

# **GUNNISON COUNTY PLANNING COMMISSION**

**PRELIMINARY AGENDA: December 4, 2025**

**200 E. Virginia, Gunnison, CO 81230**

**In person or on Zoom**

*Disclaimer: agenda discussion item times are approximate. Public hearings may start on or after the posted notice time. Work sessions may start earlier or later than the posted time.*

**8:45 a.m.**

- Call to order; determine quorum.
- Approval of Minutes from the November 6, 2025, Planning Commission meeting
- **Unscheduled Citizens:** A brief period in which the public is invited to make general comments or has questions of the Commission or Staff about items which are not scheduled on the day's agenda.
- Miscellaneous/Staff Reminders/Announcements

**9: 00 a.m.**

**Work Session: LUC-25-00004 | Lower Verzuh Subdivision | Major Impact**

The applicant proposes subdivision of 450 acres into 311 residential lots ranging in size from 1/8 acre to 3 acres. The parcel is legally described as 450 acres in Sections 7, 8, 17, and 18, Township 14 South, Range 85 West, 6<sup>th</sup> p.m.

**10:30 a.m.**

**Public Hearing: LUC-24-00008 | Treasure Mountain Ranch | Minor Impact**

Treasure Mountain Ranch, Inc. has applied for a Minor Impact Land Use Change to consolidate 16 parcels into 9, complete three boundary line adjustments, and cluster new development with a 1.9-acre building envelope in the Crystal townsite. Treasure Mountain Ranch, who owns 700 acres over the 16 parcels, proposes to retire four structures, construct a 4,900 sq. ft. maintenance barn, and build four new cabins totaling approximately 5,000 sq. ft. to replace four decommissioned cabins in the townsite. The proposal includes wayfinding and interpretive signage for the historic Crystal Mill site and the intention of pursuing landmark designation for six structures.

**12:00 p.m.**

**Adjourn**

**Packet Materials are available online: [Planning Commission Meeting Packets](#)**

Or by visiting <https://gunnisoncounty.org/197/Planning-Commission> and selecting "View Most Recent Meeting Packet"

**Use this link to join the Webinar on Zoom: <https://gunnisoncounty-org.zoom.us/j/86337231015>**

**Phone one-tap:**

**+17193594580,,86337231015# US**

**+14086380968,,86337231015# US (San Jose)**

NOTE: Unless otherwise noted, all meetings are conducted in the Blackstock Government Center Meeting Room 221 N. Wisconsin St. in Gunnison, across the street from the Post Office. This is a preliminary agenda; agenda

times may be changed up to 24 hours before the meeting date. If you are interested in a specific agenda item, you may want to call the Planning Department (641-0360) ahead of time to confirm its scheduled time. Anyone needing special accommodations may contact the Planning Department before the meeting.

**GUNNISON COUNTY PLANNING COMMISSION  
REGULAR MEETING MINUTES  
Thursday, November 20, 2025**

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The Gunnison County Planning Commission conducted a regular meeting in the Planning Commission Meeting Room in the Blackstock Government Center, 221 N. Wisconsin, Gunnison, Co. and on Zoom **Present:**

Chairperson - Roland Mason Vice-Chairperson - Eric Phillips Alt. Commissioner - Catherine McBreen Alt. Commissioner - Sean Patrick	Director of Community and Economic Development - Cathie Pagano Director of Planning - Hillary Seminick Planner II - Rachael Blondy Planning Technician – Aidan McComas Others present as listed in text
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**Absent:** Baca

**Recused:**

**Zoom:**

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With a quorum present Chairperson Mason opened the November 20, 2025 regular meeting of the Planning Commission at 8:45 am. Mason seated Alternate Members Patrick and McBreen as Voting Commissioners

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**Moved by** Phillips, seconded by McBreen to approve Planning Commission meeting minutes, dated November 6, 2025. The motion passed unanimously in support.

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Staff announcements/ miscellaneous:

Seminick: noted January scheduling, asked Members to consider shifting January 1<sup>st</sup> and 15<sup>th</sup> meetings to January 8<sup>th</sup> and 22<sup>nd</sup>.

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Treasure Mountain Ranch, Inc. applied for a Minor Impact Land Use Change to consolidate 16 parcels into 9, complete three boundary line adjustments, and cluster new development with a 1.9-acre building envelope in the Crystal townsite. Treasure Mountain Ranch, who owns 700 acres over the 16 parcels, proposed to retire four structures, construct a 4,900 sq. ft. maintenance barn, and build four new cabins totaling approximately 5,000 sq. ft. to replace four decommissioned cabins in the townsite. The proposal included wayfinding and interpretive signage for the historic Crystal Mill site and the intention of pursuing landmark designation for six structures.

**Confirmation of Adequate Public Notice**

Seminick: confirmed adequate public notice has been given.

**Staff Comments:**

Seminick: stated written comment was received beyond the comment deadline of 5:00 p.m. on November 19<sup>th</sup>.

Board: noted no ex parte communication took place.

### Applicant Presentation

Gillespie: provided background on the Treasure Mountain Ranch Company. Shared a map of the lands owned by the company, and a detailed map showing townsite locations owned by the company.

Gillespie: noted company goals through the Land Use Change application.

Gillespie: stated intention to preserve six cabins along the Main Street in Crystal, Colorado. Noted intention to retire four of the preserved cabins through the County Historical Society.

Gillespie: spoke about the Crystal Mill, noted improvements to the signage and parking areas around the mill.

Gillespie: spoke to the future developments of the TMR property, stating intention is to preserve 98-99 percent of land through conservation easements and a potential land exchange with the Forest Service.

Locke: introduced Chris Cox, the present majority owner of Treasure Mountain Ranch.

### Staff Comments

Seminick: clarified that four residential units and a maintenance barn will be considered today, as well as the retiring of four cabins, converting them to accessory use. On the development parcel, Seminick noted, six residential units will be considered. Noted the application was reduced from Major Impact to Minor Impact. Noted the applicant has represented the project as residential in nature. Noted concerns from the Board over avalanche risk, which were resolved with conditions by the Colorado Geologic Survey. Noted the United States Forest Service submitted referral comments, noting boundary line adjustments and signage proposed by the applicant.

### Planning Commission Questions

Phillips: noted comments concerning buffering and screening near neighboring parcels. Commented on conservation of trees which screen the adjacent parcels.

Seminick: stated buffering is required when a land use change is considered. Noted for the TMR application, there are three criteria, 1 being not obtrusive visibility, 2 utilities must be located underground, 3 reducing visibility to neighbors. (13-105, coverage)

Patrick: asked about the design of the proposed residential units noting how they are different from the character of the historic townsite.

Applicant: noted the placement of the proposed residential units will be placed behind screening to reduce visibility of the units.

Applicant: stated the intention of to not know the proposed residential units will not be visible from the road.

Phillips: noted the applicants' fire mitigation system.

Mason: asked about winter fire issues.

Applicant: noted all structures will have sprinklers, the dry hydrant system meets fire flow requirements for all structures.

Mason: asked about public comments concerning restroom facilities near the Crystal Mill.

Applicant: noted they would be open to coordinating with the USFS to meet public visitation needs for the Crystal Mill. Stated the primary goal of the proposed project is to preserve the character of the present townsite.

Phillips: asked if there is a timeline for construction on the project.

Applicant: likely starting in summer of 2026, continuing through to summer 2027.

Phillips: asked is public visitors will be impacted by the construction?

Applicant: stated their construction plan won't impact visitors to Crystal.

#### Public Comment

Robert Anderson: homeowner in Crystal. Stated opposition to the proposal. Noted avalanche danger, wildlife danger, waste issues. Asked about the public comment period. (Recording). Noted the ratio of opposition to the support. Questioned the intensity impacts, stated the application should be considered as a major impact review.

Judy Witchey: noted the preservation of Crystal is good. Questioned parking, transportation of equipment, and the staging of commercial materials for the proposed project. Noted the imposition of violation fees on the applicant for past violations.

Richard Beamon: noted support for the proposed project. The preservation of the townsite is of great importance, stating the proposed development will take place outside of the view line along Main Street in Crystal, Colorado.

Manette Anderson: noted family connection to Crystal and is a homeowner in Crystal. Stated opposition to the proposed project due to the incompatibility of development in the area given remoteness and various hazards including avalanches and wildfires. Stated it is only likely the applicant will develop Crystal in the future into a commercial operation. Asked for the preservation of Crystal and the area be the primary goal.

Brad Baetz: asked how building materials will be brought on site. Asked what the plan for the property is if development is not approved.

Judy Witchey: asked about parking at Gillespie residence on Daniel's Hill, and where construction parking for the proposed development will be.

Jim Moisson: noted a desire to preserve the area and Crystal. Noted most homeowners in Crystal are supportive of the proposed development. Stated progress will happen but asked for guidelines for future development in the Crystal area with the goal of preservation.

Nikki Pulitzer: stated the plan proposed by TMR is ethical and conscious of preservation and conservation of Crystal. Noted the applicants have stated they are open to addressing all concerns, and their plan for development is in the best interest of the townsite.

Cherry Freeman: Expressed support for the proposed development. Stated the ethical and conscious development plans of the applicant.

Reilly Anderson: property owner in Crystal. Stated concerns with the development including the buffer zone between personal residence and the TMR proposed development, defensible space, visual impact, and space for buffering between the properties. Asked about the maintenance structure proposed by the applicant, asking about the size of it and what it will contain.

Roger Neal: Crystal resident for 77 years. Stated proposal is the best option for Crystal, expressing support. Support for the preservation of historic cabins in the townsite. Cautioned against a future in which the project proposal isn't approved which will cause more issues to the townsite. Construction of new buildings is concerning.

Teri Havens: questioned the inclusion of a backcountry ski resort, asking about the risk of avalanches. Asked about winter transportation of guest.

Natasha Krasnow: asked about archaeological resources present during earth-moving work is the proposal is approved.

Mason closed public comment at 10:02 a.m.

#### Applicant Response

Locke: TMR wants to protect Crystal through this application. Noted the development area only concerns a small portion of the overall TMR property. All improvements through this application are meant to preserve and protect Crystal. Addressed future plans, though noted the present application is what is considered today.

Gillespie: addressed Mill ownership, the Forest Service has a prescriptive easement. Addressed comments on the ski area, noting the future may include a ski operation proposal. Addressed the staging area at Daniel's Hill, stating it is not commercial use. Addressed an off-road vehicle will be used to transport building materials into the townsite, stating 50 trips will be sufficient to bring all materials to the development parcel.

#### Commission Comments

Phillips: noted avalanche and wildlife concerns have largely been addressed and impacts appear minor. Asked how the applicant will dispose of waste.

Applicant: stated waste disposal will continue as currently practiced.

Phillips: noted future proposals will be vetted by the Planning Commission and Community Development. Asked if helicopter transportation is planned.

Gillespie: stated no helicopter use is planned.

Seminick: noted helicopter access to private land would require a minor impact submission.

Phillips: asked how defensible space will be managed while maintaining screening with neighboring properties.

Gillespie: stated all defensible space requirements will be met.

Phillips: asked if vegetation screening is possible with defensible space requirements.

Cox: stated screening can be provided while maintaining defensible space.

Phillips: asked about storage of building materials.

Applicant: stated all materials will be stored on the development parcel.

Phillips: asked about avalanche mitigation and associated transportation.

Gillespie: outlined the avalanche mitigation plan.

Seminick: stated all roads to Crystal are public and cannot be closed by the applicant; noted County vs. Forest Service jurisdiction and that the Forest Service would require recording.

Phillips: asked about historic designation of buildings.

Mason: asked about archaeological resources during earth-moving operations.

Seminick: stated the County has no regulations regarding archaeological resources.

McBreen: asked about a ditch near Daniel's Hill parking lot.

Gillespie: noted a plan is being developed to avoid impacts.

Phillips: asked about the commercial use of the TMR cabins and noted the commercial use has lapsed.

Locke: declined to comment.

Phillips: expressed satisfaction with the emergency mitigation and response plans.

#### Commissioner Deliberations

Patrick: asked Staff to draft a decision document, allowing for more consideration.

Phillips: asked Staff to draft a decision document.

McBreen: asked Staff to draft a decision document.

Mason: asked for a draft decision document.

Mason: supported the continuation of the written public comment period remain open, while closing oral public comment at the public hearing.

Phillips: supported above, asked staff if the draft decision document will be provided prior.

Seminick: noted the draft decision document would be included among the packet materials for the upcoming public hearing.

Patrick and McBreen concurred.

Seminick: asked commission to close written public comment at 12 p.m. on Wednesday, December 3<sup>rd</sup>.

### Next Steps

**Moved by** McBreen, seconded by Phillips to continue the public hearing to Thursday, December 4<sup>th</sup>, to close the oral public comment period, and to keep the written public comment period open until 12:00 p.m. on Wednesday, December 3<sup>rd</sup>. The motion passed unanimously in support.

### **Public Hearing: LUC-25-00034 | Crested Butte Fire Protection District | Location & Extent**

The Crested Butte Fire Protection District (CBFPD) submitted a Location and Extent review for a 85-foot wireless telecommunications device with associated equipment shelter, back-up generator, and utility connections pursuant to Colorado Revised Statue (CRS) § 30-28-110 and Land Use Resolution (LUR) Section 1-106: H Location and Extent Review Projects on October 16, 2025. Per CRS § 30-28-110, a Location and Extent application must be submitted prior to the construction of a public facility for review by the Gunnison County Planning Commission within 30 days. We therefore concluded that **the November 20th hearing was likely the sole opportunity to receive public input and review the proposal.**

### Confirmation of Adequate Public Notice

Seminick: confirmed adequate public notice has been given.

Mason: noted no ex parte communication has taken place.

### Applicant Presentation

Applicant: stated the wireless communication device is proposed to be located next to CBFPD fire station 3. Several locations were considered, though due to various site conditions and other limitations, the current proposed site was decided to be the best location. Noted the current lack of reliable cellular service in Crested Butte South, therefore the location of the device in CB South will help improve connection for residents, emergency services, etc.

### Staff Comments

Seminick: clarified the procedure for a Location and Extent application, which pursuant to Colorado State Statute must be reviewed within 30 days of submittal. The application can be approved, approved with conditions, or denied. However, the applicant can continue with their application regardless of the Commission's recommendation.

### Planning Commission Questions

Mason: asked about the parking situation.

Applicant: noted the lost parking spaces will be used to house a tower shelter. Stated no plan to replace lost parking spaces.

McBreen: asked about the location of the tower near a park, and how children will be kept out.

Applicant: the fence surrounding the tower will act as a barrier.

Phillips: asked why this design and location was chosen.

Applicant: noted the sites initially considered became hard to access and more costly. Noted the need for fiber and utilities making more distant locations less developable.

Phillips: asked about the height of the location.

Mason: asked about the height and if the tower were to fall.

Applicant: noted a structural engineer will design to the County and Federal codes, and if the tower were to collapse it would do so onto itself.

### Public Comments

Jason Hogan: resident of CB South. Expressed opposition, due to the visual impact of an 85ft high tower. Noted the towns of Crested Butte and Gunnison don't have towers within their city limits. Expressed concerns over home values with cell towers are present. Asked the County to review all alternative locations. Expressed support to expanding access to emergency services though wireless communication.

Ian Havlick: CB South homeowner. Expressed opposition to the wireless communication tower. Stated support for increased cellular service but asked for a relocation of the tower. Stated devaluation of homes adjacent to the tower is of significant concern. Asked if the CBFPD would approve this application regardless of the recommendation of the Planning Commission.

Lucy Garrec: noted the need for increased cellular service. Questioned the location of the tower among a residential neighborhood. (Recording, 11:02 am). Expressed opposition, noted the Location and Extent process and the opportunity for CBFPD to move forward regardless of the Commission's recommendation.

Peter Carey: resident of CB South. Noted the initial plan of placing a Fire Station in CB South did not contain a plan for a future cell tower. Expressed concern over the parking space loss. (Recording, 11:06 am).

Bill Sage: resident of CB South. Noted the residents near the proposed tower location are opposed to it's location. Expressed concerns over CBFPD not taking into consideration all possible locations.

Mason closed public comment was closed at 11:12 am

### Applicant Response

Applicant: stated the public can access application materials on their website. Noted there are agreements for the development and operation of the tower with Western Slope Towers.

### Staff Response

Seminick: addressed question about the difference between a cellular tower located in Crested Butte versus the proposed tower application. Noting the difference is who owns the land.

### Commission Questions

Phillips: asked if the applicant considered other locations

Applicant: noted they did.

Phillips: asked for clarification about roof coverings and how the height of a cellular tower affects overall coverage.

Applicant: noted cellular penetration produces more coverage when the tower is projecting radio frequencies up to structures versus down to structures.

Mason: asked what the projected service radius is.

Applicant: stated the majority of CB South is expected to be served.

Phillips: asked if this is an eminent need.

Applicant: noted this is a long-standing need. Cellular access is necessary.

Mason: asked about the intended lifespan of the proposed tower. Asked about decommissioning.

Applicant: decommissioning could be a part of a conditional approval. The lifespan of a monopine tower structure would be upgraded and updated regularly. Stated the tower will provide connectivity for emergency radios even if cellular will be provided by satellites in the future.

Phillips: asked applicant to address the public's feelings about being strongarmed.

Applicant: noted public engagement and stakeholder meetings were thorough.

McBreen: asked how the CBFPD chose the current provider.

Applicant: noted they were connected with the current provider through the County.

Phillips: asked why this site was chosen over all alternatives.

Applicant: noted they had explored many locations. Stated there is no location that would be approved by everyone. Multiple design options were considered; the community was given the option to help consider the design. Applicant noted the survey they produced. Clarified the parking spaces used for the shelter building for the tower, noting the tower will take up approximately 2.5 parking spaces.

Patrick: asked why this location was chosen.

Applicant: demand for emergency service, demand from residential users, this location helps eliminate the need for additional towers and meets coverage needs.

Applicant: noted having cellular coverage is important. Addressed concerns over property values being affected by the tower.

Applicant: noted health and safety concerns due to a cellular tower. Stated cellular phones emit more than cellular towers.

Seminick: reminded Commissioners that the County does not have zoning, it has a performance-based review process.

Applicant: presented a coverage map. Explained the various types of coverage displayed on the coverage map.

McBreen: asked for clarify concerning coverage.

Applicant: provided clarification concerning coverage, explaining how terrain will affect distant coverage.

Seminick: presented a letter of recommendation for the CBFPD Location and Extent Application for a wireless communications device. Noted the set back requirement is proportional to height, and that this application does not meet that requirement. Noted the Federal Aviation Agency did not deem this project as a risk to air traffic.

Phillips: asked for the inclusion of a decommissioning clause within the draft recommendation letter.

Mason: clarified the Commission should consider all recommendations.

Patrick: noted looking at impact, the community needs the tower for cellular communication.

Phillips: noted understanding the need, expressed it is difficult to find a location which satisfies everyone.

Mason: stated the community impact this tower will have is necessary. Noted the viewshed, and the location of the tower in the middle of CB South. Questioned the height of the tower.

McBreen: asked whether the applicant can find another location for the proposed tower which would have less impact on the CB South neighborhood. Noted the importance of connectivity, however, stated an alternative location is better for the tower.

Seminick: noted the addition of a decommission clause within the letter of recommendation for the CBFPD wireless communication device.

**Moved by** Patrick, seconded by Phillips to approve the amended recommendation letter for approval. The motion passed with one vote against the motion.

**Work Session: LUC-25-00031 | Ohio City Store | Minor Impact**

The Applicant was approved for a 4-unit remodel to The Mother Lode store and bar in Ohio City in February 2025 under LUC-24-00057. As part of the building permit process under BP-25-00143, the Applicant amended their plans to add a 5th, owner occupied unit.

Applicant Presentation

Applicant: noted rental units, need for long-term rentals, using a portion of the existing space for family uses.

Staff Comments

Blondy: explained the request is to reclassify the application from a minor impact to an administrative review.

Next Steps

**Moved by** Phillips, seconded by Patrick to move the impact classification from a Minor Impact to an Administrative Review. The motion passed unanimously in support.

**Work Session: LUC-24-00014 | Zeck Residence | Minor Impact**

The applicant proposed to build a 1,497 sq. ft. secondary residence with a 920 sq. ft. garage at 720 Hidden Mine Rd., Crested Butte, CO. Currently, the existing primary residence is 4,007 sq. ft. with a 1,132 sq. ft. garage. The aggregate square footage of the existing and proposed buildings is 7,556 sq. ft., which is 556 sq. ft. over the maximum aggregate square footage of 7,000 sq. ft.

Applicant Presentation

Applicant: noted the location of the proposed residence is in Hidden Mine Ranch. Noted the application proposes aggregate square footage over the County's Land Use Resolution limits on square footage.

Staff Comments

Seminick: noted this is a work session, thus up to the Commission to allow a member of the public to speak.

Seminick: noted aspect of the application including total square footage, Colorado Geologic Survey, and engineering recommendations.

Planning Commission Questions

Mason: asked whether the application is for an impact reduction from Minor Impact to Administrative Review.

Seminick: confirmed and requested the Commission review the applicable standards.

Mason: stated no concern with the aggregate square footage exceeding the County limit and noted geological conditions restrict buildable areas on the property.

Phillips: noted the primary residence is fully screened from the highway by an aspen grove.

Applicant: confirmed adequate screening.

Mason: stated the proposed residence is compatible with neighborhood character.

Colvin: stated the road serving Hidden Mine Ranch parcels was designed for residential traffic and that the proposal is compatible with surrounding homes; expressed support for the applicant.

Mason: asked Colvin for screening preferences.

Colvin: stated existing screening is effective and additional trees would reduce visual impact, noting the significant distance between homes.

Phillips: asked whether berming is included.

Applicant: stated berming exists between the residence and the road.

Mason: opposed removing additional vegetation.

Phillips: emphasized the need for screening to prevent obtrusive visuals.

Mason: noted past conditions requiring tree screening and growth in perpetuity.

Applicant: agreed to submit to a covenant protecting planted trees.

Patrick: asked about the elevation of the building site relative to HWY 135 and its prominence, stating visibility would be minor.

Applicant: noted trees between the residence and the highway.

Board: asked whether a covenant can be added to an administrative review.

Seminick: noted a vegetated wetland depression below the residence prevents future development due to setbacks and that the Colorado Geologic Review recommended minimal tree removal.

### Next Steps

**Moved by** Phillips, seconded by Patrick to approve an impact classification reduction from a Minor Impact to an Administrative Review. The motion passed unanimously in support.

**Moved by** Mason, seconded by Phillips to adjourn the Planning Commission meeting. The motion passed unanimously in support. The meeting was adjourned at 12:49 p.m.



**Cathie Pagano, Assistant County Manager**  
**Gunnison County Community & Economic Development Department**

Phone: (970) 641-0360  
Email: [planning@gunnisoncounty.org](mailto:planning@gunnisoncounty.org)  
Website: [www.GunnisonCounty.org](http://www.GunnisonCounty.org)

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**From:** Cathie Pagano, Assistant County Manager for Community & Economic Development  
**To:** Planning Commission  
**Date:** October 30, 2025  
**Re:** Lower Verzuh Ranch Sketch Plan Application (LUC-25-00004)

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### Revisions

Lacy and Dow, LLC has submitted a Sketch Plan application for the Lower Verzuh Ranch Subdivision. The application is classified as a major impact land use change, and proposes the development of approximately 450 acres into 301 residential lots ranging from 1/8 acre to 3 acres.

The applicant submitted revisions (see attached memo from Design Workshop dated September 23, 2025) to the Sketch Plan application after the first work session. The applicant has increased the number of workforce units, removed the allowance for accessory dwelling units (ADUs), included 17 multi-family lots that may allow duplexes, triplexes, and quadraplexes, added transit parking, added a park space adjacent to the multi-family area, and modified the open space. The changes are summarized in the following table.

	<b>Original Application</b>	<b>September 2025 Revision</b>
<b>Total Lots</b>	<b>301</b>	<b>311</b>
<b>Multi-Family Lots</b>	<b>0</b>	<b>17</b>
<b>1/8 acre lots</b>	<b>45</b>	<b>40</b>
<b>1/4 acres lots</b>	<b>165</b>	<b>163</b>
<b>1/2 acre lots</b>	<b>74</b>	<b>74</b>
<b>1 acre lots</b>	<b>8</b>	<b>8</b>
<b>3 acre lots</b>	<b>9</b>	<b>9</b>
<b>Total Units</b>	<b>301</b>	<b>344 (294 single-family; 50 multi-family)</b>
<b>Optional ADUs</b>	<b>256</b>	<b>0</b>
<b>Total Workforce Units</b>	<b>46 Units (15%)</b>	<b>90 Units (40 single-family; 50 multi-family) (26%)</b>
<b>Transit Parking</b>	<b>0 spaces</b>	<b>Approx 40 spaces</b>

<b>Percent Open Space</b>	<b>61%</b>	<b>59.70%</b>
<b>Total Parcel Area</b>	<b>450 Acres</b>	<b>450 Acres</b>

**Compliance with Standards and Key Issues**

Essential Housing (LUR §9-600): The applicant proposes deed restrictions on 90 units or 26% of the total units proposed. The County has found that deed restricted lots, that do not include vertical construction of the residence, are difficult to sell and often do not provide a meaningful contribution to the workforce housing need. The 2024 Housing Needs Assessment found that, “To address the current housing shortfall and keep up with projected job growth, at least 75% of the estimated 1,300 to 1,550 homes needed to support local residents and employees by 2029 in the Valley will need to be priced below market.” At the request of the Planning Commission, staff has included an example of a deed restriction on vacant lots for the Larkspur Subdivision.

Community Character (LUR §7-102): The applicant has proposed to increase the quantity of workforce housing in the proposed development. The Planning Commission will need to consider if the proposed development is compatible with community character. Is enough workforce housing included to mitigate the impacts of additional high end homes? Does the inclusion of workforce housing mitigate increased density the development proposes? The development, as currently proposed, is isolated and will likely be significantly dependent on transit via cars. The community has generally expressed a need for more recreation facilities (ball fields, play spaces, recreation paths) and the applicant has identified some of those amenities may be included in the development.

Residential Density (LUR §10-103)

Section 10-103: C.3. requires that proposed lot size and lot density shall be substantially similar to neighborhood parcels unless the standards of either 10-103: C.3 a or b are met.

	<b>Number of Residences</b>	<b>Total Area/acres</b>	<b>Density (Units per Acre)</b>	<b>Acres Per Residence</b>
<b>PROPOSED LOWER VERZUH RANCH SUBD</b>	344	450	0.76 units/acre	1.3 acres/residence

The proposed development’s density of 0.76 units per acre is approximately 4.25 times greater than the surrounding neighborhood average of 0.18 units per acre. Put another way, the proposed density is about 325% higher than the neighborhood average. For more detail please see the density comparison table in August 28, 2025 staff memo.

While the proposed development is denser than the neighboring parcels it also reflects a sprawling development pattern. For comparison, Whetstone workforce housing includes 252 units on 15 acres.

**Next Steps**

The Planning Commission may conduct as work sessions as they “deem necessary to afford sufficient time to review the application materials and to identify and consider any issues related to the

application” (LUR Section 7-202: F.). Once the Planning Commission determines that they’ve sufficiently reviewed the application in work sessions a joint public hearing shall be conducted.

September 22, 2025

Cathie Pagano  
Assistant County Manager for Community & Economic Development  
Gunnison County, CO

**Re: Planning Commission Application Updates for LUC-25-00004**

Dear Ms. Pagano,

We appreciate your and the Planning Commission’s time reviewing the land use application for Lower Verzuh Ranch at their September 4, 2025 meeting. At that meeting, we heard the Commission express interest in the potential for additional lots to increase the number of workforce housing units to address critical housing needs in the community. We also heard an interest in a parking area to support resident use of transit.

Based on the conversation at that work session, we have looked at potential application adjustments to address the Commission’s feedback, and have prepared an alternative site plan for consideration and discussion at the October 2, 2025 site visit. The proposed adjustments and comparison to the original approval is listed below.

In order to address the desire for a mix of unit types, the alternative includes single family, duplex, triplex, and fourplex unit options. We have added a category of “multi-family” that captures the idea of a duplex, triplex, and fourplex in the chart below and the updated site plan. There are a total of 17 of these lots proposed, with a total of 50 multi-family units that would be restricted as workforce housing. Additionally, the proposed 40 1/8<sup>th</sup> acre lots are proposed for workforce housing. Finally, based on the comments at the meeting, we have removed the proposed ADUs. The protective covenants have been updated to reflect these changes. With the addition of these new workforce housing units, and in the event the sketch plan is approved, we will need to consider whether a phasing plan for the proposed community is appropriate, depending on the infrastructure engineering costs developed at the preliminary plan stage.

In adding these units to achieve the Planning Commission’s goal for an increased amount of workforce housing opportunities, as well as adding parking for the transit area, the total Open Space is slightly reduced to 59.7%, which remains well above the code requirement. Additionally, based on the conversation, we have excluded Accessory Dwelling Units (ADUs) as part of the proposal.

	Original Application	September 2025 Alternative
<b>Total Lots</b>	301	311
<b>Multi-Family Lots</b>	0	17
<b>1/8 acre lots</b>	45	40
<b>1/4 acres lots</b>	165	163
<b>1/2 acre lots</b>	74	74
<b>1 acre lots</b>	8	8
<b>3 acre lots</b>	9	9
<b>Total Units</b>	301	344 (294 single-family; 50 multi-family)
<b>Optional ADUs</b>	256	0
<b>Total Workforce Units</b>	46 Units (15%)	90 Units (40 single-family; 50 multi-family) (26%)
<b>Transit Parking</b>	0 spaces	Approx 40 spaces
<b>Percent Open Space</b>	61%	59.70%
<b>Total Parcel Area</b>	450 Acres	450 Acres

**Design Workshop, Inc.**

Landscape Architecture  
Planning  
Urban Design  
Strategic Services  
Environmental Graphic Design

22860 Two Rivers Road  
Suite 102  
Basalt, Colorado 81621  
970.925.8354

[designworkshop.com](http://designworkshop.com)

As we have stated in our application materials and at the work session, the applicant team is very interested in and willing to work with the Planning Commission to address key community needs related to housing. Thank you for your review, and we look forward to working with you further on this application. Please don't hesitate to reach out should you have any additional questions.

