letter from a lender. The letter must confirm that the Applicant is preapproved for a loan amount that meets or exceeds the Sale Price specified in the Application Packet. Furthermore, the Pre-qualification documentation must demonstrate that the Applicant's anticipated monthly housing costs, including principal, interest, taxes, insurance and Homeowners Association (HOA) fees (collectively "PITI"), do not exceed thirty-five percent (35%) of the Applicant's gross monthly income. Pre-qualification letters that reflect only the loan amount or principal and interest shall be deemed insufficient; the lender must provide estimates of property taxes, homeowners insurance, and, if applicable, mortgage insurance to substantiate the PITI calculation.
  - **If Applicant is not using a mortgage to purchase the property:**
    - Proof of Funds in the amount of the purchase price must be submitted in lieu of the mortgage Pre-qualification letter.
    - Proof that estimated recurring monthly housing costs, including property taxes, insurance, and required HOA fees do not exceed 35% of Applicant's gross monthly income.
  - **Pursuant to Section 110.7, if Applicant is using a co-borrower or co-signor** that is not part of the Applicant Household, Applicant must submit an Exception Request according to Section 109.5.

**3. Application Exception, Appeal and Grievance Procedure –**

- A. **Exceptions** - Applicants may submit an Exception Request according to Section 207.1.

- i. Exceptions will not be accepted nor granted for the Income Level Qualification Standard for the SJDA Homeownership Program as to not conflict with the Colorado Department of Local Affairs' and San Juan County's restrictions on the Property.
  - B. **Appeals** – Applicants may submit an Appeal of a decision made by SHA Staff or Board according to Section 207.2.
  - C. **Grievances** – Applicants may submit a Grievance according to Section 207.3.
- 4. **Application Review** – Applications will be reviewed for completeness and Applicant Qualification will be verified based on the following standards:
  - A. Completeness:
    - i. Applications must be fully complete and include all required documentation and fees.
    - ii. Accuracy and Consistency: Information provided in the Application must be accurate and consistent across all submitted documents.
    - iii. Missing or conflicting information or documents will be noted, and Applicants may be granted a specified timeline to remedy the missing or conflicting materials per SHA Staff discretion.
  - B. Timeliness of Submission:
    - i. Applications must be submitted by the specified deadline. Late applications will not be accepted.
  - C. Verification of Income Level:
    - i. Income verification will be conducted according to Section 104: Household Income Verification.
    - ii. Income Verification of Applicant Household will be completed by SHA or its assign:
      - i. Upon submission of an Application for the Waitlist; and
      - ii. Within thirty (30) days prior to closing on the purchase of a housing unit if applicable to Applicant.
- 5. **Notification of Application Status:** Applicants will be notified of the status of the Application, either accepted or denied per the following procedures, a minimum of fourteen (14) calendar days prior to the SHA Regular Meeting in which the Application Drawing will occur.
  - A. **Application Receival Procedure**

- i. If SHA Staff receives applications in the form, manner, and time in which SHA is accepting applications to the SJDA Homeownership Program, SHA Staff will notify the Applicant of the received status of the Application and their assigned Applicant ID Number.

**B. Acceptance Procedure** – If Applications meet the Qualification Standards and Application Criteria of Section 203.2 and 203.5:

- i. Applicants will be notified of acceptance to the Application drawing via an email to the email address provided in their Application and will include their assigned Applicant ID Number and the number of entries they are assigned for the Waitlist Drawing.
- ii. Applicants will have the right to Appeal the number of Application Drawing entries they are awarded and will be provided information concerning the Section 207.2: Appeal Procedure.

**C. Denial Procedure** –

- i. Applicants will be notified of denial to the Application Drawing, also referred to as disqualification, via an email to the email address provided in their Application and will include the reason(s) for denial and their assigned Applicant ID Number.
- ii. Applicants will have the right to Appeal the decision and will be provided information concerning the Section 207.2: Appeal Procedure.
- iii. SHA's exercising of the Denial Procedure due to findings of Applicant ineligibility will not violate the rights of persons with Disabilities. If an applicant claims that their failure to respond to a request for information or updates was caused by a Disability, SHA Staff will verify that there is in fact a Disability and the Disability caused the failure to respond, and may provide a Reasonable Accommodation per Section 109.6.
- iv. At the discretion of SHA Staff in determining each Waitlist Drawing schedule, SHA Staff may institute a Remedy Period for Applicants to remedy any errors in the Application to be reconsidered for acceptance to the Waitlist Drawing. If the identified errors are not remedied within the period determined by SHA Staff, the Application will remain denied.

**6. Additional Provisions:**

- A. Any material misstatement of fact or deliberate fraud by a member of an Applicant Household in connection with any information submitted to SHA shall be cause for immediate expulsion from the Application process and Program and/or forced Sale or vacation of the Housing Unit. In addition, any

material misstatement of fact or deliberate fraud by the Applicant Household shall be referred to prosecution for perjury.

- B. **Conflict of Interest** – The SJDA Homeownership Program is subject to Section 111.8 Conflict of Interest.
- C. **Fraud Warning** – The SJDA Homeownership Program is subject to the provisions of Section 101.10.
- D. **Disclaimer**- The provisions of Section 101.8 apply to the SJDA Homeownership Program.

## Section 204: WAITLIST CREATION AND MANAGEMENT PROCEDURE

### 204.1 Definitions:

1. **Waitlist** - The order in which Applicants are ranked to be considered for the opportunity to purchase a housing unit.
  - a. **DISCLAIMER:** Admission to the Waitlist does not constitute an official offer, nor does it create any right or expectation that the Applicant will be eligible to purchase a Housing Unit. Placement on the Waitlist is solely for the purpose of determining potential future consideration and does not guarantee that the Applicant will be offered the opportunity to purchase a Unit. All offers to purchase are subject to availability, eligibility requirements, and compliance with applicable laws, policies, and procedures. Inclusion on the Waitlist is not a commitment by the Housing Authority to provide or offer housing.
2. **Waitlist Drawing** – Applications will be randomly selected according to the procedure in Section 204.2 to determine the order of Applicant placement on the Waitlist.
3. **Applicant List** – An official list of the status of Applicants by their Applicant ID Number duly noticed in the Waitlist Application Drawing Public Notice.

### 204.2 Waitlist Drawing Procedure

1. The Waitlist Drawing must be conducted at a duly noticed public meeting of the Silverton Housing Authority.
2. The meeting must meet Board quorum in addition to the presence of the SHA Chair or designee, the SHA Secretary or designee, one SHA Staff member, and one unaffiliated third-party to be present to witness the entire process and verify the assignment of entries to each Applicant and that each Applicant's entry(ies) is entered into the entry container.
  - i. Unaffiliated third-party: an individual or entity that has no direct or indirect affiliation with the Silverton Housing Authority, Town of Silverton, San Juan Development Association, or San Juan County.

This includes current or former employees, board members, or immediate family members of such individuals.

