



Long-Term Rental Incentive Program Rules & Regulations

Revised: September 20, 2022

**I. PROGRAM SUMMARY & MISSION**

Summit County's Incentive Program intends to increase the supply of rentals available to the County's workforce by converting units to the long-term rental pool.

Colorado's mountain & resort communities have become synonymous with almost entirely out-of-reach housing costs for locals as well as an ever-expanding commute. This largely contributes to labor shortages. In the 2019 Summit County Housing Needs Assessment, it was estimated that the County will be short approximately 2,300 units by 2023, almost all rentals. The post-COVID19 unit shortage is estimated to increase to over 3,066.

The Incentive Program aims to immediately increase the number of long-term rental units available to the County's workforce by offering financial incentives to homeowners, who can more easily pay their bills & use their unit on the short-term rental market, in exchange for long-term leases.

**II. INCENTIVES**

Owner Incentive plans have had four phases, and incentives may continue to vary in the future based on success of this program. The upcoming Winter 2022 phases are broken down by unit size & length of lease and include rent caps.

**Winter 2022 Update (Incentives beginning October 1, 2022)**

Unit Size	6M Incentive	1Y Incentive	Rent Cap/per bedroom
Studio/1 Bedroom	\$5,000	\$10,000	\$1,500
2 or 3 Bedroom	\$10,000	\$20,000	\$1,200
4 Bedroom or Larger	\$11,000	\$22,000	\$1,000

II.b. \*Renewing Six-month Lease: Six-month leases are eligible to convert to a year lease after signing of the initial lease or at the conclusion of the initial lease. The updated payment to the owner would be the remaining balance of a year lease incentive published at the time of the initial signing of the lease.

II.c.\*Leases Signed Prior to October 1, 2022: The Winter 2022 incentives outlined above are not offered to any homeowner with a lease signed or beginning prior to October 1, 2022.

II.d. \*Leases are not permitted to end between November 1-March 31.

### **III. PROGRAM ADMINISTRATION**

Summit County will administer the Incentive Program as an extension of the Housing Department & SCHA, & in partnership with Landing Locals.

III.a. Administration: Summit County will issue 50% of the owner incentive payment to participating property owner/s approximately 60 days after the lease's execution date. A second installment of the 50% owner incentive will be issued at the close of the lease, pending compliance checks of the executed lease agreement.

III.b. Lease Compliance: Summit County will review a copy of the signed lease, & all other previously stated required documents, prior to releasing the first incentive payment. Additionally, Landing Locals will conduct lease compliance checks midway (for 12 month+ leases) through the lease & at the lease's completion. Landing Locals will require proof that the lease is active & in good standing from both the property owner & the tenants during all compliance checks.

III.c. Support Role: Landing Locals will complete Application Review, Administration & Lease Compliance. SCHA will complete the Employment Only verification. The Summit County Finance Department will release payments as requests are approved & sent for processing. We will not provide tenant screening services or security guarantees. These services, & including but not limited to, marketing, listing units, & match making between owners & tenants can be provided by Summit County's Property Manager Partners. Owners who do not require property management services can complete all screening, applications & leases & submittals of these documents themselves.

### **IV ELIGIBILITY FOR HOMEOWNERS**

Incentive Program Application: Homeowners must complete an application & send it to Landing Locals & comply with the following criteria to be considered for the Incentive Program:

Location: The home must be in Unincorporated Summit County or within the Town limits of Breckenridge.

Status: The home must be a legally permitted STR unit prior to October 15, 2021. If the homeowner applicant has a legal short-term rental, it must be in good standing, meaning all STR Taxes/STR Fees have been paid & the license number provided is current.

Ownership: The applicant must be the owner of the property or able to represent the owner or ownership group legally.

Signed Application with Summit County Housing Department: All homeowners listed in the County Assessor record must complete & sign an application with Summit County Housing Department & agree to comply with the Incentive Program's rules.

Signed Lease Agreement: The homeowner must sign a lease agreement with qualified tenant(s) working in Summit County.

Successful Midway & Final Lease Checks for Final Incentive: Leases will be checked for compliance via communication with the homeowner & tenants at the midway (for 12 month+ leases) & final lease marks. Failure to meet lease requirements at either of these points disqualifies the homeowner from additional incentive payments.

#### IV.b Contingency:

1. Tenant Breaks Lease: If a tenant breaks the lease early, they can be replaced with new tenants and the homeowner can receive the second incentive payment. If the homeowner does not replace the tenants within 60 days of the original tenants moving out, the homeowner will be disqualified from receiving the second installment but will not be required to pay back the first installment.
2. Change of Ownership: If a homeowner sells the property during the lease period, the selling homeowner is disqualified from receiving future incentive payouts from the program on the sold unit. The new owners can potentially qualify for the second installment (the 50% balance) of the incentive program if they rent to the existing tenants for the remainder of their lease.
3. Failure to Comply with Lease: If the homeowner does not meet lease agreements at the midway & final mark, we will work with the homeowner to rectify the situation. If an agreement cannot be reached, the homeowner will be disqualified from receiving the second installment but will not be required to pay back the first installment.
4. Maximum Incentive: The maximum payment any one homeowner can receive for a one-year period, is currently \$22,000.

#### V ELIGIBILITY FOR TENANTS

Incentive Program Application: All Tenants must complete an Employment Verification form and must be working at least 30 hours per week for an employer based in and serving Summit County.

For 2 bedrooms or larger units: The number of Tenants must be equal or greater to the number of bedrooms. The program will make reasonable accommodation to the work requirements for those who are disabled, children, or caretakers.

Required Documentation: Each adult in the household must submit the following along with their applications:

- Copy of driver license or other government issued photo ID.
- Each Tenant must submit a copy of two most recent paystubs from all jobs, including part-time & seasonal positions, Employer offer letter from any job(s) started in the last 3 months, Employer verification of employment if the paystubs do not show either the hours worked or the location of employment, Self-employment information for ANY amount of Schedule C, partnership or S Corporation income. Self-employment: *You must*

*provide products or services specifically within Summit County – working remotely for an out-of-county employer will likely not qualify.*

Tenant = a single adult, 18 years or older, applying to rent a unit for use as their primary residence.