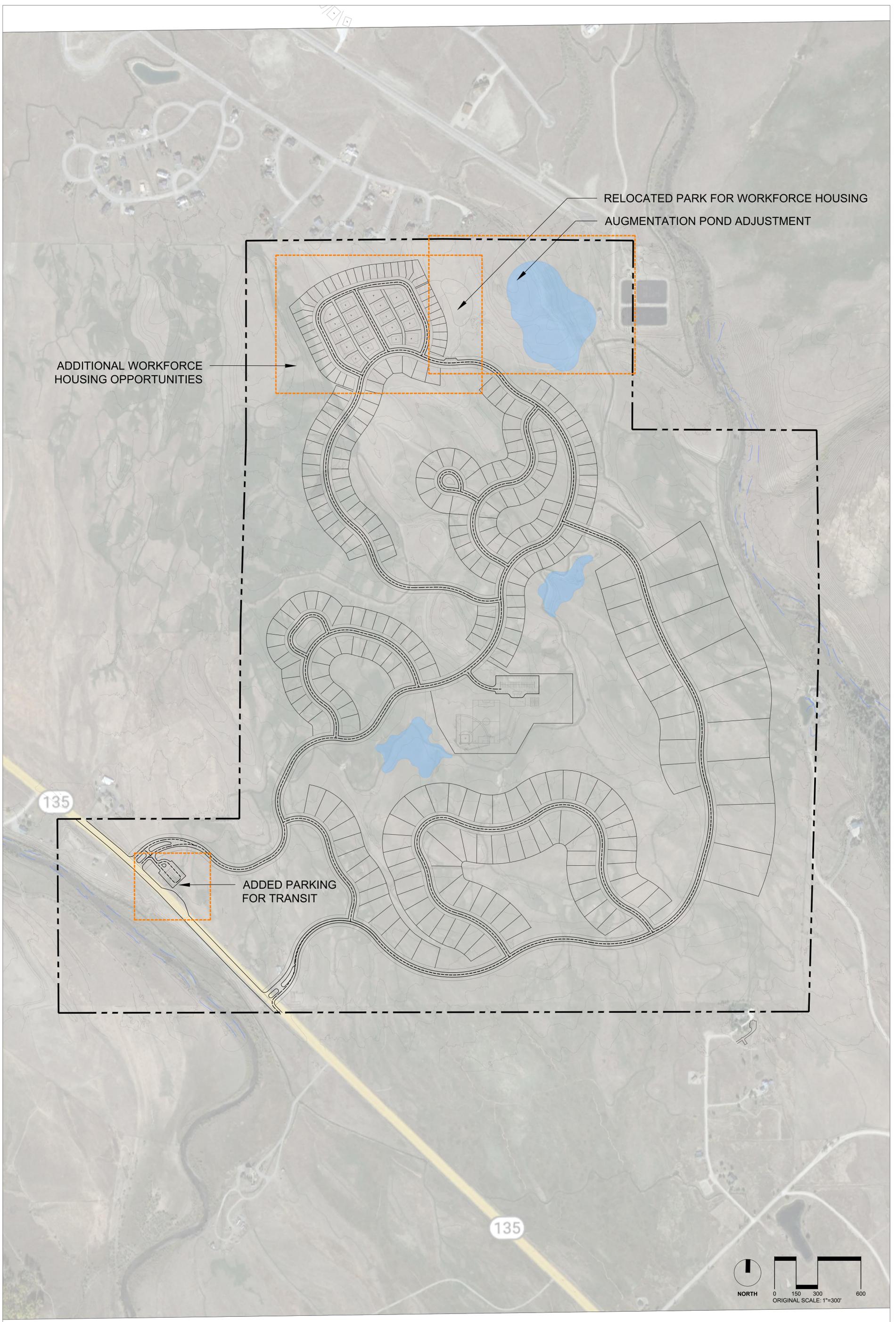
Sincerely,

A handwritten signature in cursive script that reads "Jessica Garrow".

Jessica Garrow, FAICP  
Principal, Design Workshop

**Appendices:**

- Appendix 23 – Alternative Site Plan Option, dated September 22, 2025
- Appendix 24 – Updated HOA Covenants



# LOWER VERZUH RANCH - KEY PLAN

GUNNISON, CO

**DECLARATION OF PROTECTIVE COVENANTS**

**LOWER VERZUH RANCH**

\_\_\_\_\_, 202\_\_

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These Declaration of Protective Covenants for the Lower Verzuh Ranch (these “Covenants”) are made this \_\_\_ day of \_\_\_\_\_, 202\_\_\_ by Lacy and Dow LLC, a Colorado limited liability company (“Declarant”). **These Covenants shall be indexed in the grantee’s index in the name of Lower Verzuh Ranch and the Lower Verzuh Ranch Association, a Colorado nonprofit corporation and shall be indexed in the grantor’s index in the name of Lacy and Dow LLC.**

## **ARTICLE 1: Dedication**

**Section 1. Property Dedicated.** The property subject to these Covenants is more particularly described as:

Lower Verzuh Ranch according to the Plat thereof bearing Reception No. \_\_\_\_\_ of the real property records of Gunnison County, Colorado, which is incorporated herein by this reference, all as located in Gunnison County, Colorado.

(the “Property” and with respect to the aforementioned plat, the “Plat”)

**Section 2. Dedication.** These Covenants shall run with the Property and shall be binding upon all persons and entities having any right, title or interest in and to the Property or any Lots, tracts, or parts thereof, their heirs, successors and assigns and their tenants, employees, guests, agents and invitees and shall inure to and be for the benefit of each Owner of the Lots within the Property. These Covenants are imposed for the benefit of all Owners and all future owners of Lots, parcels and areas located within the Property and to provide for the preservation of values of the Property and to provide and preserve the covenants, easements, restrictions, assessments, liens and all other matters set forth in the Covenants, all of which are for the benefit of the Property.

## **ARTICLE 2: Additional Definitions**

**Section 1. “Association”** shall mean the Lower Verzuh Ranch Association, a Colorado nonprofit corporation.

**Section 2. “Association Documents”** shall mean these Covenants, the Articles of Incorporation and Bylaws for the Association, any amendments to these Covenants and such articles and bylaws, and the Regulations.

**Section 3. “Assessments”** shall mean such regular, annual, periodic, special, default, and delinquent assessments as levied pursuant to these Covenants and the Colorado Common Interest Ownership Act, as it may be amended from time to time (“CCIOA”), by the Association.

**Section 4. “Board of Directors” or “Board”** shall mean the Board of Directors of the Association duly elected and acting according to the Association Documents.

**Section 5. “Building”** shall mean a structure having a roof supported by walls or any similar type of improvement.

**Section 6. “Building Envelope”** shall mean the envelope or area within a Lot or tract, as shown on the Plat, where a building or other improvement shall be located, always subject to the prior written approval of the Board and such other approvals as required herein.

**Section 7. “Common Area”** shall mean all real property so identified on the Plat and any other real property in which the Association owns or obtains any interest or has a leasehold interest for the common use and enjoyment of its members, including without limitation estates in fee, estates for a term of years, and leasehold estates or easements. Each and every Common Area may have a restricted use or enjoyment and may be designated for a specific use for such Common Area.

**Section 8. “Declarant”** means Lacy and Dow, LLC, a Colorado limited liability company.

**Section 9. “Improvement”** shall mean all buildings, structures, parking areas, loading areas, fences, walls, hedges, plantings, poles, driveways, ponds, lakes, recreational facilities, signs, decks, enclosures, changes in exterior building color or shape, excavation, changes in type of exterior building materials, and all other site work including without limitation grading, paving, dirt moving, road construction, trail construction, utility improvements, removal of trees or plantings, and any new exterior construction, exterior improvement, exterior change constructed, completed, or maintained on the Property.

**Section 10. “Inoperable Vehicles”** shall mean any passenger vehicle, snowmobile, ATV, motor home, and side-by-side that is not capable of being driven under its own propulsion for a period of one month or more.

**Section 11. “Lot”** shall mean a tract or lot as shown on the Plat and any subsequent plat, but not including Common Areas.

**Section 12. “Member”** shall mean any person holding membership in the Association.

**Section 13. “Owner”** shall mean the record owner, whether one or more persons or entities, of fee simple title to any Lot.

**Section 14. “Regulations”** shall mean such rules, regulations, policies and procedures as may be adopted and amended by the majority vote of the Board. The Regulations may not directly contradict these Covenants, but may further define or expound upon these Covenants and may

resolve any ambiguity or uncertainty in these Covenants. To the fullest extent permitted by law, the Regulations shall be interpreted in a manner harmonious with these Covenants.

### **ARTICLE 3: Association Matters**

**Section 1. Governance of Association.** The Association shall have all powers and rights that may be afforded to a homeowners' association under CCIOA and the Colorado Nonprofit Corporation Act, as they may be amended from time to time, and these Covenants, including without limitation the power, authority and right to raise and impose assessments, foreclose liens for assessments, adopt and amend the Regulations, adopt and amend design guidelines, and any other right or power that may be exercised by an Association.

**Section 2. Regulation of Common Areas and Activities Infringing Thereon.** The Regulations shall contain such matters as are required by CCIOA and shall set forth such matters regarding the use of the Common Areas and the Lots as the Board believes appropriate. Specifically, but without limitation, the Regulations may include rules, regulations, policies and procedures prohibiting, limiting, restricting, or regarding hazardous activities, nuisances, noise, pets, parking, trash, debris, landscape maintenance, residence, accessory buildings, lighting, yard maintenance, junk, use of Common Areas and easements, home occupations, commercial activities, short term rentals, leases, marijuana cultivation, smoking, installing and maintaining of Improvements, and business enterprises. If permitted by these Covenants and the Regulations, all uses of, and activities on, the Property, including the Common Area and Lots, shall be subject to, and performed in accordance with, these Covenants and the Regulations. The Regulations may identify and define such uses and prohibit them, in whole or in part, on Common Areas and on Lots, or may identify and define such uses and permit them upon terms and conditions the Board believes to be in the best interests of the Association; provided, however, that such Regulations must be consistent with these Covenants. The Regulations shall also address matters such as enforcement of the Association Documents, imposition of fines, collection of Assessments, and reserve studies and funding. All Owners shall be bound by and comply with the Regulations. All Owners shall be responsible for, and liable to the Association for, any violation of the Association Documents by such Owner and such Owner's agents, guests, invitees, tenants, lessees, contractors, customers, and employees.

**Section 3. Members.** Each Owner shall automatically become a Member upon acceptance of title to a Lot; provided, however, that each Lot shall only have one membership, vote and share of common expenses, but all persons and entities that are Owners shall have the same rights to the use and enjoyment of the Common Areas.

**Section 4. Grant of Utility Easements.** The Association shall have the authority to give, grant, and convey a utility easement for the installation, construction and maintenance of underground utilities, Common Areas, and/or water or sewer lines over and across any right of way, road or

street easement or roadway or street designed on the Plat. The Owner of each Lot hereby authorizes and empowers the Association, as its attorney in fact, to give and grant:

- A. A utility and/or water or sewer line and/or ditch easement up to 10 feet in width within and adjacent to the exterior boundary line of each Lot for the installation, construction and maintenance of underground utilities, water or sewer lines, and ditches; provided, however, that such easements shall not traverse or overlap with any Building Envelope.

**Section 5. Wells.** The Lots shall receive water for residential purposes and, if available, limited lawn and garden uses. The Association shall own the water rights and administer the same, including maintenance of the wells, all of which shall be considered common elements and subject to the Regulations.

## **ARTICLE 4: Assessments**

**Section 1. Creation of Lien.** Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in any deed, is deemed to covenant and agree to pay to the Association: (1) all regular assessments or charges; (2) special assessments and charges; (3) default assessments or charges; (4) late fees, returned check charges, default interest; (5) attorney's fees and costs; and (6) fines imposed against such Owner. All of such amounts shall, to the fullest extent permitted by law, be fixed, established and collected as determined by the Association. All of such amounts and any other amounts that the Association is entitled to recover against an Owner under CCIOA or other law shall be a charge and continuing lien upon the Lot against which such assessment is made or that such Owner may own, whichever may be applicable. The Association shall have a lien against each Lot to the fullest extent permitted and provided for by CCIOA. Such liens shall have the priority provided by CCIOA and shall be prior and superior to all other liens and interests in the Lots to the fullest extent provided by CCIOA.

**Section 2. Purpose of Assessments.** All assessments shall be levied for purposes permitted under Colorado law, including without limitation: maintenance of Common Areas, repair of Common Areas, snow removal from Common Areas, costs and expenses pertaining to the operation of the Association in the performance of its duties, legal fees, accounting fees, manager fees, and any other expense, fee, cost, obligation, debt or liability incurred by the Association upon the majority vote of the Board.

**Section 3. Regular Assessments.** Regular Assessments shall be imposed based upon an annual budget adopted by the Association all as provided by CCIOA.

**Section 4. Special Assessments.** Special Assessments shall be imposed as provided by CCIOA and for unbudgeted or unforeseen expenses or for those matters not adequately budgeted for.

**Section 5. Default Assessments.** All fines imposed against an Owner by the Association shall be a default assessment. Any expense of the Association which is the obligation of an Owner, or which is incurred by the Association on behalf of the Owner shall be a default assessment.

**Section 6. Nonpayment of Assessments.** Any assessment, whether regular, special or default, which is not paid within thirty days of its due date shall be deemed delinquent. All delinquent assessments shall bear interest at the lesser of the maximum rate permitted by law or 18% per annum. A late charge of 8% of the delinquent amount shall be charged on all delinquent assessments. The Association shall have all powers of collection and enforcement provided and permitted by law, including without limitation the power to collect delinquent assessments through judicial foreclosure of the lien created by these Covenants, through personal judgment against such delinquent Owner, through referring an account to a collections agency, through the filing of a statement of lien against a delinquent Owners' Lot in the Gunnison County, Colorado Clerk and Recorder's Office, and through such further actions as an association is entitled to take upon compliance with CCIOA.

**Section 7. Liability for Assessments.** In addition to the personal obligation of each Owner of a Lot to pay all assessments and the Association's lien on a Lot for such assessments, all successors to the ownership of a Lot shall be jointly and severally liable together with the prior Owner or Owners for any and all unpaid assessments, penalties, interest, costs, charges, expenses, attorneys' fees and other amounts secured by such lien.

## **ARTICLE 5: Enforcement of Covenants**

**Section 1. Violations Deemed a Nuisance.** Every violation of the Association's Documents, including without limitation these Covenants and the Regulations, shall be deemed to be a nuisance and is subject to all the remedies provided by law for the same, including without limitation abatement thereof.

**Section 2. Failure to Comply.** An Owner's failure to comply with any of the Association's Documents shall be grounds for the imposition of a fine in accordance with and pursuant to the Regulations, an action to recover damages, or for injunctive relief or for specific performance, or any or all of them.

**Section 3. Who May Enforce.** Any action for the enforcement or interpretation of these Covenants may be brought by the Association in the name of the Association and on behalf of the Owners, by the Owner of any Lot, and by Gunnison County.

**Section 4. No Waiver.** The failure of the Board, the Association, or any Owner to enforce or obtain compliance as to any violation shall not be deemed a waiver of the right to do so for any subsequent violation or the right to enforce any part of such documents.

## **ARTICLE 6: Use of Lots**

**Section 1. Permitted Uses.** Except for lots designated on the Plat for workforce housing, each Lot shall be used for single family residential purposes only and shall have not more than two Buildings. The two Buildings shall consist of (a) one single family residence, which may have an attached garage; (b) if there is not a garage attached to the single family residence, then a single detached garage is permitted; and (c) if there is a garage attached to the single family residence, then a single detached non-residential accessory building is permitted. No detached garage or detached non-residential accessory building shall be constructed prior to the single family residence. Multi-family units shall be permitted only on those lots designated on the Plat for workforce housing.

**Section 2. Building Envelope.** All Buildings and other Improvements, including without limitation all single family residences, multi-family residences (but only on those lots designated on the Plat for workforce housing), detached garages, and detached non-residential accessory buildings shall be located within the designated Building Envelope of the Lot, except for driveways and approved landscaping.

**Section 3. Additional Prohibited Uses.** In addition to all other prohibited uses under the Association Documents, the following uses are prohibited:

1. Camping, including any overnight occupancy of any temporary structure whether a R.V., camper, other vehicle or tent.
2. Hunting.
3. Discharging firearms and practicing archery.
4. Parking and other storage outside of a garage of any Inoperable Vehicle.
5. Overnight storage of boats, R.V.s, campers, ATVs, and UTVs except in a fully enclosed garage.
6. The use of ATVs and similar offroad vehicles on subdivision roads.

## **ARTICLE 7: Architectural Review and Approval**

**Section 1. Board.** The Board shall be the Architectural Review Board (the “ARB”) or, in its discretion, it may appoint a separate Architectural Review Board, which may be comprised of such residents, nonresidents, and professionals such as architects and attorneys, as the Board may desire in its discretion.

**Section 2. Review and Approval.** No structure, fence, driveway, dwelling, accessory building, Building or other Improvement shall be commenced, constructed, erected or maintained on any Lot until the plans and specifications therefor have been submitted to and approved in writing by

the ARB in the manner hereafter set forth. Specifically, but without limitation, no landscaping shall be done, nor shall any exterior addition, change or alteration be made, nor any excavation or other site work be done, until the plans and specifications therefor have been submitted to and approved in writing by the ARB in the manner hereafter set forth.

**Section 3. Standards, Process, and Fee.** The standards and procedure for submission of plans for approval, for review of plans, for denial of plans, for approval of plans, and the fee for such review shall be set forth in the design guidelines, which shall be a section of the Regulations and shall be adopted by the Board. The design guidelines shall be consistent with the standards set forth in these Covenants. The Board shall have the authority to impose a fee, which shall be set forth in the design guidelines, which fee may include the cost and expenses of retaining an architect to assist in the review of the matter, including without limitation ensuring compliance with the design guidelines, as well as such amounts as the Board believes to be appropriate to offset the cost to the Association associated with the implementation of such plans, which for example, may include repair costs caused by additional construction traffic for a new Building. All plans and construction on any Lot must comply with these Covenants, including without limitation Article 5, which limits the use of Lots to certain purposes and limits the construction of Buildings and Improvements to the Building Envelopes, and Article 8, which specifically addresses certain construction matters required by Gunnison County. Among other things, the design guidelines will establish standards for construction, such as the burying of all electrical, telephone and other lines, provisions regarding antennas and satellite dishes and other matters.

**Section 4. Mobile Homes, Temporary Structures, and Recreational Vehicles.** No mobile home, trailer house, travel trailer, or other vehicle or temporary structure shall be permitted to be occupied overnight on any Lot. No shipping containers, or any other storage container that is substantially similar to a shipping container, may be located on any Lot.

**Section 5. Continuity of Construction.** All construction, reconstruction, alterations, and improvements shall be prosecuted diligently to completion and shall be completed within twelve months of the commencement thereof, unless an extension is granted by the Board for good cause.

**Section 6. Partition of Lots.** No Lot may be further subdivided or partitioned.

## **ARTICLE 8: Provisions Required By Gunnison County**

**Section 1. Lighting.** Lighting is permitted provided, however, that all lighting must comply with the requirements of Gunnison County at the time of installation. Exterior lighting fixtures shall be full cutoff, fully-shielded, shielded by roof elements, or effectively recessed.

**Section 2. Building Matters.**

- A. Total aggregate square footage for all Buildings per Lot shall not exceed 7,000 square feet and the maximum square footage for all single family residences is 5,000 square feet. The minimum square footage for all single family residences is 2,500 square feet, which minimum square footage shall not apply to units designated on the Plat as workforce housing units. In calculating the minimum square footage, garages are not included. All other calculations for square footages shall be completed according to the standards used by Gunnison County for building permits at the time the application is made for the Building.
- B. All Buildings and other Improvements other than driveways and approved landscaping must be within the Building Envelope. All Improvements must comply with the setbacks from lot lines and roads as set forth in the Gunnison County Land Use Resolution (the "LUR"). Any excavation, except as approved by the Association and, as applicable Gunnison County, is prohibited.
- C. Any metal roof must be non-reflective and have a color finish with no bright colors.
- D. All Buildings and other Improvements shall be built in an exterior style and with colors and materials harmonious with the area and consistent with the design guidelines. No roof shall contain wood shake shingles or other combustible roofing material. All colors of exterior walls and roofs will be colors and tones approved in the design guidelines and shall be harmonious with the area and natural environment. No A-frames, geodesic domes, or yurts shall be allowed, even temporarily.
- E. No exterior radio, television, microwave or other antennae or antenna dish or signal capture or distribution device shall be permitted, installed or maintained on any Lot unless it is approved and consistent with the Regulations.
- F. All chimneys will include spark arrestors on chimney terminations and all chimney caps or shrouds shall provide access for cleaning and servicing said chimneys.
- G. Monitored, automatic fire suppression systems shall be included in all buildings.
- H. No structure or Building shall exceed 30 feet in height. The height of a Building means the vertical distance from grade plane to the average height of the highest roof surface.

**Section 3. Compliance With Applicable Code; Fire Protection Matters.** All Buildings and other Improvements will meet all applicable requirements of all applicable governing bodies, including without limitation the applicable fire code and building code. All Lots shall maintain defensible space to protect against wildfire hazards in such minimum distances and in such a manner as may be recommended from time to time by the local fire protection district and Gunnison County. To the extent applicable, all Lots and Improvements must comply with the Wildland Urban Interface Code or such other code as may apply to protect against fire dangers. Owners are referred to publications of the Colorado State Forest Service, the Gunnison County Weed Specialist, and the Gunnison County Public Works Department. Wildfire mitigation shall be conducted in such a fashion as to minimize soil erosion, removal of existing vegetation, thinning of trees, and adverse impacts to wildlife beyond that which is necessary. The Lots are located within the boundaries of the Crested Butte Fire Protection District, and the Crested Butte Fire Protection District shall have the authority to enforce the fire protection provisions of these

Covenants. All building foundations shall be designed by a Colorado registered engineer or architect. All applications to Gunnison County for building permits must comply with all applicable building codes adopted and amended by Gunnison County, and with any applicable energy and resource conservation standards required by the County at the time of such application.

**Section 4. Landscaping and Buffering on Common Areas by Association.** Plant materials and landscaping elements are to be used throughout the subdivision (including in the Common Areas) in order to provide for privacy and preserve and enhance the unique identity of the site. The Association shall maintain all landscaping and buffering on the Common Areas. Landscaping will be kept and maintained in a natural state except with respect to any landscaping or buffering placed for purposes of buffering.

**Section 5. Solid Fuel Burning Devices.** Owners shall adhere to the regulations regarding solid-fuel-burning devices contained in the LUR. These regulations include, but are not limited to, the requirement that there be no more than one approved solid-fuel-burning device installed per Building.

**Section 6. Roads And Snow Removal.** The Association shall remove snow from the private roads owned by the Association and any private parking spaces on Common Areas owned by the Association. Snow storage by the Association shall be upon Common Areas. Snow storage by an Owner shall be entirely within the Owner's Lot. Upon completion of construction of the private roads, the Association shall at all times keep such roads in good repair and maintain the same in suitable condition for the use of the Members. The Association shall have no obligation to maintain public roads that any governmental entity has agreed to maintain nor shall the Association maintain private driveways. The Association will not maintain driveways or private roads belonging to anyone other than the Association. The Association shall be entitled to make full use of all rights of way, roads and street easements for snow removal and storage. No fences or other Improvements shall be constructed or maintained in the rights of way and roads as shown on the Plat. No Owner may use the rights of way or roads shown on the Plat for purposes of snow storage.

**Section 7. Standards to Ensure Compatible Uses.** Hazardous uses, nuisances and excessive noise, all of which may be further defined in the Regulations, are prohibited. Construction activity is limited to between the hours of 7:00 a.m. to 8:00 p.m., unless such activity is related to snowplowing within the Property or ingress and egress for vehicles and equipment involved in off-site snowplowing activities. All trash must be promptly placed in bear proof trash receptacles. All pet food shall be securely stored.

**Section 8. Use and Maintenance of Common Areas.** Common Areas shall be used and maintained consistent with their purpose. The Association shall maintain the Common Areas. Minimal impact use by owners, such as walking, bicycling, and cross country skiing will be permitted in all Common Areas. Camping, hunting, discharging firearms, practicing archery, and

open fires are prohibited on all Common Areas, as well as any other use prohibited on the Common Areas by the Board in the Regulations.

**Section 9. Domestic Animal Control; No Livestock.**

- A. Domesticated household pets shall not be allowed, kept, or maintained on any Lot except for not more than two dogs and two cats, which domestic household pets are restrained at all times either by leashing or confined within a Building. Lot visitors may have not more than an additional two dogs on the Lot for not more than 14 consecutive days and all such dogs must be leashed or confined within a Building.
- B. No horses or other livestock shall be allowed on the Property.
- C. If any animal is unreasonably or repeatedly noisy, unruly, or creates a disturbance within the Property, it shall promptly be removed by the owner thereof, or it may be removed by the Association at the expense of the animal's owner or the responsible property Owner, and with no liability owed by the Association as a result of such removal. Without limitation, any dog is unreasonably noisy if it is left outdoors barking for more than 15 minutes.
- D. Gunnison County shall have the authority to enforce the animal control restrictions set forth in the Covenants, and any expense of enforcement by Gunnison County shall be at the expense of the responsible individual or property Owner. If the responsible individual or property Owner fails or refuses to reimburse Gunnison County for such expense, the Association shall reimburse Gunnison County and any amount so reimbursed by the Association shall become a lien in favor of the Association against any Lot or Lots owned by the owner of the animal necessitating the enforcement action and if such person is not an owner of a Lot, against the Lot of the Owner of whom such person is a guest, invitee, lessee, tenant or visitor. All Owners shall be responsible to, and liable to, the Association for the actions of the animals of their tenants, contractors, employees and any other invitees.

**Section 10. Fencing.** All fencing must be approved in advance as an Improvement by the Association in accordance with these covenants and the design guidelines and must be located within the building envelope. All fencing must comply with Gunnison County regulations in effect at the time of installation. To the extent of any livestock on any adjoining properties, Owners are required to construct and maintain fencing in order to keep livestock off his/her property pursuant to C.R.S. § 35-46-101, *et seq.*

**Section 11. Signs.** All signage not expressly required to be permitted by law is prohibited except that such signage as is typically used for real estate sales may be placed on Lots that are for sale without the prior approval of the Association provided that such signage complies with all applicable law, including Gunnison County regulations, as well as any rules and regulations of the Association. Declarant and the Association shall not be bound by this signage limitation and may have any signage not prohibited by Gunnison County or any applicable laws.

**Section 12. Parking.** All vehicles, heavy equipment, machinery, and trailers shall be parked only within individual Lots and shall be operational unless stored in a garage. Each Lot shall provide sufficient parking areas so that no parking shall occur on the roads, easements, or right of ways within the subdivision.

**Section 13. Weed Control and Revegetation.** Following construction of any Improvements and any other site disturbance, if required by applicable law, the ground shall be revegetated in accordance with the reasonable recommendations of Gunnison County's Weed Control Specialist. Owners must attempt to comply with the most current version, if any, of the Gunnison Basin Weed District Management Plan or such other plan as may be prescribed by the Gunnison County Weed District of general applicability, if any, as well as any earthmoving site revegetation and noxious weed control plan adopted by the Association.

## **ARTICLE 9: Provisions Pertaining To CCIOA**

**Section 1. CCIOA Community.** Lower Verzuh Ranch is a common interest community that is a planned community governed by the Association. The common interest community is subject to CCIOA. The common interest community is located in Gunnison County. A legally sufficient description of the real estate included in the common interest community is set forth above in defining the Property. The boundaries of each unit created by the Covenants is set forth on the Plat, including the unit's identifying number and its size. There are no limited common elements.

**Section 2. Allocation of Interests.** There are 301 Lots. Each Lot has one voting interest as set forth above and one share of common expense liability. Each Lot is allocated 1/301 of the vote in the Association and 1/301 of the common expenses of the Association.

**Section 3. Lot Line Eliminations and Building Envelope Adjustments.** Upon receiving all required governmental approvals and the approval of the Association, an Owner of adjacent Lots may cluster the Lots in order to remove the lot lines between the adjacent Lots; provided, however, that the clustered Lots will remain liable for the same allocation of common expense liabilities and be entitled to the same allocation of votes as they were subject to and entitled to prior to such clustering. Building envelopes may be adjusted upon receipt of all required governmental approvals and the approval of the Association and the Owners of all adjacent Lots (including those across any street), and similarly, will not alter the allocation of interests set forth above.

**Section 4. Declarant Control.** Declarant (or any successor declarant) shall have all the powers and rights permissible under CCIOA during the period of declarant control, as defined under CCIOA, including without limitation the power to appoint and remove Directors and officers. The period of declarant control commenced upon the recordation of the Covenants and will end at the earlier of fifty years from the date of recordation of the Covenants or at such time as these rights are required expire or terminate under CCIOA.

**Section 5. Development Rights.** Declarant reserves the following development rights and special declarant rights: (1) the right to maintain a sales office, management office, or models in the common interest community and any such sales office, management office, or model shall be owned by Declarant and shall not be a common element and shall be removed promptly after the expiration of the timeframe set forth herein for the exercise of development rights, (2) the right to complete improvements as contemplated on the plat filed with this Declaration, (3) the right to create or amend Lots or Common Area, (4) the right to create, use and provide Owners with the right to use any trail, utility, access and other easements through the Common Area and/or through any Lot for the purpose of implementing the development plan provided, however, that no such trail, utility, access or other easement shall cross or enter any Building Envelope, (5) the right to amend the Plat and these Covenants, including without limitation the right to unilaterally amend the Plat and these Covenants to exercise any development rights or special declarant rights to the fullest extent permitted by CCIOA, and (6) the right to amend these Covenants and the Plat to correct any clerical, typographical, or technical errors. All development rights and special declarant rights shall expire, and must be exercised prior to, the earlier of fifty years from the date of recordation of these Covenants or such time that such rights are required to expire or terminate under CCIOA. No development right needs to be exercised with respect to different parcels of real estate at different times and all development rights may be exercised with respect to different parcels of real estate at different times or at the same time. No assurances are made with regards to which parcels or portions of real estate will be subjected to the exercise of each development right or the order thereof. If any development right is exercised in any portion of the real estate subject to that development right, that development right need not be exercised in all or in any other portion or remainder of that real estate. The scope of any easement established by the Declarant shall also be established by the Declarant, and the Declarant and Association shall have the right to use, and provide to others, access and use by heavy equipment and all manners of vehicles and equipment to any easement shown on the Plat or added by Declarant.

**Section 6. Notice.** Notice of matters affecting the common interest community may be given to Owners by the Association or other Owners by posting the same at an entrance to the subdivision on a message board or post erected for such purpose. In addition, the Association may give notice of matters to Owners by providing such notice by email to any email address for an Owner provided by such Owner to the Association. Notice may also be given by regular, U.S. mail sent to the address of record for the Owner as made available online by the Gunnison County Assessor.

## **ARTICLE 10: Duration of Covenants; Miscellaneous**

**Section 1. Term.** These Covenants shall remain in effect perpetually from the date of recordation of these Covenants.

**Section 2. Amendment.** Except to the extent that a different percentage is required by CCIOA, these Covenants may not be waived, abandoned, terminated or amended, in whole or in part, except by an instrument: (i) setting forth the written consent of the owners of two-thirds of the Lots or containing the certification by the Secretary of the Association that the owners of two-thirds or more of the Lots voted in favor of such amendment, and (ii) approved by the Board of County Commissioners of Gunnison County. No mortgage or lienholder approval is required.

**Section 3. Severability.** These Covenants shall, to the fullest extent possible, be construed so as to give validity to all of the provisions hereof. If any provision or portion of provision in these Covenants is determined to be invalid, unenforceable or prohibited by any court, the same shall not affect any other provision or portion thereof or section hereof and all other provisions, portions of provisions, and sections shall remain in full force and effect.

**Section 4. Construction.** In interpreting words herein, unless the context shall otherwise provide or require, the singular shall include the plural, the plural shall include the singular and the use of any gender shall include all genders.

**Section 5. Headings.** The headings on any section or article are included only for the purposes of convenient reference and shall not affect the meaning or interpretation of these Covenants.

**Section 6. Limitation of Liability.** Neither the Association nor any officer, director or other representative of the Association shall be liable to any party for any action or for any failure to take any action with respect to any matter arising by, through, or under these Covenants if the action or failure to act was made in good faith. The Association shall indemnify all officers, directors or other representatives of the Association with respect to any action taken in their official capacity as provided in the Articles of Incorporation and Bylaws of the Association. Such indemnification shall include repayment of all costs and expenses incurred, including reasonable attorneys' fees.

**Section 7. Attorneys' Fees.** The Association shall be entitled to recover attorney's fees and costs as provided by CCIOA as shall any other party. In the absence of an applicable attorney's fees provision under CCIOA, the prevailing party in any legal action in any Court of law to enforce or interpret any provisions of the Association Documents shall be entitled to recover from the non-prevailing parties reasonable attorney's fees and costs incurred in such legal action, including without limitation all costs and fees incurred in collection, on appeal, and in bankruptcy proceedings.

**Section 8. Applicable Law.** Gunnison County, Colorado district court or county court shall be the exclusive venue for any action arising out of or relating to the Association Documents or any other dispute between the Association and any Owner provided, however, that the Association may establish exclusive venue, means, and procedures for the enforcement of fines, which may include binding arbitration.