3. The SHA Board shall make a motion to approve, or to approve with conditions, the Applicant List prior to the assignment of entries.
4. Upon Board approval of the Applicant List, the SHA Secretary or designee shall assign one or more entry numbers to each Applicant, as specified in the adopted Applicant List. Each assigned entry number will be added to the entry container as it is assigned.
5. The entry container shall be solid and non-transparent, and entries shall be sufficiently mixed
6. After the SHA Chair or designee, SHA Secretary or designee, and the unaffiliated third party verify that all entries have been placed in the entry container, the unaffiliated third party shall thoroughly mix the entries and then draw them one at a time. The order in which entries are drawn will determine the Waitlist order. If an Applicant has multiple entries, only the first entry drawn will determine their placement on the Waitlist. Any additional entries for that Applicant will be recorded but will not affect the Waitlist order. The drawing process shall continue until all entries have been drawn from the entry container.
7. The official Waitlist shall be posted on the front door of the Silverton Town Hall immediately following the adjournment of the SHA Board meeting and shall remain posted for a minimum of twenty-four (24) hours. Within twenty-four hours of the Waitlist Drawing, SHA Staff shall notify Applicants of their Waitlist position via email in the order established by the Waitlist.

### **204.3 Waitlist Management**

1. The Waitlist shall be maintained in accordance with the following guidelines:
  - A. The Waitlist shall be of public record of the Silverton Housing Authority;
  - B. Applications shall be permanent files;
  - C. All communication between SHA Staff and Applicants shall be documented in the Applicant file.
  - D. All Applications will be maintained in the order of the Waitlist.
2. **Waitlist Implementation and Termination** – When the Property appears to be within ninety (90) days of the desired closing date, SHA Staff will contact and direct the Applicant in the first position of the Waitlist to complete the Buyer Approval Process.
3. **Buyer Approval Process:**

- A. Completion of the Income Verification process of Section 104, if it has not been completed within the past thirty (30) days, to confirm or deny Income Qualification for the Property.
  - B. Obtaining a Prequalification letter from mortgage lender if applicable or showing proof of available funds to purchase the property. The prequalification letter must demonstrate that the Buyer's anticipated monthly housing costs, including principal, interest, taxes, and insurance (PITI), do not exceed thirty-five percent (35%) of the Applicant's Gross Monthly Income. If the Buyer is a cash buyer, Buyer must prove that all recurring monthly housing costs, including property taxes, insurance, and required HOA fees shall not exceed thirty-five percent (35%) of monthly income.
  - C. If an Applicant passes the Income Verification Process or mortgage Prequalification / proof of funds, the Applicant will formally be offered the Property for purchase. If Applicant does not pass the Income Verification Process or mortgage prequalification / proof of funds, the Applicant will be removed from the Waitlist and the next Applicant on the Waitlist will begin the Buyer Approval Process.
  - D. Reasonable Accommodation: Applicants may request a reasonable accommodation in accordance with the Americans with Disabilities Act if they require modifications to the Buyer Approval Process. Requests for accommodation must be submitted to the Silverton Housing Authority Staff upon initiation of the Buyer Approval Process, who will review and determine accommodation.
4. **Waitlist Termination** - Upon Sale of the Property, the Waitlist will be terminated and the remaining Applicants on the Waitlist will be notified of such termination. The Waitlist for the SJDA Homeownership Program is non-transferable to other SHA Housing Programs.

## Section 205: OWNERSHIP, USE, AND OCCUPANCY

**205.1 Continuing Qualification ("Ownership") Standards** – Owners of the Property must continuously adhere to the following Qualification Standards and the provisions of Section 106 for the entire duration of their ownership. Failure to meet these standards may result in enforcement actions, including but not limited to corrective measures, financial penalties, or other remedies as permitted by these Guidelines and Affordability Covenants.

- 1. **Primary Residence Standard** - The Unit must be used as the sole and exclusive place of residence for the Owner for at least eight (8) of every twelve (12) months on a rolling twelve (12). Under circumstances outlined in the Unit's Affordability Covenants and Section 106.1 and 106.2 Rental Procedure, the Primary Residence Standard may be fulfilled by a Qualified Tenant(s).

A. **Leave of Absence** – Owners who will not occupy their Housing Unit for any period in excess of four (4) months must apply for a Leave of Absence according to Section 106.1 A.1

B. **Rental Procedure** – In cases where rental of a Housing Unit is permitted or required, Owners must comply with Section 106.2 Rental Procedure.

2. **Prohibition of Short-Term Rentals** – The Short-Term Rental, or the advertising of a Short-Term Rental, of all or any portion of the Property is prohibited.

**205.2 Compliance Monitoring** – To verify compliance with the Affordability Covenants and these Guidelines, SHA or its assigns may conduct Compliance Checks and Annual Recertifications.

1. **Compliance Checks:** SHA or its assigns may conduct Compliance Checks at any time to investigate complaints, reports, or indications of non-compliance with these Guidelines or Affordability Covenants.

A. Households must submit all necessary paperwork to verify that they remain in compliance with the Guidelines and Affordability Covenants within twenty-one (21) days of written notice of a Compliance Check or a penalty will be assessed according to Appendix D. It shall be the burden of the Household to provide all required information for compliance, and any missing or incomplete information or documentation or information that cannot be verified, shall be construed against the Household and may be grounds for the finding of non-compliance.

2. **Annual Recertification:** Owners are subject to an annual recertification under oath by the Owner to SHA or its assigns stating the Unit has maintained the standards in accordance with these Guidelines and the Affordability Covenants.

A. Households must submit all necessary paperwork to verify that they remain in compliance with the Guidelines and Affordability Covenants within twenty-one (21) days of written notice of an Annual Recertification or a penalty will be assessed according to Appendix D. It shall be the burden of the Household to provide all required information for compliance, and any missing or incomplete information or documentation or information that cannot be verified shall be construed against the Household and may be grounds for the finding of non-compliance.

### **205.3 Default by Owner**

Owner shall be responsible for compliance with all terms of these Guidelines and Covenants. Any non-compliance with the terms of the Covenants or Guidelines or breach of any provision(s) set forth in the Covenants / Guidelines, including non-compliance of use and occupancy of the Property shall be deemed to be a Default by

Owner, whether such non-compliance is a result of direct actions of the Owner of such non-compliance occurs during ownership and shall be enforced by the terms of the Affordability Covenants.

## Section 206: SALE AND RESALE PROCEDURE

- 206.1** The Sale and Resale of the 735 Martha Rose Property shall be governed by Section 107: Initial Sale and Resale of Units.
- 206.2** In the event the Property is sold and/or conveyed without compliance with the Affordability Covenants or herewith, such sale and/or conveyance shall be wholly null and void and shall confer no title whatsoever upon the purported buyer.

