

RESOLUTION NO. 16

SERIES 2021

A RESOLUTION OF THE CRESTED BUTTE TOWN COUNCIL AUTHORIZING THE TOWN TO ENTER INTO A PROPERTY MANAGEMENT AGREEMENT WITH THE GUNNISON VALLEY REGIONAL HOUSING AUTHORITY FOR THE AFFORDABLE HOUSING PROPERTY AT 624 GOTHIC AVENUE

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

WHEREAS, the provisions of Section 18 of Article XIV of the Colorado Constitution and C.R.S. § 29-1-203, allow Colorado local governments to cooperate or contract with one another to provide any function, service of facility lawfully authorized to each local government; and

WHEREAS, the provisions of C.R.S. § 29-1-204.5 allow Colorado local governments to contract with each other to establish a separate governmental entity to be known as a multijurisdictional housing authority; and

WHEREAS, Section 14.5 of the Town Charter permits the Town Council, by resolution, to enter into agreements with special districts for furnishing or receiving services; and

WHEREAS, a multijurisdictional housing authority established pursuant to C.R.S. § 29-1-204.5 may be used by the contracting local governments to effect the planning, financing, acquisition, construction, reconstruction or repair, maintenance, management, and operation of housing projects of programs pursuant to a multijurisdictional plan to provide: (a) dwelling accommodations at rental prices or purchase prices within the means of families of low or moderate income; and (b) affordable housing projects or programs for employees of employers located within the jurisdiction of the authority; and

WHEREAS, Gunnison County, Gunnison, Crested Butte and Mt. Crested Butte recognize the benefits and advantages obtained by working together on affordable housing projects and programs for local low- to moderate-income families and for employees of local employers, and therefore formed the Gunnison Valley Regional Housing Authority (the "GVRHA") in 2012 through an intergovernmental agreement establishing the GVRHA; and

WHEREAS, the Town has recently acquired the 6-unit rental property (the "Property") at 624 Gothic Ave and would like to contract with the GVRHA for management of the Property targeting Town employees and low- to moderate-income area employees; and

WHEREAS, the Town Council hereby finds that entering into the attached "GVRHA 624 Gothic Property Management Agreement" (attached as Exhibit A) as reflected in this resolution is in the best interest of the general health, safety and welfare of Crested Butte, its residents and visitors alike.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE

TOWN OF CRESTED BUTTE, COLORADO, THAT,

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

2. The Town Council hereby authorizes the Mayor to enter into the GVRHA 624 Gothic Property Management Agreement.

INTRODUCED, READ AND ADOPTED BEFORE THE TOWN COUNCIL THIS 19th DAY OF JULY, 2021.

TOWN OF CRESTED BUTTE, COLORADO

By: _____

James A. Schmidt, Mayor

ATTEST:

Lynelle Stanford, Town Clerk

[SEAL]



GVRHA 624 GOTHIC PROPERTY MANAGEMENT AGREEMENT

This Property Management Agreement ("**Agreement**") is dated July 20, 2021 and is between the TOWN OF CRESTED BUTTE, COLORADO, a Colorado home rule municipal corporation, ("Town") and GUNNISON VALLEY REGIONAL HOUSING AUTHORITY, a political subdivision and public corporation of the State of Colorado ("**GVRHA**"). Town and GVRHA are each individually referred to in this Agreement as a "**Party**", and collectively as the "**Parties**."

Background

Town owns the property at 624 Gothic (Rental Property) containing six rental units (Rental Units) that it wants to be rented as local workforce housing. GVRHA has the knowledge, experience, staffing, and capabilities to provide property management services for the Town's Rental Property. Town wants to engage GVRHA as its agent to provide property management services for its Rental Property, and GVRHA is willing to provide such property management services, all as more fully set forth in this Agreement.

Agreement

NOW, THEREFORE, the Parties agree as follows:

1. Term: Termination.

- 1.1. The initial term of this Agreement commences as of the date of this Agreement, and ends, subject to earlier termination as hereafter provided, on August 1, 2021.
- 1.2. On August 1, 2022, and on each subsequent August 1st thereafter, this Agreement will be automatically renewed for successive terms of one year each until such time as either Town or GVRHA terminates this Agreement as provided in Section 1.3 or Section 1.4.
- 1.3. Notwithstanding Section 1.1 and Section 1.2, either Party may terminate this Agreement, without cause and without liability for breach, upon not less than 30 days' written notice.
- 1.4. This Agreement may also be terminated by either Party for non-appropriation as provided in Section 15.1, and for cause as provided in Section 16.