**IN WITNESS WHEREOF**, Declarant has executed these Covenants effective as of the date first above-written.

Lacy and Dow LLC, a Colorado limited liability company

By: \_\_\_\_\_  
\_\_\_\_\_, Member

STATE OF COLORADO            )  
  ) ss.  
COUNTY OF GUNNISON        )

The foregoing was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2025,  
by \_\_\_\_\_ as Member of Lacy and Dow LLC, a Colorado limited liability  
company. Witness my hand and official seal. My commission expires:  
\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

**LOWER VERZUH RANCH**  
**STATE HWY 135**  
**CRESTED BUTTE, COLORADO**



(40) PARKING SPACES FOR TRANSIT HUB

**NOT FOR  
CONSTRUCTION**

ISSUE DATE: \_\_\_\_\_

REVISIONS #	DATE	DESCRIPTION

DRAWN: \_\_\_\_\_ REVIEWED: \_\_\_\_\_

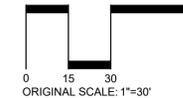
**SKETCH PLAN**

PROJECT NUMBER: 7983

**TRANSIT AREA**

SHEET NUMBER

**L-01**







**RETURN TO:**  
GVRHA  
202 E. Georgia Avenue  
Gunnison, CO 81230



**GUNNISON COUNTY MASTER DEED RESTRICTION**

THIS GUNNISON COUNTY MASTER DEED RESTRICTION (“Restriction” or “Restrictions”) is entered into this 17<sup>th</sup> day of July, 2021 by AMANDA COOK (the Grantor), and each the Gunnison Valley Regional Housing Authority of Gunnison, Colorado, and Gunnison County (the “Beneficiaries”) which are duly organized under and by virtue of the laws of the State of Colorado. The Owner and Beneficiaries are sometimes referred to herein collectively as the “Parties.” This Restriction replaces and supersedes in its entirety that certain GUNNISON COUNTY HOUSING AUTHORITY OCCUPANCY AND RESALE DEED RESTRICTION AND ESSENTIAL HOUSING COVENANT recorded December 26, 2007 as Reception No. 581228, in the Office of the Gunnison County Clerk and Recorder, and any other previous deed restriction regarding occupancy and resale encumbering the Property, defined below.

1. Property Subject to Deed Restriction. The following real property (the “Property”) is hereby made subject to these Affordable Housing Restrictions (“Restrictions”):

**Lot E7, Larkspur Subdivision according to the plat recorded in the Gunnison County records as Reception No. 568254, and as amended on June 19, 2009 at Reception No. 591518**

**County of Gunnison,  
State of Colorado.**

**Commonly known as 417 Larkspur Loop, Crested Butte, CO 81230**

WHEREAS, the Beneficiaries, acting as the original declarant, intend to create a valid and enforceable covenant running with the land that assures that all of the Property hereby existing or to be developed on the Property will be used solely by individuals who are either Qualified Owners or Qualified Occupants (as such terms are hereinafter defined), subject to limited exceptions provided for herein; and

WHEREAS, both the Grantor and the Beneficiaries recognize the public need for attainable and affordable housing for the workforce and working families of Gunnison County, particularly within the Gunnison Valley; and

WHEREAS, under this Restriction the Grantor and Beneficiaries intend, declare, and covenant that the regulatory and restrictive covenants set forth herein governing the use of the Property described and provided for herein shall be and are hereby made covenants running with the land and are intended to be and shall be binding upon the Beneficiaries and Grantor, and all subsequent owners of such Property for the stated term of this Restriction, unless and until this Restriction is released and terminated in the manner hereafter described.

2. Definitions



- i. AREA MEDIAN INCOME (AMI) means the median income for Gunnison County adjusted for household size, as established and defined in the most recent annual schedule published by the U.S. Department of Housing and Urban Development (HUD).
- ii. CAPITAL IMPROVEMENT means any fixture erected as a permanent improvement to the Property excluding repair, replacement, maintenance costs, and sweat equity.
- iii. COUNTY shall mean the Board of County Commissioners of Gunnison County, Colorado.
- iv. GUIDELINES mean the most current Gunnison Valley Regional Housing Authority Housing Guidelines or Gunnison County Housing Guidelines if the Gunnison Valley Regional Housing Authority ceases to exist or is replaced by some other entity, in effect at the time of closing on a sale or transfer of the Property or at the commencement date of a lease or other occupation agreement, or its successor document, as amended from time to time and attached hereto as Exhibit A.
- v. FIRST MORTGAGE means a deed of trust or mortgage that is recorded senior to any other deeds of trust or liens against the Property to secure a loan used to purchase the Property by a Mortgagee.
- vi. HOUSEHOLD means one or more persons who intend to live together on the Property as a single housekeeping Property.
- vii. HOUSING AUTHORITY means the Gunnison Valley Regional Housing Authority. Unless expressly stated otherwise in this Deed Restriction, "Housing Authority" shall refer to the Gunnison Valley Regional Housing Authority, except that if the Gunnison Valley Regional Housing Authority ceases to exist or is replaced by some other entity, "Housing Authority" shall refer to the County.
- viii. MAXIMUM RESALE PRICE means the maximum Purchase Price that shall be paid by any purchaser of the Property, other than the initial purchaser who acquires the Property from the Beneficiaries that is determined in accordance with the provisions of Section 6.iii of this Restriction. The Maximum Resale Price is not a guaranteed price, but merely the highest price an Owner may obtain for the sale of the Property.
- ix. MORTGAGEE means any bank, savings and loan association, or any other institutional lender that is licensed to engage in the business of providing purchase money mortgage financing for residential real property and that is the beneficiary of a deed of trust or mortgage encumbering the Property.
- x. NON-QUALIFIED OWNER or NON-QUALIFIED TRANSFEREE means an Owner that is not a Qualified Owner.
- xi. NET WORTH means the estimated sum of the assets of the Qualified Owner or Qualified Occupant. The term *Asset* refers to liquid assets such as cash in savings, checking or other forms of bank accounts and stocks, bonds or other instruments that can readily be converted to

cash. The most recent Assessed Value as provided by the applicable Assessor's Office will be used to determine the value of real estate holdings, regardless of set-offs by encumbrances, costs of sale or holding, or percent of ownership interest. Assets in a qualified retirement plan and other non-liquid assets such as personal belongings or intangible assets will not be included in the asset limitations for each income category.

xii. OWNER means the Grantor and any subsequent buyer, heir, devisee, transferee, grantee, owner or holder of title to the Property, or any portion of the Property.

xiii. PURCHASE PRICE means all consideration paid by the purchaser to the seller for the Property.

xiv. QUALIFIED OWNER means a natural person who meets the following requirements at the time that he/she takes initial ownership interest or transfer of interest in the Property as qualified by the Beneficiaries:

- a. Has maintained his/her primary and sole residence in Gunnison County, Colorado for six (6) consecutive months immediately preceding taking initial ownership or transfer of interest in the Property or has a qualified employment contract with an employer in Gunnison County that has been accepted by the Beneficiaries; and
- b. Has earned his/her primary (80% or more) source of income working a minimum of 30 hours per week on an annual basis, as documented with the United States Internal Revenue Service, within Gunnison County, or has a qualified employment contract with an employer in Gunnison County that has been accepted by the Beneficiaries; and
- c. Except as provided for in Section 4.i.b. and 4.1.c., does not own any interest in other improved residential property(s). A purchaser who owns residential real estate must convey all interest in said residential property(s) prior to taking initial ownership or transfer of interest of the Property; and
- d. A qualified household shall not have a net worth that exceeds four (4) times the income based on the AMI applicable to actual household size of a prospective purchaser, such AMI set by HUD annually and adjusted for household size.
- e. Income restrictions are applicable at the time of qualification, when taking an initial ownership interest in the Property, and shall be verified by the Beneficiaries. Income guidelines are based on the Area Median Income (AMI) set by HUD annually and adjusted for household size. At the time of initial ownership or transfer of interest the combined household income shall not exceed 160% of AMI; and
- f. Shall occupy the Property as his/her sole and exclusive primary residence at all times during the ownership of the Property.

xv. QUALIFIED OCCUPANT means a person who meets the following requirements at the time he or she takes initial occupancy of the Property as qualified by the Beneficiaries:

- a. Has maintained primary and sole residence in Gunnison County, Colorado for three



consecutive months immediately preceding taking initial occupancy of the Property or has a qualified employment contract with an employer in Gunnison County that has been accepted by the Housing Authority; and

- b. Has earned his/her primary (80% or more) source of income working a minimum of 30 hours per week on an annual basis, as documented with the United States Internal Revenue Service, within Gunnison County, or has a qualified employment contract with an employer in Gunnison County that has been accepted by the Beneficiaries; and
- c. Except as provided for in Section 4.i.a. and 4.i.c., does not own any interest in other improved residential property(s). An occupant who owns residential real estate must convey all interest in said residential property(s) prior to taking initial occupancy of the Property; and
- d. A qualified household shall not have a net worth that exceeds two (2) times the income based on the AMI applicable to actual household size of a prospective occupant, such AMI set by HUD annually and adjusted for household size; and
- e. Income restrictions are only applicable at the time of taking initial occupancy and shall be verified by the Beneficiaries. Income restrictions are based on the Area Median Income (AMI) set by HUD annually and adjusted for household size. At the time of initial occupancy, the combined household income shall not exceed 160% of AMI; and
- f. Shall occupy the Property as his/her sole and exclusive primary residence.

xvi. TRANSFER means an act of a party, or of the law, by which the title to a Property is wholly or partially transferred to another; including but not limited to the sale, assignment voluntary, involuntary or by operation of law (whether by deed, contract of sale, gift, devise, bequest, trustee's sale, deed in lieu of foreclosure, or otherwise) of any interest in the Property, including but not limited to a fee simple interest, a joint tenancy interest, a tenancy in common, a life estate, a leasehold interest or any interest evidenced by a land contract by which possession of the Property is transferred and Owner retains title, except that, this definition does not include any transfer of an interest by the Beneficiaries.

If reviewed and approved in writing by the Beneficiaries prior to occurrence the following transfer(s) are exceptions to the definition, provided that the new Owner, other than an estate, shall use the Property as his/her principal residence:

- a. A transfer resulting from the death of an Owner where the transfer is to the spouse or domestic partner who is also a Qualified Owner.
- b. A transfer resulting from a decree of dissolution of marriage or legal separation or from a settlement incidental to such a decree by which a transfer is made to a spouse who is also a Qualified Owner.

3. Restriction Runs with the Land and Interests.

- a. This Restriction shall constitute covenants running with title to the Property as a burden



thereon, for benefit of, and enforceable by, each of the Beneficiaries, and their successors and assigns, and this Restriction shall bind the Beneficiaries and all subsequent Owners and occupants of the Property. Each Owner and Qualified Occupant, upon earlier of acceptance of a deed or lease to the Property or executing this Restriction, shall be personally obligated hereunder for the full and complete performance and observance of all covenants, conditions, and restrictions contained herein during the Owner's period of ownership or Qualified Occupant's tenancy, as may be appropriate. Each and every Transfer or lease of the Property, for all purposes, shall be deemed to include and incorporate by this reference, the covenants contained in this Restriction, even without reference to this Restriction in any document of conveyance.

- b. Neither Beneficiary may sell, transfer or assign their interest in the Restriction without the express written permission of the other. If one of the Beneficiaries ceases to exist, that Beneficiary's interest in the Restriction shall be deemed to be assigned to the remaining Beneficiary. In the event of a dispute between the Beneficiaries regarding interpretation, enforcement or otherwise of this Restriction or any portion of it, the position of Gunnison County shall prevail.

#### 4. Ownership, Use, Occupancy and Rentals.

##### i. Ownership.

- a. Qualified Owner(s). The ownership of the Parcel is hereby, and shall henceforth be, limited exclusively to Qualified Owner(s) which shall include the parties described and approved as set forth in Section 4.ii. In the event that the Property is occupied without compliance with this Restriction, the Beneficiaries shall have the remedies set forth herein, including but not limited to the rights under Section 8 herein.
- b. Employee Housing. Upon the written consent of the Beneficiaries, which consent may be recorded, a non-qualifying natural person or entity that owns or operates a business located in and serving the county may purchase the Property, provided, however, that by taking title to the Property, such Owner shall be deemed to agree to the rental restrictions set forth herein, and further that any Owner who does not meet the definitions of both a Qualified Owner and Qualified Occupant shall rent the Property to a natural person(s) who does meet the definitions of a Qualified Occupant, and shall not occupy or use the Property for such Owner's own use or leave the Property vacant except as otherwise provided herein.
- c. Rental Projects. Upon the written consent of the Beneficiaries, which consent may be recorded, a non-qualifying natural person or entity may own the Property for the purpose of operating a rental project. However, by taking title to the Property, such Owner shall be deemed to agree to the rental restrictions set forth herein, and further that any Owner who does not meet the definitions of both a Qualified Owner and Qualified Occupant shall rent the Property to a natural person(s) who does meet the definitions of a Qualified Occupant, and shall not occupy or use the property for such Owner's own use or leave the Property vacant except as otherwise provide herein.



ii. Use and Occupancy. Except as provided for in Section 4.i.b and 4.i.c here in, the use and occupancy of the Property is hereby, and shall henceforth be, limited exclusively to Qualified Owner(s) or Qualified Occupant(s), his or her spouse and child(ren) and other immediate family members.

iii. Rental of Property.

a. Qualified Owner(s). An owner may not, except with prior written approval of the Beneficiaries' conditions of approval, rent the Property to a Qualified Occupant(s) for no less than six (6) months and no more than one (1) year and occurring not more than once every five (5) years. All rentals must comply with the current Guidelines.

b. Employee Housing. A non-qualifying natural person or entity that owns the Property, pursuant to Section 4.i.b, may rent the Property for any period of time. All renters must be Qualified Occupants. Any occupancy of the Property pursuant to sections 4.i.b and 4.iii.b shall not exceed two persons per bedroom, unless the Beneficiaries approve otherwise.

c. Rental Projects A non-qualifying natural person or entity that owns the Property, pursuant to Section 4.i.c, may rent the Property for any period of time. All renters must be Qualified Occupants. Any occupancy of the Property pursuant to Sections 4.i.c and 4.iii.c shall not exceed two persons per bedroom, unless the Beneficiaries approve otherwise.

iv. Roommates. The requirements of this Restriction shall not preclude the Owner from sharing occupancy of the Property with non-owners on a rental basis provided that the non-owner(s) is also a Qualified Occupant. Owner continues to occupy the Property as his/her sole and primary residence and meets the obligations contained in this Restriction, including the definition of Qualified Owner or Qualified Occupant. Short-term rentals/roommates are strictly prohibited.

v. No Indemnification or Waiver of Immunity. Nothing herein shall be construed to require either of the Beneficiaries to protect or indemnify the Owner against any losses attributable to a rental including, but not limited to, non-payment of rent or damages to the Property; nor to require either of the Beneficiaries to obtain a Qualified Occupant for the Owner in the event that none is found by the Owner. In addition, nothing herein shall be construed as a waiver by either of the Beneficiaries' governmental immunity provided by the Colorado Governmental Immunity Act or other applicable law.

vi. Initial Finance and Refinance Restriction.

a. At the time of the purchase of the Property the original principal amount of any indebtedness secured by a First Mortgage shall not exceed an amount equal to one hundred percent (100%) of the Purchase Price paid for the Property by that Owner, subject to the Guidelines.

b. An Owner may refinance a First Mortgage that encumbers the Property with the consent of the Beneficiaries; provided, however, that the original principal amount of



any refinanced indebtedness secured by a First Mortgage shall not exceed an amount equal to ninety-seven percent (97%) of the then current Maximum Resale Price limit.

vii. Ownership Interest in Other Residential Property. Except with respect to a Non- Qualified Owner permitted to purchase a Property as set forth in Section 4, if at any time the Owner also owns any interest alone or in conjunction with others in any other developed residential property in or out of the County, the Owner shall immediately list such other property interest for sale and sell his or her interest in such property. In the event said other property has not been sold by the Owner within one hundred twenty (120) days of its listing required hereunder, then the Owner shall immediately list his or her Property for sale pursuant to Section 8.v. of this Restriction. In the case of an Owner whose business is the construction and sale of residential properties or the purchase and resale of such properties, the properties that constitute inventory in such Owner's business shall not constitute "other developed residential property" as that term is used in this Section 4.vii. provided that the Owner is not occupying any of the inventoried properties for residential or commercial purposes.

viii. Compliance. Any Owner of the Property is required to comply with annual certifications to the Beneficiaries that they are in compliance with the requirements of this Restriction. The Housing Authority acknowledges and recognizes that the income and net worth of a Qualified Owner or Qualified Occupant may increase over time, however, such increases over the maximum income and net worth requirements at initial purchase or occupancy shall not constitute a default of this Restriction.

5. Initial Purchase Price. Upon completion of construction of the Property, the Property shall be sold to a Qualified Owner, except as provided for in Section 4.i. of this Restriction, at an affordable Purchase Price as determined by the Guidelines.

6. Transfer of Property.

i. Resale. No Transfer of the Property shall occur subsequent to the original purchase from the County or the Beneficiaries, except upon full compliance with the procedures set forth in this Section 6. In the event the Property is sold and/or conveyed without compliance with this Restriction, such sale and/or transfer shall be wholly null and void and shall confer no title whatsoever upon the purported buyer.

ii. Notice of Intent. The Property shall not be sold or transferred without prior submission by the Qualified Owner to the Housing Authority of a written Notice of Intent to Sell or Transfer Affordable Housing Unit as set forth in Exhibit C attached hereto.

iii. Maximum Resale Price.

a. The initial purchase price of the Property shall be the basis for calculating the Maximum Resale Price in accordance with this Restriction and the Guidelines in effect at the time of listing the Property for sale.



- b. The Maximum Resale Price of the Property shall be limited to be no more than the following calculation:
- The Maximum Resale Price may not exceed the sum of: (i) the Purchase Price paid by the Owner for the Property, plus: (ii) an increase of two percent (2%) of such Purchase Price per year (prorated at the rate of 1/12 for each whole month, but not compounded annually) from the date of the Owner's purchase of the Property to the date of the Owner's Notice of Intent to Sell the Property; plus (iii) an amount equal to any special improvement district assessments, if applicable and not transferable, paid by the seller during the seller's ownership of the Property; (iv) the cost of Permitted Capital Improvements made to the Property by the Owner as set forth in Exhibit D attached hereto.
- c. Permitted Capital Improvements. The amount for Permitted Capital Improvements shall not exceed ten per cent (10%) of the original purchase price for an initial ten (10) year period. For every ten (10) year period from the earlier of the date of the original purchase of the Property or the execution of this Restriction, another ten (10) per cent of the purchase price may be added to the value of the Property for Capital Improvements. In calculating such amount, only those Permitted Capital Improvements identified in Exhibit C hereto shall qualify for inclusion. Seller's contributed labor or "sweat equity" shall not be part of the cost of an eligible improvement.
- d. Pursuant to the Guidelines, each Owner shall be responsible for ensuring that at the Transfer of his or her Property, the same is clean, the appliances are in working order, and that there are no health or safety violations regarding the Property. Prior to the sale of the Property the Beneficiaries are authorized to take necessary actions and incur necessary expenses for bringing the Property into saleable condition. Such actions and expenses include, but are not limited to, cleaning the Property and making necessary repairs to or replacements of appliances and/or Property fixtures, such as windows, doors, cabinets, countertops, carpets, flooring and lighting fixtures, and/or correcting any health or safety violations on the Property. Expenses incurred by the Beneficiaries to bring the Property into a saleable condition shall be itemized and documented by the Housing Authority and deducted from the Owner's proceeds at closing of the Transfer of the Property.
- e. No Owner shall permit any prospective purchaser to assume any or all of the Owner's closing costs. No Owner shall accept anything of value from a prospective purchaser except for the Maximum Resale Price before, during or after closing of the Transfer of the Property.
- f. Nothing in this Restriction represents or guarantees that the Property will be re-sold at an amount equal to the Maximum Resale Price. Depending upon conditions affecting the real estate market, the Property may be re-sold for less than the Maximum Resale Price.



iv. Beneficiaries Right to Acquire Ownership - Right of First Refusal. The initial Owner and each subsequent Owner shall not transfer the Property, or any part thereof, without first offering same to each of the Beneficiaries for purchase. Each of the Beneficiaries shall have a right of first refusal to purchase the Property as follows:

- a. If an Owner receives any offer to purchase or tenders any offer of sale for the Property for any amount less than or equal to the Maximum Resale Price, each of the Beneficiaries shall have the absolute right of the first refusal to purchase the Property at the offered sales price. This right of first refusal will first be granted to the County, using the form attached here to as Exhibit E, and then the Gunnison Valley Regional Housing Authority, using the form attached hereto as Exhibit F, only if the County does not exercise its right of first refusal.
- b. Each of the Beneficiaries shall have the option to exercise its right of first refusal, with the County prevailing as detailed in 6.iv.a., by executing a written and binding commitment to purchase the Property within twenty-one (21) days after each of the Beneficiaries receives written Notice of Intent to Sell or Transfer Affordable Housing Unit by Owner. The commitment to buy shall set a closing date within a reasonable period of time.
- c. Each of the Beneficiaries shall have the right to inspect the Property prior to exercising its right of first refusal. If the Property is damaged there shall be a decrease in the sales price of the Property equal to the amounts necessary to bring the Property into saleable condition as reasonably determined by the Beneficiaries, including but without limitation cleaning, painting, replacing worn carpeting and draperies; making necessary structural, mechanical, electrical and plumbing repairs; and repairing or replacing built-in appliances and fixtures.
- d. In the event neither of the Beneficiaries executes a written and binding commitment to purchase the Property within said twenty-one (21) day period, this right of first refusal shall expire.
- e. If the Owner does not sell or otherwise transfer the Property, the terms and conditions of this right of first refusal shall again apply to any subsequent sale or transfer of the Property.
- f. The right of first refusal shall be in full force and effect from the earlier of the date of initial sale of the Property to the initial Owner or the execution of this Restriction and continues in perpetuity. Any sale or attempted transfer of the Property effected without first giving both of the Beneficiaries the right of first refusal described above shall be wholly null and void and shall confer no title whatsoever upon the purported buyer.



- v. Beneficiaries Made Whole. No transfer of the Property shall occur unless and until each and every encumbrance, debt or liability owed by the Owner to the Beneficiaries is fully satisfied.

## 7. Foreclosure

- i. It shall be a breach of these Restrictions for an Owner to default in the payments or other obligations due or to be performed under a promissory note secured by deed of trust encumbering the Property. The Owner hereby agrees to notify the Beneficiaries, in writing, of any notification Owner receives from a lender, or its assigns, of past due payments or default in payment or other obligations due or to be performed under a promissory note secured by a deed of trust, as described herein, within five (5) calendar days of Owner's notification from lender, or its assigns, of said default or past due payments
- ii. Upon receipt of notice as provided herein, the Beneficiaries shall have the right, in its sole discretion, to solely or jointly cure the default or any portion thereof, thereby becoming the Curing Party. In such event, the Owner shall be personally liable to the Curing Party for past due payments made by the Curing Party, together with interest thereon at the rate specified in the promissory note secured by the deed of trust, plus one (1) per cent, and all actual expenses of the Curing Party incurred in curing the default. In the event the Owner does not repay the Curing Party within sixty (60) days of notice that the Curing Party has cured the Owner's default, the Owner agrees that the Curing Party shall be entitled to a lien against the Property to secure payment of such amounts. Such a lien may be evidenced by a notice of lien setting the amounts due and rate of interest accruing thereon, and such notice of lien may be recorded in the real property records of Gunnison County, Colorado, until such lien is paid and discharged. The Curing Party shall have the additional right to bring an action to foreclose on the Property for the payment of the lien set forth in this section 7.ii.
- iii. In the event of a foreclosure on a promissory note secured by a first deed of trust on the Property, or any Property, and the issuance of a public trustee's deed by the holder of such note and deed of trust ("Holder"), or the acceptance by Holder of such note and deed of trust or a deed in lieu of foreclosure of the Property, and Holder's subsequent recordation of the same in the Office of the Gunnison County Clerk and Recorder, the Beneficiaries may acquire the Property by exercising that certain "Option to Purchase," the copies of which is attached hereto as Exhibits E and F. In the event that the Option is not exercised by either of the Beneficiaries, this Deed Restriction shall be released and shall be of no further force or effect.

## 8. Default/Breach

- i. In the event either of the Beneficiaries has reasonable cause to believe an Owner is violating the provisions of these Restrictions, that entity, through its authorized representatives, may inspect the Property between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday, after providing the Owner with no less than 24 hours written notice.



- ii. The respective Beneficiary shall send a notice of violation to the Owner, with a copy to the other Beneficiary, detailing the nature of the violation and allowing the Owner fifteen (15) days to determine the merits of the allegations, or to correct the violation. In the event the Owner disagrees with the allegation of violation of these Restrictions, the Owner may request, in writing, a hearing before the Gunnison Valley Regional Housing Authority Grievance and Appeals Committee or some similar body convened by the County if the Gunnison Valley Regional Housing Authority Grievance and Appeals Committee ceases to exist or is replaced. If the Owner does not request a hearing and the violation is not cured within the fifteen-day period, the Owner shall be considered in violation of these Restrictions.
- iii. Whenever these Restrictions provide for a hearing before the Gunnison Valley Regional Housing Authority Grievance and Appeals Committee, such hearing shall be scheduled by the Beneficiaries within twenty-one (21) days of the date of receipt of a written request for a hearing. At any such hearing, the Owner or other aggrieved party may be represented by counsel and may present evidence on the issues to be determined at the hearing. An electronic record of the hearing shall be made, and the decision of the Beneficiaries shall be a final decision, subject to judicial review.
- iv. There is hereby reserved to the parties hereto any and all remedies provided by law for breach of these Restrictions or any of its terms. In the event the parties resort to litigation with respect to any or all provisions of these Restrictions, the prevailing party shall be awarded its damages, expenses and costs, including reasonable attorney's fees.
- v. In the event the Property is sold and/or conveyed without compliance with the terms of these Restrictions, such sale and/or conveyance shall be wholly null and void and shall confer no title whatsoever upon the purported buyer. Each and every conveyance of the Property, for all purposes, shall be deemed to include and incorporate by this reference the covenants herein contained, even without reference therein to these Restrictions.
- vi. In the event an owner fails to cure any breach of these Restrictions, each of the Beneficiaries may resort to any and all available legal or equitable actions, including but not limited to specific performance of these Restrictions, an injunction against future sale(s) in violation of these Restrictions, or eviction of noncomplying owners and/or occupants.
- vii. In the event of a breach of any of the terms or conditions contained herein by an Owner, his or her heirs, successors or assigns, the Owner's initial purchase price of the Property shall, upon the date of such breach as determined by either of the Beneficiaries, automatically cease to increase as set out in Section 6.iii. of this Restriction, and shall remain fixed until the date of cure of said breach or until the Owner repays the Curing Party.

## 10. General Provisions





law, such provisions shall be ineffective to the extent of such invalidity or prohibition, without invalidating the remaining provisions of such document.

- vi. These Restrictions and each and every related document is to be governed and construed in accordance with the laws of the State of Colorado.
- vii. Except as otherwise provided herein, the provisions and covenants contained herein shall inure to and be binding upon the heirs, successors, and assigns of the parties.
- viii. Owners and subsequent owners agree that he or she shall be personally liable for their participation in any of the transactions contemplated herein and that he or she will execute such further documents and take such further actions as may be reasonably required to carry out the provisions and intent of these Restrictions or any agreement or document relating hereto or entered into in connection herewith.
- ix. Any modifications of these Restrictions shall be effective only when made by a duly executed instrument by the Beneficiaries and an Owner and recorded with the Clerk and Recorder of Gunnison County, Colorado. Notwithstanding the foregoing, the Parties agree that the Beneficiaries may amend these Restrictions where deemed necessary to effectuate the purpose and intent of these Restrictions, so long as both Beneficiaries agree to such amendments.

EXECUTED, this 5<sup>th</sup> day of July, 2021.

**GUNNISON VALLEY REGIONAL HOUSING AUTHORITY**

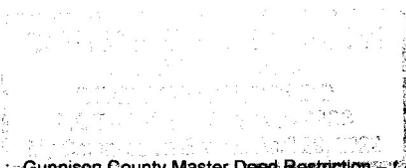
By: Jennifer Kermode  
Jennifer Kermode, Executive Director

State of Colorado            )  
  ) ss.  
County of Gunnison         )

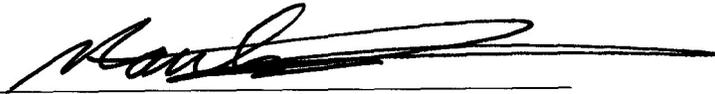
The foregoing Gunnison Valley Regional Housing Authority Affordable Housing Deed Restriction for been acknowledged before me this 5<sup>th</sup> day of July, 2021 by Jennifer Kermode, Executive Director of the Gunnison Valley Regional Housing Authority

Witness my hand and official seal.  
My commission expires: 4/29/2022

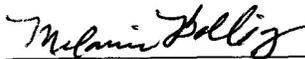
[Signature]  
Notary Public



**BOARD OF COUNTY COMMISSIONERS  
OF GUNNISON COUNTY, COLORADO**

By:   
Matthew Birnie, County Manager

ATTEST:

  
Deputy County Clerk



**EXHIBIT A**

# **GVRHA AFFORDABLE HOUSING GUIDELINES**

**Adopted by GVRHA Board of Directors April 13, 2020**



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## **MISSION AND VISION STATEMENTS & PURPOSE**

*“The Gunnison Valley Regional Housing Authority’s mission is to advocate, promote, plan and provide the long-term supply of desirable and Affordable Housing in Gunnison County in order to maintain a well-rounded community.”*

*GVRHA Mission Statement Adopted January 16, 2013*

*“Our vision is to support the quality of life and economic vitality of the unique communities in the Gunnison Valley by increasing housing choices and opportunities for our local residents.”*

*GVRHA Vision Statement Adopted April 10, 2019*

It is the intent of the Regional Housing Authority to provide Affordable Housing opportunities for persons who are currently or have actively been employed or self-employed in Gunnison County, and who also provide goods and services to individuals, businesses or institutional operations in Gunnison County.

Periodically the Gunnison Valley Regional Housing Authority (“GVRHA”) establishes these Guidelines that govern the development of, admission to and occupancy of deed-restricted Affordable Housing units for residents throughout Gunnison County. These Guidelines support the GVRHA’s goals and are not intended to supersede Codes of Gunnison County, the City of Gunnison, the Town of Crested Butte, the Town of Mt. Crested Butte and the International Building Code.

These Affordable Housing Guidelines respond to housing needs in communities throughout Gunnison County. The 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, Support and Process for Developing Affordable Housing
- Provide information on Monitoring and Compliance

NOTE: These Affordable Housing Guidelines will remain in effect until such time as the Board of Directors for the Gunnison Valley Regional Housing Authority Board approve new or amended Guidelines.

## **GUNNISON VALLEY REGIONAL HOUSING AUTHORITY PLAN**

The Guiding Principles and Housing Goals and Objectives for the Gunnison Valley, as stated in



the GVRHA Regional Housing Plan adopted by the Board of Directors April 10, 2019 will be reviewed and revised by the GVRHA Board of Directors on a periodic basis. The GVRHA will promote equal opportunity in housing throughout Gunnison County.

## **PART I: INCOME CATEGORIES, EMPLOYMENT, ASSET AND RESIDENCY REQUIREMENTS**

These Guidelines identify categories of income levels for Gunnison County Households for the purpose of establishing initial sales prices and rental rates for new housing. These categories correlate to income levels by Household size provided by the US Dept of Housing and Urban Development (HUD) and the U.S. Census Bureau known as Area Median Income (AMI) for Gunnison County on an annual basis. The GVRHA will post the annual AMIs on their website when made available by HUD.

### **SECTION I: INCOME CATEGORIES**

Category 1	Very-Low Income Limits	≤ 50% AMI
Category 2	Low Income Limits	≥ 51% - ≤ 80% AMI
Category 3	Moderate Income Limits	≥ 81% - ≤ 100% AMI
Category 4	Middle Income Limits	≥ 101% - ≤ 120% AMI
Category 5	Upper Income Limits	≥ 121% - ≤ 200% AMI

#### *Determining Household Size*

HUD's AMI categories are further defined by Household size. For the purpose of calculating initial sales prices, the Household size will be calculated by using one and one-half (1.5) persons per bedroom of the unit to be built. For the purpose of establishing rental rates, the number of bedrooms of the rental unit will determine Household size.

