

PART II
APCHA AFFORDABLE HOUSING DEVELOPMENT OVERVIEW

Section 1. APCHA Housing Development Policy

The City of Aspen, Pitkin County and APCHA are actively involved in affordable housing development and redevelopment throughout Pitkin County to provide housing opportunities for full-time employees. ALL DEED RESTRICTIONS FOR NEWLY CONSTRUCTED UNITS MUST BE APPROVED BY APCHA PRIOR TO ISSUANCE OF A CERTIFICATE OF OCCUPANCY (CO). SEE APCHA AFFORDABLE HOUSING DEVELOPMENT POLICY FOR FURTHER INFORMATION AND REQUIREMENTS.

Section 2. MAXIMUM SALES PRICE AND MAXIMUM RENTAL RATES

TABLE III
MAXIMUM MONTHLY RENTAL RATES FOR DEED-RESTRICTED RENTAL UNITS

<i>Unit Size</i>	<i>Category 1</i>	<i>Category 2</i>	<i>Category 3</i>	<i>Category 4</i>	<i>RO</i>
Studio	\$531	\$ 947	\$1,415	\$1,878	\$2,575
1 Bedroom	658	1,112	1,576	2,060	2,754
2 Bedroom	780	1,278	1,742	2,227	2,920
3 Bedroom	904	1,429	1,913	2,393	3,089
SF Detached	1,029	1,611	2,077	2,471	3,170

Table III sets forth the maximum monthly rental rates for deed-restricted affordable housing units. The rental rates apply and shall be in effect for at least a 6-month period from the commencement date of the initial lease. Thereafter, the maximum monthly rental rate may be increased only to the extent that the Regulations in effect permit. If there is a conflict between the Regulations and the deed-restriction on the rental property, the most restrictive document will prevail. Section 3.D.1.a, below, for additional criteria.

TABLE IV
MAXIMUM SALE PRICES FOR NEWLY DEED-RESTRICTED OWNERSHIP UNITS

<i>Categories 1-4</i>					
<i>Unit Size</i>	<i>Category 1</i>	<i>Category 2</i>	<i>Category 3</i>	<i>Category 4</i>	
Studio	\$44,000	\$100,000	\$168,000	\$283,000	
1 Bedroom	56,000	121,000	183,000	303,000	
2 Bedroom	67,000	148,000	217,000	336,000	
3 Bedroom	78,000	182,000	253,000	372,000	
SFH Detached	93,000	214,000	285,000	401,000	
SFH Lot	N/A	N/A	N/A	N/A	
<i>Categories 5-RO</i>					
<i>Unit Size</i>	<i>Category 5</i>	<i>Category 6</i>	<i>Category 7</i>	<i>Category RO</i>	
Studio	\$394,000	\$439,000	\$494,000	N/A	
1 Bedroom	427,000	474,000	527,000	N/A	
2 Bedroom	464,000	510,000	566,000	N/A	
3 Bedroom	494,000	538,000	595,000	N/A	
SFH Detached	528,000	575,000	628,000	N/A	
SF Lot	113,000	157,000	164,000	\$197,000	

TABLE V
2018 PAYMENT IN LIEU/IMPACT FEE SCHEDULE

Schedule can be found in City Ordinance No. 5 (Series 2018) / Effective Date 03/25/2018 (7% increase)

Section 3. Occupancy Policies for Newly Deed-restricted Units

Deed-restricted affordable housing units must comply with the occupancy standards of city or county land use regulations and codes, these Regulations and applicable deed restrictions. All new affordable housing development must include a capital reserve study as part of the initial HOA documents, as well as a separate capital reserve fund. All HOA documents must provide that a capital reserve fund be established and maintained. In addition, for projects which include both free-market and deed-restricted ownership residential units, the HOA documents must ensure the long-term affordability of the deed-restricted units by including provisions acceptable to APCA for the control of general and special assessments, such as separation of common elements, establishing separate free market and affordable sub-associations, and determining allocated interests based on assessed valuation, square footage, or other measures.

A. Pre-occupancy Inspection

Upon the completion of construction of new units or conversion of existing units and prior to issuance of a CO for rental units or ownership units, such units shall be inspected and approved by a certified building inspector, architect and/or engineer for compliance with applicable codes, regulations and APCA Regulations. A written inspection report of inspection approval shall be submitted to APCA.