2. GVRHA To Act as Agent. GVRHA will act as Town's agent in connection with the rental, management, maintenance, and care of the Town's Rental Property located at 624 Gothic.

3. Town Employee Preference.

- 3.1 Individuals employed by the Town will be given preference over other applicants as the priority for this property is to house Town seasonal employees or Town Employees in a housing transition.
- 3.2 Income qualification and verification by GVRHA is unnecessary for Town employees. Income limitations will not apply to Town employees.
- 3.3 Employees under 21 years of age may be required to have a co-signer or co-guarantor of security deposit.

4. General Grant of Authority.

- 4.1 General Authority. In accordance with, and subject to the terms and conditions of this Agreement, Town grants GVRHA full power and authority to do the following; market the Rental Units, lease the Rental Units, communicate with the Tenants of the Rental Units on all issues related to their Rental Unit, collect rent, late charges, security deposits and other allowed charges for all of the Rental Units, arrange for and supervise the maintenance and necessary repairs of the Rental Units and Rental Property, track expenses related to the Rental Property, make payments related to the Rental Property, and generally manage the Rental Units and Rental Property.
- 4.2 Rental Units. The Rental Property includes six Rental Units, known as Rooms 1-6. Each Rental Unit has a private bathroom and furnishings. Such furnishings and condition of the Rental Unit shall be documented by GVRHA at the start and end of each Rental Unit occupancy.
- 4.3 Common Areas. The Rental Property has several common areas and appliances including the entryway, hallways, ½ bathroom, two living rooms, dining room, kitchen, garage, washers, dryers, kitchen appliances, irrigation and exterior landscaping and yard. GVRHA is responsible for maintenance of the common areas and appliances and the Town is responsible for the structure, mechanical systems, landscaping and exterior maintenance as outlined in the 624 Gothic Property Maintenance Agreement.
- 4.4 624 Gothic Property Maintenance Agreement. The 624 Gothic Property Maintenance Agreement may be executed and amended as needed by the Crested Butte Town Manager and Executive Director of the GVRHA.

5. GVRHA's Specific Duties. Without limiting the general powers and authority described in Section 4, GVRHA will perform the following specific duties for the Town.

5.1. Tenant Qualifications and Requirements.

- A. GVRHA will acknowledge Town employees selected by Town through whatever means they choose as acceptable occupants of a Rental Unit.
- B. The Rental Units are intended only for local workforce housing. Unless approved in writing in advance by the Town, all Tenants must earn their living working North of Round Mountain in the Gunnison Valley a minimum of 32 hours per week on an annual basis. Town has the right to give priority to Town's employees at any and all times during the term of this Agreement.
- C. Qualified applicants and Rental Units residents may earn no more than 100% of area median income (AMI), unless prior approval is obtained from the Town.
- D. The minimum weekly hours employment qualification may be temporarily waived by the GVRHA on a case-by-case basis to account for seasonality of employment.
- E. Any modification of the qualifications must be in writing and signed by both Town and GVRHA.

- F. GVRHA will require a \$50 application fee to be paid by Tenant to cover mandatory credit and CBI check.
 - G. GVRHA will collect information from Tenants regarding their place of employment, income, previous rental history and other information.
- 5.2. Rental Rates. Rental rates for the Rental Units will be recommended by GVRHA and established by the Town Manager. Rental rates will not exceed 30% of a tenant's income.
- 5.3. Leases.
- A. GVRHA will use a standard rental lease form that is acceptable to the Town Manager ("Lease".)
 - B. The minimum term of each Lease will six (6) months or as may be determined by the Town Manager.
 - C. Smoking and pets are prohibited in the Rentals Units.
 - D. Rules and penalties for occupancy and use of the Rental Units and Rental Property will be recommended by GVRHA and established by the Town Manager and incorporated into the Lease.
- 5.4 Collection of Rent.
- A. GVRHA will use such means as are ordinary and customary to collect or attempt to collect any rent from any Tenant of the Rental Units.
 - B. If legal action is necessary to obtain judgment for possession of a Rental Unit, delinquent rent, or damages to a Rental Unit, GVRHA is authorized to employ attorneys and to sue in its own name as agent for Town; provided, however, Town must be notified prior to the commencement of any legal action by GVRHA. Town will reimburse GVRHA for all legal fees and costs incurred in any litigation involving the Rental Units.
- 5.5 Security Deposits.
- A. GVRHA will collect a security deposit from each Tenant according to the terms specified by the Town Manager.
 - B. The security deposits will be segregated and maintained in the Property Account (as defined below) until disbursed pursuant to this Section. Any interest accruing on the security deposits will be credited to the Property Account.
 - C. GVRHA will comply with the applicable provisions of the Lease and Colorado law with respect to the return of the security deposits.
 - D. Should this Agreement terminate while an existing Tenant's security deposit is in GVRHA's possession, GVRHA will forward the security deposit to Town within ten working days. Upon receipt of Tenant's security deposit by Town, GVRHA