### **SECTION 2: INCOME TESTING AND INCOME CALCULATION**

Income testing refers to the verification of the annual Household income of a prospective purchaser or tenant who wishes to qualify for a deed restricted unit. Income testing shall only be done at the time of qualification for initial purchase or initial occupancy of the unit by a Household, and at every subsequent sale or Transfer of occupancy of the deed restricted unit.



Household income should be calculated using a standard method for all prospective purchasers and tenants of Affordable Housing restricted to a certain income category. These Guidelines require using gross income from each Household member's tax returns. For Households with more than one tax return filer, the gross income for each filer will be added together to arrive at the Household's income.

*Documentation*

The GVRHA may request the following documentation to calculate income using the gross income method.

**Persons employed by others:**

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

**Persons with some form of self-employment:**

- Most recent 2 years complete personal federal tax returns with all schedules attached
- 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 2 most recent paystubs)

**Persons with unearned income:**

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

**Persons newly employed and/or with no previous tax returns:**

- 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

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

All income documentation and the information contained therein will remain confidential.

*Calculating gross income:*

All income reported to the IRS, whether taxable or not, may be included in the Household gross income calculation as long as it can be determined that it has a strong likelihood of continuing in the future. Income from the following sources will be calculated using the following



methods:

“Salaried Income” – this is income earned by working for a separate entity whether the employee is considered ‘exempt’ or not. Income reported on the previous 2 years’ W-2s in Box 3 “Social Security Wages” will be averaged over the time period covered by the W-2. This will allow for the inclusion of variable wages earned such as overtime, bonus, hazard pay, tips, etc. that are taxed by the employer.

“Self-employed Income” – this is income/(loss) earned from a business that the Household member has some ownership interest in. Partnerships, S-Corporations LLCs and Sole Proprietorships are included here. Income/(loss) reported as taxable income on the business tax return or reported on a Schedule K-1 as income/(loss) to the Household member will be averaged for the most recent 2 years.

“Unearned Income” – this is income generated through no effort of the Household member and includes pension, annuity, dividends, retirement, alimony or separate maintenance payments, unemployment compensation and Social Security benefits. Variable sources of income will be averaged over the most recent 2 years. Non-variable sources will use the amount as stated on the appropriate documentation. Any income derived from these sources that will not continue past the purchase of an Affordable Housing unit will not be included in the adjusted total income calculation.

“Rental Income” – net income/(loss) earned from investment properties will be averaged over the past 2 years using income/(loss) as reported on Schedule E. If the relevant Deed Restriction does not allow for ownership of other improved real estate, this income will not be included in the gross income, and disposal of the associated property(s) must be verified.

“Capital Gains/(Losses)” – income generated from capital gains/(losses) as reported on Schedule D will be included only if it is apparent that it is a regular activity of the Household member and is from the sale of short-term and/or long-term Assets.

“Non-Occupying Owners” – income from persons taking an ownership interest in a deed restricted unit with a prospective purchaser for the sole purpose of enhancing the credit-worthiness of the prospective purchaser will not be included in the Household gross income. Such non-occupying owners must be an immediate family member or a family member once-removed (aunts, uncles, grandparents, in-laws), otherwise their income will be included in the Household gross income.

### SECTION 3: ASSET TESTING AND LIMITATIONS

Asset testing refers to the verification of economic resources that contribute to a Household’s net worth. The term Asset refers to liquid assets such as cash in savings, checking or other forms of bank accounts and stocks, bonds or other instruments that can readily be converted to



cash. The most recent Total Actual Value as provided by the applicable Assessor's Office will be used to determine the value of real estate holdings, regardless of set-offs by encumbrances, costs of sale or holding, or percent of ownership interest. Assets in a qualified retirement plan and other non-liquid Assets such as personal belongings or intangible Assets will not be included in the asset limitations for each income category.

Asset testing and valuation shall only be done at the time of application for qualification of a Household to initially purchase or occupy a unit, or to enter into a lottery to purchase a unit and at every subsequent sale or Transfer of occupancy of the unit thereafter.

Documentation to verify the value of an asset will be determined by the type of asset; the GVRHA reserves the right to request documents deemed necessary and appropriate to calculate a Household's net worth.

*Household Net Worth Limitations:*

Category 1	Very-Low Income	≤ 2 times the AMI based on actual Household size
Category 2	Low Income	≤ 2 times the AMI based on actual Household size
Category 3	Moderate Income	≤ 3 times the AMI based on actual Household size
Category 4	Middle Income	≤ 3 times the AMI based on a 3-person Household
Category 5	Upper Income	≤ 3 times the AMI based on a 3-person Household

Note: Middle and upper income capped at 3 p HH because ave HH size in the County is 2.4

*Prohibitions on Ownership of other Real Estate*

Qualified Owners and Qualified Occupants in Income Categories 1 – 5 are not permitted to own other improved residential real estate. Improved residential real estate includes stick-built homes, and mobile and manufactured housing on a permanent foundation or with utilities. If such property is owned, the purchaser must list for sale, at competitive market prices, the residential real estate or mobile home prior to closing on the Affordable Housing unit and must still meet the asset/income limitations as set forth in Part I Section 3 herein. Upon the sale, a copy of the recorded warranty deed must be provided to the GVRHA. If the property is not sold by the time of closing on the deed-restricted property, it must remain listed until sold. If the other property has not sold within 180 days of the purchase of the deed-restricted unit, the owner must list and sell the deed-restricted unit according to the terms of the Deed Restriction or these Guidelines, whichever prevails.

**SECTION 4: EMPLOYMENT AND RESIDENCY REQUIREMENTS**

The primary purpose and intent of the GVRHA's Affordable workforce housing programs is to provide housing that is Affordable to local wages. To achieve this the cost of construction of or



acquisition of workforce housing must be subsidized in some manner by the GVRHA's member jurisdictions, therefore it is appropriate that local employment restrictions be placed on each housing unit through a Deed Restriction.

Considerations may be made to provide flexibility from the local employment requirement to address unique situations such as: 1) residents that work from home, 2) persons retiring in their home, 3) Disabled Persons, and 4) persons who have involuntarily lost their employment in Gunnison County.

#### *Minimum Employment Requirements*

At the time of initial ownership or occupancy of Affordable workforce housing units and at all times during ownership or occupancy thereafter, at least one person who resides in the home shall be employed within Gunnison County at a minimum of 30 hours per week on average on an annual basis. Persons who have an annual employment contract that exceed this hourly requirement on a weekly basis may be permitted to have seasonal periods of non-employment, such as persons employed by school districts or other educational facilities, so long as their total employed hours equal or exceed 1,560 hours per year.

"Employed within Gunnison County" shall mean that the person earns at least eighty percent (80%) of their gross income from a business or organization operating in and serving the County and its residents.

#### *Other Considerations*

"Priority for Employees by Area or Occupation" – to facilitate reductions in traffic and automobile use throughout the County, persons employed within a specific geographic area proximate to the proposed development may be given priority in the purchase or rental of Affordable workforce housing when determined necessary or desirable by the governing jurisdiction. To facilitate the inclusion of Essential Service Workers within a certain geographic location, such persons as defined herein may be given priority in the purchase or rental of Affordable workforce housing when determined necessary or desirable by the governing jurisdiction.

"Residents that Work from Home" – the GVRHA may determine that residents who work from home satisfy the local employment criteria if evidence is submitted demonstrating that the work provides a product or service, or other significant direct benefit to the residents of the County and/or an existing local business. If the work, product, service or other benefit does not directly serve the residents of the County and could be performed anywhere, approval to purchase and/or occupy subsidized workforce housing may be denied.

"Persons Retiring in Their Home" – Qualified Owners as defined herein, who wish to retire and continue to own or occupy their workforce housing must score 25 out of a possible 30 points based on the following criteria:



10 Points Must have been employed in Gunnison County for seven (7) continuous years prior to retirement. If employment is less than 7 years, no points are awarded.

10 Points Must have owned and/or occupied their workforce housing for 7 continuous years. If owned or occupied less than 7 years, 1 point shall be deducted for every year less than seven (7).

10 Points Must be 65 years of age or older. If retiring earlier than age 65, deduct 1 point for every year below age 65.

All other requirements for qualification contained in a Deed Restriction must be met.

“Disabled Persons” – Qualified Residents who become disabled after commencement of ownership or occupancy of a workforce home and such disability prevents them from meeting the minimum employment or retirement requirements set forth herein, shall be permitted to remain in their home for a period of occupancy authorized by the governing jurisdiction.

“Involuntary Loss of Local Employment” – Qualified Residents who no longer meet the minimum employment requirements through no action of their own, may be approved to continue to own and/or occupy their workforce housing so long as they are approved in writing by the GVRHA based upon criteria including, but not limited to: 1) percent of total income earned in Gunnison County, 2) place of voter registration, 3) place of automobile registration and driver’s license address, 4) length of residency within Gunnison County, 5) Dependent(s) attendance at local educational institutions, and 6) other qualifications established by the GVRHA from time to time. Compliance with each of these criteria is not necessary; the GVRHA shall consider the criteria cumulatively as they relate to the purpose and intent of the workforce housing.

*Minimum Residency Requirements*

Any minimum residency requirement specified in the Deed Restriction shall be followed; if none is specified, proof of a minimum of 6 months residency or an employment contract or letter of employment may be used to evidence local employment.

**PART II: OWNERSHIP, USE, OCCUPANCY AND RENTALS**

The primary intent of the affordable workforce housing program is to provide decent, Affordable Housing for local residents. Most Deed Restrictions require that the home be “Owner-Occupied” as a “principal residence” for the owner. Some restrictions allow for a non-owner-occupied home to serve as a principal residence for the occupant.



## **SECTION I: OWNERSHIP, USE, OCCUPANCY**

### *Qualification*

Prior to executing an offer for ownership of a deed-restricted property, a purchaser shall be approved by the GVRHA as a Qualified Owner or have approval to become a Non-Qualified Owner.

### *Non-Qualifying Ownership*

Upon the written consent of the GVRHA a non-qualifying natural person or entity that owns and/or operates a business located in and serving the County may purchase a deed-restricted property; provided, however, that by taking title to a property, a Non-Qualified Owner shall be deemed to agree to the rental restrictions set forth in these Guidelines, and shall rent the property to a natural person(s) that does meet the definition of a Qualified Occupant, and shall not use or occupy the property for their own use or leave the property vacant for longer than sixty (60) days. Any occupancy of a property pursuant to this Section shall not exceed two persons per bedroom, unless the GVRHA approves otherwise.

### *Occupancy*

At all times during ownership of a deed-restricted property, the use and occupancy of the property shall be limited exclusively to a Qualified Owner, their spouse and their Dependents, or at all times during occupancy by a Qualified Occupant and their Dependents and shall be occupied it as their primary and sole residence.

Households may not have less than one person per bedroom occupying a deed-restricted unit.

No more than four non-related persons may occupy a deed-restricted property at any one time.

### *Business Use of a Property*

The use and occupancy of deed-restricted properties will be limited exclusively to housing for natural persons who have been qualified by the GVRHA as meeting employment, income, asset and occupancy restrictions. Unless permitted by local zoning or ordinances where a property is located, and with written permission from the GVRHA, an occupant shall not engage in any business activity on or in the property.

### *Non-Occupying Co-Signers*

Co-signers (persons providing security or assuming partial responsibility for a purchase money loan) may be approved for joint ownership of the unit but shall not occupy the unit unless qualified by the GVRHA. All co-signers must execute the Acknowledgement of Restrictive Covenant/Deed Restriction prior to purchase of a unit. If title to a unit Transfers solely to a



non-qualified co-signer, the unit must be placed for sale according to the terms of the Deed Restriction and these Guidelines.

### *Leave of Absence Exemption*

There are times when a Qualified Owner must leave Gunnison County for an extended period for personal or family reasons. In this instance the Qualified Owner may apply for an exemption from the GVRHA from the use and occupancy requirements of these Guidelines. It is the responsibility of the Qualified Owner to provide evidence satisfactory to the GVRHA of a bona fide reason for the exemption and a commitment to returning to the property. A leave of absence exemption may be granted at the sole discretion of the GVRHA and will be granted for up to twelve (12) months maximum.

During an approved leave of absence longer than six (6) months, the Qualified Owner must find a Qualified Occupant to rent the property during their absence. The GVRHA must approve the Qualified Occupant and the rental terms prior to occupancy of the property by the Qualified Occupant.

## **SECTION 2: RENTALS**

### *Rental by Qualified Owner*

Exemptions for the rental of a property that requires owner-occupancy as a principal residence may be granted by the GVRHA under certain circumstances. An owner must apply for an exemption through the GVRHA and provide supporting documentation and the proposed occupant must be approved as a Qualified Occupant prior to taking occupancy. Under no circumstances may a property be leased for more than 12 cumulative months during the entire ownership period of a Qualified Owner.

1. If a Qualified Owner is allowed to rent their unit out for up to a 12-month cumulative period, the rents charged will not exceed the owner's total Housing Expense (mortgage payment including principal, interest, taxes, insurance, mortgage insurance if applicable and homeowner association dues) by more than \$100 dollars per month. A copy of the lease agreement and evidence of the rents charged must be provided to the GVRHA prior to occupancy by a Qualified Occupant.

Should a Qualified Occupant that is the head of the Household become deceased, the remaining Household members shall be permitted to occupy the property until the original lease termination date, subject to the property owner's approval. If a remaining Household member becomes a Qualified Occupant during the original term of the lease, they will be allowed to renew the lease, subject to the property owner's approval.

Roommates are permitted under these Guidelines. Roommates in Owner-Occupied properties



do not have to meet eligibility requirements but at no time may an owner rent out rooms for lease terms of less than 6 months. Under no condition shall any portion of a property be rented on a short-term basis.

When rental properties are acquired by a GVRHA member through a buy-down transaction and a Deed Restriction is placed of record, the GVRHA may, subject to member direction, state in its listing agreement that at least one of the occupants must become a qualified resident within 90 days or the lease shall be terminated.

#### *Rental of Employer-Owned Property*

Where allowed by the Deed Restriction, a property may be owned by a Qualified Employer, nonprofit, government agency, or essential service provider located in Gunnison County that rents the property to its employees or employees of other qualified businesses.

Rental terms shall be for no less than six (6) months. The GVRHA will not require occupants of employer-owned properties to become Qualified Occupants, however, employer-owners will provide evidence of occupant(s) employment if requested by the GVRHA from time to time.

A Qualified Employer may own other improved real estate in or outside of Gunnison County.

#### *Resale of Employer-Owner Property*

1. When a Qualified Employer purchases a property, title may be held by the business rather than a natural person.
2. Any Qualified Employer owner wishing to sell their unit must notify the GVRHA in writing of its intent to sell. The Maximum Resale Price will be calculated per the Master Deed Restriction and these Guidelines. If a lottery for the unit is to be held by the GVRHA as outlined in these Guidelines, a maximum 2% transaction fee shall be paid to the GVRHA. If there are no applicants for the lottery, the GVRHA will list and market the unit on behalf of the seller. The unit must be sold to another Qualified Employer or Qualified Owner, such Qualified Owner's income must be at or below 200% AMI.
3. The unit may be included in the sale of a Qualified Employer's business as an asset of the business however, the Transfer of the unit's ownership must be approved by the GVRHA. In no event may the unit be sold or valued for more than its maximum sales price.

## **PART III: PURCHASING AFFORDABLE HOUSING**

### **SECTION 1: LOTTERY PROCESS FOR PURCHASING**

From time to time the GVRHA may operate a lottery for the sale of deed-restricted properties.



*Qualification to Purchase*

To qualify to enter the lottery at least one person in a Household wanting to take title to a deed-restricted property must meet the requirements for employment, income and asset limitations and any other requirements of the applicable Deed Restriction. The GVRHA must qualify persons prior to entering a lottery and will assign the number of chances a Household may have in a lottery.

The GVRHA will issue a Certification of Eligibility upon approval of the Household to purchase. A title company or transaction attorney may not close a purchase transaction on a deed-restricted home without having a copy of the Certification in their possession.

*Priorities for Lottery Entries by Household*

In the event a priority list for Households entering into a lottery is not already established by a jurisdiction of the GVRHA, the following shall apply:

Households that can provide satisfactory evidence of immediate and continuous in-County residency and employment from the age of 18 shall receive lottery entries as outlined here:

Working in Gunnison County ≤ 1 year	1 chance
Working in Gunnison County > 1 year but ≤ 3 years	2 chances
Working in Gunnison County > 3 year but ≤ 5 years	5 chances
Working in Gunnison County > 5 year but ≤ 10 years	6 chances
Working in Gunnison County > 10 years but ≤ 20 years	7 chances
Working in Gunnison County > 20 years	8 chances
Households that have at least one Essential Service Worker as defined herein	2 additional chances
Households where one person has attended a certified Homebuyer Education class in the past 12 months	1 additional chance

*Lotteries Not Required*

There are certain Transfers of title on deed-restricted properties that do not require a lottery to be held.

1. Person(s) chosen by a current property owner to join them in title, as long as it is in joint tenancy.
2. Existing owners of deed-restricted properties who list their homes for sale through the GVRHA for a sales price not to exceed the Maximum Resale Price and the property meets the Minimum Standards for receiving maximum resale value as defined in these Guidelines.



### *Lottery Process*

1. All applicants wishing to enter in a lottery must have received a Certification of Eligibility from the GVRHA prior to a lottery being conducted.
2. For newly constructed properties, the lottery will be held as specified by the GVRHA.
3. At the time of the lottery, the GVRHA Executive Director and one GVRHA staff member, along with an un-affiliated third-party shall be present to witness each applicant has placed their entries into the lottery container.
4. The lottery container shall be solid and non-transparent, and entries will be sufficiently mixed.
5. The un-affiliated third-party person will then draw an entry out of the container, and the name shall be recorded on the GVRHA lottery log.
6. This process will continue until entries have been drawn for each unit available and recorded in the same manner.
7. Alternates from remaining entrants will be drawn and recorded.
8. For new construction lotteries, the first-drawn applicant will have no more than five (5) business days to execute a contract or reservation form with the GVRHA. Should they fail to do so, the first alternate will be notified and will have no more than five (5) business days to execute a contract or reservation form, and should they fail to do so, then the next alternate will be notified and will have no more than five (5) business days to do so. This process will continue until there is a contract or reservation executed.
9. For resale lotteries, the same process as 1-9 above will be used, however the seller and the lottery winner may negotiate the terms of the contract as they choose. The seller will provide a copy of the executed contract to the GVRHA within three (3) business days of acceptance.

Applicants determined to be ineligible to enter the lottery may submit a notice to the GVRHA protesting the determination and initiate the Grievance Process identified in Part VIII of these Housing Guidelines within one week of being notified of ineligibility.

### **SECTION 2: FIRST-COME, FIRST-SERVED PROCESS**

When the lottery process is not required by the GVRHA, particularly in the event of resales on deed-restricted properties, the following process will be followed.

1. An owner must contact the GVRHA in writing of their intent to sell the property; the GVRHA will first inspect the property to determine if it meets the Minimum Standards for Full Resale Value as defined in these Guidelines and then will calculate the Maximum Resale Price according to these Guidelines or the recorded Deed Restriction, whichever has precedence.
2. The seller may choose to list their property for sale with any licensed real estate agent of their choice unless the Deed Restriction requires them to list it with the GVRHA.
3. Unless the Deed Restriction provides otherwise, no more than a 2% real estate



- commission may be added to the Maximum Resale Price calculation.
4. The GVRHA will charge not more than a 2% transaction fee for its services as a transaction broker.
  5. At least one open house must be held for a listed property prior to any offers being accepted by the GVRHA or seller.
  6. All offers must be accompanied by a Certificate of Eligibility from the GVRHA.
  7. The seller must provide a copy of the executed contract to the GVRHA within three (3) business days of acceptance of the contract.

Applicants determined to be ineligible to enter into a contract with a seller may submit a notice to the GVRHA protesting the determination initiate the Grievance Process in Part VIII of these GVRHA Housing Guidelines within one week after receiving notice of ineligibility.

Prior to recordation of a deed Transferring title to a deed-restricted property, a purchaser who is a Qualified Owner or has been approved as a Non-Qualified Owner shall execute the GVRHA's Acknowledgement of Restrictive Covenant/Deed Restriction and a Notice of Lien. If there is no blanket Deed Restriction recorded for a neighborhood a purchaser may also be required to execute a Deed Restriction. The Notice of Lien and any Deed Restriction requiring execution will be recorded in the records of the Clerk and Recorder of Gunnison County.

### **SECTION 3: MAINTAINING ELIGIBILITY FOR OWNERSHIP OF AFFORDABLE HOUSING**

There is no requirement to meet income or asset criteria for persons who have already purchased and own an Affordable-housing unit or are a Qualified Occupant, however, occupancy and employment criteria along with non-ownership of other improved real estate must continue to be met throughout the tenancy of the Household. GVRHA will require all owners to complete and sign a deed-monitoring affidavit on an annual basis. Responses to the affidavit may require additional documentation be provided to verify compliance.

## **PART IV: REALES OF DEED-RESTRICTED PROPERTIES**

### *Resale*

No deed-restricted property shall be Transferred subsequent to the original purchase from the GVRHA or its assigns, except upon full compliance with the procedures set forth in these Guidelines. In the event a property is sold and/or conveyed without compliance with these Guidelines, such sale or Transfer shall be wholly null and void and shall confer no title whatsoever to the purported buyer.

### *Notice of Intent*

When an owner intends to sell or otherwise Transfer title to a deed-restricted property, the owner shall submit to the GVRHA a Notice of Intent to sell or Transfer title. The property may



not be Transferred to any person, entity or entities not qualified by the GVRHA as a Qualified Owner or approved as a Non-Qualified Owner, nor for consideration that exceeds the Maximum Resale Price as determined by the GVRHA pursuant to the provisions of these Guidelines.

#### *Maximum Resale Price*

The Maximum Resale Price may not exceed the sum of: (i) the Purchase Price paid by the owner for the Property, plus: (ii) an increase of two percent (2%) of such Purchase Price per year (prorated at the rate of 1/12 for each whole month, but not compounded annually) from the date of the owner's purchase of the Property to the date of the owner's Notice of Intent to sell the Property; plus (iii) an amount equal to any special improvement district assessments, if applicable and not Transferable, paid by the owner during the owner's ownership of the Parcel; plus (iv) the cost of Permitted Capital Improvements from the date made to the property by the owner as set forth in these Guidelines; minus (v) any amounts associated with bringing the property up to the Minimum Standards for Full Resale Value as set forth in these Guidelines.

#### *Property Condition Upon Sale*

Pursuant to these Guidelines, each owner shall be responsible for ensuring that at Transfer of title the property is clean, appliances are in working order, and there are no health or safety hazards on the property. Prior to any sale of a property, the GVRHA shall conduct an inspection and provide the owner a list of the items that do not meet Minimum Standards for Full Resale Value. As may be necessary from time to time, the GVRHA is authorized to take necessary actions and incur necessary expenses to bring the property into saleable condition. Such actions and expenses include, but are not limited to, cleaning the property and making necessary repairs to or replacements of appliances and/or property fixtures, such as windows, doors, cabinets, countertops, carpets, flooring and lighting fixtures, and/or correcting any health or safety violations on the property. Expenses incurred by the GVRHA to bring the property into a saleable condition shall be itemized and documented by the GVRHA and deducted from the owner's proceeds at closing of the Transfer of the property.

#### *Restriction on Additional Financial Gain*

No owner shall permit any prospective purchaser to assume any or all of the owner's closing costs. No owner shall accept anything of value from a prospective purchaser except for the Maximum Resale Price before, during or after closing of the Transfer of the property.

#### *No Guarantee of Resale Price*

Nothing in these Guidelines represents or guarantees that any property will be re-sold at an amount equal to the Maximum Resale Price. Depending upon conditions affecting the real estate market and the property itself, a property may be re-sold for less than the Maximum Resale Price.



## **PART V: INFORMATION FOR DEVELOPMENT OF AFFORDABLE HOUSING**

Part V of these Guidelines contains information to be used by developers of Affordable Housing units in Gunnison County or the municipalities within the County whether required in connection with an application for free-market development or other proposals containing an Affordable Housing component.

### **SECTION 1: INITIAL SALES PRICE CALCULATION FOR-SALE PROPERTIES**

There are several different alternatives that can be used in determining the initial sales price of a unit; each method has ramifications for both short-and long-term affordability and impacts an owner upon resale of the property. GVRHA has carefully considered the various methods and determined that setting initial sales prices relative to a specific index – AMI – provides the long-term affordability we need and allows us to target specific income levels in the development of Affordable Housing. Using the AMI index method requires us to calculate an Affordable mortgage payment for each AMI level targeted by local housing development. This method is also compatible with federal and state funding resources for both developing and purchasing Affordable Housing.

#### *Determining Household Size*

The GVRHA will use 1.5 persons/bedroom in establishing maximum sales prices, except for studio units, which will use 1 person/unit.

#### *Formula Components*

The formula GVRHA will use in calculating initial sales prices take into consideration the following components:

1. Establish AMI as the standard index – AMI measures the median income for a specific geographic area adjusted by Household size published annually by HUD. For Gunnison County, the methodology for calculating the AMI is tied to the most recent 5-year American Community Survey (ACS) data and adjusted by inflation.
2. Establish an affordability level – HUD recognizes 30% of a Household’s Gross Income going towards Housing Expense as Affordable. GVRHA will use the same percent.
3. Establish an amount for property tax, homeowner insurance and HOA dues – to calculate an Affordable sales price, we must first calculate an Affordable loan to the AMI target for a specific development. GVRHA will use \$250/month for units targeting 120% of AMI and less and will use \$350/month for units targeting over 121% AMI.
4. Establish a mortgage term – most purchasers of Affordable units need the lowest mortgage payment possible so the GVRHA will use a 30-year term.
5. Establish an interest rate for the mortgage payment – the mortgage amount for an Affordable unit is directly tied to the interest rate used in this calculation. The lower the interest rate, the higher the mortgage amount and conversely, the higher the interest



rate, the lower the mortgage amount. The GVRHA will use a trailing interest calculation by calculating the average interest rate over a specified period of time and add an affordability margin to that average. The GVRHA will use the most recent ten-year Federal Home Loan Mortgage Corporation (FHLMC, aka Freddie Mac) year-end average rates and will add a 1.5% margin to that number.

6. Establish a loan-to-value ratio – the GVRHA will use a 90% loan-to-value ratio to determine the initial sales price after calculating the mortgage amount.
7. Using these data points with a financial calculator the initial sales price is set.

The GVRHA will update these sales prices annually when the most recent HUD AMIs are published.

## **SECTION 2: INITIAL SALES PRICE CALCULATION RENTAL PROPERTIES**

This formula for determining initial sales price of a unit will be used when developing affordable rental housing offered for sale by a developer to the general public, as it directly targets specific income levels. Rental rates for affordable units will be capped at thirty percent (30%) of the AMI adjusted by bedroom count. The thirty percent (30%) must include utilities.

## **SECTION 3: PARTNERSHIP OPPORTUNITIES WITH GVRHA**

### *Introduction and Background*

This Part V Section 3 of the Guidelines is designed to inform private and non-profit Affordable Housing developers (Developers) of the procedures the GVRHA will use in evaluating unsolicited Special Limited Partnership (SLP) participation proposals from Developers.

The GVRHA's mission is to advocate, promote, plan and provide the long-term supply of desirable and Affordable Housing in Gunnison County in order to maintain a well-rounded community. This mission includes the promotion of adequate, safe and Affordable Housing opportunities for a broad spectrum of residents within the geographical boundaries of the GVRHA.

Therefore, GVRHA will consider unsolicited participation proposals for the development of Affordable and/or low-income housing. This is not a competitive process and participation by the GVRHA is Dependent upon GVRHA Board and Staff evaluation of the merits of each proposal using criteria established in these Guidelines and subject to change, modification or elimination of this Part V Section 3 at any time, in its sole discretion.

In 2001, the Colorado legislature revised Section 29-4-226 of the Colorado Revised Statutes which provides, in relevant part, that the portion of a project that is occupied by persons of low income and is owned by or leased to an entity: (I) that is wholly owned by an authority; (II) in which an authority has an ownership interest; or (III) in which an entity wholly owned by an



authority has an ownership interest, is exempt from special assessments. Recently, several private and public sector developers have approached the GVRHA, inquiring about the GVRHA partnering with them to take advantage of this exemption. Because GVRHA has limited staff and financial resources, it is necessary to establish the procedures and criteria that GVRHA staff will use to evaluate and recommend proposals submitted by Developers to the GVRHA Board.

*Proposal Selection Criteria*

The selection criteria listed here may be amended from time to time at the sole discretion of the GVRHA. They may also be used to evaluate land-banking opportunities, projects competing for state and federal resources or other local funding should it become available.

1. The proposed project must meet the following threshold criteria to be considered:
  - a. Submission of the application and the application processing fee;
  - b. Located within the geographical boundaries of the GVRHA;
  - c. The proposed project is not financially feasible without the GVRHA's participation. The GVRHA will not participate in a project merely to increase the Developer's profit margin;
  - d. A portion of the project includes Affordable units serving Households at or below 100% of the Area Median Income (AMI);
  - e. No environmental or legal impediments are present that could delay or terminate the project.
2. The proposed project will be evaluated on the following elements, which may not be inclusive, subject to the proposal:
  - a. Responsiveness to local workforce housing goals;
  - b. Consistency with adopted community plans and community engagement
    - i. Diverse stakeholders have the opportunity to engage and inform proposed housing plans;
    - ii. Community engagement occurs early, and is scaled to the specific project;
    - iii. Community engagement is designed with respectful, inclusive, and constructive outcomes in mind.
  - c. Track record of potential partners.
  - d. Location:
    - i. Proximity to transit;
    - ii. Suitable residential zoning;
    - iii. Availability of utility services on/near site;
    - iv. Balancing provision of housing across the valley.
  - e. Matching site opportunities with market demand:
    - i. Project type – for sale or rental;
    - ii. Design style – condo, townhome, single family, multifamily;
    - iii. Targeted AMIs and level of affordability;
    - iv. Sustainable design – socially and environmentally;
    - v. Number of housing units provided.
  - f. Financial Feasibility and Sustainability of the project:
    - i. Local resources are leveraged (% of overall project costs compared to local



- contribution);
- ii. Risks are mitigated, managed, and aligned with roles and responsibilities
- iii. Quality of construction and design;
- iv. Rental properties with adequate maintenance and repairs budget;
- v. For-sale product with HOAs that have adequate maintenance and repair budget;
- vi. Affordability over the long term for residents;
- vii. Anticipated ongoing operating costs such as snow removal, utility expenses and common area maintenance.

3. Procedure for Partner Selection:

a. Developer must submit a development participation proposal to the GVRHA, which requires among other things that additional documents be submitted with the proposal:

- i. Narrative of the proposal which includes but is not limited to, total number of units, property address, rehabilitation or new construction, number of phases, AMI targets; unit mixes, income restrictions, sales price or rental rate projections;
- ii. Development Sources and Uses budget;
- iii. First year operating revenues and expenses;
- iv. For rental proposals a 15-year detailed proforma;
- v. Developer compensation;
- vi. Statement regarding whether Developer or its related entities are involved or have reason to believe they will be involved in litigation;
- vii. Conceptual site plan;
- viii. List of intended partners, including but not limited to architect, contractor, legal, accounting, property management and financing.
- ix. List of references for similar type developments.
- x. Developer audited financials for at minimum the past two years.

4. With the submission of the Development Participation Proposal Form, Developer must remit a non-refundable Application Fee of \$500 to reimburse the GVRHA cost required to review and analyze the specific proposal.

5. GVRHA Staff will perform an initial review and evaluation of the participation proposal. Based on measurements against the above criteria, staff will forward the proposal to the GVRHA Board with recommendations regarding declining the proposal or continuing analysis.

6. It is recommended that Developers contact the GVRHA Staff Executive Director prior to submitting a participation proposal to assess merits and alignment with the GVRHA Guidelines and mission.

7. Upon approval of participation, the GVRHA reserves the right to require financial compensation for administrative costs, on-going compliance and reporting



requirements and offset of community financial contributions through fee waivers, sale/use tax exemptions and property tax exemptions.