## Section 207: EXCEPTION, APPEAL, AND GRIEVANCE PROCEDURE

### 207.1 Exception Procedure

1. Except as otherwise prohibited herein, a request for an Exception to provisions of these Guidelines may be appropriate when an Applicant understands and acknowledges the requirements of the Guidelines and believes that there exists a legitimate and compelling reason why they should be exempt from or allowed a modification to the requirements.
2. Exceptions will not be accepted nor granted for the Income Level Standard, except for income exemption requests, for the SJDA Homeownership Program as to not conflict with the Colorado Department of Local Affairs' and San Juan County's restrictions on the Property.
3. **Submission Process** - Exception requests must be submitted in writing to SHA on forms available from SHA. Complete Exceptions applications include:
  - B. The name, mailing and email address, and telephone number of the Applicant(s) and of Applicant's representative, if applicable;
  - C. A narrative:
    - i. identifying the specific provision(s) or requirement(s) for which the Exception is being requested;
    - ii. detailing the particular ground(s) upon which the Exception is based;
    - iii. describing the action or remedy requested; and
    - iv. addressing the Standards for Review of Exception Applications as set forth in Section 109.2.C applicable to the requested action or remedy.
  - D. The Exception fee (See Appendix D).
4. **Review Process** – All requests for Exceptions will be Administratively reviewed and granted/denied. Applicant has the right to appeal the administrative decision according to Section 207.2 Appeal Procedure.

## 207.2 Appeal Procedure

1. An appeal is appropriate when an Applicant understands and acknowledges the requirements of these Guidelines and believes that provisions of the Guidelines have been applied incorrectly by SHA Staff or the SHA Board.
2. **Submission Process - Appeals** must be submitted in writing to SHA on forms available from SHA within ten (10) calendar days of the decision or determination being appealed and must include:
  - A. The name, mailing and email address, and telephone number of the appellant(s) and of appellant's representative, if applicable;
  - B. A narrative:
    - i. identifying the specific determination being appealed;
    - ii. establishing the particular ground(s) upon which the appeal is based; and
    - iii. describing the action or remedy requested; and
  - C. The Appeal fee (See Appendix D).
3. **Hearing Process** – Appeal applications will be reviewed by SHA Staff for completeness and complete submissions will be forwarded to the SHA Board.
  - A. Appeals shall be heard at the next regularly scheduled meeting following the submittal of a complete application unless noticing requirements cannot be met or additional time is required to prepare an appeal record. In such cases, the appeal shall be heard as soon thereafter possible.
  - B. Hearings shall be fair and provide for the basic safeguards of due process, including notice and an opportunity to be heard in a timely, and reasonable manner.
  - C. The opportunity to examine all relevant documents, records, and regulations must be accommodated. Any document not made available after written request may be relied upon at the hearing. Parties to an appeal have the right to be represented by counsel at their own expense.
  - D. Hearing shall be conducted by a "Hearing Officer" who shall be a designated member of the SHA Board.
    - i. In the event a party fails to appear at the hearing, the hearing body may make a determination to continue the hearing, or a determination based upon the evidence submitted.
    - ii. The hearing shall be recorded and oral or documentary evidence may be received without strict compliance with the Colorado Rules of Evidence.

- iii. The right to cross-examine shall be at the discretion of the Hearing Officer and may be regulated as the Hearing Officer deems necessary for a fair hearing.
2. **Binding Determination** - The SHA Board shall provide a final determination with findings to support the determination. Unless timely appealed, the determination shall be binding, and the SHA shall take all actions necessary to carry out or enforce the decision. No further appeals or reconsiderations shall be permitted beyond the established appeal process.

### **207.3 Grievance Procedure**

1. **Definition:** A Grievance is any dispute that any person may have with the SHA regarding an action or failure to act in accordance with the individual's rights, duties, welfare, or status.
2. **Submission Process:** Grievances must be submitted in writing to SHA within ten (10) days of the event or action giving rise to the grievance and must include:
  - A. The name, mailing and email address, and telephone number of the complainant(s) and of complainant's representative, if applicable;
  - B. The particular ground(s) upon which the grievance is based;
  - C. The action or remedy requested; and
  - D. The Grievance fee (See Appendix D).
3. **Hearing Process** – The hearing process shall be as presented in Section 207.2.C.

## **EXHIBIT A**

### **Property Legal Description**

Lot 27 of the Anvil Mountain Subdivision, according to the recorded plat thereof filed for record on September 30, 2011, at Reception number 148169 and Amended Easement and Setbacks filed for record on July 25, 2019, at Reception number 152386 at the Clerk and Recorder's Office, San Juan County Colorado.

# SECTION 300: ANVIL TOWNHOME OWNERSHIP PROGRAM

## Section 300: PROGRAM DESCRIPTION

The Anvil Townhome Ownership Program governs nine (9) properties in Anvil Subdivision (the “Property,” “Unit,” “Housing Unit,” “Subject Unit”) more particularly described in Exhibit A hereto. The Program Guidelines and associated Affordability Covenants recorded at shall be administered by the Silverton Housing Authority, or its duly authorized assign, which shall have the authority and responsibility to monitor compliance with, and enforce, the use restrictions and other provisions set forth herein.

### 300.1 Unit Mix

| AMI Level  | 2 Bedroom Townhome | 3 Bedroom Townhome | 3 Bedroom Townhome Visitable and Sensory Accessible | 3 Bedroom Single Family |
|------------|--------------------|--------------------|-----------------------------------------------------|-------------------------|
| ≤ 80% AMI  | 3 Units            | -                  |                                                     | -                       |
| ≤ 100% AMI | 3 Units            | 1 Unit             | 1 Unit                                              | -                       |
| ≤ 125% AMI | -                  | -                  |                                                     | 1 Unit                  |

### 300.2 Subsidy Layers

| Applicable Subsidy    | ≤ 80% AMI Unit | ≤ 100% AMI | ≤ 125% AMI |
|-----------------------|----------------|------------|------------|
| DOLA / SJC ≤ 125% AMI | Yes            | Yes        | Yes        |
| DOH AHOP              | Yes            | Yes        | No         |
| CO Health Foundation  | Yes            | No         | No         |

\*No Federal Funding was applied to this program.

### 300.3 Affordability Covenants

| Property Address              | AMI Level           | DOH Use Covenant Reception Number (Expiration August 2055) | SHA Affordability Covenant Reception Number (Effective in Perpetuity) |
|-------------------------------|---------------------|------------------------------------------------------------|-----------------------------------------------------------------------|
| 701 Martha Rose Street Unit A | 100%<br>*Accessible | 156091                                                     | xxxxxx                                                                |
| 701 Martha Rose Street Unit B | 100%                | 156091                                                     | xxxxxx                                                                |
| 701 Martha Rose Street Unit C | 80%                 | 156091                                                     | xxxxxx                                                                |

|                                     |      |                |        |
|-------------------------------------|------|----------------|--------|
| 701 Martha Rose Street Unit D       | 100% | 156091         | xxxxxx |
| 655 W 5 <sup>th</sup> Street Unit A | 100% | 156091         | xxxxxx |
| 655 W 5 <sup>th</sup> Street Unit B | 100% | 156091         | xxxxxx |
| 655 W 5 <sup>th</sup> Street Unit C | 80%  | 156091         | xxxxxx |
| 655 W 5 <sup>th</sup> Street Unit D | 80%  | 156091         | xxxxxx |
| 645 W 5 <sup>th</sup> Street        | 140% | Not applicable | xxxxxx |

## Section 301: PURPOSE AND APPLICABILITY

- 301.1** The Anvil Townhome Ownership Program governs the Affordable Housing Units herein referred to as the “Anvil Townhomes,” “Housing Unit(s),” “Subject Unit(s),” or “Property(ies)” to protect affordable home ownership opportunities in Silverton. These provisions govern the purchase, use, sale, transfer, assignment, or conveyance of Housing Units subject to this Anvil Townhome Ownership Program.
- 301.2** Application of the provisions herein is established by a resolution of the Silverton Housing Authority.
- 301.3** **Conflict:** In cases where there is conflict between these Provisions and the Town of Silverton Municipal Code, the Municipal Code shall govern. In cases where there is a conflict between these Provisions and the Affordability Covenants the provisions of the Affordability Covenants shall govern. In cases where there is conflict between the Anvil Townhome Ownership Program Provisions and the Silverton Affordable Housing Guidelines, these Anvil Townhome Ownership Program Provisions shall govern.