will have no further obligation or liability concerning the security deposit and the Town will indemnify and defend GVRHA with respect to such security deposit.

5.6 Utilities and Insurance.

- A. Electric, internet, garbage and gas services will be established by GVRHA.
- B. The Town will be responsible for payment of water and sewer utilities.
- C. GVRHA will require evidence of renter's insurance being in place prior to allowing Tenant to occupy.
- D. The Town will contract for general property and casualty coverage for the Rental Property. GVRHA will obtain and keep in force general liability insurance with a combined single limit of not less than \$1,000,000.00 for injury to or death of any one person, for injury to or death of any number of persons in one occurrence, and for damage to property, insuring the Town (as an additional insured) and GVRHA, including, without limitation, coverage for contractual liability, broad form property damage and non-owned automobile liability, with respect to the Rental Property. The insurance will be noncontributing with any insurance carried by the Town and will contain a provision that the Town, although named as an insured, will be entitled to recover under the policy for any loss, injury, cost or damage to the Town, or the Town's property.

6. Maintenance of Rental Units.

6.1 624 Gothic Property Maintenance Agreement.

The Town or GVRHA will cause to be performed such maintenance of the Rental Units and Rental Property as is reasonable and necessary for the safety of the Tenants and the preservation of the Rental Units and Rental Property. Responsibilities for maintenance shall be delineated in the 624 Gothic Property Maintenance Agreement

6.2 Emergency Repairs.

Except in the case of a bona fide emergency involving the threat of immediate loss of life or property, GVRHA must obtain prior approval of all major repairs from Town's representative. In a bona fide emergency, as reasonably determined in GVRHA's discretion, Town authorizes GVRHA to make such expenditures as may be necessary to address the emergency situation without prior authorization. Town will reimburse GVRHA for the cost of any repairs or maintenance performed to any of the Rental Units or Rental Property.

6.3 Posting emergency numbers.

GVRHA will post local emergency numbers in each Rental Unit.

7. Property Fund: Accounting and Reporting Requirements.

- A. GVRHA will establish and maintain a designated ledger account for all funds

related to the Rental Units ("**Property Account**"). All funds collected by GVRHA with respect to the Rental Units will be tracked in the Property Account, and all expenses or other charges, including, but not limited to GVRHA' s fee, must be paid out of the Property Account.

- B. A minimum balance of \$5,000 will be maintained in the Property Account. The Town will establish this minimum balance with GVRHA upon execution of this Agreement. The Town shall promptly re-fund the minimum balance if the balance falls below \$5,000.
- C. Funds in excess of the minimum balance will be remitted to the Town on a monthly basis.
- D. GVRHA will pay all expenses related to each Rental Unit and Rental Property with rental proceeds or from funds provided by the Town for the Rental Property and will notify the Town when revenues are not sufficient to cover expenses.
- E. GVRHA will furnish Town a monthly accounting report, in such form as Town may require, accurately listing the receipts and expenditures with respect to each of the Rental Units and the Rental Property, together with occupancy rates and other information as Town may require. Upon the termination of the Agreement for any reason, GVRHA will furnish a final accounting within 30 days of the termination.

8. Compensation To GVRHA.

As compensation for its services rendered under this Agreement, Town will pay to GVRHA \$1,000 per month. The fee will be deducted monthly from the designated Property Account.

9. Town's Funding Obligation.

Town will provide to GVRHA any funding required to pay expenses related to the management of the Rental Units and Rental Property when the expenses exceed the revenue generated by rental revenue. It is expressly agreed that nothing in this Agreement requires GVRHA to advance any of its own monies for any purpose whatsoever.