## **PART VI: REGULAR MAINTENANCE AND MINIMUM PROPERTY STANDARDS FOR FULL RESALE VALUE, PERMITTED CAPITAL IMPROVEMENTS, INSURANCE REQUIREMENTS**

### **SECTION 1: REGULAR MAINTENANCE AND MINIMUM PROPERTY STANDARDS**

#### *Regular Maintenance*

In order to preserve the quality of our housing stock, particularly those that have significant amounts of public subsidies in them, it is important that homeowners maintain the condition of their homes to an acceptable level. Ideally, homeowners would choose to maintain their homes because of their preference to reside in safe, decent housing, rather than be forced to do so by regulation or rules from the GVRHA. The GVRHA is making efforts to educate homeowners that there are distinct financial advantages to maintaining their residences in decent condition since: 1) failure to do so could result in poor marketability and lower offering prices for the home, and 2) when property conditions are rated as "fair" or "poor" on appraisals, lenders will require that work be performed and paid for to upgrade the rating prior to closing on a resale.

All costs to repair or maintain a property to bring it up to the minimum property standards will be deducted from the Full Resale Value.

#### *Minimum Property Standards for Full Resale Value*

- "Thoroughly cleaned property"
- Carpets professionally cleaned two or three days prior to closing
- All major scratches, holes, burn marks repaired in hardwood floors, linoleum, tile, counter tops, etc.
- No broken windows
- All screens in windows (if screens were originally provided)
- All appliances as originally provided must be in clean, working order
- All doors will be in working order with no holes
- All latches and locks on doors will work
- All keys will be provided; e.g., doors, mailbox, garage
- All mechanical systems shall be in working order
- Walls are paint-ready
- Normal wear and tear on carpet; if carpet has holes, stains, etc., the carpet and padding of equal value shall be replaced prior to closing, or sufficient funds escrowed at closing for the new buyer
- No leaks from plumbing fixtures



- No roof leaks
- Any safety hazards shall be remedied prior to closing
- All light fixtures shall be in working order with light bulbs included

“Thoroughly cleaned property” means:

**KITCHEN**

- Range -Inner and outer services must be cleaned.
- Range hood and exhaust fan must be cleaned.
- Refrigerator and Freezer - Inner and outer surfaces of refrigerator and freezer must be clean. Freezer must be defrosted.
- Cabinets and Countertops - Exterior and interior surfaces of cabinets and drawers must be clean. Door and drawer handles, if provided, must be clean and in place.
- Sink and Garbage Disposal - Sink and plumbing fixtures must be clean. If garbage disposal is provided, this must be in working order.
- Dishwasher – If provided prior to move-in, it must be in working order and inner and outer surfaces must be clean.

**BLINDS, WINDOWS, SCREENS:**

- Mini-blinds, Venetian Blinds, Vertical Blinds, and Pull Shades - must be clean and in working order with no holes or damage.
- Windows - All window surfaces, inside and outside of the window glass, must be clean.
- Screens - Screens must be clean and in place with no holes or tears.

**CLOSETS:**

- Closets, including floors, walls, hanger rod, shelves and doors, must be clean.

**LIGHT FIXTURES:**

- Light fixtures will be clean and must have functioning bulbs/fluorescent tubes.

**BATHROOMS:**

- Bathtub, Shower Walls, Sinks -Bathtubs, shower walls and sinks must be clean.
- Toilet and Water Closet - Water closets, toilet bowls and toilet seats must be clean. If the toilet seat is broken or peeling, the seat must be replaced.
- Tile - All tile and grout must be clean.
- Mirrors and Medicine Cabinets – must be cleaned inside and out.
- Shelves and/or Other Cabinetry - must be cleaned inside and out.

**WALLS, CEILINGS, PAINTED DOORS AND BASEBOARDS:**

- Painted surfaces must be cleaned with care to ensure the surface is clean without damaging the paint.

**FLOORS:**



- Floor cleaning includes sweeping and mopping and could include stripping, waxing and buffing. Types of floor surfaces include wood, wood parquet tiles, linoleum, asphalt tile, vinyl tile, mosaic tile, concrete and carpet. If carpet, all carpets must be professionally cleaned at least two days prior to closing.

**INTERIOR STORAGE/UTILITY ROOMS:**

- Storage/utility rooms must be cleaned. Properly cleaned storage/utility rooms will be free from odors, removable stains, grease marks or accumulations.

**WALLS PAINT-READY:**

- All holes must be patched; all posters, pictures, etc., must be removed from all walls; all nails, tacks, tape, etc., must be removed from all walls; and all walls must be clean and ready for the new buyer to paint. If wallpaper has been placed on the wall and in good condition, the wallpaper can remain; if the wallpaper is peeling off, the wallpaper must be removed and walls made paint-ready.

**WINDOWS:**

- If a window is broken, including the locking mechanism, the window must be replaced.

*Health and Safety Hazards. Any condition(s) that provides a health and/or safety hazard must be fixed. This would include, but is not limited to, exposed electrical wiring, improper ventilation for gas, hot water systems, torn carpeting, etc.*

**SECTION 2: PERMITTED CAPITAL IMPROVEMENTS**

At times owners of deed restricted properties may want to improve their home and recoup their expense for the improvement. Because one of the primary objectives in providing deed restricted homes in a community is to ensure there is a supply of Affordable homes, any improvements that increase the resale price of deed restricted properties relative to the original income target is a concern. Therefore, Permitted Capital Improvements should be clearly defined and restricted sufficiently to maintain Affordable price points over time while still protecting the quality of the housing stock.

It should be noted that Permitted Capital Improvements (PCIs) do not include the regular repair, maintenance, replacement of fixtures and finishes, or the upkeep of a property. Those on-going owner obligations are important to the quality of the deed restricted housing stock and are addressed in the Maintenance section of these Guidelines.

*Treatment of Permitted Capital Improvements*

The amount for Permitted Capital Improvements shall not exceed ten per cent (10%) of the original purchase price for an initial ten (10) year period. For every ten (10) year period from the date of the original purchase and Covenant, another ten (10) per cent of the purchase price



may be added to the value of the property for Permitted Capital Improvements. In calculating such amount, only those Permitted Capital Improvements identified in these Guidelines shall qualify for inclusion. An owner's contributed labor or "sweat equity" shall not be part of the cost of an eligible improvement.

When PCIs are allowed, only those that improve unfinished interior spaces or add new system(s) that make the property more Affordable for the owner/occupant will be included in the Maximum Resale Value calculation. Luxury or cosmetic upgrades, exterior improvements (landscaping, decks and patios), or replacement of existing finishes, appliances, or fixtures will not be included as PCIs in the Maximum Resale Value.

When calculating the value of PCIs an owner must provide clear, legible, written proof of costs incurred. The cost of labor will not be included in the value added into the Maximum Resale Value.

Appreciation of PCIs will start from the first of the month when they were completed. An owner must provide evidence of obtaining a building permit and notice of formal completion when required to add the value of the PCIs to the Maximum Resale Price.

In the development of new housing, if PCIs are allowed, the initial sales prices will be discounted to ensure that even with the addition of PCIs, the price at time of resale will be Affordable to the initial income target.

When PCIs are not allowed, properties will be fully finished with adequate storage and/or garages at the time of initial sale.

#### *Permitted Capital Improvements*

- Modifications or improvements to accommodate persons with disabilities as defined in the Americans with Disabilities Act of 1990;
- Modifications or improvements to assist seniors to age in place;
- Improvements for health and safety protection devices (including radon);
- Improvements to finish intentionally included unfinished interior space;
- Modifications or improvements to increase energy efficiency and/or water conservation on a case-by-case basis.

#### *Non-Permitted Capital Improvements*

- Jacuzzis, sauna, steam showers and other similar items;
- Upgrades or the addition of decorative items including lights, window coverings, flooring, paint and other similar items;
- Upgrades of appliances, plumbing and mechanical systems;
- Outdoor landscaping including the addition of decks, porches, patios, gazebos, fencing,



- irrigation systems and other similar fixtures;
- Cost of tools or rental equipment.

### **SECTION 3: INSURANCE REQUIREMENTS**

Deed-restricted housing with public subsidies means that the cost to build homes is greater than what the sales price is. Typically, homeowners insure their homes for 80% of what the value of the home is, assuming 20% of the value is in the land.

When properties are subsidized, owners must obtain full replacement cost coverage which will repair or replace the home in the event of damage or destruction. Insuring a deed-restricted home to a capped value could result in a gap between what the insurance will pay and what it actually costs to repair or replace the home.

Any damage or destruction must be corrected or repaired before a resale of the property will be allowed.

## **PART VII: DEED MONITORING/COMPLIANCE MATTERS**

### **SECTION 1: DEED MONITORING**

The Affordable Housing programs currently in place in our communities, as well as those yet to be developed, have come at great cost to each community in terms of dedicated staff time, investment of legal, financial and material resources, the contributions of intellectual property and gaining the support of the public will. It is incumbent upon provider of an Affordable Housing program to protect the investments made and honor the intent of each Deed Restriction through compliance monitoring.

The GVRHA will annually monitor compliance by owners of deed-restricted properties through a self-completed affidavit.

It is considered a violation of these Guidelines for an owner to refuse to return a completed deed-monitoring affidavit to the GVRHA.

#### *GVRHA Responsibility*

To adequately qualify new owners as well as determine compliance when deed monitoring, the GVRHA will use the following definitions:

1. Owner-Occupied – at least one qualified person holding title occupies the property as their primary residence.
2. Non-Occupying Co-Borrower – a person who is on title merely for the purpose of



obtaining lender approval for a buyer's purchase money mortgage and whose intent is to not occupy the property.

3. Non-Qualified Owner – a person or business allowed to own a property that must be occupied by a Qualified Occupant.
4. Qualified Occupant/occupant – a person who has been approved through the GVRHA as meeting the requirements of employment, income, occupancy or any other factors relative to the Deed Restriction.
5. Principal residence – a property where the occupant(s) lives a minimum of 9 months per year.

In addition to an *owner's* use of the property, relevant factors in determining that the property is the principal residence include without limitation:

- a. The owner's place of employment.
- b. The principal place of abode for the owner's family members.
- c. The address listed on the owner's federal tax returns, driver's license, auto registration and/or voter registration card.
- d. The owner's mailing address for Household bills, personal bank statements and personal correspondence.
- e. The location of religious organizations, service clubs or community non-profits the owner is affiliated with.

In additional to an *occupant's* use of the property, relevant factors in determining that the property is the principal residence include a – e above without limitation, and:

- f. Evidence the occupant has been qualified as a resident by the GVRHA.
6. Sole residence – the only residence an owner has a right, title or other interest in, or the only residence a Qualified Occupant has an interest in.
7. Vacant Property – a home that is no longer occupied as a principal residence by the owner for a period of 90 consecutive days, or a property that is unoccupied by a Qualified Occupant for a period of 90 consecutive days.
8. Leave of absence – a vacancy longer than 90 days that has prior approval from the GVRHA.

## SECTION 2: COMPLIANCE MATTERS

From time to time it may come to the attention of the GVRHA that an owner of a deed-restricted property may be out of compliance with the terms of the Deed Restriction, or an occupant of a property managed by the GVRHA may be found to be in violation of the lease and any and all rules, regulations, policies and procedures governing such occupancy. It is the responsibility of the GVRHA to investigate all alleged non-compliant matters and determine if a violation is in existence. GVRHA staff will inform the Board President of potential non-compliance matters upon discovery and keep the President apprised of the investigative process and outcomes.



### *Deed-Restriction Non-Compliance*

The GVRHA has the right and authority to investigate as fully as possible all non-compliant matters which will include, but is not limited to:

- Contact with the owner informing them of the allegation
- Inspection of the property in question
- Inspection of lease agreements, title documents, loan documents and all others pertaining to legal ownership and occupancy of the property
- Verification of employment directly with the owner's employer, tax returns of the owner, IRS verifications of tax return authentication, and other documents as warranted
- Social media searches, all other publicly accessed internet resources
- Any other reasonable means of verifying compliance as deemed necessary.

Subject to the nature of and significance of a violation, the GVRHA will notify the beneficiary and the owner, provide suggestions for acceptable remediation and a reasonable timeline in which it must be achieved.

If a remedy satisfactory to the beneficiary cannot be reached and subject to the terms of the deed restriction, one of the following penalties may be levied:

- Appreciation - no appreciation gained on a property from the date the violation was incurred or discovered, whichever is earlier, until a satisfactory remedy is reached.
- Monetary - a per diem fine may be imposed from the date the violation was incurred or discovered, whichever is earlier, until a satisfactory remedy is reached.
- Specific performance – the violating homeowner may be forced to sell the property.
- Reimbursement – the violating homeowner may be required to reimburse the beneficiary equal to the current value of the public dollars invested in the property.
- If a property is encumbered by a HUD-insured mortgage, the following remedies will not be pursued:
  - Acceleration of a mortgage
  - Voiding a conveyance by an owner
  - Terminating an owner's interest in a property
  - Subjecting an owner to contractual liability other than monetary damages.

An owner found to be in violation of these Guidelines, or an applicable Deed Restriction may submit a notice to the GVRHA protesting the determination and initiate the Grievance Process in Part VIII of these GVRHA Housing Guidelines within one week after receiving notice of a violation.

### *Lease, Rules, Regulations, Policies, Procedures Violations*

This Section identifies lease violation procedures that will be implemented for properties owned and managed by GVRHA, excepting those properties whose senior governing documents



prevent such procedures. These procedures clearly detail the process and timeline for enforcement of lease provisions, rules and regulations, policies and procedures and companion/service animal agreements. These procedures apply to all tenants and for all violations *except for failure to pay rent when due*, when the specific terms of the lease agreement shall prevail.

Each tenant is provided with a copy of all lease provisions, rules and regulations, policies and procedures and companion/service animal agreements at the time of initial occupancy of a unit and at each lease renewal. After reviewing these documents with GVRHA staff, each tenant is required to sign these documents and initial in various places. The GVRHA will continue to make tenants aware of all lease provisions, rules and regulations, policies and procedures and companion/service animal agreements at the time of initial occupancy of a unit and at each lease renewal.

When a violation of any lease provisions, rules and regulations, policies and procedures and companion/service animal agreements is made known to the GVRHA, the following procedures shall be followed:

1. First violation

- a. Within two (2) business days an informal email with the subject line stating “First Notice of Violation and Request for Compliance” will be sent to the tenant stating:
  - i. The specific lease provision, rule, regulation, policy, procedure or agreement term that was violated
  - ii. How the violation occurred
  - iii. When the violation occurred
  - iv. How to remedy the violation
  - v. Highlight they have 3 business days from the date of the email to have the violation corrected
  - vi. A request for the tenant to notify us in writing when they have corrected the violation
- b. The GVRHA reserves the right to immediately file for lawful eviction if the first violation is of a nature that:
  - i. Poses a serious or imminent threat to another individual
  - ii. Causes property damage beyond the amount of the damage deposit received from the tenant
  - iii. Is a criminal activity
  - iv. Involves the use, possession or cultivation of a prohibited substanceGVRHA will immediately notify the Board President of any eviction action being initiated.

2. Second violation of the same nature

Within two (2) business days, a formal email with the subject line stating: “Second Notice of Violation and Request for Compliance” will be sent to the tenant stating:



- a. The specific lease provision, rule, regulation, policy, procedure or agreement term that was violated
- b. How the violation occurred
- c. When the violation occurred
- d. How to remedy the violation
- e. Highlight they have 3 business days from the date of the email to have the violation corrected
- f. A request for the tenant to notify us in writing when they have corrected the violation

3. Third violation of the same nature

Within two (2) business days a formal email with the subject line stating: “Third and Final Notice of Violation” will be sent to the tenant stating:

- a. The specific lease provision, rule, regulation, policy, procedure or agreement term that was violated
- b. How the violation occurred
- c. When the violation occurred
- d. When the First and Second Notices of Violation were sent and a summary of tenant responses to each Notice
- e. Identify the enforcement action to be taken by the GVRHA, subject to applicability:
  - i. Early termination of lease
    - 1. If there are six (6) full months or more remaining on the lease
  - ii. Non-renewal of lease
    - 1. If there are less than six (6) full months remaining on the lease
  - iii. Eviction
    - 1. If the violations are of a nature that:
      - a. Poses a serious or imminent threat to another individual
      - b. Causes property damage beyond the amount of the damage deposit received from the tenant
      - c. Is criminal activity
      - d. Involves the use, possession or cultivation of a prohibited substance
- f. GVRHA will follow all applicable laws in the effectuation of each enforcement action.
- g. GVRHA will immediately notify the Board President of the issuance of the Third and Final Notice of Violation and the enforcement action taken.
- h. The tenant shall receive a copy of the GVRHA Grievance and Appeals Process and Request for Alternative Dispute Resolution form.

4. Violations of different natures

For tenants with violations, individually or in combination, of five (5) different terms of any lease



provisions, rules and regulations, policies and procedures and companion/service animal agreements, shall, after the fifth violation is made known to GVRHA, receive an email with a formal "Final Notice of Violation" stating:

- a. The specific lease provision, rule, regulation, policy, procedure or agreement term that was violated
- b. How the violation occurred
- c. When the violation occurred
- d. When the previous First Notices of Violation and Request for Compliance were sent and a summary of tenant responses to each Notice
- e. Identify the enforcement action to be taken by the GVRHA, subject to applicability:
  - i. Early termination of lease
    1. If there are six (6) full months or more remaining on the lease
  - ii. Non-renewal of lease
    1. If there are less than six (6) full months remaining on the lease
  - iii. Eviction
    1. If the violations are of a nature that:
      - a. Poses a serious or imminent threat to another individual
      - b. Causes property damage beyond the amount of the damage deposit received from the tenant
      - c. Is criminal activity
      - d. Involves the use, possession or cultivation of a prohibited substance
- f. GVRHA will follow all applicable laws in the effectuation of each enforcement action.
- g. GVRHA will immediately notify the Board President of the issuance of the Final Notice of Violation and the enforcement action taken.
- h. The tenant shall receive a copy of the GVRHA Grievance and Appeals Process and Request for Alternative Dispute Resolution form.

## **PART VIII: DISCRIMINATION, GRIEVANCE PROCESS, EXEMPTION REQUESTS**

### *Discrimination*

The requirements established in this section are designed to ensure that there is a fair and equitable process for addressing owner/tenant or prospective owner/tenant concerns and to ensure fair treatment of owners/tenants in the event that an action or inaction by the GVRHA Board or staff is perceived to adversely affect the owner/tenant of a housing project.

Protected classes in housing include race, color, religion, creed, national origin/ancestry, disability/handicap, sexual orientation (including transgender status), marital status and familial status (children under the age of 18 in the Household).



Any owner/tenant or prospective owner/tenant seeking to purchase or occupy housing administered by the GVRHA who believes he or she is being discriminated against because of a protected class may file a complaint in person with, or by mail to the U.S. Department of Agriculture's Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW., Washington DC 20250-9410 or to the Office of Fair Housing and Equal Opportunity, U.S. Department of Housing and Urban Development (HUD), Washington, DC 20410, and to the Colorado Department of Regulatory Agencies Civil Rights Division, 1560 Broadway, Suite 110, Denver, CO 80202, and to the GVRHA Board of Directors at 202 E. Georgia Avenue, Gunnison, CO 81230.

### *Grievance Process*

Any prospective owner/tenant seeking to purchase or occupy housing administered by the GVRHA, or an existing owner/occupant of housing administered by the GVRHA, who believes he or she is otherwise aggrieved (the Grievant") may request an alternative dispute resolution process through the GVRHA Board. Such request must be made in a timely manner by delivering the request to the Executive Director of the GVRHA within fifteen (15) calendar days of the alleged grievance. The request shall clearly identify the nature and date of the grievance and state if they want a Grievance and Appeals hearing or use a voluntary mediation process, both as described herein. The Executive Director shall inform the Board President immediately upon receiving such request.

### Grievance and Appeals Hearing

The Board President shall appoint three Board members as the Grievance and Appeals Committee. The Committee shall schedule a hearing with the Grievant within ten (10) calendar days of the request for an alternative dispute resolution.

The Grievant and the GVRHA may both present to the Committee any exculpatory or inculpatory records, documents and regulations pertinent to the request for the hearing. Both parties shall be given the opportunity to examine all such documents at minimum 48 hours prior to the hearing. Both parties may have legal representation at the hearing.

The Committee shall determine the length of the hearing after review of the documents provided and shall inform the parties of the procedure during the hearing (which party presents first and for how long, comments from any public present, etc).

There are three possible outcomes from the Committee at the time of the hearing:

- The Committee can rule to uphold the GVRHA staff actions/determinations
- The Committee can over-rule or modify the GVRHA staff actions/determinations
- The Committee can defer their ruling until a future date, not to exceed five (5) business days from the date of the hearing.



A final ruling of the Committee will be delivered in writing to the Grievant and GVRHA staff.

### Voluntary Mediation Process

The GVRHA will use a voluntary mediation process where the owner/tenant or prospective owner/tenant agrees that any and all claims, controversies, breaches or disputes arising from or related to an action or inaction of the GVRHA Board or staff is subject to a requirement to mediate prior to filing any lawsuit or filing for arbitration. The mediation shall take place in the County of Gunnison, State of Colorado utilizing a mediator provided by The Office of Dispute Resolution of the State of Colorado's Judicial Branch ("ODR"). The mediation proceedings will be conducted in compliance with the Colorado Dispute Resolution Act C.R.S. 13-22-301 et seq in effect at the time a demand for mediation is made. The parties to the mediation agree that there is no requirement to actually reach a settlement to the dispute in mediation, but agree that if a settlement is reached during mediation it shall be reduced to writing and shall be binding upon the parties, their heirs, executors, administrators, successors and assigns.

### *Exemption Request*

A request for an exemption to the strict application of these Guidelines or any terms or conditions of an applicable Deed Restriction may be made to the GVRHA requested if an unusual hardship can be shown, and the variance from the strict application of the Guidelines is consistent with the Deed Restriction intent. In order to request an exemption, a letter must be submitted to the GVRHA Executive Director stating the request, with documentation regarding the unusual hardship.

The GVRHA may grant a request for an exemption to these Guidelines, with or without conditions. If the request is for an exemption to the terms and conditions of the Deed Restriction, the GVRHA Executive Director will forward the request and supporting documentation to the jurisdiction that is the beneficiary of the Deed Restriction for a final decision.

## **PART IX: DEFINITIONS**

**Affordable** - means the amount spent by a Household on rent (utilities included) or mortgage payments (principal, interest, taxes, insurance and any HOA dues) does not exceed 30% of the Household's gross combined income.

**Affordable Housing** – Dwelling units restricted by use and occupancy as approved by a member jurisdiction of the GVRHA or by the GVRHA itself. An Affordable Housing unit may be restricted by use, occupancy, resale limitations, retirement restrictions or other limitations to employees of employers, locally working Households, or seniors or Disabled Persons.



**Area Median Income or AMI** – means the median annual income for the County (or such next larger statistical area calculated by HUD that includes the County, if HUD does not calculate the Area Median Income for the County on a distinct basis from other areas), as adjusted for Household size, that is calculated and published annually by HUD (or any successor index thereto acceptable to the GVRHA, in its reasonable discretion).

**Assets** - liquid Assets such as cash in savings, checking or other forms of bank accounts and stocks, bonds or other instruments that can readily be converted to cash. The most recent Assessed Value as provided by the applicable Assessor's Office will be used to determine the value of real estate holdings, regardless of set-offs by encumbrances, costs of sale or holding, or percent of ownership interest. Assets in a qualified retirement plan and other non-liquid Assets such as personal belongings or intangible Assets will not be included in the asset limitations for each income category.

**Co-Borrower** - a person who is on title for the purpose of obtaining lender approval for a buyer's purchase money mortgage.

**County** – means the County of Gunnison.

**Deed Restriction** - agreements that restrict the use of real estate in some way and are listed or referenced in the deed.

**Dependent** – means a person, including a spouse of a child of, a step-child or, a child in the permanent legal custody of or a parent of, a Qualified Owner or Qualified Occupant, in each case whose sole place of residence is in the same Household as such Qualified Owner or Qualified Occupant, and who is financially Dependent upon the support of the Qualified Owner or Qualified Occupant. Dependent shall also include any person included within the definition of "Familial Status" as defined in 42 U.S.C. § 3602(k), as that act shall from time to time be amended.

**Disabled Person** - someone who has a physical or mental impairment that has a substantial and long-term adverse effect on his or her ability to carry out normal day-to-day activities.

**Essential Housing** – housing that is restricted by land use code, zoning regulations, deed restriction or any other written method that is intended for a particular employment situation and/or income population.

**Essential Services** – means those services that are absolutely necessary to maintain the health and welfare of the community. They include, but may not be exclusive to: executive governance, emergency healthcare, fire and police protection, basic sanitation including clean water, sewage and garbage removal.

**Essential Service Workers** – means the personnel needed to maintain Essential Services.

**Gross Income** - is the sum of all wages, salaries, profits, interest payments, rents, and other



forms of earnings, before any deductions or taxes.

**Guidelines** – means the most recent adopted Gunnison Valley Regional Housing Authority Housing Guidelines in effect at the time of closing on a sale or Transfer of a property or at the commencement date of a lease or other occupation agreement, or its successor document, as amended from time to time.

**GVRHA** – means the Gunnison Valley Regional Housing Authority.

**Household** – means one or more persons who intend to live together on a property as a single housekeeping unit.

**Housing Expense** – means the amount paid for rent plus utilities, or for the principal, interest, taxes, insurance and any homeowner association dues. It includes all payments necessary to prevent loss of the right to own or occupy a property through failure to pay in a timely manner.

**HUD** – means the US Department of Housing and Urban Development.

**Maximum Resale Price** – means the maximum purchase price that may be paid by any purchaser of a property, other than the initial purchaser who acquires the property from the GVRHA or a developer, that is determined in accordance with the provisions in Part IV of these Guidelines. The Maximum Resale Price is not a guaranteed price, but merely the highest price an owner may obtain for the sale of the property which includes all considerations paid to the owner.

**Non-Occupying Co-Borrower** – a person who is on title merely for the purpose of obtaining lender approval for a buyer's purchase money mortgage and whose intent is to not occupy the property.

**Non-Qualified Owner** – a person or business who does not meet the definition of a Qualified Owner who is allowed to own a property that must be occupied by a Qualified Occupant.

**Owner-Occupied** – at least one Qualified Owner holding title occupies the property as their primary residence.

**Principal/Primary Residence** – a property where the occupants reside a minimum of nine (9) per calendar year.

**Qualified Employer** – means a business, nonprofit, government agency or essential service provider whose business address is located within Gunnison County, employs persons who reside within Gunnison County, has fulltime employees who perform work in Gunnison County, and whose business taxes are paid in Gunnison County.



**Qualified Household** – at least one member of the Household is a Qualified Owner.

**Qualified Owner** – means a natural person who meets the following requirements at the time that he/she takes initial ownership interest or Transfer of interest in a property as qualified by the GVRHA:

1. Has maintained his/her primary and sole residence in Gunnison County, Colorado for six (6) consecutive months immediately preceding taking initial ownership or Transfer of interest in a property, or has a verified employment contract with an employer in Gunnison County that has been accepted by the GVRHA; and
2. Has earned his/her primary source of income (80% or more of all income earned) working a minimum of 30 hours per week on an annual basis, as documented with the United States Internal Revenue Service, within Gunnison County and has demonstrated such to the GVRHA, or has a verified employment contract with an employer in Gunnison County that has been accepted by the GVRHA; and
3. Except as provided for in Part II Section 2 of these Guidelines, does not own any interest in other improved residential property(s). A purchaser who owns residential real estate must convey all interest in said residential property(s) prior to taking initial ownership or Transfer of interest of a property; and
4. A Qualified Household shall not have a net worth that exceeds the limits as provided for in Part I Section 3 of these Guidelines; and
5. Income and asset restrictions are only applicable at the time of purchase and shall be verified by the GVRHA; and
6. Shall occupy the property as his/her sole and exclusive primary residence at all times during ownership of the property.

**Qualified Occupant** - means a person who meets the following requirements at the time he or she takes initial occupancy of the Property as qualified by the Beneficiaries:

1. Has maintained his/her primary and sole residence in Gunnison County, Colorado for three (3) consecutive months immediately preceding taking initial ownership or Transfer of interest in a property, or has a verified employment contract with an employer in Gunnison County that has been accepted by the GVRHA; and
2. Has earned his/her primary source of income (80% or more of all income earned) working a minimum of 30 hours per week on an annual basis, as documented with the United States Internal Revenue Service, within Gunnison County and has demonstrated such to the GVRHA, or has a verified employment contract with an employer in Gunnison County that has been accepted by the GVRHA; and
3. Does not own any interest in other improved residential property(s). An occupant who owns residential real estate must convey all interest in said residential property(s) prior to taking initial occupancy of a property; and
4. A Qualified Household shall not have a net worth that exceeds the limits as provided for in Part I Section 3 of these Guidelines; and
5. Income and asset restrictions are only applicable at the time of initial occupancy and shall be verified by the GVRHA.
6. Shall occupy the property as his/her sole and exclusive primary residence at all times



during occupancy of the property.

**Seasonal Employee** - shall mean an employee who is hired into a position for which the period of employment is six months or less.

**Seasonal Housing Unit** - shall mean a dormitory-style unit with a shared kitchen, bath and living room with a minimum of two private bedrooms and a maximum of four private bedrooms containing a minimum of 220 square feet of living space per bedroom intended primarily for occupancy by Seasonal Employees

**Transfer** - means an act of a party, or of the law, by which the title to a property is wholly or partially Transferred to another; including but not limited to the sale, assignment voluntary, involuntary or by operation of law (whether by deed, contract of sale, gift, devise, bequest, trustee's sale, deed in lieu of foreclosure, or otherwise) of any interest in the property, including but not limited to a fee simple interest, a joint tenancy interest, a tenancy in common, a life estate, a leasehold interest or any interest evidenced by a land contract by which possession of the property is Transferred and owner retains title, except that, this definition does not include any Transfer of an interest by the GVRHA.

If reviewed and approved in writing by the GVRHA prior to occurrence the following Transfer(s) are exceptions to the definition, provided that the new owner, other than an estate, shall use the property as his/her principal residence:

1. A Transfer resulting from the death of an Owner where the Transfer is to the spouse or domestic partner who is also a Qualified Owner.
2. A Transfer resulting from a decree of dissolution of marriage or legal separation or from a settlement incidental to such a decree by which a Transfer is made to a spouse who is also a Qualified Owner.

**Vacant Property** – a home that is no longer occupied as a principal residence by the owner for a period of 90 consecutive days, or a property that is unoccupied by a Qualified Occupant for a period of 90 consecutive days.





EXHIBIT B

**NOTICE OF INTENT TO SELL OR TRANSFER AFFORDABLE HOUSING UNIT**

This document must be completed and submitted to the Gunnison Valley Regional Housing Authority (GVRHA) for any Affordable Housing Unit that is deed-restricted under a Gunnison County Master Deed Restriction and/or the Gunnison Valley Regional Housing Authority Guidelines.

I/We, \_\_\_\_\_ as owner(s) hereby declare my/our intent to sell/transfer the property described as:

\_\_\_\_\_ (“Affordable Housing Unit”).

Acknowledging that such property is restricted (including ownership, occupancy and sale of such property) by the Gunnison Valley Regional Housing Authority Guidelines.

I/We also hereby request the GVRHA to calculate a Maximum Resale Price for my/our Affordable Housing Unit, according to a formula in the Affordable Housing Unit’s deed restriction. When calculating the price, please consider the following to the extent allowed by the Affordable Housing Unit’s deed restriction:

- Costs of any public improvements for which assessments were imposed by any municipal special improvement as created by or with that municipality since the recordation date of the Affordable Housing Unit’s deed restriction. Documentation of the costs (check one) is \_\_\_\_\_ or is not \_\_\_\_\_ attached; and
- Costs of capital improvements as approved by GVRHA or its designee, according to certain requirements as prescribed by the deed restrictions, not to exceed a certain percent of the original purchase price. A list of capital improvements to my/our unit and documentation of my/our payment(s) for such improvements must be attached along with any required permits from the municipality.