## Section 302: PROGRAM POLICY GOALS

- 302.1** The Anvil Townhome Ownership Program is designed to provide affordable housing opportunities for Households earning less than eighty percent (80%) Area Median Income (AMI), one hundred percent (100%) AMI and one hundred and forty percent (140%) AMI to preserve Silverton’s affordable housing supply.

## Section 303: INITIAL QUALIFICATION STANDARDS AND PROCESS

This Section governs the Initial Qualification Standards and Process for Applicants for the Anvil Townhomes Ownership Program.

- 303.1** **Administration of Waitlist Application: Section 504 and other Related Acts**

5. **Fair Housing** – The Silverton Housing Authority shall fully comply with all Federal, State and local nondiscrimination laws; the Americans with Disabilities Act; and, to the extent applicable, the U.S. Department of Housing and Urban Development regulations governing Fair Housing and Equal Opportunity.
6. **Limited English Proficiency** – The Anvil Townhome Ownership Program and Application process is be administered in compliance with Colorado and Federal Guidelines. Free interpretation services and translations of vital documents will be provided as needed. Language preference will be identified during the initial contact and application process, and reasonable steps, such as using bilingual staff or interpreters, will ensure effective communication. Applicants and tenants will be informed of their right to these services, and staff shall be trained on LEP requirements. No individual will be excluded or treated unfairly due to limited English proficiency, in line with Title VI of the Civil Rights Act and Executive Order 13166.
7. **Lawful Presence** - The Anvil Townhome Ownership Program is administered in accordance with C.R.S. § 24-76.5-103. Pursuant to 8 U.S.C. § 1621(d). Lawful presence is not required to determine eligibility for state or local public benefits, including the Anvil Townhomes Ownership Program.
8. **Reasonable Accommodation** – Applicants may request a Reasonable Accommodation in accordance with the Americans with Disabilities Act if they require modifications to the Initial Qualification Application process or to the Anvil Townhome Ownership Program in general according to Section 109.6. Requests for Accommodation must be submitted to the Silverton Housing Authority Staff before the closure of an Application Period, to review and determine accommodations.

**303.2 Initial Qualification Standards** – The following standards apply to determine eligibility to apply for the Anvil Townhomes Ownership Program and warrant one (1) entry to the Waitlist Drawing.

- 1) **Income Level Standard** – The Applicant's Gross Income must be verified by SHA or its designee that it does not exceed the Area Median Income Limit of the Unit being applied for according to Appendix A at the time of Application and the Buyer Approval Process.
  - a) Applicants may request an Exclusion from Income pursuant to Section 103.2.2.A.iv of the Guidelines.
- 2) **Mortgage Pre-qualification** - the Applicant must submit a Mortgage Pre-qualification Letter from a lender. The letter must confirm that the Applicant is preapproved for a loan amount that meets or exceeds the Sale Price specified in the Application Packet. Furthermore, the Pre-qualification documentation

must demonstrate that the Applicant's anticipated monthly housing costs, including principal, interest, taxes, insurance and Homeowners Association (HOA) fees (collectively "PITI"), do not exceed thirty-five percent (35%) of the Applicant's gross monthly income. Pre-qualification letters that reflect only the loan amount or principal and interest shall be deemed insufficient; the lender must provide estimates of property taxes, homeowners insurance, and, if applicable, mortgage insurance to substantiate the PITI calculation.

i) **If Applicant is not using a mortgage to purchase the property:**

- (a) Proof of Funds in the amount of the purchase price must be submitted in lieu of the mortgage Pre-qualification letter.
- (b) Proof that estimated recurring monthly housing costs, including property taxes, insurance, and required HOA fees do not exceed 35% of Applicant's gross monthly income.
- (c) **Pursuant to Section 110.7, if Applicant is using a co-borrower or co-signor** that is not part of the Applicant Household, Applicant must submit an Exception Request according to Section 109.2.

- 3) **HUD Certified Homebuyer Education Course Certificate** – At least one member of the Applicant Household must complete a HUD certified homebuyer education course within the three (3) years immediately prior to the closing of the Application Period.

**303.3 Unit Accessibility –**

1. **Sensory Accessible and VISIBLE Unit Description “Accessible Unit” and Application Process** – The Anvil Townhome Development has one (1) Unit designed for sensory impairment disabilities and visibility, featuring an accessible route, a no-step entry, wider doorways, and a bathroom that accommodates maneuverability. Applicants who meet the Qualified Disabled Bonus Entry Qualification Standard will be granted additional entries according to the Bonus Entry Matrix for the Waitlist Drawing for the Accessible Unit. The Program Application includes an accessibility needs assessment to determine qualification for the Bonus Entry for the Accessible Unit.

**303.4 Bonus Entry Qualification Standards** – The following Qualification Standards earn additional entries into the Waitlist Drawing.

1. **Definitions:**

- A. **Vital Workforce:** Any Household with a member employed, or can provide a letter of intent to hire by San Juan County, Town of Silverton, Silverton School, Silverton Family Learning Center, Silverton Medical Rescue, OR any Household with a member who has volunteered for

Silverton Fire Department or Silverton Medical Rescue a minimum of forty (40) hours a month on an annual average in the immediate year prior to the Application Period. *To qualify for Bonus Entries for Vital Workforce, Applicant's employer must submit a completed Employment Verification Form to the SHA as specified in the application packet.*

- B. **Local Workforce:** Any Household with a member currently employed, or can provide a letter of intent to hire by a business located and licensed in San Juan County or meets the Qualified Volunteer definition. Additional entries are dependent on length of employment / volunteerism according to the Bonus Entry Matrix. *To qualify for Bonus Entries for Local Workforce, Applicant's employer or volunteer organization must submit a completed Employment Verification Form to the SHA as specified in the application packet.*
- C. **Resident of San Juan County:** Any Household with a member who has lived and resided in San Juan County for a minimum of twelve months in the two years immediately prior to Application. Bonus Entries are dependent on length of residency in San Juan County. *To qualify for the Bonus Entries for Resident of San Juan County, the Applicant must complete the residential history within the application packet and may be required to provide the following information: executed lease agreements and local utility bills, if applicable.*
- D. **Qualified Disabled:** A person with disability as is defined in 42 US Code § 12102. This Bonus Entry is only applicable to Applicants applying for the Waitlist Drawing for the Accessible Unit.