10. Indemnification.

GVRHA will indemnify and defend the Town, its officers, employees, insurers, and self-insurance pool against all liability, claims, and demands, on account of injury, loss, or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever, which arise out of or are in any manner connected with this Agreement, to the extent that such injury, loss, or damage is caused by:

- A. the negligence or intentional wrongful act of GVRHA, or any officer, employee, representative or agent of GVRHA;
- B. GVRHA's breach of this Agreement; or
- C. that arise out of any worker's compensation claim of any employee of GVRHA,

except to the extent such liability, claim or demand arises through the negligence or intentional wrongful act of the Town, its officers, employees, or agents, or Town's breach of this Agreement. To the extent indemnification is required under this Agreement, GVRHA agrees to investigate, handle, respond to, and to provide defense for and defend against, any such liability, claims, or demands at its expense, and to bear all other costs and expenses related thereto, including court costs and attorney fees.

11. Nondiscrimination. GVRHA will not discriminate unlawfully against any prospective Tenant because of the race, creed, color, sex, sexual orientation, gender identification, marital status, national origin, familial status, physical or mental handicap, religion or ancestry of such person.
12. Communications. All communications relating to this Agreement will be exchanged between the designated representatives of the Parties. The initial Town representative is Dara MacDonald and the initial representative of GVRHA is Jennifer Kermode. Each Party will promptly notify the other Party in the event that a replacement representative is designated by such Party.
13. Governmental Immunity. The Parties understand and agree that both the Town and GVRHA are relying on, and do not waive or intend to waive by any provision of this Agreement, the monetary limitations (presently \$150,000 per person and \$600,000 per occurrence) or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, Section 24-10-101 et seq., C.R.S., as from time to time amended, or any other limitation, right, immunity or protection otherwise available to the Town, GVRHA, their officers, or their employees.
14. Assignment. This Agreement is for personal services predicated upon GVRHA's special abilities or knowledge. GVRHA may not assign this Agreement in whole or in part without the prior written consent of the Town, which consent may be granted, withheld, or conditionally approved in the Town's sole and absolute discretion.
15. Annual Appropriation.

15.1 Town Appropriation.

Notwithstanding anything herein contained to the contrary, Town's obligations under this Agreement are expressly subject to an annual appropriation being made by the Town Council in an amount sufficient to allow Town to perform its obligations under this Agreement. If sufficient funds are not so appropriated, this Agreement may be terminated by either Party without penalty upon notice given in the manner described in Section 17. Town's obligations under this Agreement do not constitute a general obligation indebtedness or multiple year direct or indirect debt or other financial obligation whatsoever within the meaning of the Constitution or laws of the State of Colorado.

15.2 GVRHA Appropriation.

Notwithstanding anything herein contained to the contrary, GVRHA's obligations under this Agreement are expressly subject to an annual appropriation being made by the Board of Directors of the Gunnison Valley Regional Housing Authority in an amount sufficient to allow GVRHA to perform its obligations under this Agreement. If sufficient funds are not so appropriated, this Agreement may be terminated by either Party without penalty upon notice given in the manner described in Section 17. GVRHA's obligations under this Agreement do not constitute a general obligation indebtedness or multiple year direct or

indirect debt or other financial obligation whatsoever within the meaning of the Constitution or laws of the State of Colorado.

16. Default: Resolution of Disputes.

16.1 Default.

Time is of the essence of this Agreement. A default exists under this Agreement if any Party violates any covenant, condition, or obligation required to be performed under this Agreement. If any Party ("Defaulting Party") fails to cure such default within ten days after the other Party ("None-Defaulting Party") gives written notice of the default to the Defaulting Party (or, in the event of a default that cannot be cured within ten days, if the Defaulting Party fails to commence curing the default within such ten day period and then fails to complete the cure of the default in good faith and with due diligence) then, at the Non-Defaulting Party's option, the Non-Defaulting Party may terminate this Agreement. Notwithstanding any Party's right to terminate this Agreement for an uncured default, this Agreement is subject to the rights of any Party to invoke the remaining provisions of this Section.

16.2 Negotiation.

The Parties will attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiations between persons who have authority to settle the controversy ("Executives"). Any Party may give another Party written notice of any dispute not resolved in the normal course of business. Within five days after receipt of said notice, Executives of the Parties to the dispute will meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within 30 days of the notice of dispute, or if the Parties fail to meet within 20 days, either Party may exercise its rights under Section 16.3.

