



Timber Ridge Village EHU Deed Restriction Credit Program Revised and Extended September 2, 2025

Purpose and Use:

The Town Manager has been given the authority to administratively create, amend, and extend the Timber Ridge Village Employee Housing Unit Deed Restriction Credit Program (TRV Credit Program) under Resolutions No. 4 and No. 41 Series of 2025. With the establishment of the TRV Credit Program, the Town is encouraging applicants for new development to satisfy Commercial Linkage and/or Inclusionary Zoning housing mitigation requirements through the purchase of Timber Ridge Village employee housing units (EHUs). This applies to onsite as well as offsite housing mitigation requirements in alignment with Sections 12-23-6(1)(d) and 12-24-6(1)(d) of the Vail Town Code given the Town's current goals to ensure the success of Timber Ridge Village as a 100% deed restricted housing project, support a wider variety of employee housing unit types in the community, provide home ownership opportunities, and assist with home ownership as well as development under current market and building conditions. Funds generated from the TRV Credit Program shall be used to aid in the creation of additional deed restrictions through housing developments, acquisitions, programs, and initiatives.

Eligibility:

Individual and business owner home buyers shall be eligible for participation in the EHU deed restriction credit program. This includes buyers in good standing that went under contract after the initial phase of the TRV Credit Program on August 12, 2025 and before the approval of Resolution 41 on September 2, 2025.

Availability and Assignability:

The TRV Credit Program makes a total of 86,500 square feet of EHU credits available for acquisition by home buyers. The EHU credit shall be purchased at the time of closing on the original sale of each home from Triumph Development to the first purchaser. Once the original home sale has closed, the Town will no longer offer an EHU credit for purchase on that home.

Development applicants are encouraged to purchase new contracts for immediate use. However, assignability rights allowing for future transfer of EHU credits may be purchased. Assignability rights may only be purchased at the time of the initial EHU credit purchase.

Term:

The redemption period of all EHU credits purchased through the TRV Credit Program shall expire on December 31, 2035. During the redemption period, an EHU credit may be redeemed in full or in part. Redeeming in part means that an EHU credit purchased under the TRV Credit Program can be incrementally applied on a per square foot or per employee basis in accordance with the Commercial

Linkage and/or Inclusionary Zoning housing mitigation requirement. For the purposes of the TRV Credit Program, a development applicant must show documentation that all necessary EHU credits have been purchased prior to issuance of a building permit in order to redeem an EHU credit. Any unused credit, or credit balance, shall become null and void as of January 1, 2036. An EHU credit can only be used one time.

The Town of Vail reserves the right to change or terminate the EHU deed restriction credit purchase program at any time at its sole discretion. The Town of Vail, however, shall honor deed restriction credits acquired prior to the termination of the TRV Credit Program.

Pricing and Value:

The value of the credit to be purchased is commensurate with the terms of the deed restriction, the terms of the credit purchased, and the type of home purchased. For instance, the value of an assignable credit purchased for a four-bedroom home will be different from a non-assignable credit purchased for a two-bedroom home. Additionally, the future value of the purchased EHU credit shall be determined based upon the provisions of the Vail Town Code adopted at the time the EHU credit is redeemed.

To acquire an EHU deed restriction credit, the following flat fees shall be added to the retail purchase price of a Timber Ridge Village home:

- Studio EHU Credit – 10% of the unit purchase price.
- One Bedroom EHU Credit – 25% of unit purchase price.
- Two Bedroom EHU Credit – 20% of unit purchase price.
- Three Bedroom EHU Credit – 10% of unit purchase price.
- Four Bedroom EHU Credit – No increase in unit purchase price.
- Assignability Right – A 7.5% premium shall be added to the retail purchase price of the home to acquire assignability rights to the EHU credit. The 7.5% fee is in addition to the purchase price of the EHU credit.
- Down Payment Assistance – The Town will waive the 7.5% assignability premium on EHU credits when the buyer has received a down payment assistance grant of at least 10% of the unit purchase price, and that the combined down payment of the buyer and grantee eliminates the mortgage insurance premium (generally 20% down payment).
- Down Payment Assistance Group Purchase – In instances where an employer provides down payment assistance grants to buyers resulting in the purchase of 5 or more units, the credit fees may be reduced to the following: 5% of the unit purchase price for Studio EHU Credits and 10% of the unit purchase price for 1-bedroom, 2-bedroom, 3-bedroom, and 4-bedroom EHU Credits.