**OWNER(S) OF AFFORDABLE HOUSING UNIT**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**GUNNISON VALLEY REGIONAL HOUSING AUTHORITY  
ACKNOWLEDGEMENT OF RECEIPT**

\_\_\_\_\_  
Jennifer Kermode, Executive Director

\_\_\_\_\_  
Date Received





**EXHIBIT C**

**PERMITTED CAPITAL IMPROVEMENTS**

*Permitted Capital Improvements*

- Modifications or improvements to accommodate persons with disabilities as defined in the Americans with Disabilities Act of 1990;
- Modifications or improvements to assist seniors to age in place;
- Improvements for health and safety protection devices (including radon);
- Improvements to finish intentionally included unfinished interior space;
- Modifications or improvements to increase energy efficiency and/or water conservation on a case-by-case basis.

*Non-Permitted Capital Improvements*

- Jacuzzis, sauna, steam showers and other similar items;
- Upgrades or the addition of decorative items including lights, window coverings, flooring, paint and other similar items;
- Upgrades of appliances, plumbing and mechanical systems;
- Outdoor landscaping including the addition of decks, porches, patios, gazebos, fencing, irrigation systems and other similar fixtures;
- Cost of tools or rental equipment.

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**EXHIBIT D**

**EXERCISE OF RIGHT OF FIRST REFUSAL**

The Board of County Commissioners of Gunnison County \_\_\_\_\_ will \_\_\_\_\_ will not exercise its Right of First Refusal for property located at \_\_\_\_\_.

By: \_\_\_\_\_, County Manager

\_\_\_\_\_ Date

**EXHIBIT E**

**EXERCISE OF RIGHT OF FIRST REFUSAL**

The Gunnison Valley Regional Housing Authority \_\_\_\_\_ will \_\_\_\_\_ will not exercise its Right of First Refusal for property located at \_\_\_\_\_.

By: \_\_\_\_\_, Executive Director

\_\_\_\_\_ Date

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**TO:** Planning Commission

**SUBJECT:** Planning Commission Decision  
Treasure Mountain Ranch Minor Impact Review  
LUC-24-00008

**DATE:** **Drafted November 25, 2025; include date of decision**

**PREPARED BY:** Hillary Seminick, ACIP | Planning Director

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At a regular scheduled public hearing meeting on \_\_\_\_\_ the Planning Commission \_\_\_\_\_ the following Minor Impact Decision in a \_\_\_ to \_\_\_ vote, motioned by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**PROJECT DESCRIPTION:**

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Treasure Mountain Ranch, Inc. has applied for a Minor Impact Land Use Change to consolidate 16 parcels into 9, complete three boundary line adjustments, and cluster new development within a 1.9-acre building envelope in the Crystal townsite. Treasure Mountain Ranch, which owns 700 acres over the 16 parcels, proposes to retire four structures, construct a 4,900 sq. ft. maintenance barn, and build four new cabins totaling approximately 5,000 sq. ft. to replace four decommissioned cabins in the townsite. The proposal includes wayfinding and interpretive signage for the historic Crystal Mill site and the intention of pursuing historic designation for six structures.

**PLANS/REPORTS/SUBMITTALS:**

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The project file can be found on Citizen Access at <https://permitdb.gunnisoncounty.org/citizenaccess/>, select "Projects", Search by "Application Number" by typing "LUC-24-00008" into the search field, select "Attachments." Plans, reports, letters and other submittal documents informing this decision include, but are not limited to:

- Application
- 241210 Applicant Update
- Adjacent Landowners
- Appendix Exhibit Index
- Appendix Exhibit 0 Town of Crystal Existing Conditions Survey
- Appendix Exhibit 1 Lost Horse Millsite Boundary Line Adjustment
- Appendix Exhibit 2 Protection Lode Wanderor Boundary Line Adjustment
- Appendix Exhibit 3 Gray Copper Mill and Inez Boundary Line Adjustment
- Appendix Exhibit 4 Cluster of the Protection Home and Crystal Mill Site Lots
- Appendix Exhibit 7 Drainage Plan
- Appendix Exhibit 7 Landscape Plan
- Appendix Exhibit 7 OTWS Plan
- Appendix Exhibit 7 Site Plan
- Appendix Exhibit 7 Site Plan: Barn and Cabin Additions
- Appendix Exhibit 8 Interpretive Sign Plan and Details
- Appendix Exhibit 9 Advisory Sign Plan and Details
- Appendix Exhibit 10 Drainage Analysis Narrative
- Appendix Exhibit 11 Historic Cabins
- Appendix Exhibit 12 Proposed Cabin Rendering
- Appendix Exhibit 6 Cluster Lots 1 2 3 4 Block B Johnsons Addition

- Appendix Exhibit 5 Cluster of Lots 7 and 8 Johnsons Addition
- Applicant Response to Section 6-104: E3. Identification Of Present Land Use and Previously-Approved Uses
- Applicant Response to Section 11-105: Development in Areas Subject To Wildfire Hazards
- Applicant Response to Section 11-110: Development of Land Beyond Snowplowed Access
- Applicant Response to Section 11-106: Protection of Wildlife Habitat Areas
- Applicant Response to Section 11-107: Protection of Water Quality
- Applicant Response to Section 11-108: Standards for Development on Ridgelines
- Applicant Response to Section 12-105: Water Supply
- Applicant Response to Section 12-103: Road Systems
- Applicant Response to LUR Article 13 Project Design Compatibility
- Avalanche Study
- Avalanche Mitigation Plan
- Flood Map - RiskMap Phase 2
- Geohazards Map
- Geotech Report
- Table: Parcel Area Land Use Floor Area
- Email from DWR regarding Water Supply
- Email to Applicant Requesting Clarification of Use
- Email Applicant Re Identifying Archive Application Exhibits
- OWTS Technical Memo
- Wildfire Mitigation Report
- TMR Forest Management Plan
- TMR Avalanche Atlas
- Site Visit Photo Log
- Colorado Cultural Resource Surveys: Crystal Club, Melton House, A.A. Johnson General Store, Edgerton Cabin, Rosetti Cabin, Clayton Cabin
- Planning Commission Staff Memo 8/21/25
- Planning Commission Staff Report 8/21/25
- Planning Commission Staff Memo 10/23/25
- Planning Commission Staff Memo 11/13/25
- Planning Commission Staff Memo 12/4/25

**IMPACT CLASSIFICATION:**

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The Impact Classification for this project is a Minor Impact Project. The proposal includes clustering of several parcels, including clustering of three parcels into one central “Development Parcel.” Four new residential units (“cabins”) are proposed on the “Development Parcel,” which will result in a total of six residential units on a single parcel. Pursuant to LUR Section 7-101:A., more than four residential units on a single parcel is classified as a Major Impact project. The applicant proposes abandoning the residential use of four cabins on other parcels under Treasure Mountain Ranch ownership; therefore, the land use change application is a Minor Impact project pursuant to LUR Section 3-111 and LUR Section 6-102, *et. seq.*

**MEETING DATES:**

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The Planning Commission held work sessions and public hearings to discuss the application on the following dates:

- August 21, 2025 Work Session
- September 17, 2025 Site Visit
- October 23, 2025 Work Session
- November 13, 2025 Public Hearing
- December 4, 2025 Continued Public Hearing
- *Place card for potential future meeting dates*

#### **SITE VISIT:**

The Planning Commission and Gunnison County staff conducted a site visit on September 17, 2025. Commissioners and staff departed the Blackstock Building at 8:30 a.m., arriving in Marble around 11:30 a.m., arriving at the Crystal Mill around 12:15 p.m. A short lunch was accompanied by a presentation to orient the commission to the townsite. To facilitate the site visit, the applicant provided UTV transportation from the Daniels Hill parking area to the Townsite and brownbag lunches for staff and the commission. The proposed changes and townsite were toured until 2:45 p.m., with staff returning to Daniels Hill around 3:30 and back to county offices around 6:30 p.m.

#### **PUBLIC HEARING:**

The Planning Commission conducted a public hearing on November 13, 2025 and December 4, 2025. Staff included comments received as of the morning of November 13, 2025 on the proposal. *Public comments will be re-summarized and inserted into this document after the written public comment period closes at noon on December 3, 2025.*

- Commenters cited potential harm to surrounding wilderness, wildlife, habitat, and water quality in the Crystal River. Concerns were expressed about light and noise pollution, deforestation on Bear Mountain, and the risk of wildfire and avalanche events in a high-hazard area.
- Comments stated that the Forest Service Road to Crystal is already dangerous and inadequate for heavy machinery or increased traffic. Several commenters opposed any shift from seasonal to year-round access, warning of safety issues and further disturbance to the landscape.
- Commenters that the proposal should be reviewed as a commercial rather than residential project, given its described maintenance facility, multiple cabins, employee references, and long-term resort-style plans. They characterized the application as incomplete and piecemealed.
- Cultural and Historic Integrity: comments emphasized that Crystal remains one of Colorado's last undeveloped mining towns, calling it a "living museum." They warned that large new buildings and resort activity would undermine its historic authenticity and public value.
- Procedural and Precedent Concerns: Some letters questioned whether the County's "minor impact" review was appropriate, suggesting the scale of development warrants "major impact" designation. Others expressed fear that approval would set a precedent for development in remote wilderness areas.
- Some Crystal property owners and residents expressed support for TMR, emphasizing trust in the developers and confidence that their approach would preserve the town's character while restoring historic structures.
- The owners have communicated openly with the community and adjusted plans based on feedback.

- Restoration of existing historic cabins and limited new development would prevent the sale of the land to larger corporate developers.
- The project would not be visible from the main approaches to town and would improve or stabilize deteriorating historic buildings.

The entirety of the public record is included within the Land Use Change permit file.

**ADJACENT AND NEARBY USES:**

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Residential and public lands.

**REVIEW AGENCY REFERRAL COMMENTS:**

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A copy of the application was sent to the following referral agencies on April 21, 2025.

- Carbondale and Rural Fire Protection District (no comment)
- Colorado Geologic Survey
- Colorado Avalanche Information Center
- Colorado Division of Water Resources, District 4 (no comment)
- Colorado Parks and Wildlife
- Colorado River Water Conservation District (no comment)
- Colorado State Forest Service (no comment)
- Colorado State Historic Preservation Office (no comment)
- Gunnison County Environmental Health and Building Official (no comment)
- Gunnison County Historic Preservation Commission (no comment)
- Gunnison County Public Works Department
- Gunnison Fire Protection District
- United States Forest Service, White River National Forest, Aspen-Sopris Ranger District
- Town of Marble (no comment)

Note: the project is not located within a fire protection district; however, the application was referred to the Carbondale and Rural Fire Protection District and the Gunnison Fire Protection District because the project location is located between the two districts.

Comments from the agencies are noted in the applicable sections below.

**COMPLIANCE WITH APPLICABLE SECTIONS OF THE GUNNISON COUNTY LAND USE RESOLUTION:**

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**9-101: E. and F.: Secondary residences are allowed, and standards are addressed in covenants**

*Not applicable*, the application is not for subdivision.

**9-102: Home occupations**

*May be applicable*, it is unclear if Home Occupations are permitted in the residential component of the Application.

**9-103: Bed and breakfast**

*Not applicable*, this use is not proposed in the application.

**9-203: Mobile home communities**

*Not applicable*, this use is not proposed in the application.

**9-302: Farm or ranch stand**

*Not applicable*, this use is not proposed in the application.

**9-303: Dude ranches and resorts**

*Not applicable*, this use is not proposed in the application.

**9-304: Adult-oriented uses**

*Not applicable*, this use is not proposed in the application.

**9-305: Seasonal recreational vehicle parks and campgrounds**

*Not applicable*, this use is not proposed in the application.

**9-400: Minerals and construction materials**

*Not applicable*, this use is not proposed in the application.

**9-501: Special events**

*Not applicable*, this use is not proposed in the application.

**9-502: Temporary structures**

*Not applicable*, this use is not proposed in the application.

**9-503: Satellite dishes**

*Not applicable*, this use is not proposed in the application.

**9-504: Attached wireless communications devices**

*Not applicable*, this use is not proposed in the application.

**9-505: Freestanding wireless communications structures**

*Not applicable*, this use is not proposed in the application.

**9-506: Child care center**

*Not applicable*, this use is not proposed in the application.

**9-507: Group home**

*Not applicable*, this use is not proposed in the application.

**9-508: Keeping of livestock not on an agricultural operation**

*Not applicable*, this use is not proposed in the application.

**9-509: Camping on individual parcel**

*Not applicable*, this use is not proposed in the application.

**9-600: Essential housing**

*Not applicable*, this use is not proposed in the application.

**10-102: Locational standards for residential development**

*Applicable*, Section 10-102:B *Locational Standards* cannot be met because the parcel is not adjacent to an existing population center; nor within a municipal Three Mile Plan Area.

Section 10-103.C *Location Results in no Significant Net Adverse Impact to the Neighborhood*. This standard considers how a residential development that cannot meet 10-103:B complies with all applicable requirements of the LUR, and considers the cumulative impacts neighboring lands, land uses, wildlife, visual quality, air and water quality, and considers the impacts from a proliferation of OWTS and/or individual wells.

**10-103: Residential density**

*Applicable*, the project is not located within a three-mile planning area, it is not adjacent to an existing population center, therefore, it shall comply with Section 10-103:C.3.a *Conditions are Appropriate for Smaller Lots or Greater Density*.

There are 12 total lots in the overall TMR Project.

1. Lost Horse Mill Site
2. Lots 7 and 8, Eatons Addition, aka Boundary Line Adjustment Parcel 1 ac.
3. Protection Mill Site
4. Wanderor Mill Site
5. Gray Copper Mill Site
6. Inez No. 4 Mill Site
7. Home Claim Mill Site
8. Crystal Mill Site
9. Lot 7 and 8, Johnsons Addition
10. Lots 1 and 2, Eatons Addition, Lots 1-4, Johnsons Addition
11. Lot 4, Block D, Crystal Townsite
12. Lots 7 and 8 of Block C, Crystal Townsite

The Applicant seeks to cluster the Home Claim, Protection Claim, Crystal Mill Site parcels for a single 25 acre lot. Home Claim and Protection Claim are developed with residential and accessory structures. The Crystal Mill Site is vacant. This is the only parcel in the TMR Project where additional residential density and additional accessory structures are proposed. Gunnison County has historically applied LUR Section 6-102:A *2-4 Units to projects that propose more than three residential units on a single parcel*.

The clustered parcel is currently developed with:

1. Three residential structures, 2153 sq. ft.
2. Two accessory structures, 780 sq. ft.
3. 2,933 sq. ft. aggregate floor area

The Applicant requests an additional:

1. Four residential structures (“cabins”), 5,089 sq. ft.
2. One accessory structure (“barn’), 4,900 sq. ft.
3. 9,989 sq. ft. aggregate floor area

The net outcomes of the changes are:

1. Six total residential structures, 6,957 sq. ft.
  - a. Conversion of one residential structure to accessory structure (“Edgerton”), 285 sq. ft.
2. Four total accessory structures, 5,965 sq. ft.
3. 12,922 sq. ft. aggregate floor area

LUR Section 10-103:C:3.a. *Conditions are Appropriate for Smaller Lots or Greater Density* require that a development is served by a public wastewater treatment system, that a development is served by other services and facilities, and that the density is compatible with the neighborhood.

Additionally, the decision-making body shall find that the impacts of increased density have been reasonably mitigated pursuant to LUR Section 10-103:C:4. *Impact of Increased Density is Mitigated*.

The Applicant provided the following response to these criteria in “Re: LUC-24-00008; Determination of Completeness of Application relating to Treasure Mountain Ranch (the “Determination”), August 2, 2024, in project file “Cover Letter and Application Narrative.” The response is under 3. 10104:C – Alternative Locational Standards; however, given the Applicant’s assertion this project is residential in nature, staff has included it within this section.

*While my client asserts that the application is residential in nature, nevertheless the application does comply with the standards under 10-104:C. The proposed maintenance barn and other land use changes requested in the application, most of which relate to legal reconfigurations and will not impact uses on the ground, will reduce negative impacts. Specifically, the vehicle and equipment traffic on the Forest Service Road will be materially reduced and the maintenance barn will facilitate better upkeep of the neighborhood uses and the scenic nature of the area. The development of cabins on the same building envelope as the maintenance barn will reduce impacts on the historic townsite. The maintenance barn will assist in preserving the historic townsite. The new cabins will be constructed to code and thus reduce grandfathered noncompliance, much of which relates to building standards adopted to reduce impacts. Accordingly, the proposed location is appropriate and the proposed and existing development will result in no significant net adverse impacts to neighborhood uses, wildlife, visual quality, air or water quality. Specifically, the application relates to various boundary line adjustments and the construction of a maintenance barn in order to facilitate the preservation of certain historic cabins that currently exist and the proposed new cabins. Because the maintenance barn is for the preservation and maintenance of these historic and currently existing structures, including the historic Crystal Mill, the application meets the requirements of both 10-104:C.1.c. and d. Subparagraph c. identifies as an example of proposed locations particularly well-suited for the specific use recreational facilities, including dude ranches or resorts. Here, the historic Crystal Mill and other historic structures make the proposed maintenance barn’s location appropriate as it will assist in preserving these structures. These same reasons make the location appropriate under subparagraph d. as the need or use is well-suited to the particular area given the continued demands and necessity for maintenance, which is patent*

CONDITIONS ARE APPROPRIATE FOR SMALLER LOTS OR GREATER DENSITY. The project shall be considered for smaller lots or greater density when all of the following four requirements are met:

1. DEVELOPMENT SERVED BY PUBLIC WASTEWATER TREATMENT SYSTEM. The development is or will be served by a public wastewater treatment system, by approval of the subject application pursuant to Section 12-106: Sewage Disposal/Wastewater Treatment.

*Staff Response: the development will be served by a central wastewater treatment system.*

2. DEVELOPMENT SERVED BY OTHER SERVICES AND FACILITIES. To the maximum extent feasible, the development is or will be served by a public water supply, public transportation and other public services and facilities by approval of the subject application.

*Staff Response: The development will be served by well water. There are no services in this area such as public transportation nor grocery stores.*

3. COMPATIBLE WITH NEIGHBORHOOD. The development is compatible with the neighborhood existing when the Land Use Change Permit application is submitted. Methods of ensuring compatibility may include, but are not limited to:

a. PERMANENT COVENANTS TO ENSURE CONTINUED COMPATIBILITY WITH NEIGHBORHOOD USES AND DENSITIES. The proposed development includes permanent protective covenants that, at a minimum, address the following, to ensure that, if approved, it remains compatible with the neighborhood uses and densities that exist as of the date of approval of the Land Use Change Permit:

1. DESIGN STANDARDS. Building exterior design standards.

2. LANDSCAPING. Landscaping requirements.

3. OUTSIDE PARKING AND STORAGE. Standards and limitations on outside parking and storage.

4. COMPATIBILITY OF USES. Conditions pursuant to Section 13-119: Standards to Ensure Compatible Uses.

5. BUILDING SIZE. Building size.

b. SITE LAYOUT AND DESIGN. The proposed development shall locate buildings and lots to minimize to minimize visual impact.

*Staff Response: Covenants are not proposed that would address these standards because the application is for additional residences on a single parcel rather than subdivision.*

**10-104: Locational standards for commercial, industrial or other non-residential uses**

*Not applicable, these uses are not proposed in the application.*

**11-102: Voluntary best management practices**

No submittal requirements; no standard of compliance

**11-103: Development in flood hazard areas**

*Applicable*, a portion of the parcel is within the 100-year floodplain. The applicant is not proposing any development within the 100-year floodplain. There are two existing cabins on the North Fork of the Crystal River. The northern/upriver cabin is within 25' of the North Fork, and the southern/downriver cabin is within approximately 20' of the Ordinary High Water Mark. Floodplain modeling will be required to determine the extent of the floodplain relative to the cabins. If the structures are within the floodplain, any restoration/remodeling will be required to comply with this section at time of building permit application.

#### **11-104: Development in geologic hazard areas**

*Applicable*, the Crystal Townsite lies in a valley between the confluence of the North and South Forks of the Crystal River. Access to the townsite is on FS-314 at the base of the steep flanks of Sheep Mountain. FS-314 splits into FS-315 which climbs north to Lead King Basin under the steep slopes of Mineral Point and Sheep Mountain. FS-317 traverses south and east under steep slopes of Mineral Point to the Schofield Townsite and Schofield Pass.

The Colorado Geologic Survey (CGS) [Landslide Inventory](#) does not indicate there are improvements proposed within mapped landslide hazards. The TMR Project area is not within the hazard areas identified in the ["Geologic Hazards in the Crested Butte-Gunnison Area Gunnison County, Colorado" Soule, 1976](#) study, which is typically referenced when identifying geologic hazards within the county. The Applicant provided a response to the standards of LUR Section 11-104: *Development in Areas Subject to Geologic Hazards* that notes the development area is not located within an avalanche or geologic hazard; however, the egress to the TMR Property is located within an area of geologic hazard, specifically, avalanche hazards that are regulated by LUR Section 11-104: G.1.c. *Development in Avalanche Hazard Areas, Roads Shall Avoid Areas of Return Fewer than Ten Years.*

Further, LUR Section 11-104:C.2 *Areas not Included, or not Designated on the Geologic Hazard Maps* require potential geologic hazards be reviewed pursuant to Section 11-104: *Development in Areas Subject to Geologic Hazards.*

The Applicant submitted "Crystal Resort Development Avalanche Hazard and Risk Issues Crystal, Gunnison County, Colorado", Mears, 2021 (project file title "Avalanche Study") and "Geotechnical Investigation Crystal Cabins Crystal, Colorado", Huddleson-Berry, 2022 (project file title "Geotech Report") for BP-23-00201, OTWS-23-00202, and OWTS-23-00203.

#### Avalanche Study

The Avalanche Study scope generally included the following objectives: 1. Avalanche mapping; 2. Hazard discussion; 3. Risk discussion; and 4. Mitigation recommendations.

The study noted several avalanche paths with a 10-year return period from the south slopes of Sheep Mountain to FS-314.

South to north major avalanche runouts are identified from Treasure, Bear, and Little Bear Mountains, which in a 30-300 year avalanche cycle would cross the Crystal River and cross FS-314. There are no 10-year return avalanche runouts that reach FS-314 from south of the Crystal River.

Numerous 10-year return avalanche hazards are identified on FS-315, which accesses the property from Lead King Basin.

Avalanche risk is described as the probability of an avalanche “meeting proper or objects in the hazard zone.” The following risks were identified in the report:

1. *The inconvenience of being stopped by an avalanche that has blocked the route and therefore delayed persons from reaching or exiting the resort.*
2. *The increased risk that would result from being blocked by an avalanche but as a result being exposed under an adjacent path for some extended amount of time. This increases the probability of being hit by an avalanche because of the increased exposure time.*
3. *The risk of being buried, injured or killed on the road in an avalanche.*
4. *The risk of being pushed off the road and carried down a steep slope into the Crystal Canyon.*
5. *The risk to personnel involved in rescue along the road.”*

Based on the findings of the report, it does not appear that there are structures proposed within the Crystal Townsite; however, the report appears to be focused on access roads from the Town of Marble to the Townsite.

According to Section 11-104:G.1.a.1. 1. *RED (HIGH HAZARD) ZONE*, defined as “an area affected by avalanches with return periods of 30 years or less and/or by avalanches producing impact pressures on flat surfaces normal to the flow direction of 600 lbs./ft.2 or more.”

The following activities are limited in Red Zones:

1. Residential building construction shall be prohibited;
2. Driveways and subdivision roads shall avoid areas where avalanches have return periods of fewer than 10 years; and
3. Utilities shall be buried or otherwise designed to minimize avalanche exposure.

While the Application proposes to utilize two existing roads, FS-314 and/or FS-315, to access the TMR Property. The study shows that there are 10-year return Red Zone Avalanche hazards on both roads. LUR Section 11-104:G.1.C *Roads Shall Avoid Areas of Return Fewer Than Ten Years* require that roads intended for winter use shall avoid these hazards. If it is not possible to avoid these hazards the road shall:

1. *“Be designed to limit exposure of users to the hazard; and*
2. *To use avalanche control practices to reduce danger; and,*
3. *May require a secondary egress; or*
4. *Periodic and/or seasonal closures of the road.”*

The study provides mitigation recommendations in Section 5 *Avalanche Mitigation and Recommendations*. Staff has summarized the recommendations; however, the study should be reviewed to for full context of the recommendations provided below.

1. *“...structural defenses to attempt to eliminate or reduce risk on the access road is not recommended.’*
2. *...we do not recommend use of FS 315 for winter access to the Crystal Resort.*
3. *...helicopters would be a viable alternative for accessing and leaving the resort but their use would be limited to safe flying weather.*

4. *An operational avalanche forecasting and temporary road closure program is recommended as the most practical mitigation option to achieve significant avalanche risk reduction for over-the-snow access on FS 314. A specially reinforced cab is recommended to achieve further risk reductions because forecast and closure cannot be assumed 100% reliable.*
5. *The rare, but destructive avalanches that originate south of FS 314 should be mitigated as part of the operational avalanche forecasting program for the frequent avalanches north of FS 314.”*
6. *Due to the remoteness of the site and the potential for a complex avalanche rescue scenario, we recommend development of a project-specific organized avalanche rescue plan. The plan should include coordination with the local rescue agencies.*

Regarding recommendation number 3, helicopter access was not requested in this Application. Private helicopter access is reviewed as a Minor Impact Project pursuant to LUR Section 6-102: *W. Non-Commercial Use of Helicopter for Access to Private Property.*

#### Geotech Report

“Geotechnical Investigation Crystal Cabins Crystal, Colorado”, Huddleson-Berry, 2022 (project file title “Geotech Report”) provided a “geotechnical investigation” that used three text pits in the general Townsite vicinity. Specific recommendations were provided for construction techniques for “underpinning of several cabins and construction of new cabins”.

Specific recommendations for the two proposed OWTS were not provided. It does not appear that the “maintenance barn” was included in the scope of the report.

The report appeared to be limited to investigating shallow soil conditions and did not specifically investigate nor rule out specific geologic hazards or reference CGS Geologic Maps or other reference data. The report provided several construction-specific recommendations and one general recommendation “...HBET provide construction materials testing and engineering oversight during the entire construction process.”

Geologic hazards, and specifically avalanche hazard and risk, is the most complex issue surrounding the land use change application. The application was referred to both the Colorado Geological Survey (CGS) and the Colorado Avalanche Information Center (CAIC) for review and comment. Both agencies have provided specific recommendations for additional studies and analysis, which are summarized below and available in the referral comment section of this report and in the project file.

*Colorado Geological Survey (CGS), “Treasure Mountain Ranch, Minor Impact Land Use Change Permit Gunnison County, CO; County No LUC-24-00008; CGS Unique No. GU-24-0005,” May 13, 2025.*

1. *“Avalanche Risk on Access Roads: Parts of FS-314 have avalanche paths that could release every decade or sooner. Rules require safety measures like seasonal closures or other protections. The plan should explain how these risks will be managed and confirm no new buildings are in avalanche zones.*
2. *Gaps in the Current Geology Study: The existing report only looked at shallow soils in a few spots and didn’t study deeper layers or bigger regional hazards like rockfall, high groundwater, or landslides. A more thorough study is needed. This study should include the following:*
  - a. *Review existing scientific maps that show soil and rock types in the area.*

- b. *Check for past debris flows or landslides nearby.*
- c. *Figure out how stable the “bench” (the flat area where the townsite sits) really is and how it formed.*
- 3. *Wastewater System & Building Safety Analysis.*
  - a. *Excavation should be deeper to better understand underground conditions and slope stability.*
  - b. *Map safe areas for buildings away from avalanche and debris flow hazards.*
  - c. *Test soils to make sure they can safely handle septic systems.*
  - d. *Create a clear plan to protect buildings and key roads from avalanches, landslides, and other hazards”.*

*Colorado Geological Survey (CGS), Updated Findings, August 14, 2025*

- 1. *“All site-specific geologic hazards identified in our May 13, 2025, review letter have been adequately addressed through the June 2025 hazard assessment and CGS's onsite visit. The only remaining item is CAIC's final review of the applicant's avalanche mitigation plan for FSR 314 and the related 2021 Mears Report.*
- 2. *CGS recommends conditional approval of the Treasure Mountain Ranch land use application, contingent on the applicant fully incorporating any recommendations made by CAIC into the avalanche mitigation plan and related hazard mapping. Implementing CAIC's recommendations is essential for reducing avalanche-related risks to winter travelers”.*

*Colorado Avalanche Information Center (CAIC), August 13, 2025*

- 1. *“Avalanche Atlas: Create detailed maps of each avalanche path, including boundaries, characteristics, and estimated return periods, to improve hazard understanding, communication, and data collection.*
- 2. *Traffic Volume Estimates: Track or estimate vehicle numbers and types using the corridor to help assess risk, guide mitigation efforts, and monitor changes over time.*
- 3. *Clarify Preventive Closure Authority: Determine whether Treasure Mountain Ranch can legally close Forest Service roads. If so, identify closure locations and methods; if not, address coordination and public safety implications.*
- 4. *Road Treatment and Vehicle Strategies: Specify plans for maintaining the road and using different vehicle types to manage avalanche risk, and consider how these actions affect public access and safety.*
- 5. *Align Hazard Levels with Actual Risk: Reevaluate whether operational responses should be based solely on avalanche size, as even small avalanches could cause severe consequences in this terrain.*
- 6. *Overreliance on Return Interval Assumptions: Do not assume low frequency equals low risk; account for uncertainty and possible changes in hazard frequency due to climate change.*
- 7. *Avalanche Risk to Buildings: Evaluate avalanche hazards for any proposed buildings and mitigation plans, as current documents focus only on roads”.*

*Colorado Geological Survey (CGS), Updated Findings, November 7, 2025*

*“The Colorado Geological Survey and Colorado Avalanche Information Center reviewed Avalanche Risk Solutions’ 2025 Avalanche Atlas and Management Plan for Treasure Mountain Ranch and found the work technically sound, well-documented, and consistent with current avalanche safety standards.*

*The documents provide a sound framework for TMR’s internal management of avalanche risk along Forest Service Road (FSR) 314, though their application is limited to TMR’s*

employees and guests. Because FSR 314 is a public road under U.S. Forest Service jurisdiction, TMR cannot restrict public access during avalanche danger periods. CGS notes that greater winter use could increase public risk and emergency service demands, which may warrant County attention but fall outside the applicant's or CGS's authority.

Operationally, TMR's proposed use of snowcats and tracked vehicles for road maintenance appears reasonable but may require additional Forest Service permissions. CGS also notes that no avalanche hazard studies have been completed for proposed building sites, which were not part of this review. CGS's and CAIC's review was limited to technical evaluation of avalanche hazards affecting access via FSR 314.

Accordingly, to ensure clarity and continuity, CGS—with input from CAIC—recommends that:

1. *The Avalanche Atlas and Avalanche Management Plan should be retained in the County's official project file as supporting technical documents.*
2. *Before each winter season, TMR, CAIC, Gunnison County Emergency Management, and the U.S. Forest Service coordinate communication procedures and emergency-response expectations for avalanche events.*
3. *Any significant changes to the avalanche plan or field operations must be submitted to Gunnison County for review”.*

#### **11-105: Development in wildfire hazard areas**

*Applicable*, the parcel is in a high and very high wildfire hazard area. A copy of the application has been referred to the Gunnison Fire Protection District, the Carbondale Fire Protection District, and Colorado State Forest Service for review and comment. These agencies did not provide substantive comment.

#### **11-106: Protection of wildlife habitat areas**

*Applicable*, Colorado Parks and Wildlife provided the following comments in “RE: LUC-24-00008 Treasure Mountain Ranch Land Use Change Permit Referral.”