2. **Bonus Entry Stipulations:**

- A. Maximum of three (3) Bonus Entries per Application, with the exception of the additional Qualified Disabled Bonus Entry for application to the Accessible Unit Waitlist.
- B. Employment and Residence history for Bonus qualifications may be applied only to the person in the Household that has worked, or when applicable, lived in San Juan County the longest. Residency length cannot be combined amongst Household members.

- 3. **Bonus Entry Matrix –** The following entries will be in addition to the one (1) entry for Initial Qualification Standards.

| Bonus Qualification | Sum of Monthly<br><u>Employment in the</u> | Additional Entries |
|---------------------|--------------------------------------------|--------------------|
|---------------------|--------------------------------------------|--------------------|

|                                    | Immediate Last 5 Years                                        |            |
|------------------------------------|---------------------------------------------------------------|------------|
| <u>Vital Workforce</u>             |                                                               | +3 entries |
| <u>Local Workforce</u>             | 0-12 months (0-1 years)                                       | +2 entries |
|                                    | 13+ months (1+ Years)                                         | +3 entries |
| <u>Resident of San Juan County</u> | <b>Sum of Monthly Residency in the Immediate Last 2 Years</b> |            |
|                                    | 12+ months (1+ years) of Residency                            | +2 entries |
|                                    | 24+ months (2+ years) of Residency                            | +3 entries |
| Qualified Disabled                 | Completed Accessibility Needs Assessment                      | +1 entry   |

**303.5 Grounds for Denial** - SHA is not required or obligated to qualify, assist, or accept Applicants into the Program if they meet any or all of the criteria of Section 103.8 Grounds for Denial.

**303.6 Initial Qualification Process** – SHA, or its assigns, administers Applications to determine Initial Qualification of Applicants for the Anvil Townhome Ownership Program Waitlist subject to the following provisions to create an orderly and fair process for offering the Housing Unit for Sale to Qualified Applicants.

**4) Opening and Announcement of Application Period –**

- a) Notice of the date, time and location at which Applications will be accepted for the Waitlist shall be published as a Legal Notice in a newspaper of general circulation in the Silverton Standard at least twenty (20) days prior to the closure of an Application Period, through the Silverton Housing Authority communication channels and on the Silverton Housing Authority website.
- b) Applications and information shall be available online on the Silverton Housing Authority website concurrent with the publication of the Legal Notice.

**5) Application Requirements –**

- a) Households interested in purchasing a Housing Unit must submit a complete Application to SHA within the Application Period. No late or incomplete applications will be accepted.
- b) Each member of an Applicant Household over the age of eighteen (18) must sign and be submitted as a Household:
  - i) A release allowing SHA to obtain additional information for Qualification purposes; and
  - ii) A sworn statement including without limitation the following certifications:
    - (a) the facts contained in the application are true and correct to the best of the Applicant's knowledge; and
    - (b) the Applicant has reviewed the standard application information packet; and
    - (c) the Applicant, on the basis of the application presented, believes the Applicant Household qualifies to own the Housing unit in question according to the Affordability Covenants, these Guidelines, and all other applicable procedures, rules and regulations; and
    - (d) the Applicant agrees to indemnify, defend, and hold harmless the Silverton Housing Authority and any and all legal bodies corporate and/or politic flowing therefrom including their officers, trustees, directors, agents, representatives, employees, and assigns against any and all claims including attorneys' fees and costs, which may be brought against any of them by anyone claiming to have been injured as a result of Applicant's participation in the Application Program or my removal therefrom; and
    - (e) the Applicant agrees to provide all requested information to SHA upon request within the specified timeframe communicated by SHA.
- c) **Application Fee** – Applications must be submitted with the Application Fee according to Appendix D.
- d) **Mortgage Pre-qualification Letter** - the Applicant must submit a Mortgage Pre-qualification Letter from a lender. The letter must confirm that the Applicant is preapproved for a loan amount that meets or exceeds the Sale Price specified in the Application Packet. Furthermore, the Pre-qualification documentation must demonstrate that the Applicant's anticipated monthly housing costs, including principal, interest, taxes,

insurance and Homeowners Association (HOA) fees (collectively “PITI”), do not exceed thirty-five percent (35%) of the Applicant’s gross monthly income. Pre-qualification letters that reflect only the loan amount or principal and interest shall be deemed insufficient; the lender must provide estimates of property taxes, homeowners insurance, and, if applicable, mortgage insurance to substantiate the PITI calculation.

**i) If Applicant is not using a mortgage to purchase the property:**

- (a) Proof of Funds in the amount of the purchase price must be submitted in lieu of the mortgage Pre-qualification letter.
- (b) Proof that estimated recurring monthly housing costs, including property taxes, insurance, and required HOA fees do not exceed 35% of Applicant’s gross monthly income.
- (c) **Pursuant to Section 110.7, if Applicant is using a co-borrower or co-signor** that is not part of the Applicant Household, Applicant must submit an Exception Request according to Section 109.2.

**e) HUD Certified Homebuyer Education Course Certificate** – At least one member of the Applicant Household must complete a HUD certified homebuyer education course within the three (3) years immediately prior to the closing of the Application Period.

**6) Application Exception, Appeal and Grievance Procedure –**

- a) Applicants may submit an Exception, Appeal, Grievance, and Accommodation according to Section 109: Exceptions, Appeals, Grievances and Reasonable Accommodations.

**7) Application Review** – Applicant Qualification will be verified based on the following standards:

- a) Completeness:
  - i) Applications must be fully complete and include all required documentation and fees.
  - ii) Accuracy and Consistency: Information provided in the Application must be accurate and consistent across all submitted documents.
  - iii) Missing or conflicting information or documents will be noted, and Applicants may be granted a specified timeline to remedy the missing or conflicting materials per SHA Staff discretion.
- b) Timeliness of Submission:
  - i) Applications must be submitted by the specified deadline. Late applications will not be accepted.

c) **Verification of Income Level:**

- i) Income verification will be conducted according to Section 104: Household Income Verification.
- ii) Income Verification of Applicant Household will be completed by SHA or its assign:
  - (a) Upon submission of an Application for the Waitlist; and
  - (b) Within thirty (30) days prior to closing on the purchase of a housing unit if applicable to Applicant.

8) **Notification of Application Status:** Applicants will be notified of the status of the Application, either accepted or denied per the following procedures, a minimum of fourteen (14) calendar days prior to the SHA Regular Meeting in which the Waitlist Drawing will occur.

a) **Application Receival Procedure –**

- i) If SHA Staff receives applications in the form, manner, and time in which SHA is accepting applications to the Anvil Townhome Ownership Program, SHA Staff will notify the Applicant of the received status of the Application and their assigned Applicant ID Number.

b) **Acceptance Procedure –** If Applications meet the Qualification Standards and Application Criteria of Section 303.2 and Section 303.6.2:

- i) Applicants will be notified of acceptance to the Waitlist Drawing via an email to the email address provided in their Application and will include their assigned Applicant ID Number and the number of entries they are assigned for the Waitlist Drawing.
- ii) Applicants will have the right to Appeal the number of Waitlist Drawing entries they are awarded and will be provided information concerning Section 109.3 Appeal Procedure.

c) **Denial Procedure –**

- i) Applicants will be notified of denial to the Waitlist Drawing, also referred to as disqualification, via an email to the email address provided in their Application and will include the reason(s) for denial and their assigned Applicant ID Number.
- ii) Applicants will have the right to Appeal the decision and will be provided information concerning the Section 109.3: Appeal Procedure.
- iii) SHA's exercising of the Denial Procedure due to findings of Applicant ineligibility will not violate the rights of persons with Disabilities. If an applicant claims that their failure to respond to a request for information

or updates was caused by a Disability, SHA Staff will verify that there is in fact a Disability and the Disability caused the failure to respond, and may provide a Reasonable Accommodation per Section 109.6.