Table 1 below provides examples of credit fees and assignability right premiums calculations. The Town of Vail reserves the right to amend the EHU credit flat fee purchase percentage and/or the assignability premium percentage without notice or limitations. All additional net sales proceeds generated from the TRV Credit Program shall be accrued to the sole benefit of the Town of Vail.

TABLE 1

TRV EHU Pricing	SF	Avg. Price	Basic EHU Credit		Transferable Credit Premium	
			Cost %	Cost	Cost %	Cost
Studio	477	\$409,566	10.0%	\$40,957	7.5%	\$30,717
1BD/1BA	702	\$482,800	25.0%	\$120,700	7.5%	\$36,210
2BD/2BA	1,032	\$697,516	20.0%	\$139,503	7.5%	\$52,314
3BD/2BA	1,317	\$906,121	10.0%	\$90,612	7.5%	\$67,959
4BD	1,477	\$1,054,339	0.0%	\$0	7.5%	\$79,075

NOTE: IF THE BUYER/OWNER OF THE UNIT IS DIFFERENT THAN THE BUYER/OWNER/USER OF CREDIT, THEN THE 7.5% ASSIGNABILITY UPCHARGE MUST BE PAID IN ACCORDANCE WITH THE ABOVE OUTLINED “PRICING AND VALUE” TERMS.

Contract:

The EHU deed restriction credit shall be enumerated within a separate Assignable EHU Credit Contract or a Non-Assignable EHU Credit Contract, based on the assignability of the credit to be purchased. The contract shall state the amount of EHU square-footage and the number of bedrooms that can be utilized for mitigation based on the unit from which the credit is derived. The EHU deed restriction credit shall be identified in the contract using the credit numbering methodology prescribed in the “Record Keeping” section of this document. Triumph Development shall administer the transaction at the direction of the Town of Vail and utilize contract language provided by the Town.

EHU deed restriction credit mitigation rates shall be based off the square footage or unit type identified within Town Code at the time the credit is applied against mitigation requirements. For example, if the code required mitigation calculations are square footage, then the square footage associated with the credit shall be applied to the mitigation requirement. If the mitigation rates are based on the number of employees to be housed, then the EHU credits shall be based on the number of employees to be housed by the unit type outlined within the code at the time of application.

Deposit:

The value of the EHU credit shall be exempt from the earnest money down payment calculation on the traditional unit purchase and sale agreement. However, the EHU credit value shall have its own separate earnest money down payment requirement to the benefit of the Town. That earnest money down payment requirement for the EHU credit shall equal 20% of the total cost of the credit, based on unit type and assignability. The 20% deposit shall be non-refundable. Checks shall be made out to the Town of Vail and due upon contract signing.

To ensure that contracts are converted to actual sales, individual owners who opt into the EHU Deed Restriction Credit Program shall have their unit contract down payments become non-refundable similar to business owner contracts.

Phasing and Priority:

The TRV Credit Program will prioritize unsold Studio, 2-, 3-, and 4-bedroom units in Buildings A, B, E and F (the first buildings to close) as well as all existing contracts entered after the initial phase of the TRV Credit Program on August 12, 2025 and before the approval of Resolution 41 on September 2, 2025.

Record Keeping:

The Town of Vail Housing Department shall establish an internal accounting system and protocol for tracking as well as verifying deed restriction credits acquired and redeemed through the TRV Credit Program for the term of the deed restriction. The EHU deed restriction credit tracking numbers shall utilize the following methodology: Project "TRV"- Building "A" – Unit "102" Bedroom count "2", so credit number TRV-A-101-2 pricing and square footage would be based off the 2-bedroom Unit 102 in building A of Timber Ridge Village.