B. Livability Standards

Newly constructed deed-restricted affordable housing ownership units must be in marketable condition at the time of the sale. See Part V for ownership unit sale policies and procedures. Converted units must be in marketable condition and approved by APCA prior to rental or sale. The developer shall bear the costs and expenses of any required upgrades to meet the standards listed below, as well as any structural/engineering reports required by APCA to assess the suitability for occupancy, as follows:

- All interior walls must be freshly painted;
- Interior appliances must be less than five years old and in good condition and repair;
- Carpets must be less than five years old, in good condition and repair, or replaced if in lesser condition;
- Windows, heating, plumbing and electrical systems, fixtures and equipment must be in good condition and working order and brought up to the current code utilized by the Community Development Department;
- All exterior walls must be freshly painted within the previous year;
- Landscaping and yard must be in satisfactory condition;
- Roof must be in good repair with remaining useful life of at least ten (10) years; and
- HOA documents; i.e., Articles of Incorporation, By-Laws, and Condominium Declarations, must be approved by APCA.

Developer/permit applicants shall bear the cost of any repairs, replacements and upgrades required to meet APCA standards.

C. Occupant Qualification and Priority in Newly Deed-restricted Units

Unless tenant or purchaser qualification and priority is otherwise established by the applicable land use approval, newly-deed restricted units shall be marketed and leased or sold through APCA according to these Regulations.

See Part III for APCHA Eligibility and Qualification.
See IV for Rental Policies and Procedures.
See Part V for Purchase and Sale Policies and Procedures.

1. Priority of Displaced Residents

Notwithstanding the priorities set forth in Part V, Section 2.C, APCHA owners and tenants who are displaced by new construction or conversion of existing APCHA units shall have priority for purchasing (owners) or renting (tenants) a similar APCHA unit of the same size, type and category. Displaced resident priority is determined on a case-by-case basis.

2. Priority of Qualified On-site Employees in Employer-owned Dormitories or Rental Units

In consideration of the need of employers, including but not limited to lodging enterprises, agricultural operations and other businesses, to house employees on site, employers owning on-site affordable housing rental units may, with the prior approval of APCHA, designate their APCHA-qualified employees as tenants.

In such cases, employees must meet all APCHA qualifications except income and asset maximums, which are waived.

If no person directly employed by the applicable owner/operator is APCHA-qualified, the on-site dormitory space or other units shall be made available to other qualified tenants who may be designated by APCHA.

3. Priority of Qualified Tenants and Owners Selected by Developer

Private sector developer/owners of affordable housing units shall be permitted to choose from among APCHA-qualified tenants and/or owners to occupy one-third of their affordable housing units in compliance with APCHA occupancy standards for the initial sale or lease only. All households chosen by the developer must meet the top priority criteria; i.e., four-year minimum work requirement, minimum occupancy requirement, category, not owning other property within the O EZ (see Definitions), including no ownership of other deed-restricted property unless their deed restricted unit comes available for sale through the lottery. The developer must make their choice within 30 days of the issuance of the Certificate of Occupancy (CO). The remaining units, including any units for which the developer/owner does not choose occupants, shall be marketed, leased, and sold through APCHA. For those units where the buyers are chosen by the developer, a 1% sales fee based on the purchase price is due to APCHA at the time of closing. For all other sales through APCHA, the 2% sales fee will be due at closing.

D. Rental and Sale of Newly Deed-restricted Units

1. Rental

a. Maximum Rental Rates for Deed-restricted Units

Beginning rental rates for newly deed-restricted rental units shall remain in effect during the entire lease period. After that time, rental rates may be increased in accordance with the current Maximum Annual Rental Rate Adjustment, a percentage adjustment revised annually. See Table VI.

Table III sets forth the maximum monthly rental rates for deed-restricted affordable housing units. The rental rates apply and shall be in effect for at least a 6-month period from the commencement date of the initial lease. Thereafter, the maximum monthly rental rate may be increased only to the extent that the Regulations then in effect permit. If there is a conflict between the Regulations and the deed-restriction on the rental property, the most restrictive document will prevail. The following additional criteria shall be followed:

- Maximum rental rates WILL apply whether the units are provided furnished or unfurnished.
- Tenants may not be charged for the following, either as rent or in addition to rent:
 - Cost of electricity, gas, water and sanitation in common areas;
 - Condominium dues/assessments;
 - Management costs;
 - Property taxes;
 - Landscaping costs;
 - Snow plowing/shoveling;
 - Condominium Insurance
- Additional costs that can be charged to the tenant, but must be verified by APCHA, are:
 - Electricity, gas and/or water if not separately metered – metered costs must be based on the tenant’s share of such utilities attributable to the tenant’s net livable area. Tenants shall be responsible for individually metered utilities.
 - Trash, but proportionally based on the tenant’s net livable area.
 - Other operational costs only when reviewed by APCHA and approved to be charged, must be based on the tenant’s share attributable to the tenant’s net livable area.
- Prior to occupancy of a deed-restricted rental unit, APCHA must qualify the tenant. All documentation required under these Regulations must be provided. The tenant must provide the owner/landlord with proof of documentation and qualification by APCHA prior to occupancy. Prior to occupancy, the owner shall be required to provide a copy of the lease agreement to the APCHA for approval. Leases shall meet allowable rental rates and shall be for a minimum term of six consecutive months. The unit must meet occupancy standards, one person per bedroom at all times. Owner shall provide an executed copy of the lease to APCHA prior to occupancy.
- Persons employed by an owner/operator shall be given first priority to rent on-site affordable housing units associated with a lodge, agricultural operation, or commercial development, when ownership has been retained by the owner/operator of the development. Employees must meet APCHA’s Regulations for occupancy, income and assets criteria in order to qualify to occupy the unit(s). In the event there are no persons directly employed by the owner who qualify, the unit shall then be offered to other qualified persons according to the Regulations. (Affordable Housing [AH] Zone development is exempt from this section.)
- All deed-restricted affordable housing rental units must comply with these Regulations, and the regulations and codes of all governmental bodies and agencies having jurisdiction. The owner of affordable housing rental units, at its cost and expense, must keep and maintain the interior and exterior of the total structure (including all residential units therein) and the adjacent open areas in a safe and clean condition and in a state of

good order and repair, reasonable wear and tear and negligent or intentional damage by tenants excepted.

- A rental unit vacant for more than forty-five (45) days must be made available for tenants selected through APCHA.

b. Lease Approval by APCHA

The review period for APCHA is five business days. All leases must provide for a minimum lease term of six months and shall be renewed for consecutive six-month periods. Month-to-month leases are not permitted. Prior to occupancy, landlords shall provide a copy of an executed lease agreement to APCHA.

2. Sale

a. Maximum Sale Prices for Newly Deed-restricted Units

Maximum Sale Prices for Newly Deed-restricted Affordable Housing Units, Single Family Units and Single-Family Lots shall be as specified in Table IV of these Regulations and shall be identified in applicable deed restrictions and maximum resale prices.

RO unit sale prices are determined in accordance with the applicable deed restrictions on a case-by-case basis. The developer generally sets the initial sale price of a newly deed-restricted RO unit. If another affordable housing ownership unit is developed in association with a RO unit, the average sale price of both units shall be no higher than the Category 3 maximum sale price for a newly deed-restricted unit.

b. Sales Through APCHA

Newly deed-restricted affordable housing ownership units, single-family homes and vacant lots shall be offered for sale through APCHA.

After initial sale, all APCHA ownership units shall be marketed and sold through APCHA bid and lottery process and/or according to deed restrictions specific to the property and Regulations. See Part V.

Section 4. APCHA Approval and Execution of Deed Restrictions

APCHA shall work with developers of affordable housing to draft and approve Deed Restrictions to ensure compliance with development approvals, the Regulations, city and county land use regulations and codes and governing Colorado and federal legislation.

APCHA shall approve the deed restrictions for housing units before such deed restrictions are ready for recordation and prior to issuance of a CO. No occupancy is permitted without the executed deed restriction and issuance of a CO.

A. Growth Management Plan Applications

1. Mixed-use Developments – Free Market and Affordable Housing

In mixed-use developments, where a deed-restricted unit is located in a private sector condominium or subdivision that consists primarily of free market units, Homeowners' Association (HOA) assessments are typically based on the square footage. In an effort to ensure that affordable housing remains affordable, deed-restrictions for affordable units in mixed-use developments must state that HOA assessments on the affordable housing units shall be pro-rated according to the value of an affordable housing unit relative to the value of the free-market units in the development. Additionally, HOA special assessments shall be pro-rated in the same manner as the monthly HOA assessments. The governing documents shall specify that any change in HOA assessment policy is subject to APCHA approval.

2. Caretaker and Accessory Dwelling Units (CDUs and ADUs)

If a caretaker or accessory dwelling unit is constructed or converted for mitigation purposes, the developer shall submit required deed restrictions to APCHA for approval and execute and record such deed restrictions prior to the final building inspection and/or issuance of a CO.

B. Amendments to Deed Restrictions

Deed restrictions recorded prior to the issuance of the applicable CO shall be amended to include any changes necessary as a result of new legal requirements imposed by city or county regulations or codes. Deed restrictions may also be amended by agreement between a private sector property developer and Council or BOCC and then approved by APCHA.

Upon final approval by APCHA, amended Deed Restrictions shall be executed and recorded prior to issuance of a CO where applicable. Copies of executed and recorded Deed Restrictions shall be provided to APCHA by the developer.