



*Coyote Creek at Winter Park*

## Restrictive Covenant Imposing Transfer Fee for the benefit of Grand County Housing Authority



**The Ranches at Devil's Thumb Inc.**, voluntarily entered into a Restrictive Covenant Imposing Transfer Fee for the Benefit of Grand County Housing Authority in November of 2018.

*The Ranches at Devil's Thumb consists of 24 homesites ranging from 11 to 35 acres in unincorporated Grand County available for custom-built homes. The property owner's desire is to create an intimate community while preserving the natural terrain, water flow, dark skies and wildlife habitats.*



**Coyote Creek**  
at Winter Park

**Coyote Realty, LLC**, voluntarily entered into a Restrictive Covenant Imposing Transfer Fee for the Benefit of Grand County Housing Authority in April of 2006.

*Coyote Creek at Winter Park consists of 123 units in unincorporated Grand County near Tabernash. Many of the units have been developed with new duplexes that are currently for sale by the developers.*

**L**ike many mountain resort communities, Grand County residents and elected officials have grappled with balancing the needs of our small communities with an economy driven primarily by tourism.

Restrictive covenants and deed restrictions - also known as *inclusionary zoning* - have been used by communities for decades as a way to help maintain housing inventory for the local workforce. **By statute, Grand County's Housing Authority Board cannot require developers to provide deed restricted housing.**

Two land owners have **voluntarily** entered into restrictive covenants for the benefit of the Grand County Housing Authority: Ranches at Devil's Thumb and Coyote Creek at Winter Park.

### What is a "Restrictive Covenant"?

Simply put, it's an agreement that places certain restrictions on housing developments.

In Grand County's case, the Restrictive Covenants for these two properties impose transfer fees payable to the Grand County Housing Authority (GCHA) for its housing programs and the benefit of Grand County residents.

### How does our Restrictive Covenant work?

When a developer purchases a homesite located on one of these properties, a Transfer Fee of 0.5% of the purchase price is assessed on behalf of GCHA. **However** - an ownership transfer may be exempt from paying the Transfer Fee. In order to receive the fee exemption, the developer must file an Application for Exemption from Affordable Housing Transfer Fee with GCHA, which **must** be approved by the Housing Authority Board.

**Section 2** of the Restrictive Covenant addresses the Exemptions from Transfer Fee. Section 2.1 states that the Transfer Fee **shall not apply** to "any individual or entity who is in business of real estate development and purchases an undeveloped Unit or Units within the Property for the purpose of constructing a residence thereon to sell to a third party or third parties."

### Does the Housing Authority Board have to approve the exemption?

If the applicant is qualified (meaning they meet the Exemptions from Transfer Fee set forth in Section 2 of the Restrictive Covenant), then, **yes** - the Housing Authority Board **must** approve the request.

As long as the qualifications in Section 2.1 are met, the Transfer Fee is waived for every ownership transfer until the first residential homebuyer purchases the property. (Many of the undeveloped Coyote Creek units have changed hands multiple times to date, with the new Developer qualifying for the Transfer Fee to be waived.)

The towns of Winter Park, Fraser and Granby along with Grand County recently formed a multi-jurisdictional housing authority, known as the **Fraser River Valley Housing Partnership**. Unlike the County, the FRVHP **would** have the ability to require developers to enter into a Restrictive Covenant.