

**TOWN OF KEYSTONE
Summit County, Colorado**

RESOLUTION 2025-05

**A RESOLUTION OF TOWN COUNCIL OF THE TOWN OF KEYSTONE, COLORADO
APPROVING A DOWN PAYMENT ASSISTANCE PROGRAM FOR TOWN
EMPLOYEES**

WHEREAS, Town of Keystone Charter article X grants the Town Council the power to appropriate funds as it sees necessary; and

WHEREAS, the Town Council has determined that the recruitment and retention of the highest caliber employees is in the best interests of the Town; and

WHEREAS, the Town Council recognizes that one of the greatest barriers to finding and retaining high caliber employees is the inability to find affordable housing in Summit County; and

WHEREAS, the Town Council has determined that the establishment of a low-interest down payment assistance program for employees will alleviate many of the difficulties faced by employees when trying to acquire housing in Summit County; and

WHEREAS, the Town of Council is desirous of establishing the low-interest down payment assistance program attached hereto as Exhibit A.

Now, Therefore, be it Resolved by the Town Council of the Town of Keystone, Colorado, that:

Section 1. The down payment assistance program attached hereunder as Exhibit A is hereby established by the Town of Keystone.

Section 2. The Town Manager is instructed to work with the Town Attorney to create the documents necessary to establish such program.

Section 3. Effective Date. This Resolution shall take effect upon its approval by the Town Council.

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ADOPTED by a vote of 6 in favor and 0 against, this 28th day of January 2025.

Signed by:
By: Kenneth D. Riley
Kenneth D. Riley, Mayor

ATTEST:

Approved as to Form:

DocuSigned by:
By: Madeline Sielw
Town Clerk

Signed by:
By: Jennifer Madsen
Town Attorney

Exhibit A

Town of Keystone Employee Down Payment Assistance Program

Scope:

The Employee Housing Down Payment Assistance Program (DPAP) applies to all Full-Time Year-Round (FTYR) Town of Keystone employees. This program allows for the Town of Keystone to provide housing down payment assistance to Town of Keystone employees in the form of a loan.

Purpose:

The purpose of the Down Payment Assistance Program is to assist qualified FTYR Town of Keystone employees with the purchase of a home within a reasonable commuting distance of their employment.

Statement of Policy:

The Town's DPAP loan is a 2nd mortgage on the property being purchased with a fixed interest rate of 1% amortized over 20 years.

Location:

The DPAP may only be used to purchase property located in Summit County, Colorado.

Maximum Loan:

The maximum loan available under this program is \$100,000.

Procedure:

- Eligible participants are Full-Time Year-Round (FTYR) Town of Keystone employees.
- There is no waiting period to access the DPAP loan.
- Employee must be in good standing, and free from final written warning disciplinary action for at least 2 years.
- Non-first time home buyers from outside the area are eligible if their existing home is being sold.
- Move-up buyers, who currently own a home in Summit County, are eligible as long as they are in the process of selling their current residence.
- The DPAP loan is for the employee's sole and primary residence and must be owner occupied.
- Employee may not own other developed property.
- There is no employee income limit to be eligible for the DPAP.
- Employee cash contributions: Amount specified by the primary lender or a minimum of 3% of purchase price. Closing costs do count as an employee's cash contribution.

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- DPAP may be combined with Housing Helps, a buy down property, or other deed restricted housing.
- If two Town of Keystone employees are married or common-law, only one DPAP may be utilized.
- Employee must maintain FTYR employment status.
- DPAP applicants must be pre-qualified for a 1st mortgage before applying and before commitment of the Town's DPAP. Commitment is good for 6 months, and can be extended if closing date is set, or with extenuating circumstances.
- DPAP can be used for new construction however will only be released after the home is 100% complete and the construction loan is converted to permanent financing. Construction commitments are good for 9 months.
- If an employee has entered into a similar loan program with a previous Summit County, Colorado employer, DPAP can be used to pay off the existing debt incurred with the previous employer subject to all other material considerations listed in this policy.
- DPAP applications are submitted to the Finance Department.
- DPAP monthly payments are submitted to the Finance Department. Payroll deductions may be arranged with the Finance Department as a payment option.

Loan Terms:

- Prior to disbursement of funds to the borrower, an official loan document outlining the terms and monthly payment amount and repayment terms will be signed by the borrower. The 2nd mortgage is secured by a Subordinate Priority Deed of Trust encumbering the Property. All the terms and conditions of the Subordinate Priority Deed of Trust are made part of the Promissory Note.
- Interest accrues from date of settlement / Closing.
- Payment is due on the 1st of each month, or via payroll deductions if arranged with the Finance Department.
- If monthly payment is not received in Finance within 15 days from payment due date, 10% of the monthly payment will be charged to borrower as a late fee.
- Default interest rate of Prime + 3% is put into effect as the new fixed rate for current employees who default on payment. An employee defaults when there is a payment past due 90 days or greater.

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- Loan is due upon death of the employee. Payment made as soon as reasonably practicable.
- Loan is due within 90 days upon separation or following termination of employment.
- Default interest rate is Prime + 8% for separated employees who do not pay loan in full 90 days from date of separation from employment.
- Loan is due within 90 days upon any change in FTYR employment status to another status that is not FTYR, which may include but is not limited to PTYR, Seasonal, Substitute, Temporary.
- Default interest rate is Prime + 8% for employees who do not maintain FTYR employment status with the Town of Keystone and who do not pay loan in full 90 days from change in FTYR employment status. The Town Manager may consider extenuating circumstances on a case-by-case basis.
- The loan is due upon sale or transfer of the home from the employee to another party.
- The loan is due upon refinance of the property.
- Town reserves the right to subordinate the lien for a refinance in cases where the refinance will lower the interest rate on the primary mortgage and the owner does not have enough equity in their home to refinance the DPAP into the primary mortgage. This will be reviewed on a case-by-case basis, and must be approved by the Town Manager.

Policy Violation

Any Town of Keystone employee who fails to abide by this policy may be subject to denial of request. Any violation of this policy may result in disciplinary action up to and including termination from employment