*“CPW staff has reviewed the Treasure Mountain Ranch land use change permit. Treasure Mountain Ranch is located in and around the historic township of Crystal, east of Marble. The area is within mapped deer and elk summer range and adjacent to mountain goat summer range. The area is also occupied black bear habitat and Crystal has seen some human/bear conflict over the past 20 years.*

*The proposed lot line adjustments, renovation of 3 cabins and building of 4 new cabins, and the proposed maintenance barn should have minimal impact to wildlife in the already disturbed area of Crystal. Bear/human conflicts have the potential to be a reoccurring problem in this area and it is important that certain measures be taken to minimize these conflicts:*

1. *Approved bear-proof containers should be used for storing all trash/garbage until transported to a refuse facility.*
2. *Horse grain should be stored in bear proof containers or in a locked shed.*
3. *Pets should be fed indoors, and pet food or food containers should not be left outside.*
4. *BBQs should also be securely housed in the garage or cleaned with a bleach solution when not in use.*

*TMR has previously expressed interest in expanding and creating a recreation destination with a lodge and increased cabin/yurt capacity for guests. While this project alone is unlikely to create major impacts to wildlife, further development of either infrastructure or recreational trails and amenities will need to be further evaluated”.*

**11-107: Protection of water quality**

*Applicable*, The Townsite is at the confluence of the North and South Forks of the Crystal River. The TMR Property has two existing cabins within the Inner Restrictive Buffer of the North Fork Crystal River. The Applicant proposes to improve or remodel these cabins as part of the overall project. Legally established nonconforming structures may continue provided they do not expand the nonconformity. Compliance with this standard will be confirmed at the of building permit for the cabin(s) remodel. The maintenance barn and four proposed cabins are outside the Inner and Outer Restrictive buffers.

**11-108: Standards for development on ridgelines**

*Not applicable*, there are no ridgelines, as defined in the LUR, within the development area of the subject parcel.

**11-109: Development that affects agricultural lands**

*Not applicable*, this use is not proposed in the application.

**11-110: Development beyond snowplowed access**

*Applicable*, the three forest service roads that access the TMR property are not maintained or plowed in the winter. The Applicant provided the following information regarding parking in “*Re: LUC 24-00008 Treasure Mountain Ranch Minor Impact Review Determination of Completeness from February 14, 2024 (the “Determination”)*”, March 13, 2025:

Staff request: Provide detail on where vehicles will park and where over snow vehicles will be stored.

*“The applicant also owns Gunnison County Assessor account number R033466 and parking will occur on that parcel. This is an approximately 3 acre parcel”.*

Staff request: The applicant response notes that “TMR Staff” will occasionally plow around the proposed barn. It is unclear why a residential project requires staff, or where these staff will reside.

*“The applicant owns a number of structures and properties in the area, including the historic Crystal Mill and the various residential structures and its substantial acreage, all of which require upkeep and maintenance, including during the winter. The replacement cabins will, for example, provide housing for staff as well as residential housing for the applicant. This staff performs similar functions to caretakers and property management companies for residential owners throughout the valley”.*

LUR Section 11-110:D.1 requires a written acknowledgement as a condition of approval.

**11-111: Development on Inholdings in national wilderness**

*Not applicable*, the subject parcel is not an inholding in a national wilderness.

**11-112: Development above timberline**

*Not applicable*, the subject parcel is not above timberline.

### **12-103: Road system**

*Applicable*, a new access to five new structures is proposed from FS-314. The Applicant provided the following response regarding the need for a special use permit for the access in “Re: LUC 24-00008 Treasure Mountain Ranch Minor Impact Review Determination of Completeness from February 14, 2024 (the “Determination”)”, March 13, 2025:

*“In our discussions with the USFS, it is our understanding that no special use permit is required for the use and access from Forest Service Road 314. The USFS is expecting to receive the application, once determined to be complete, as part of an agency referral and would provide its official position in response to the agency referral. The USFS identifies Forest Service Road 314 as “open to all Vehicles, with Seasonal Designations” and TMR is not seeking any use inconsistent with those seasonal designations. Accordingly, no permit is required for the seasonal vehicular use of the road. Further, given that the additions to the Town of Crystal (the original plat of the town does not exist in county files) are dated from 1892 and the reservation for the forest did not occur until 1891 at the earliest, I question whether the road is subject to USFS jurisdiction under RS 2477. Without further factual research, I could not answer this question. However, as the USFS is making this open to the public, I do not believe this question needs answered nor any permit obtained at this time”.*

The proposal includes 4 new residential structures and one maintenance barn. A traffic study is typically required when a proposal is expected to generate more than 100 vehicle trips per day. The County estimates trip generation with a standard ten trips per residential unit or guest house. Using this methodology, the project would generate over 40 trips per day, not including the existing structure. FS-314 is an unimproved 4x4 shelf road. It is unlikely the proposal would generate frequent daily trips due to the rugged nature of FS-314 and the distance to services.

The Application will be referred to the Gunnison County Public Works Department to ensure compliance with applicable Road and Bridge Standards.

LUR 12-103:G

G. STANDARDS FOR ACCESS TO PROPERTIES. The following shall apply to any proposed land use change:

1. NO INTERFERENCE WITH OR OBSTRUCTION OF PUBLIC ROAD. No land use change proposed for land over which there is a public road shall interfere with or obstruct such road without written authority from the government entity that has jurisdiction over the road. Approval by the County of the Land Use Change Permit is not a vacation of such a public road.

2. LEGAL ACCESS SHALL BE PROVIDED. Design and construction of any land use change shall ensure that all residential lots have legal access to a public road.

a. ACCESS EASEMENTS SHALL BE MADE OF RECORD. If access is provided to lots or tracts through private rights-of-way, then access easements benefiting all properties having such access shall be made of record in conjunction with approval of the land use change.

b. LIMITED SNOWPLOWED ACCESS. Every development shall comply with the requirements of Section 11- 110: Development of Land Beyond Snowplowed Access.

Comments regarding use of FS 314 were received in an email from the USFS White River National Forest, Aspen-Sopris Ranger District on November 19, 2025. These comments have been integrated into the draft decision document as conditions of approval.

1. *“Lot line changes and resulting site development should be based on accurate survey information. The applicant should ensure that no encroachment onto the adjoining federal estate occurs as a result of implementing the Land Use Change application, if approved.*
2. *Platting exhibits should show Forest Service Road 314, under Forest Service jurisdiction, where it exists over and across private lands.*
3. *The Forest Service concurs with the Gunnison County Public Works statement made on May 25, 2025, in item 4. If any temporary changes or improvements to County Road or Forest Service Road 314 are planned for transporting construction material to the site, additional permits may be required.*
4. *Use of Forest Service Road 314 for construction traffic resulting from implementation of this Land Use Change application, if approved, and other general site development activities may require additional coordination and submittal of a Traffic Control Plan to the Forest Service and the White River National Forest. Forest Service Road 314 includes areas of steep shelf road, single-lane travel ways, and limited sightlines. Snow-free travel for construction traffic, if implementation occurs, would likely coincide with peak travel periods from late spring to mid-fall. Traffic control planning may therefore be necessary to limit public impacts associated with extended development at the Treasure Mountain Ranch site.*
5. *Movement of tracked construction equipment along Forest Service Road 314, resulting from implementing the construction activities identified in this Land Use Change application and future site activities, should include coordination with the Forest Service and the White River National Forest to ensure protection of area bridge resources.*
6. *Fence replacement and area development associated with the Mill Site viewing location, as described in the Land Use Change application, should not result in encroachments into or impediments to public travel along the Forest Service Road 314 right-of-way.*
7. *Private property signage within or along the Forest Service Road 314 right-of-way bearing Forest Service insignia, if not approved by the Forest Service, should be removed or replaced to conform with applicable sign planning. The Forest Service can work with the applicant to address appropriate signage along the 314 right-of-way where needed”.*

#### **12-104: Trails**

*Not applicable*, this use is not proposed in the application.

#### **12-105: Water Supply**

*Applicable*, connection to existing systems as directed in LUR Section 12-105 is not feasible due to the remote location of the TMR Property. When an existing system is not accessible, the Applicant is required to submit evidence of adequacy of individual supplies pursuant to LUR Section 11-12-105:C.2.

The Applicant provided a “Water Supply Summary and Water Rights” letter from Johnson & Repucci, LLP (see project file “The Applicant Response To Section 12-105: Water Supply”). This letter outlines the supply for the maintenance barn with the following facilities: ½ bath, kitchenette, and onsite laundry. The letter notes the Crystal Spring, Ditch and Pipeline (“Pipeline”), decreed in Civil Action no. 5884, In the Matter of the Supplemental Adjudication

in Water District No. 38, dated November 5, 1971. This Pipeline was decreed for 6.2 cfs for irrigation, livestock, domestic, and other beneficial services. Over time this right was partially abandoned and restated for 0.8 cfs in Water Court Case No. 91CW278.

In the March 12, 2025 letter *Re: LUC-24-00008 – Updated Supplement to Minor Impact Application (“Application”) to Gunnison County (the “County”) for Treasure Mountain Ranch Inc. (“TMR”) – Water Supply for New Structures in the Townsite of Crystal (“Crystal”) – Determination of Completeness of Application (the “Determination”),* the Applicant provided the following information regarding sufficient water supply for the existing and proposed structures.

*“The entire 0.8 cfs Crystal Spring, Ditch and Pipeline right is owned by the Crystal Spring, Ditch and Pipeline Corporation (the “Ditch Company”). The Ditch Company was duly incorporated with the Colorado Secretary of State on August 31, 1967. A copy of the Articles of Incorporation is attached hereto as Exhibit D. The Ditch Company is in good standing as of March 12, 2025, as shown on the Certificate of Fact of Good Standing, attached hereto as Exhibit E. TMR owns 26 of the 54 shares that are issued and outstanding in the Ditch Company, entitling it to 48% or ~0.39 cfs of the Crystal Spring, Ditch and Pipeline water right. This is the equivalent of 173 gallons per minute. To the best of our knowledge and belief, TMR’s shares in the Ditch Company have been more than sufficient to satisfy the water requirements of TMR’s structures referenced in the Determination and specifically described as the (1) Hotel (on Lots 1 & 2, Block A), (2) General Store, (3) Rosetta Cabin, (4) Edgerton Cabin, (5) Melton Cabin, (6) Clayton Cabin, (7) Duane’s Cabin, (8) Stanford Cabin, (9) Meadow Cabin, and (10) Horse Barn. Although not obligated to do so, Applicant also intends to disconnect water service from the General Store, Rosetta Cabin, Edgerton Cabin, Melton Cabin, and the Horse Barn in order to supply four new residences and the Maintenance Barn within the TMR development, which will ensure that TMR’s interest in the Crystal Spring, Ditch and Pipeline right will continue to be sufficient to meet the water demands of the structures that are the subject of the Application”.*

- a. Lost Horse Mill Site
- b. Lots 7 and 8, Eatons Addition, aka Boundary Line Adjustment Parcel 1 ac.
- c. Protection Mill Site
- d. Wanderor Mill Site
- e. Gray Copper Mill Site
- f. Inez No. 4 Mill Site
- g. Home Claim Mill Site
- h. Crystal Mill Site
- i. Lot 7 and 8, Johnsons Addition
- j. Lots 1 and 2, Eatons Addition, Lots 1-4, Johnsons Addition
- k. Lot 4, Block D, Crystal Townsite
- l. Lots 7 and 8 of Block C, Crystal Townsite

Exhibit E to the letter includes Colorado Department of Health and Environment (CDPHE) laboratory testing results for the water supply. Contaminant levels in both samples were below EPA standards, which means the water is safe for human consumption. Both samples revealed high levels of water hardness, which is typical for Gunnison County water.

#### **12-106: Wastewater treatment**

*Applicable*, the Applicant proposes to decommission existing, outdated wastewater treatment, replacing the systems with a single OWTS described as “Restored cabin and

*barn wastewater will be treated by a proposed on-site wastewater treatment system (OWTS) consisting of a septic tank, pumps, a high level treatment system, and a drip-fed soil treatment area permitted through Gunnison County. Capacity for the single OWTS will be 1,999 gpd. The proposed OWTS will be located in town and TMR will comply with Gunnison County's OWTS regulations."* in project file "Applicant Response to LUR Section 12-106: Wastewater Treatment."

The Applicant confirmed in "Re: LUC 24-00008 Treasure Mountain Ranch Minor Impact Review Determination of Completeness from February 14, 2024 (the "Determination")", March 13, 2025 that the following permits: OTWS-23-00202 and OWTS-23-00203, will be withdrawn and replaced with a single OTWS permit application if the Land Use Change application is approved.

### **12-107: Fire protection**

*Applicable*, the TMR property is outside of a Fire Protection District. Land Use Change Permits shall be referred to the closest District for review and comment. The application was referred to the Carbondale Rural Fire Protection District, the Gunnison Fire Protection District, and the Colorado State Forest Service for review and comment. Comments were not received from either agency as of this Report.

The Applicant provided the following responses regarding water supply in "Re: LUC 24-00008 Treasure Mountain Ranch Minor Impact Review Determination of Completeness from February 14, 2024 (the "Determination")", March 13, 2025:

*"Because of the remoteness of the area, the applicant intends to meet and exceed the requirements under IWUIC by constructing the new buildings such that they meet the requirements for the class of ignition-resistant construction for a nonconforming water supply, in accordance with IWUIC 402.2.2, and also, though not required by IWUIC, to construct each of the residences with a 500 gallon, basement water tank to provide sprinkler capacity for each residence".*

The Application shall be subject to one of the following conditions as determined during the review of the Application.

1. Provide evidence that the property will be annexed to the applicable District, or
2. A service agreement has been entered into between the applicant and the District, or
3. INSTALL SPRINKLER SYSTEM. The applicant shall install a sprinkler system in any structure proposed for habitation, subject to standards of and approval by the applicable fire protection district; or
4. SUBMIT WAIVER OF LIABILITY. The applicant shall submit a signed Warning and Waiver of Liability releasing the County and the applicable fire protection district as part of the application.

### **13-102: B.: Location within municipal three-mile plan area**

*Not applicable*, the proposal is not located within a three-mile plan area. The Town of Marble is over seven miles from the TMR Property. The Application was referred to the Town of Marble as the gateway to the popular Crystal Mill site.

### **13-103: General Site Plan Standards And Lot Measurements**

*Applicable*, no new lots are proposed; however, all new buildings are required to comply with the standards of this Section.

### **13-104: Setbacks From Property Lines And Road Rights-Of-Way**

*Applicable*, the existing structures are legally established non-conformities. The new structures will comply with this section.

### **13-105: Residential Building Sizes And Lot Coverages**

*Applicable*, of the 12 resultant parcels in the TMR Project, only one exceeds the dimensional standards of 13-105: *Residential Building Sizes And Lot Coverages*.

The Applicant seeks to cluster the Home Claim, Protection Claim, Crystal Mill Site parcels for a single 25 acre lot. Home Claim and Protection Claim are developed with residential and accessory structures. The Crystal Mill Site is vacant.

The Applicant seeks to cluster the Home Claim, Protection Claim, Crystal Mill Site parcels for a single 25 acre lot. Home Claim and Protection Claim are developed with residential and accessory structures. The Crystal Mill Site is vacant.

The clustered parcel is currently developed with:

4. Three residential structures, 2153 sq. ft.
5. Two accessory structures, 780 sq. ft.
6. 2,933 sq. ft. aggregate floor area

The Applicant requests an additional:

4. Four residential structures ("cabins"), 5,089 sq. ft.
5. One accessory structure ("barn"), 4,900 sq. ft.
6. 9,989 sq. ft. aggregate floor area

The net outcome of the changes are:

4. Six total residential structures, 6,957 sq. ft.
  - b. Conversion of one residential structure to accessory structure ("Edgerton"), 285 sq. ft.
5. Four total accessory structures, 5,965 sq. ft.
6. 12,922 sq. ft. aggregate floor area

The Applicant provided the following response to these criteria in "Re: LUC-24-00008; Determination of Completeness of Application relating to Treasure Mountain Ranch (the "Determination"), August 2, 2024, in project file "Cover Letter and Application Narrative."

*"As you are aware, TMR filed a minor impact application and this provision of the LUR requires a minor impact approval for buildings (or aggregate buildings) if the standards are exceeded. As such, this is not an issue with respect to overall classification of the project as minor impact. The application includes a request for a maintenance barn of 4,900 square feet and 5,000 square feet total for four cabins in replacement of four existing cabins totaling approximately 3,900 square feet. The primary driver in the 1,100 square foot difference between the 3,900 square feet of existing cabins and the 5,000 square feet of cabins requested is ensuring that the new cabins can accommodate required amenities for health and safety and other building and code requirements and have the rooms and space required to meet the basic needs of people who may reside there. None of them will be large or elaborate, but rather in keeping with basic needs as they exist in the 21st century rather than the 19th century like the existing cabins. The existing cabins will no longer be cabins that can be used for housing and should not be construed as buildings or structures any more*

than any other landmark or historic feature – they will be decommissioned and uninhabitable. As such, TMR is requesting a total net increase in buildings of only 6,000 square feet. Part of the application includes the consolidation of the Home, Protection, and Wanderor mining claims into a single parcel being 25.079 acres (the “Barn Parcel”. The maintenance barn and four new cabins will be located on this Barn Parcel. This means that the Barn Parcel is approximately 1,179,561 square feet and the total buildings on the Barn Parcel will only be 12,922 square feet, which is approximately 1% of the total Barn Parcel. Presuming that Gunnison County believes that this requires approval under Section 13105. G., I assume Gunnison County will take the position that this is more than 7,000 square feet of aggregate of structures.

As to the standards of Section 13-105. G.:

1. There is no obtrusive visibility. Indeed, the proposed project will be screened from neighboring properties through existing vegetation and should not be visible to tourists. I understand that a substantial aspen grove is between the roadway through Crystal and the cabins and barn that would effectively screen any visibility.
2. Additional screening will not be required to ensure the structures are not obtrusively visible.
3. All utilities will be located underground”.

**13-107: Installation Of Solid-Fuel-Burning Devices**

*Applicable*, the standards of this Section shall be applied at the time of building permit application.

**13-108: Open Space And Recreation Areas**

*Not applicable*, this use is not proposed in the application.

**13-109: Signs**

*Applicable*, the Applicant has submitted a signage and wayfinding plan to help with site interpretation, parking, safety, and trespass issues at the Crystal Mill Site, one of the most photographed tourist attractions in the state. The signage exceeds the six square feet permitted by this section; however, pursuant to Section 13-109:F *Signs Integral To Land Use Change Permits*, signs that are an integral part of a development shall may be approved as a part of the Land Use Change Permit by the applicable decision-making body.

Sign details, plans, and locations are mapped in “*Exhibit 8: Interpretive Signage Plan & Details*”, and “*Exhibit 9: Advisory Signage Plan & Details*”.

**13-110: Off-Road Parking And Loading**

*Applicable*, parking in compliance with this Section shall be required.

**13-111: Landscaping And Buffering**

*Applicable*, the Applicant provided a reseeding plan in “*Exhibit 7: Site Plans - Landscape Plan*”. The Applicant provided responses to the applicable standards of this section in “*Applicant Response to LUR Article 13 Project Design Compatibility*.”

*“B. General Treasure Mountain Ranch will comply with the requirements of the Gunnison County Standards and Specifications for all landscaping and landscape restoration. Disturbance will be minimized through construction methodology*

*developed to the particular ecological conditions of the site. Any landscape restoration required will be completed with native plant species to blend seamlessly into the existing landscape. DHM's weed mitigation plan will be used to cull any noxious vegetation that results from disturbance.*

*D. Non-Residential Land Use Changes The proposed maintenance barn responds to a deferred need to provide a storage and maintenance facility in support of the existing residential use. Areas not occupied by buildings and required improvements will retain their native vegetation. The majority of the property acreage will not be impacted by this application.*

*E. Landscaping Plan No ornamental landscape is proposed as a part of this application. For reclamation, see landscape plan.*

*M. Buffering A 50'+ buffer strip between TMR's proposed barn and the residential neighbors is shown on the site plan. The buffer consists of Crystal's topography and existing mature native tree cover.*

*N. Parking Areas Does not apply, but an existing mature aspen stand will screen the barn's parking area".*

### **13-112: Snow Storage**

*Not applicable, the parcel is beyond snowplowed access therefore snow storage is not required. The Applicant provided responses to the applicable standards of this section in "Applicant Response to LUR Article 13 Project Design Compatibility."*

*"C. Preferred Snow Storage Areas Winter travel will be over-the-snow, but there may be instances where TMR staff plow the driveway area next to the barn, so a snow storage area has been provided. TMR's snow storage area is located in an existing meadow- an unpaved surface free of trees, on a gentle slope."*

### **13-113: Fencing**

*Applicable, any proposed fencing shall comply with this Section. The Applicant provided responses to the applicable standards of this section in "Applicant Response to LUR Article 13 Project Design Compatibility."*

*"TMR plans include the replacement of the post and wire guardrail at the Crystal Mill viewing area. The proposed replacement will be a 42" height split rail fence, three rails maximum, with an 18" kick-space between the top two rails."*

### **13-114: Exterior Lighting**

*Applicable, the standards of this Section shall be applied at the time of building permit application. All lighting proposed on the parcel shall comply with this Section.*

### **13-115: Reclamation And Noxious Weed Control**

*Applicable, a Reclamation and Noxious Weed Control Plan for disturbance equal or greater than 10,000 sq. ft will be required prior to building permit issuance.*

### **13-116: Grading And Erosion Control**

*Applicable, the Applicant provided responses to the applicable standards of this section in "Applicant Response to LUR Article 13 Project Design Compatibility."*

*“TMR will acquire a reclamation permit from the Public Works Department prior to obtaining a building or any land use change permit and will meet all requirements of Section 13-116: Grading and Erosion Control and Section 13-117: Drainage, Construction and Post-Construction Storm water Runoff.”*

**13-117: Drainage, Construction And Post-Construction Storm Water Runoff**

*Applicable*, the applicant will demonstrate compliance at building permit if more than 10,000 sq. ft. is disturbed.

**13-118: Water Impoundments**

*Not applicable*, no water impoundments, as defined in this Section, are proposed as part of this application.

**13-119: Standards To Ensure Compatible Uses**

*Not applicable*, the application does not propose a change in use; however, the applicant has provided the following response to the standards of this section in *“Applicant Response to LUR Article 13 Project Design Compatibility.”*

*“The recent history of use of the property includes private residential use, private recreation, and short-term accommodations (using existing residential cabins, and primitive campsites). No new off-site access improvements are required or proposed. The implementation of a modern, efficient OWTS system will have a positive net effect on environmental water quality protection by taking offline non-conforming and dated existing facilities. The historic value of the townsite and Crystal Mill area are protected by screening the new maintenance barn from view, while also locating the barn close to the townsite in a previously disturbed and historically developed zone of the property. The new maintenance barn will assist in preserving the existing structures and area while reducing offsite trips. The lot line adjustments will have no impact except to reduce future impact Treasure Mountain Ranch | Minor Impact Application Section 6-103: Standards for Approval by allowing future development to be reviewed as part of larger parcels. The signage will assist in reducing impact. Accordingly, the expectation is that this application will reduce the amount of impact in the area and accordingly, satisfies the standards for compatible use”.*

**FINDINGS:**

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The Gunnison County Planning Commission finds that:

1. The Impact Classification for this project is a Minor Impact Project. The proposal includes clustering of several parcels, including clustering of three parcels into one central “Development Parcel.” Four new residential units (“cabins”) are proposed on the “Development Parcel,” which will result in a total of six residential units on a single parcel. Pursuant to LUR Section 7-101:A., more than four residential units on a single parcel is classified as a Major Impact project. The applicant proposes abandoning the residential use of four cabins on other parcels under Treasure Mountain Ranch ownership; therefore, the land use change application is a Minor Impact project pursuant to LUR Section 3-111 and LUR Section 6-102, *et. seq.*
2. Pursuant to Section 6-103: Standards of Approval for Minor Impact Projects, the Commission hereby finds and concludes:

A. ALL APPLICABLE STANDARDS. The proposed land use change shall comply with, and the burden shall be on the applicant to demonstrate through competent evidence that the proposed land use change complies with all applicable requirements of this Resolution; and

B. COMPATIBILITY WITH COMMUNITY CHARACTER. The proposed land use change shall be compatible with, or an enhancement of, the character of existing land uses in the area, and shall not adversely impact the future development of the surrounding area;

3. The proposal meets Section 13-106.G1.b. as it is currently sufficiently screened and no additional screening or landscaping is required.
4. The project meets or exceeds the standards of Section 13-105:G.1 *Finding of No Obtrusive Visibility Required for Approval* and Section 13-105:G.2 *Obtrusive Visibility Shall Cause Denial*.
5. The signage and wayfinding plan is approved pursuant to Section 13-109:F *Signs Integral To Land Use Change Permits*.
6. This application is consistent with the standards and requirements of this Resolution.
7. This review and decision incorporates, but is not limited to, all the documentation submitted to the County and included within the Community Development file relative to this application; including all exhibits, references and documents as included therein.
8. PLACE CARD FOR ADDITIONAL FINDINGS AS DETERMINED BY THE PLANNING COMMISSION.

**DECISION:**

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The Gunnison County Planning Commission, having considered the submitted plan, site observations and public testimony, has reached the above findings and recommends that LUC-24-00008 be classified as a Minor Impact, and be approved with the following conditions:

1. This permit is limited to activities described within the “Project Description” of this application, and as depicted on the Plan submitted as part of this application. Expansion or change of this use will require either an application for amendment of this permit, or submittal of an application for a new permit, in compliance with applicable requirements of the *Gunnison County Land Use Resolution*.
2. The applicant shall comply with the conditions identified by the Colorado Avalanche Information Center (CAIC), August 13, 2025:
  - A. The Avalanche Atlas and Avalanche Management Plan should be retained in the County’s official project file as supporting technical documents.
  - B. Before each winter season, TMR, CAIC, Gunnison County Emergency Management, and the U.S. Forest Service coordinate communication procedures and emergency-response expectations for avalanche events.

- C. Any significant changes to the avalanche plan or field operations must be submitted to Gunnison County for review.
3. The applicant shall comply with the conditions identified by the USFS White River National Forest, Aspen-Sopris Ranger District, November 19, 2025:
- A. Lot line changes and resulting site development should be based on accurate survey information. The applicant should ensure that no encroachment onto the adjoining federal estate occurs as a result of implementing the Land Use Change application, if approved.
  - B. Platting exhibits should show Forest Service Road 314, under Forest Service jurisdiction, where it exists over and across private lands.
  - C. The Forest Service concurs with the Gunnison County Public Works statement made on May 25, 2025, in item 4. If any temporary changes or improvements to County Road or Forest Service Road 314 are planned for transporting construction material to the site, additional permits may be required.
  - D. Use of Forest Service Road 314 for construction traffic resulting from implementation of this Land Use Change application, if approved, and other general site development activities may require additional coordination and submittal of a Traffic Control Plan to the Forest Service and the White River National Forest. Forest Service Road 314 includes areas of steep shelf road, single-lane travel ways, and limited sightlines. Snow-free travel for construction traffic, if implementation occurs, would likely coincide with peak travel periods from late spring to mid-fall. Traffic control planning may therefore be necessary to limit public impacts associated with extended development at the Treasure Mountain Ranch site.
  - E. Movement of tracked construction equipment along Forest Service Road 314, resulting from implementing the construction activities identified in this Land Use Change application and future site activities, should include coordination with the Forest Service and the White River National Forest to ensure protection of area bridge resources.
  - F. Fence replacement and area development associated with the Mill Site viewing location, as described in the Land Use Change application, should not result in encroachments into or impediments to public travel along the Forest Service Road 314 right-of-way.
  - G. Private property signage within or along the Forest Service Road 314 right-of-way bearing Forest Service insignia, if not approved by the Forest Service, should be removed or replaced to conform with applicable sign planning. The Forest Service can work with the applicant to address appropriate signage along the 314 right-of-way where needed.
4. The applicant shall comply with the following conditions from Colorado Parks and Wildlife:
- A. Approved bear-proof containers should be used for storing all trash/garbage until transported to a refuse facility.
  - B. Horse grain should be stored in bear proof containers or in a locked shed.
  - C. Pets should be fed indoors, and pet food or food containers should not be left outside.
  - D. BBQs should also be securely housed in the garage or cleaned with a bleach solution when not in use.
  - E. TMR has previously expressed interest in expanding and creating a recreation destination with a lodge and increased cabin/yurt capacity for guests. While this

project alone is unlikely to create major impacts to wildlife, further development of either infrastructure or recreational trails and amenities will need to be further evaluated.