16.3 Final Resolution of Disputes.

If a dispute between the Parties is not resolved through negotiation as provided above, either Party may initiate such judicial action as it may deem to be appropriate. Venue for any action arising out of this Agreement will be deemed proper only in the state courts of Gunnison County, Colorado. **BOTH PARTIES WAIVE THE RIGHT TO A JURY TRIAL TO ENFORCE OR INTERPRET THIS AGREEMENT.**

16.4. Limitation of Remedies.

The procedures specified in this Section are the sole and exclusive procedures for the resolution of disputes among the Parties arising out of or relating to this Agreement.

16.5 Extension of Deadlines.

All deadlines specified in this Section may be extended by mutual agreement.

16.6 Costs.

Each Party will pay its own costs with respect to negotiation. The prevailing Party in

any litigation, either at trial or upon appeal, is entitled to reimbursement from the other Party for all reasonable costs and expenses, including attorney fees, in connection with such litigation.

17. Notices.

All notices required or permitted under this Agreement must be given by registered or certified mail, return receipt requested, postage prepaid, or by hand or commercial carrier delivery, or by telecopies, directed as follows:

If intended for Town to:

Town of Crested Butte
507 Maroon Ave.
PO Box 39
Crested Butte, CO 81224
Attn: Town Manager
Telephone number: (970) 349-5338

If intended for GVRHA, to:

Gunnison Valley Regional Housing Authority
202 E. Georgia Avenue
Gunnison, Colorado 81230
Telecopier number: (970) 289-9030
Telephone number: (970) 641-7901

Any notice delivered by mail in accordance with this Section will be effective on the third business day after having been deposited in any post office or postal box regularly maintained by the United States postal service. Any notice delivered by telecopier in accordance with this Section will be effective upon receipt if concurrently with sending by telecopier receipt it is confirmed orally by telephone and a copy of the notice is sent by certified mail, return receipt requested, on the same day to the intended recipient. Any notice delivered by hand or commercial carrier will be effective upon actual receipt.

Either Party, by notice given as provided above, may change the address to which future notices may be sent. E-mail is not a valid way of giving notice under this Agreement.

18. Waiver.

The failure of either Party to exercise any of its rights under this Agreement will not be a waiver of those rights. A Party waives only those rights specified in writing and signed by the Party waiving such rights.

19. Modification.

This Agreement may be modified or amended only by a duly authorized written instrument executed by the Parties hereto. Oral modifications to this Agreement are not permitted.

20. Authority.

The individuals executing this Agreement on behalf of each of the Parties represent that they have all requisite powers and authority to cause the Party for whom they have signed to enter into this Agreement and to bind such Party to fully perform the obligations of such Party as set forth in this Agreement.

21. Section Headings.

Section headings are inserted for convenience only and in no way limit or define the interpretation to be placed upon this Agreement.

22. Third Parties.

There are no third-party beneficiaries of this Agreement.

23. No Adverse Construction.

Both Parties acknowledge having had the opportunity to participate in the drafting of this Agreement. This Agreement will not be construed against either Party based upon authorship.

24. Severability.

If one or more of the provisions contained in this Agreement is invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement and the application hereof is not in anyway to be affected or impaired thereby.

25. "Will" and "Will Not" Defined.

The terms "will" and "will not" indicate a mandatory obligation to act or to refrain from acting as indicated in the context of the sentence in which such terms are used.

26. Survival. All indemnity obligations of this Agreement will survive the termination of this Agreement.

27. Terminology. Wherever applicable, the pronouns in this Agreement designating the masculine or neuter shall equally apply to the feminine, neuter and masculine genders. Furthermore, wherever applicable within this Agreement, the singular shall include the plural, and the plural shall include the singular.

28. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Parties and supersedes any prior agreement or understanding relating to the subject matter of this Agreement.

29. Binding Effect. This Agreement is binding upon, and inures to the benefit of the Parties, and their respective successors governing bodies.

TOWN OF CRESTED BUTTE

By: 

James A. Schmidt, Mayor

ATTEST:

By: 
Town Clerk Lynelle Stanford



GUNNISON VALLEY REGIONAL
HOUSING AUTHORITY

By: 
Jennifer Kermode, Executive Director