- iv) At the discretion of SHA Staff in determining each Waitlist Drawing schedule, SHA Staff may institute a Remedy Period for Applicants to remedy any errors in the Application to be reconsidered for acceptance to the Waitlist Drawing. If the identified errors are not remedied within the period determined by SHA Staff, the Application will remain denied.

9) **Additional Provisions:**

- a) Any material misstatement of fact or deliberate fraud by a member of an Applicant Household in connection with any information submitted to SHA shall be cause for immediate expulsion from the Application process and Program and/or forced Sale or vacation of the Housing Unit. In addition, any material misstatement of fact or deliberate fraud by the Applicant Household shall be referred to prosecution for perjury.
- b) **Conflict of Interest** – The Anvil Townhome Ownership Program is subject to Section 111.8 Conflict of Interest.
- c) **Fraud Warning** – The Anvil Townhome Ownership Program is subject to the provisions of Section 101.10.
- d) **DISCLAIMER**- The provisions of Section 101.8 apply to the Anvil Townhome Ownership Program.

## SECTION 304: WAITLIST CREATION AND MANAGEMENT PROCEDURE

### 304.1 Definitions:

- 1. **Waitlist** - The order in which Applicants are ranked to be considered for the opportunity to purchase a housing unit.
  - a. **DISCLAIMER:** Admission to the Waitlist does not constitute an official offer, nor does it create any right or expectation that the Applicant will be eligible to purchase a Housing Unit. Placement on the Waitlist is solely for the purpose of determining potential future consideration and does not guarantee that the Applicant will be offered the opportunity to purchase a Unit. All offers to purchase are subject to availability, eligibility requirements, and compliance with applicable laws, policies, and procedures. Inclusion on the Waitlist is not a commitment by the Housing Authority to provide or offer housing.
- 2. **Waitlist Drawing** – Applications will be randomly selected according to the procedure in Section 105: Waitlist Drawing Procedure, to determine the order of Applicant placement on the Waitlist.

3. **Applicant List** – An official list of the status of Applicants by their Applicant ID Number duly noticed in the Waitlist Application Drawing Public Notice.

#### 304.2 **Waitlist Management**

1. **The Waitlist shall be maintained according to the following:**

- A. The Waitlist shall be of public record of the Silverton Housing Authority;
- B. Applications shall be permanent files;
- C. All communication between SHA Staff and Applicants shall be documented in the Applicant file;
- D. All Applications will be maintained in the order of the Waitlist.

2. **Waitlist Implementation and Termination** - When the Property appears to be within ninety (90) days of the desired closing date, SHA Staff will contact and direct the Applicant in the first position of the Waitlist to complete the Buyer Approval Process.

- A. **Buyer Approval Process:**

- i. Completion of the Income Verification process of Section 104, if it has not been completed within the past thirty (30) days, to confirm or deny Income Qualification for the Unit.
- ii. Obtaining a Prequalification letter from mortgage lender if applicable or showing proof of available funds to purchase the property.
- iii. If an Applicant passes the Income Verification Process and mortgage Prequalification / proof of funds for the Unit, the Applicant will formally be offered the Property for purchase. If Applicant does not pass the Income Verification Process or mortgage prequalification / proof of funds, the Applicant will be removed from the Waitlist and the next Applicant on the Waitlist will begin the Buyer Approval Process.
- iv. Reasonable Accommodation: Applicants may request a Reasonable Accommodation in accordance with the Americans with Disabilities Act if they require modifications to the Buyer Approval Process. Requests for accommodation must be submitted to the Silverton Housing Authority Staff upon initiation of the Buyer Approval Process and according to Section 109.2 Reasonable Accommodations, to review and determine accommodation.

- B. **Waitlist Termination** - Upon Sale of the Property, the Waitlist will be terminated and the remaining Applicants on the Waitlist will be notified of such termination. The Waitlist for the Anvil Townhome Ownership Program is non-transferable to other SHA Housing Programs.

## SECTION 305: OWNERSHIP, USE, AND OCCUPANCY

**305.1 Continuing Qualification (“Ownership”) Standards** - Owners of the Property must continuously adhere to the following Continuing Qualification Standards and the provisions of Section 106 and of the Affordability Covenant for the entire duration of their ownership. Failure to meet these standards may result in enforcement actions, including but not limited to corrective measures, financial penalties, or other remedies as permitted by these Guidelines and Affordability Covenants.

1. **Primary Residence Standard** - The Unit must be used as the sole and exclusive place of residence for the Owner for at least eight (8) of every twelve (12) months on a rolling twelve (12) month basis. Under circumstances outlined in the Unit’s Affordability Covenants and Section 106.1 and 106.2 Rental Procedure, the Primary Residence Standard may be fulfilled by a Qualified Tenant(s) if SHA authorizes permission to rent.
  - A. **Leave of Absence** – Owners who will not occupy their Housing Unit for any period in excess of four (4) months must apply for a Leave of Absence according to Section 106.1 A.1.
  - B. **Rental Procedure** – The rental of any Unit is strictly regulated by Section 106.2 Rental Procedures, of these Guidelines. All rental activity must comply with the requirements and procedures set forth therein, including, but not limited to, obtaining prior written approval from the Silverton Housing Authority or its assigns, adhering to Maximum Rental Rate limits, and ensuring the Unit is occupied by a Qualified Tenant as defined in these Guidelines. Failure to comply with Section 106.2 may result in penalties, including but not limited to, fines, revocation of rental privileges, or other enforcement actions as determined by SHA or its assigns.
2. **Prohibition of Short-Term Rentals** – The Short-Term Rental, or the advertising of a Short-Term Rental, of all or any portion of the Property is prohibited.

**305.2 Compliance Monitoring** – To verify compliance with the Affordability Covenants and these Guidelines, SHA or its assigns may conduct Compliance Checks and Annual Recertifications.

1. **Compliance Checks:** SHA or its assigns may conduct Compliance Checks at any time to investigate complaints, reports, or indications of non-compliance with these Guidelines or Affordability Covenants.
  - A. Households must submit all necessary paperwork to verify that they remain in compliance with the Guidelines and Affordability Covenants within twenty-one (21) days of written notice of a Compliance Check or a penalty will be assessed according to Appendix D. It shall be the burden of the Household

to provide all required information for compliance, and any missing or incomplete information or documentation or information that cannot be verified, shall be construed against the Household and may be grounds for the finding of non-compliance.