5. Warning and Disclaimers pursuant to LUR Section 11-104: *Geologic Hazards*, LUR Section 11-105: *Development in Wildfire Hazards*, and LUR Section 11-110: *Development of Land Beyond Snowplowed Access* prior to building permit issuance.
6. Submittal, approval, and completion of applicable building, plumbing, and electrical permits to convert the following structures from residential to accessory use prior to issuing certificates of occupancy for the four new residential structures.
  - A. Edgerton Cabin
  - B. Melton Cabin
  - C. Clayton Cabin
  - D. Rosetta Cabin
7. Submit applications for historic designation for the following structures to the Gunnison County Historic Preservation Office within 60 days from approval of LUC-24-00008. The applicant shall provide documentation of the application to Gunnison County.
  - A. Edgerton Cabin
  - B. Melton Cabin
  - C. Clayton Cabin
  - D. Rosetta Cabin
8. Access shall comply with LUR 12-103:G STANDARDS FOR ACCESS TO PROPERTIES.
  1. NO INTERFERENCE WITH OR OBSTRUCTION OF PUBLIC ROAD. No land use change proposed for land over which there is a public road shall interfere with or obstruct such road without written authority from the government entity that has jurisdiction over the road. Approval by the County of the Land Use Change Permit is not a vacation of such a public road.
  2. LEGAL ACCESS SHALL BE PROVIDED. Design and construction of any land use change shall ensure that all residential lots have legal access to a public road.
    - a. ACCESS EASEMENTS SHALL BE MADE OF RECORD. If access is provided to lots or tracts through private rights-of-way, then access easements benefiting all properties having such access shall be made of record in conjunction with approval of the land use change.
    - b. LIMITED SNOWPLOWED ACCESS. Every development shall comply with the requirements of Section 11- 110: Development of Land Beyond Snowplowed Access.
9. Provide an access easement for parcel number 2915-340-02-001 to FS Road 314/CR 3; which has been historically accessed through TMR property, specifically, the proposed "Development Parcel," as part of the Boundary Line Adjustment Plat for the "Protection, Home and Crystal Mill Sites." This shall be completed prior to building permit issuance.
10. Pursuant to LUR Section 12-107: *Fire Protection*, because the subject properties do not fall within a fire protection district, the application shall be subject to one of the following conditions as determined during the review of the Application. The applicant shall agree to one of the following conditions as part of this approval:

- A. Provide evidence that the property will be annexed to the applicable District, or
  - B. A service agreement has been entered into between the applicant and the District, or
  - C. INSTALL SPRINKLER SYSTEM. The applicant shall install a sprinkler system in any structure proposed for habitation, subject to standards of and approval by the applicable fire protection district; or
  - D. SUBMIT WAIVER OF LIABILITY. The applicant shall submit a signed Warning and Waiver of Liability releasing the County and the applicable fire protection district as part of the application.
11. Submit plans pursuant to Section 13-116: *Grading and Erosion Control* and Section 13-117: *Drainage, Construction and Post-Construction Stormwater Runoff* prior to building permit issuance.
12. A Gunnison County Reclamation Permit shall be required for any site disturbing activities exceeding 10,000 sq. ft. on this parcel. That permit shall contain specific reclamation conditions. Disturbed areas shall be reseeded with an approved seed mix. For activities not requiring a Reclamation Permit, disturbed areas shall be reseeded with an appropriate seed mix. Colorado Parks and Wildlife (CPW) and/or the Natural Resources Conservation Service (NRCS) are available to help identify an appropriate seed mix.
13. Property owners shall control or attempt to eradicate any noxious weeds that occur on the property. A list of noxious weeds may be found in the Colorado Noxious Weed list: [www.colorado.gov/pacific/agconservation/noxious-weedspecies](http://www.colorado.gov/pacific/agconservation/noxious-weedspecies) The Gunnison County Weed Management Program should be contacted (970-641-4393) for additional information and technical assistance.
14. This approval is founded on each individual requirement. Should the applicant successfully challenge any such finding or requirement, this approval is null and void.
15. This permit may be revoked or suspended if Gunnison County determines that any material fact set forth herein or represented by the applicant was false or misleading, or that the applicant failed to disclose facts necessary to make any such fact not misleading.
16. The removal or material alteration of any physical feature of the property (geological, topographical or vegetative) relied on herein to mitigate a possible conflict shall require a new or amended land use change permit.
17. Approval of this use is based upon the facts presented and implies no approval of similar use in the same or different location and/or with different impacts on the environment and community. Any such future application shall be reviewed and evaluated, subject to its compliance with current regulations, and its impact to the County.
- 18. PLACE CARD FOR ADDITIONAL CONDITIONS AS DETERMINED BY THE PLANNING COMMISSION.**

Project Item	Parcel Name	BLA or Cluster	Current Lot Area (acres unless listed otherwise)	Proposed Lot Area (acres unless listed otherwise)	Structures to Remain	Use	Existing sq ft	Structures to be "Retired" and/or "Preserved"	New Improvements	Improvement SQ FT	Total Floor Area Sq Ft	Comments	
1	Lost Horse Mill Site	BLA	4.15	Two resulting tracts: Adjusted Lost Horse 3.273 ac and Boundary Line Adjustment Parcel 1 ac	Crystal Mill		1,100		Interpretive signage, fence, wayfinding		1,280	Exhibit 1 to August 2, 2024 letter from LOTR. This is being done to make Lots 7 and 8, Block 1, at least 1 acre in order to decrease nonconformity.	
	Lot 7, Eaton's Addition		2,500 sq ft										
	Lot 8 Eatons Addition		2,500 sq ft		Shed	Storage	180		NA				
2	Protection Wanderor	BLA	Approx. 9.1 10	10.036 9.112								Exhibit 2 to August 2, 2024 letter from LOTR. Allows for setback for Barn and Cabin 4.	
3	Gray Copper MS	BLA	3.5	2.332	Stanford Cabin	Residential	768				768	Exhibit 3 to August 2, 2024 letter from LOTR. The purpose of this BLA is to make the river the boundary between the claims so that the legal boundary follows natural features.	
	Inez No 4		2.6		3.883								
4	Home Claim	Cluster (Development Parcel, all new improvements located on this parcel)	10	25.079	Edgerton (Home)	Residential	285	Retired and Preserved	Cabin 1	839	12,922	Exhibit 4 to August 2, 2024 letter from LOTR. All improvements located on this parcel (per Gunnison County feedback) to ensure that as much of the project can be viewed and reviewed holistically as is reasonable. The intent is to move toward centralizing wastewater and other utilities and uses so as to decrease overall impact. Because the project has no commercial or industrial components, the Applicant submits that regardless of the square footage, the land use change application remains minor impacts. See LUR Section 7-101.B. classifying as major impact, "A new commercial or industrial use of more than 10,000 sq. ft. of structure, or on a parcel of more than five acres" and Section 7-101.D. for an "Expansion of a commercial or industrial use [] of 10,000 sq. ft. or five acres or more."	
	Protection Claim				10	Duane's Cabin (Home)	Residential	1,420		Cabin 2			1294
						Meadow Cabin (Home)	Residential	448		Cabin 3			1478
						Barn (Protection)	Storage/ Horses	400		Cabin 4			1478
						School House (Protection)	Abandoned	380		Barn			4,900
	Crystal Mill Site (Vacant)*					5		total		2,933			
5	Lot 7, Block D, Johnson's Addition	Cluster	2,500 sq ft	5,000 sq ft							1,099	Exhibit 5 to August 2, 2024 letter from LOTR. The Melton cabin is currently located on two parcels, consolidation allows structure to be located on one legal parcel in order to to create a clearer legal description for purposes of the conservation covenant for the Melton cabin.	
	Lot 8, Block D, Johnson's Addition		2,500 sq ft		Melton Cabin	Residential	1,099	Retired and Preserved	NA				
6	Lot 1, Block 1, Eatons Addition	Cluster	2,500 sq ft	15,000 sq ft	Crystal Club	Storage	1800	Preserved	NA		3,250	Exhibit 6 to August 2, 2024 letter from LOTR. Allows two historic structures currently on separate parcels to be combined into one single parcel in order to facilitate conservation easement and historic registry.	
	Lot 2, Block 1, Eatons Addition		2,500 sq ft										
	Lot 1, Block B Johnson's Addition		2,500 sq ft		General Store	Store/ Lodging	1450	Retired and Preserved					
	Lot 2, Block B Johnson's Addition		2,500 sq ft										
	Lot 3, Block B Johnson's Addition		2,500 sq ft										
	Lot 4, Block B Johnson's Addition		2,500 sq ft										

\* A mill site is essentially a type of mining claim. The mining claims, including mill sites, were given names when patented. Confusingly, the name of this mill site is the "Crystal Mill Site", but it is not the property that has the actual Crystal mill, which is located on the Lost Horse Mill Site.

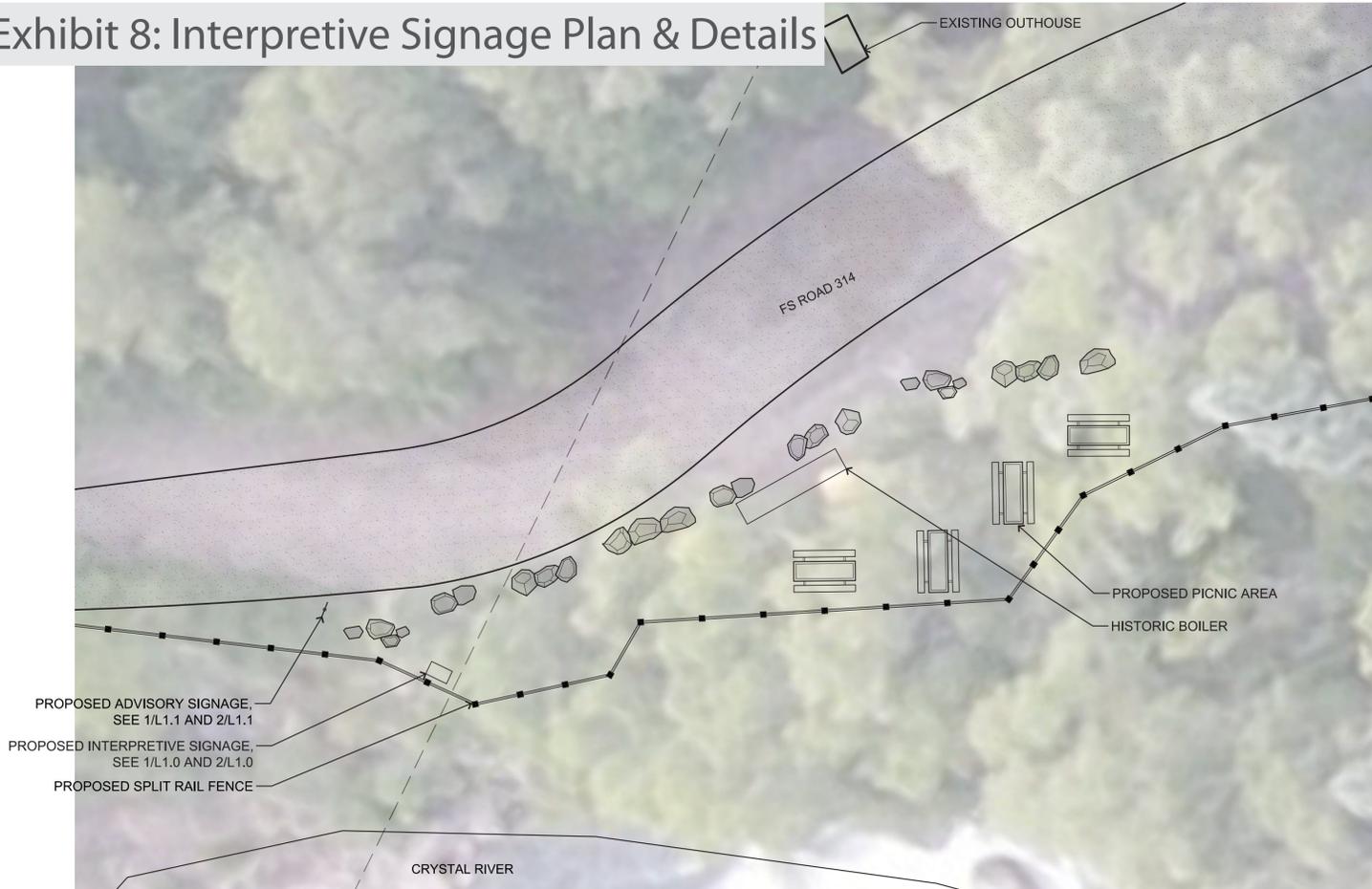
Current Parcels addressed in Land Use Change App: 17

Proposed Parcels after BLAs and Consolidations: 9

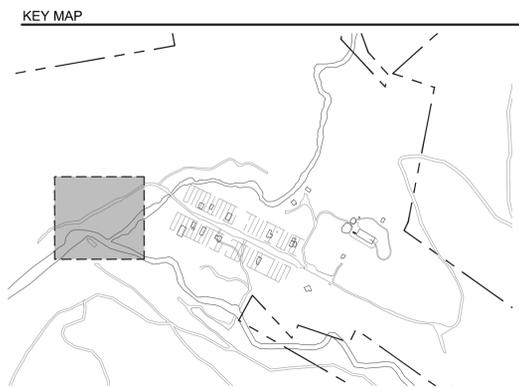
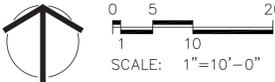
Project Item	Parcel Name	Existing Use	Requested Use Change
7	Lot 4, Block D	Residential	Exhibit 11 to August 2, 2024 letter from LOTR. Clayton Cabin Retirement and Preservation.
8	Lots 7, and 8 of Block C	Residential	Exhibit 11 to August 2, 2024 letter from LOTR. Rosetta Cabin Retirement and Preservation.
9	Lost Horse millsite	Gratuitously open to public	Exhibits 8 and 9 to August 2, 2024 letter from LOTR. Viewing Area Improvements.

The primary purpose of Project Items 1-9 as set forth above are to: (1) reduce existing nonconformity (primarily Project Items 1, 2, and 4), (2) reduce impact by centralizing and relocating active uses away from the historic townsite (primarily Project Item 4, but also made feasible by the other Project Items), (3) improve the ability to maintain and preserve the site by constructing the maintenance barn (primarily Project Item 4 but also made feasible by the other Project Items), and (4) improve experience for visitors and residents and reduce overall impacts through viewing area improvements (primarily Project Item 9).

# Exhibit 8: Interpretive Signage Plan & Details

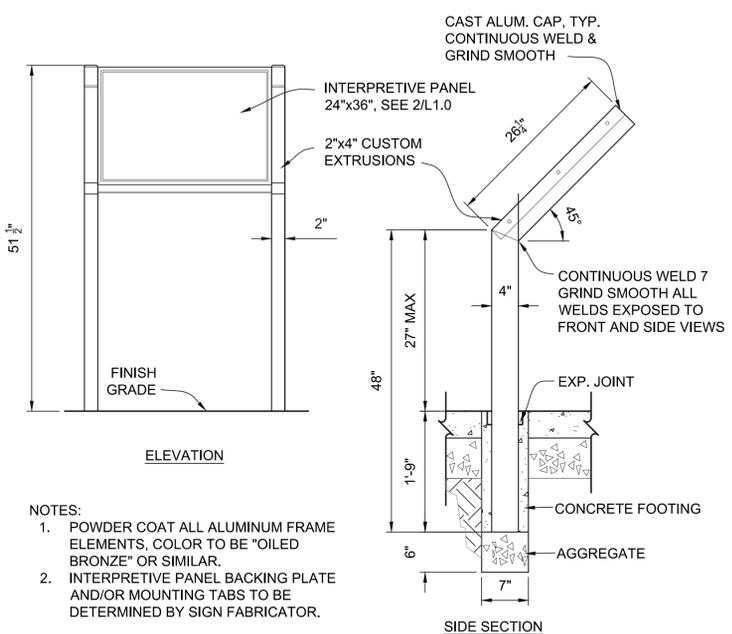


MILL VIEWING AREA PLAN ENLARGEMENT



**LEGEND**

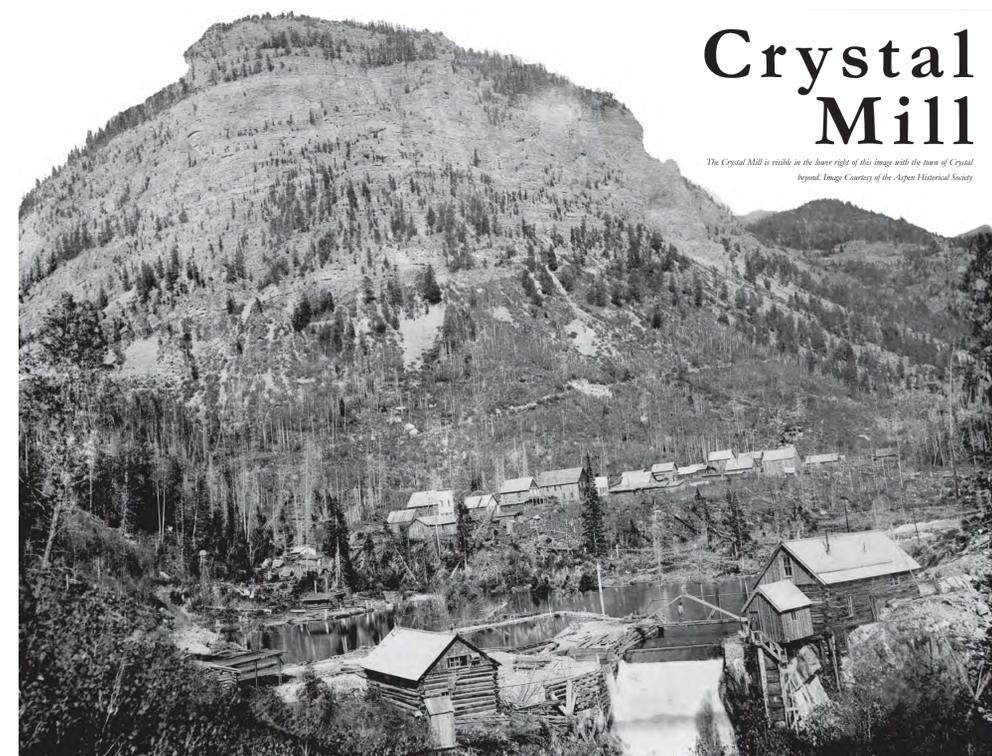
- TMR PROPERTY BOUNDARY
- INTERNAL PROPERTY BOUNDARIES
- MINING CLAIMS
- TOWNSITE LOTS
- EXISTING FOREST SERVICE ROAD 314



- NOTES:**
1. POWDER COAT ALL ALUMINUM FRAME ELEMENTS, COLOR TO BE "OILED BRONZE" OR SIMILAR.
  2. INTERPRETIVE PANEL BACKING PLATE AND/OR MOUNTING TABS TO BE DETERMINED BY SIGN FABRICATOR.

1 L1.0 INTERPRETIVE SIGN DETAIL

1"=1'-0"



## Crystal Mill

*The Crystal Mill is visible in the lower right of this image with the town of Crystal beyond. Image Courtesy of the Aspen Historical Society*



A bridge was constructed between the Mill and the stamp mill so ore could be delivered, crushed and taken to a smelter in Marble by teams of mules known as 'jack trains'. Image courtesy of Jason Rusby



A stamp mill, pictured above, was located just right of the Crystal Mill and was used to concentrate the ore for shipping. It contained three large timbers with iron plates on the end which were raised and dropped to crush the ore. The stamp mill was powered by a 12 inch leather belt from the Crystal Mill and was able to process up to 150 tons per day. Evidence of crushed ore can be seen across the river, but little remains of the stamp mill. Image courtesy of Robert B. Hudson, Jr.

The "Crystal Mill," originally known as the Sheep Mountain Tunnel Mill, was constructed in 1893 by George Eaton and B.S. Phillips to generate power for compressed air used in mining operations in the area. The viewing area for the Mill sits atop a debris pile of rock that was removed during the digging of the Sheep Mountain Powerhouse.

The square superstructure in front of the building is a vertical penstock, which contained a vertical axle and at the bottom a horizontal 36" Leffel turbine water wheel. A dam for the Mill was constructed to divert water down 1,000 feet of flumes to the penstock to turn the horizontal wheel. This wheel then turned the vertical axle, providing power to operate a Rand air compressor housed in the 20 by 50 foot building. The compressed air offered ventilation and powered equipment used to drill holes for the placement of dynamite in the Sheep Mountain Tunnel, which was located directly behind this sign, as well as the nearby Bear Mountain Tunnel and Inez mine. The Mill was never used to generate electricity.

The Mill began operations in December of 1893, the same year the US Government repealed the Sherman Silver Purchase Act, which resulted in the collapse of silver prices and the demise of mining towns throughout the West. By providing an inexpensive and reliable source of power via compressed air, the Mill allowed for mining operations to continue in the Crystal area at a time when large scale silver mining was generally not profitable. However, silver prices remained depressed, and the Mill was finally closed in 1910. This site was listed on the National Register of Historic Places in 1985.

2 L1.0 INTERPRETIVE PANEL DETAIL

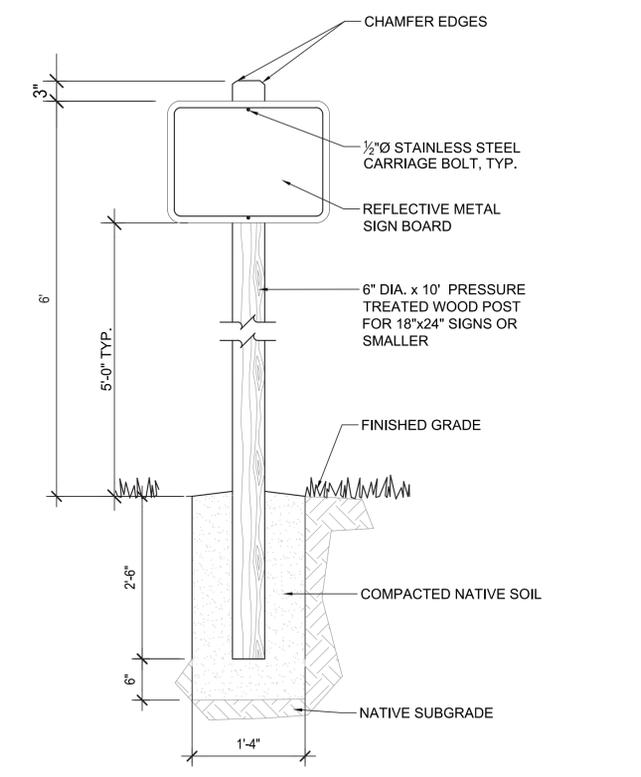
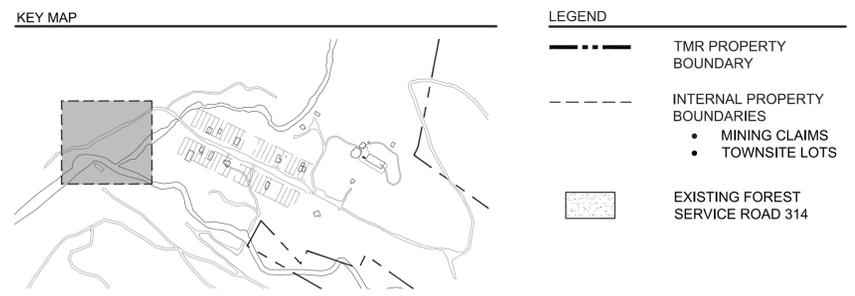
- NOTE:**
1. PANEL FABRICATION PER SIGN FABRICATOR.

NOT TO SCALE

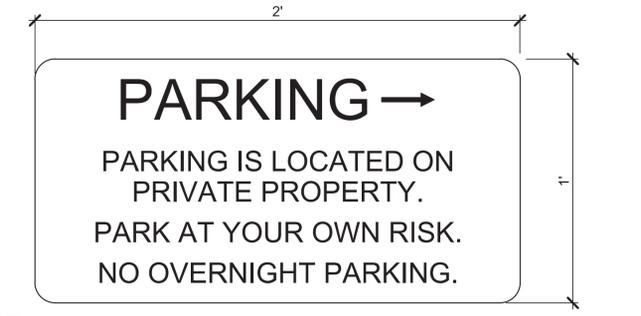
Exhibit 9: Advisory Signage Plan & Details



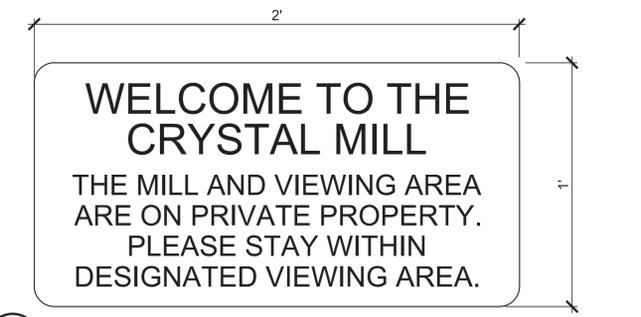
MILL VIEWING AREA AND PARKING AREA PLAN ENLARGEMENT



1 ADVISORY SIGN DETAIL 1"=1'-0"



2 ADVISORY SIGN #2 PANEL DETAIL 3"=1'-0"



3 ADVISORY SIGN #1 PANEL DETAIL 3"=1'-0"

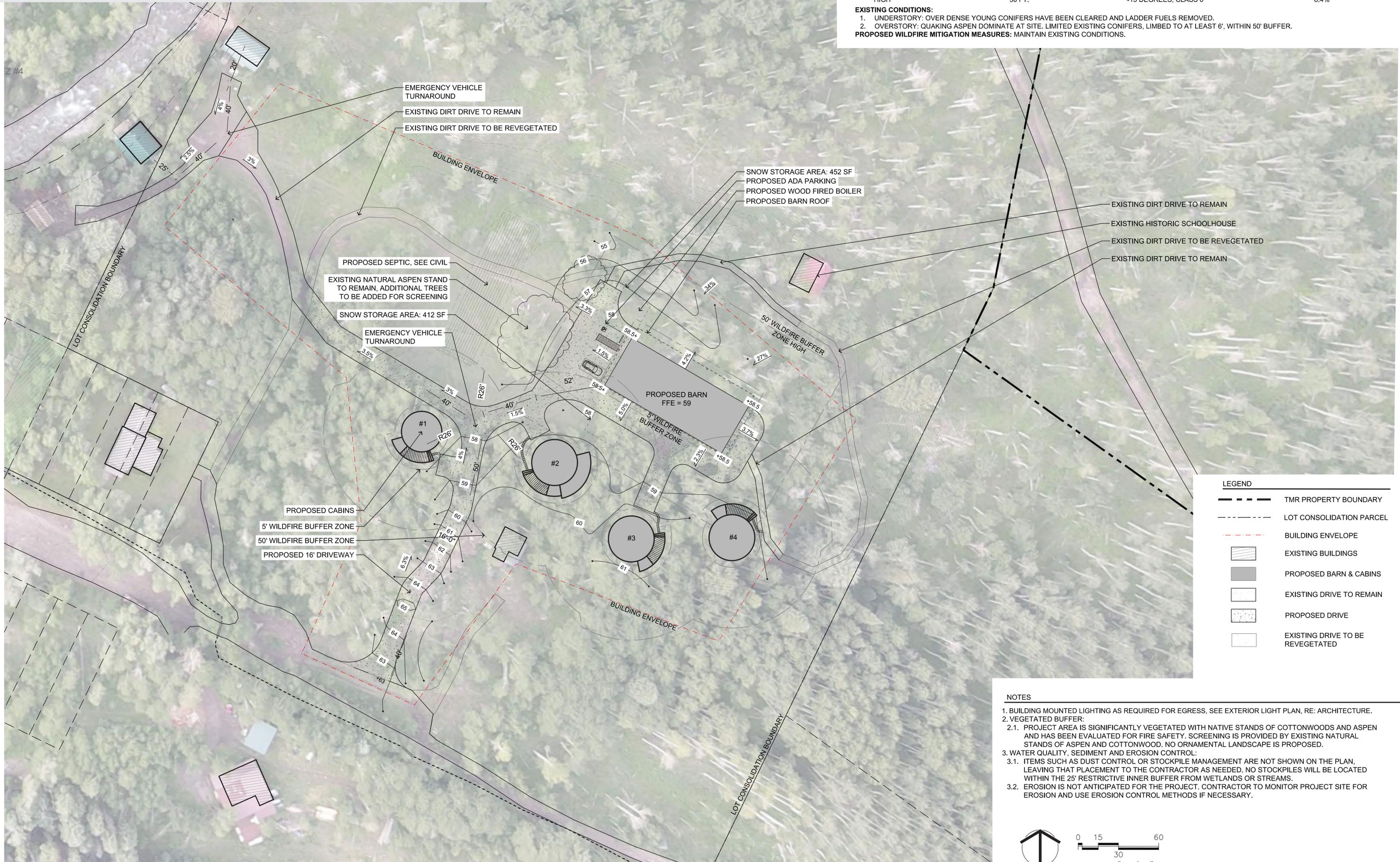
# Exhibit 7: Site Plans - Barn and Cabin Enlargement

## DEFENSIBLE SPACE PLAN:

LOCAL WILDFIRE HAZARD	MIN. REQUIRED DEFENSIBLE SPACE	SLOPE AND MITIGATION DIFFICULTY/VEG CATEGORY	AVERAGE SLOPE
HIGH	50 FT.	<15 DEGREES, CLASS 6	8.4%

## EXISTING CONDITIONS:

- UNDERSTORY: OVER DENSE YOUNG CONIFERS HAVE BEEN CLEARED AND LADDER FUELS REMOVED.
  - OVERSTORY: QUAKING ASPEN DOMINATE AT SITE. LIMITED EXISTING CONIFERS, LIMBED TO AT LEAST 6', WITHIN 50' BUFFER.
- PROPOSED WILDFIRE MITIGATION MEASURES:** MAINTAIN EXISTING CONDITIONS.



### LEGEND

	TMR PROPERTY BOUNDARY
	LOT CONSOLIDATION PARCEL
	BUILDING ENVELOPE
	EXISTING BUILDINGS
	PROPOSED BARN & CABINS
	EXISTING DRIVE TO REMAIN
	PROPOSED DRIVE
	EXISTING DRIVE TO BE REVEGETATED

- ### NOTES
- BUILDING MOUNTED LIGHTING AS REQUIRED FOR EGRESS, SEE EXTERIOR LIGHT PLAN, RE: ARCHITECTURE.
  - VEGETATED BUFFER:
    - PROJECT AREA IS SIGNIFICANTLY VEGETATED WITH NATIVE STANDS OF COTTONWOODS AND ASPEN AND HAS BEEN EVALUATED FOR FIRE SAFETY. SCREENING IS PROVIDED BY EXISTING NATURAL STANDS OF ASPEN AND COTTONWOOD. NO ORNAMENTAL LANDSCAPE IS PROPOSED.
  - WATER QUALITY, SEDIMENT AND EROSION CONTROL:
    - ITEMS SUCH AS DUST CONTROL OR STOCKPILE MANAGEMENT ARE NOT SHOWN ON THE PLAN, LEAVING THAT PLACEMENT TO THE CONTRACTOR AS NEEDED. NO STOCKPILES WILL BE LOCATED WITHIN THE 25' RESTRICTIVE INNER BUFFER FROM WETLANDS OR STREAMS.
    - EROSION IS NOT ANTICIPATED FOR THE PROJECT. CONTRACTOR TO MONITOR PROJECT SITE FOR EROSION AND USE EROSION CONTROL METHODS IF NECESSARY.

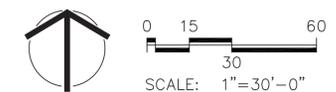
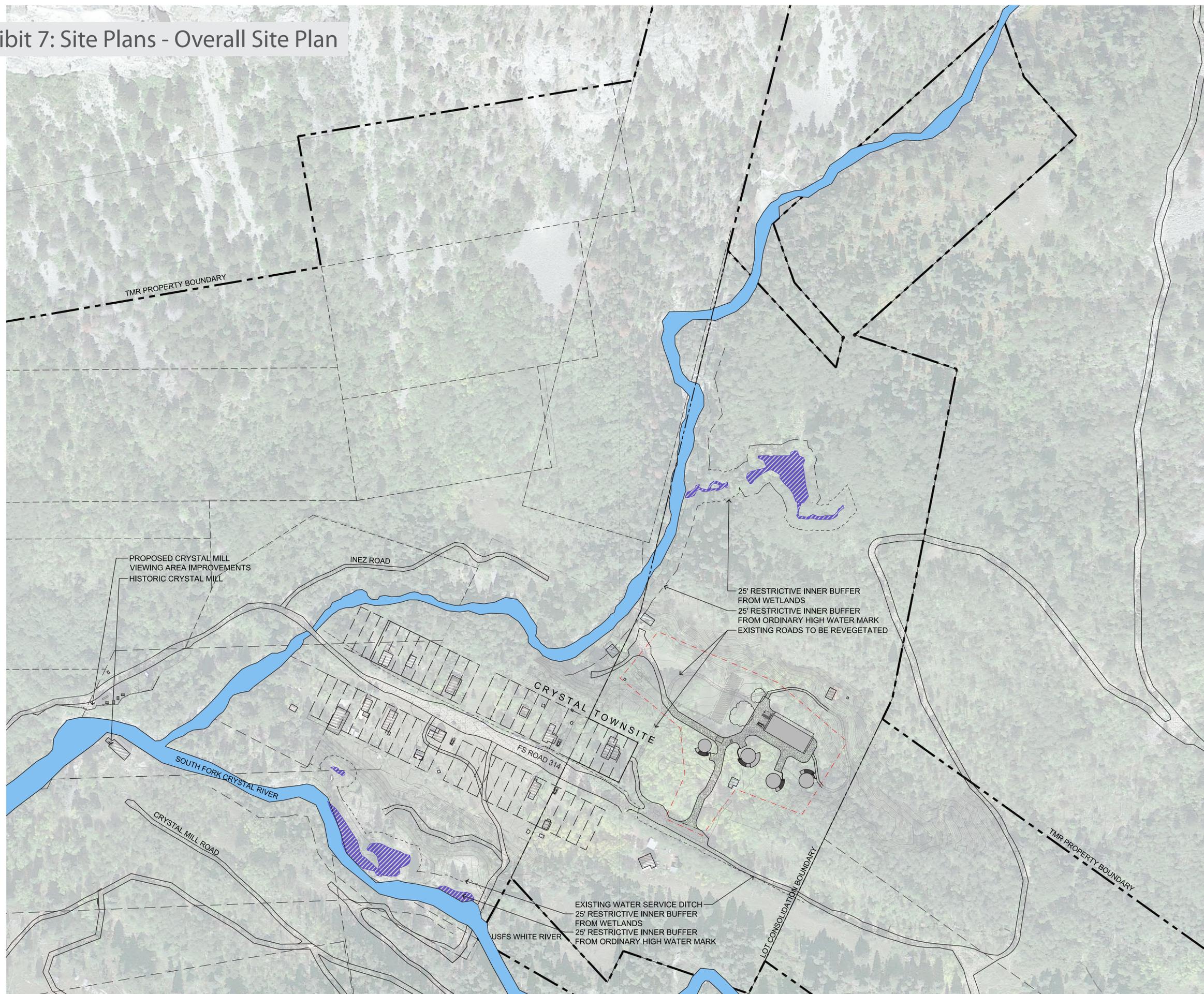


Exhibit 7: Site Plans - Overall Site Plan



**LEGEND**

	TMR PROPERTY BOUNDARY
	LOT CONSOLIDATION PARCEL
	INTERNAL PROPERTY BOUNDARIES
	MINING CLAIMS
	TOWNSITE LOTS
	BUILDING ENVELOPE
	EXISTING BUILDINGS
	PROPOSED BUILDINGS
	EXISTING ROAD
	EXISTING ROAD TO BE REVEGETATED (TOTAL LENGTH = 900 lf)
	PROPOSED ROADS (TOTAL LENGTH = 515 lf)
	EXISTING WETLANDS

**NOTES**

- CABIN LOCATION IS APPROXIMATE AND WILL BE FIELD LOCATED TO PRESERVE AS MUCH MATURE TREE CANOPY AS POSSIBLE.

