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About the Amendments

What changes are being made to the Rental Housing Policies?

Town Council recently directed staff to make a handful of changes including, most notably, to reduce the rent-to-income multiplier used to calculate rents for all Town-managed housing. This means the formula used to determine tenants' rent will be different as of January 1, 2026, and *could* result in lower rent amounts in 2026 depending on household adjustments for the 2025 San Miguel County AMI changes.

Other changes include:

- Changing the lowest Tier available at Voodoo Apartments to Tier D
- Clarifying amenities adjustments for similar sized apartments within the same property
- Reviewing the Boarding House Policies

Why are these changes being made?

Town Council wants to make housing more affordable while keeping each property financially stable. After reviewing a full year of data from the Telluride Employee Rental Housing Policies, staff and Council determined that lowering the multiplier better reflects local wages and living costs.

What prompted these changes?

Town Council approved these adjustments as part of the 2026 budget process to keep rental policies and financial planning aligned for the upcoming fiscal year.

Updating the rent-to-income multiplier and related elements—like Voodoo tiers and amenity factors—helps ensure that rents reflect current economic conditions, projected operating costs, and community affordability goals.

Council and staff will continue reviewing data and tenant feedback throughout 2026 to guide future policy improvements.

When will the changes go into effect?

The new rent structure will take effect beginning January 1, 2026.

About the Rent-to-Income Multiplier and Amenity Calculation

What is the rent multiplier?

The multiplier is part of the formula the Town uses to set affordable rents:

Target Rent = (Area Median Income ÷ 12) × Project Multiplier.

The multiplier represents the percentage of income that rent should take up. Lowering this number means tenants will spend less of their income on rent.

What are the new multiplier rates?

For 2026, Council directed staff to:

- Lower the multiplier from 30% to 27% for Voodoo, Virginia Placer, Sunnyside, and Shandoka F.
- Lower the multiplier from 27% to 25% for Shandoka A–E and G–H.

What is an amenity calculation?

Some apartments include features like an extra bathroom, a loft, or added square footage that improve livability. The amenity calculation accounts for these differences to keep rent fair and consistent across units of varying size and layout.

Possible Rent & Lease Impacts

Will my rent decrease?

Not necessarily.

Rent amounts are based on the full formula, which includes a 9% increase in Area Median Income (AMI) for 2025 and the new reduced rent multiplier.

Because both factors are part of the calculation, some rents may go down, while others may stay the same or increase slightly, depending on your income tier and unit type.

If the new formula results in a rent increase, Rental Housing staff will recommend waiting until your next lease renewal to apply the updated rate to avoid sudden increases.

What happens to my lease now?

- Voodoo Tenants: Residents will remain on holdover month-to-month leases until the new rate calculations are implemented on January 1, 2026.
- Shandoka, Sunnyside, and Virginia Placer Tenants: There will be no immediate changes to current leases through January 1, 2026. Staff will reach out in the coming weeks with lease amendments, if applicable, and effective rent amounts if they have decreased.

Will I need to reapply to renew my lease under this policy adjustment?

No. If your renewal was approved, staff will simply provide a lease amendment with the new rent amount. No additional application will be required, and your renewal date will remain the same based on lease expiration.

What if my current lease ends between now and January?

Your lease will renew at its regular time as long as Housing staff has received your completed renewal packet or lease update form by the required deadline. If you are on or moving to a holdover (month-to-month) lease, staff will communicate with you directly about any next steps or adjustments.

Next Steps

How can I learn more about the changes?

The Rental Housing Division will host two one-hour rental tenant information sessions on Tuesday, November 11, 2025, at 12:00 and 5:30 pm. The hybrid sessions will be held in-person at the Ah Haa 3rd Floor Launchpad at 155 W Pacific Ave, Telluride, CO 81435 and online via Zoom. Spanish language interpretation will be available in-person and through a posted recording after the sessions. Learn more by visiting bit.ly/totrentalhousing.

How will lease amendments be offered and communicated to tenants?

Tenants will receive a letter explaining current rent calculations and rates, any pending rent changes, and any adjustments to your assigned Tier. This letter will outline next steps, including the implications of a lease amendment on January 1, and include contact information for Housing staff if you have questions.

What will I have to do after the letter is delivered?

After Rental Housing Division staff outlines your options and provides any forms needed, it is the tenant's responsibility to respond by the given deadline with a decision and any required signed lease amendments.

Who can I contact for more information?

For questions or assistance, contact the Rental Housing Division by calling (970) 728-5700 or email rentalhousing@telluride.gov.