2. **Annual Recertification:** Owners are subject to an annual recertification under oath by the Owner to SHA or its assigns stating the Owner has maintained the standards in accordance with these Guidelines and the Affordability Covenants.

A. Households must submit all necessary paperwork to verify that they remain in compliance with the Guidelines and Affordability Covenants within twenty-one (21) days of written notice of an Annual Recertification or a penalty will be assessed according to Appendix D. It shall be the burden of the Household to provide all required information for compliance, and any missing or incomplete information or documentation or information that cannot be verified shall be construed against the Household and may be grounds for the finding of non-compliance.

**305.3 Default by Owner** - Owner shall be responsible for compliance with all terms of these Guidelines and Covenants. Any non-compliance with the terms of the Covenants or Guidelines or breach of any provision(s) set forth in the Covenants / Guidelines, including non-compliance of use and occupancy of the Property shall be deemed to be a Default by Owner, whether such non-compliance is a result of direct actions of the Owner of such non-compliance occurs during ownership and shall be enforced by the terms of the Affordability Covenants.

## SECTION 306: SALE AND RESALE PROCEDURE

**306.1** The Sale and Resale of the Anvil Townhome Units shall be governed by Section 107: Initial Sale and Resale of Units according to the Initial Qualification Standards and Process of the Anvil Townhomes Ownership Program.

**306.2** In the event the Property is sold and/or conveyed without compliance with the Affordability Covenants or herewith, such sale and/or conveyance shall be wholly null and void and shall confer no title whatsoever upon the purported buyer.

## EXHIBIT A

### Property Legal Descriptions

#### Tract I

**All of ANVIL MOUNTAIN SIMPLE SUBDIVISION 1, according to the plat thereof filed for record August 25, 2025 as Reception No. 156089.**

## **Tract II**

**All of ANVIL MOUNTAIN SIMPLE SUBDIVISION 2, according to the plat thereof filed for record August 25, 2025 as Reception No. 156090.**

## **APPENDIX**

### **Appendix A: Area Median Income Eligibility Limits**

Area Median Income (AMI) is determined by the US Department of Housing and Urban Development (HUD) "Very Low Income," (50% of the Area Median Income) figures for San Juan County, Colorado, for 1-, 2-, 3-, and 4-person Households. The Colorado Housing and Finance Authority extrapolates the HUD "Very Low Income" figures to Household up to eight (8) persons and to span 20%-160% AMI. SHA uses CHFA Annual Colorado Income Limits and Maximum Rents to govern all Affordable Housing Units subject to these Guidelines. AMI Limits are updated annually in the spring. SHA Staff shall administratively update the tables below as the annual income limits are released by CHFA.

*Table 1. San Juan County Area Median Income as of April 8, 2025.*

| <b><u>House-<br/>hold<br/>Size</u></b> | <b><u>20%</u></b> | <b><u>30%</u></b> | <b><u>40%</u></b> | <b><u>50%</u></b> | <b><u>60%</u></b> | <b><u>70%</u></b> | <b><u>80%</u></b> | <b><u>90%</u></b> | <b><u>100%</u></b> | <b><u>110%</u></b> | <b><u>120%</u></b> | <b><u>130%</u></b> | <b><u>140%</u></b> |
|----------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>1</b>                               | \$14,280          | \$21,420          | \$28,560          | \$35,700          | \$42,840          | \$49,980          | \$57,120          | \$64,260          | \$71,400           | \$78,540           | \$85,680           | \$92,820           | \$99,960           |
| <b>2</b>                               | \$16,320          | \$24,480          | \$32,640          | \$40,800          | \$48,960          | \$57,120          | \$65,280          | \$73,440          | \$81,600           | \$89,760           | \$97,920           | \$106,080          | \$114,240          |
| <b>3</b>                               | \$18,360          | \$27,540          | \$33,920          | \$45,900          | \$55,080          | \$64,260          | \$73,440          | \$82,620          | \$91,800           | \$100,980          | \$110,160          | \$119,340          | \$128,540          |
| <b>4</b>                               | \$20,400          | \$30,600          | \$37,680          | \$51,000          | \$61,200          | \$71,400          | \$81,600          | \$91,800          | \$102,000          | \$112,200          | \$122,400          | \$132,600          | \$142,800          |
| <b>5</b>                               | \$22,040          | \$33,060          | \$40,720          | \$55,100          | \$66,120          | \$77,140          | \$88,160          | \$99,180          | \$110,200          | \$121,220          | \$132,240          | \$143,260          | \$154,280          |
| <b>6</b>                               | \$23,680          | \$35,520          | \$43,720          | \$59,200          | \$71,040          | \$82,880          | \$94,720          | \$106,560         | \$118,400          | \$130,240          | \$142,080          | \$153,920          | \$165,760          |
| <b>7</b>                               | \$25,300          | \$37,950          | \$46,760          | \$63,250          | \$75,900          | \$88,550          | \$101,200         | \$113,850         | \$126,500          | \$139,150          | \$151,800          | \$164,450          | \$177,100          |
| <b>8</b>                               | \$26,940          | \$40,410          | \$49,760          | \$67,350          | \$80,820          | \$94,290          | \$107,760         | \$121,230         | \$134,700          | \$148,170          | \$161,640          | \$175,110          | \$188,580          |

## Appendix B: Original Purchase Prices and Maximum Rental Rates

Sale and rental prices are based on affordability by AMI target percentages for San Juan County as adjusted for the number of Bedrooms per unit.

It is generally accepted in the affordable housing field that housing is affordable if either:

1. the total rent and utilities, or
2. the total of mortgage payment, insurance, taxes and HOA dues is not more than thirty percent (30%) of the Household's Monthly Gross Income. This 30% standard forms the basis for Housing Unit rents and sale prices.

### Maximum Affordable Rent Rates in San Juan County 2025.

Payment of utilities is included in the rent rate.

| <u>Unit Size</u> | <u>20%</u> | <u>30%</u> | <u>40%</u> | <u>50%</u> | <u>60%</u> | <u>70%</u> | <u>80%</u> | <u>90%</u> | <u>100%</u> | <u>110%</u> | <u>120%</u> | <u>130%</u> | <u>140%</u> |
|------------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|
| 0 BR             | \$357      | \$535      | \$714      | \$892      | \$1,071    | \$1,249    | \$1,428    | \$1,606    | \$1,785     | \$1,963     | \$2,142     | \$2,320     | \$2,499     |
| 1 BR             | \$382      | \$573      | \$765      | \$956      | \$1,147    | \$1,338    | \$1,530    | \$1,721    | \$1,912     | \$2,103     | \$2,295     | \$2,486     | \$2,677     |
| 2 BR             | \$459      | \$688      | \$918      | \$1,147    | \$1,377    | \$1,606    | \$1,836    | \$2,065    | \$2,295     | \$2,524     | \$2,754     | \$2,983     | \$3,213     |
| 3 BR             | \$530      | \$795      | \$1,061    | \$1,326    | \$1,591    | \$1,856    | \$2,122    | \$2,387    | \$2,652     | \$2,917     | \$3,183     | \$3,448     | \$3,713     |
| 4 BR             | \$592      | \$888      | \$1,184    | \$1,184    | \$1,776    | \$2,072    | \$2,368    | \$2,664    | \$2,960     | \$3,256     | \$3,552     | \$3,848     | \$4,144     |

### Original Purchase Price Standards in San Juan County 2025.

(Assumes 6.95% interest and 30-year term limit)

| <u>Unit Size</u> | <u>80%</u> | <u>100%</u> | <u>120%</u> | <u>140%</u> |
|------------------|------------|-------------|-------------|-------------|
| <b>1 BR</b>      | \$233,533  | \$296,363   | \$355,590   | \$419,932   |
| <b>2 BR</b>      | \$281,449  | \$360,881   | \$431,999   | \$511,430   |
| <b>3 BR</b>      | \$331,884  | \$419,302   | \$503,873   | \$595,825   |
| <b>4 BR</b>      | \$372,242  | \$469,082   | \$565,921   | \$667,296   |

## Appendix C: Waitlist Drawing Bonus Matrix

### Bonus Definitions:

1. **Vital Workforce:** Any Household with a member Employed, or can provide a letter of intent to hire by San Juan County, Town of Silverton, Silverton School, Silverton Family Learning Center, Silverton Medical Rescue, OR any household with a member who has volunteered for Silverton Fire Department or Silverton Medical Rescue a minimum of forty (40) hours a month on an annual average in the immediate year prior to the Application Period. *To qualify for Bonus entries for Vital Workforce, Applicant's employer must submit a completed Employment Verification Form to the SHA as specified in the application packet.*
2. **Local Workforce:** Any Household with a member currently Employed, or can provide a letter of intent to hire by a business located and licensed in San Juan County or meets the Qualified Volunteer definition. Additional entries are dependent on length of employment /

volunteerism according to the Bonus Entry Matrix. *To qualify for Bonus Entries for Local Workforce, Applicant's employer or volunteer organization must submit a completed Employment Verification Form to the SHA as specified in the application packet.*

3. **Resident of San Juan County:** Any Household with a member who has lived and resided in San Juan County for a minimum of twelve months in the two years immediately prior to Application. Bonus entries are dependent on length of residency in San Juan County. *To qualify for the Bonus Entries for Resident of San Juan County, the Applicant must complete the residential history within the application packet and may be required to provide the following information: executed lease agreements and local utility bills, if applicable.*

#### Bonus Stipulations

##### **A. For two (2) or more applicants per application:**

1. Maximum of three (3) additional entries per Application.
2. Employment and Residence history for Bonus qualifications may be applied only to the person in the Household that has worked, or when applicable, lived in San Juan County the longest.

#### Bonus Scoring Matrix

| <b>Bonus Qualification</b>         | <b>Sum of Monthly <u>Employment</u> in the Immediate Last 5 Years</b> | <b>Additional Entries</b> |
|------------------------------------|-----------------------------------------------------------------------|---------------------------|
| <u>Vital Workforce</u>             |                                                                       | +3 entries                |
| <u>Local Workforce</u>             | 0-12 months (0-1 years)                                               | +2 entries                |
|                                    | 13+ months (1+ Years)                                                 | +3 entries                |
| <u>Resident of San Juan County</u> | <b>Sum of Monthly Residency in the Immediate Last 2 Years</b>         |                           |
|                                    | 12+ months (1+ years) of Residency                                    | +2 entries                |
|                                    | 24+ months (2+ years) of Residency                                    | +3 entries                |

## Appendix D: Fee and Penalty Schedule

### **Fees:**

|                 |         |
|-----------------|---------|
| Application Fee | \$25.00 |
| Exception Fee   | \$35.00 |

|                |          |
|----------------|----------|
| Appeal Fee     | \$35.00  |
| Grievance Fee  | \$50.00  |
| Inspection Fee | \$250.00 |

**Penalties:**

|                                                                   |             |
|-------------------------------------------------------------------|-------------|
| Compliance Late Penalty                                           | \$20.00/day |
| Failure to Confirm Tenant Qualification or<br>Submit Tenant Lease | \$20.00/day |
| Notification Required Penalty                                     | \$20.00/day |

## Appendix E: Permitted Capital Improvements

SHA does not wish to discourage Owner improvements to Housing Units, but has a strong interest in maintaining the long-term affordability and targeted Income Eligibility Level of each unit and thus cannot allow Owners to recover costs upon Sale for unnecessary or personal-choice driven improvements. In determining whether an improvement is a Permitted Capital Improvement or a Luxury Item, SHA Staff shall consider:

- Whether the improvement is necessary to extend the life of the Housing Unit or preserve the health and safety of occupants;

- The age and condition of the item to be replaced, and whether current condition was caused by normal wear and tear or the negligence of the Owner or any occupant, with useful life and depreciation as determined by the Marshall & Swift depreciation guidelines;
- Whether the improvement will provide increased water or energy efficiency savings;
- Whether the improvement shows a high degree of customization or personal preference, or if the improvement is sufficiently standard or neutral to be acceptable to a subsequent purchaser; and
- Whether allowing a full or partial increase in Maximum Sale Price for the improvement would make the Housing Unit unaffordable for the established Income Eligibility Level.

Some improvements may qualify in part as a Permitted Capital Improvement and in part as a Luxury Item based upon the criteria above, and thus be subject to only partial recovery of depreciable expenses:

**Example 1:** Replacement of furnace or water heater after it has reached the end of its useful life, regardless of the energy efficiency of the new model – 100% Permitted Capital Improvement.

**Example 2:** Replacement of furnace or water heater 50% into its useful life with a significantly more energy efficient model – 100% Permitted Capital Improvement.

**Example 3:** Replacement of laminate kitchen counters with neutral, durable, builder-grade quartz 0-100% Permitted Capital Improvement depending upon age and condition of laminate kitchen counters and current Maximum Sale Price with respect to Income Eligibility Level limit.

**Example 4:** Replacement of carpet after tenant destroyed it 30% into its useful life – 30% Permitted Capital Improvement.

**Example 5:** Installation of a built-in microwave where none previously existed – 100% Permitted Capital Improvement.

**Example 6:** Installation of steam shower – 0% Permitted Capital Improvement.

Unless an emergency warrants immediate action, all improvements desirous of being a Permitted Capital Improvement must be approved by SHA Staff prior to construction or installation. Owners are encouraged to discuss their renovation/replacement plans with SHA Staff so Owners are aware of the limitations that will be placed on cost recovery. Permitted Capital Improvements 0-4.9% of the OPP may be approved by SHA Staff, Permitted Capital Improvements 5-10% of the OPP must be approved by the SHA Board through an Exception. Permitted Capital Improvements in excess of 10% of the OPP are not prohibited but are not fully recoverable and will only be added to MSP up to 10% of OPP allowed.

Only the actual out-of-pocket expenses of an Owner may be added to MSP as Permitted Capital Improvement. Fair market labor costs may be authorized to constitute up to fifty percent (50%) of the Permitted Capital Improvements. Grant funds credited towards an improvement are not eligible to be added to MSP.