

RIDGWAY PLANNING COMMISSION

REGULAR MEETING AGENDA

Wednesday, February 19th, 2025

5:30 pm

Pursuant to the Town's Electronic Participation Policy, the meeting will be conducted both in person and via a virtual meeting portal. Members of the public may attend in person at the Community Center, located at 201 N. Railroad Street, Ridgway, Colorado 81432, or virtually using the meeting information below.

Join Zoom Meeting

<https://us02web.zoom.us/j/89191855233?pwd=V2BOa6Toqy07H0zlytHWMJu7HjaiBa.1>

Meeting ID: 891 9185 5233

Passcode: 296826

Written comments can be submitted before the meeting to akemp@town.ridgway.co.us or delivered to Town Hall Attn: Planning Commission

ROLL CALL: Chairperson: Michelle Montague, Commissioners: John Clark, Pam Foyster, Bill Liske, Russ Meyer, Jennifer Nelson, and Jack Petruccelli

PUBLIC HEARING:

1. Ordinance 01-2025 regarding Text Amendments to the Ridgway Municipal Code Subsection 7-4-6(N) *Short-Term Rental Regulations*, Section 8-5 *Short-Term Rentals*, and 7-9-2 *General Definitions* related to short-term rentals in Ridgway.

WORK SESSIONS:

2. Concept Review of a Proposed Development for Lot 3 PUD of Ridgway Land Co. Subdivision
3. Affordable Housing Work Session #3
4. Master Plan Review Work Session #1

OTHER BUSINESS:

5. Updates from Planning Commission members

ADJOURNMENT

AGENDA ITEM #1



To: Town of Ridgway Planning Commission
Cc: Preston Neill, *Ridgway Town Manager*
TJ Dlubac, AICP, *CPS* & Max Garcia, AICP, *CPS*
From: Angela Kemp, AICP, *Sr. Town Planner*
Date: February 14th, 2025
Subject: Amendments to the Ridgway Municipal Code Section **7-4-6(N) Short-Term Rental Regulations, 8-5 Short-Term Rentals, and 7-9-2 General Definitions** Staff Report for the February 19th Planning Commission Meeting.

BACKGROUND

Following the January 28th Planning Commission meeting, staff found that the Ridgway Municipal Code (RMC) lacks a clear definition of “owner-occupied”, a term that is used in the sections with proposed amendments. Staff have determined that an appropriate definition, that captures the many conversations held at the Planning Commission and Town Council over the last several months, is as follows:

7-9-2 GENERAL DEFINITIONS.

OWNER-OCCUPIED: At least one owner of a property lives on that property as their primary residence for at least nine months out of any 12-month period.

The introduction of this definition would be an Amendment to RMC Section 7-9-2 General Definitions, which was not brought to the Planning Commission at their last meeting. Staff posted a new public hearing notice to meet noticing requirements for this February 19th Planning Commission meeting, revised the ordinance, staff report, and staff recommendation to Town Council. On February 12th, Town Council sent this item back to the Planning Commission for their review based on the addition of a definition for “owner-occupied”.

UPDATES AND ANALYSIS

Below is a summary of the staff recommended updates to the Code for Short-Term Rental Regulation and STR Licensing.

- a) Reorganized the STR Regulations and Licensing to add clarity between the two portions of the Code discussing the same topic and removed a reference to an old code section that no longer exists and added a cross-reference prompt to connect 8-5 and 7-4-6 (N) so that applicants (and reviewers) look at both sections of the code.
- b) Added the Downtown Services “DS” zone to the Zoning districts (with General Commercial “GC” and Historic Business “HB”) where multi-family structures could be used as a Short-term rental if it complies with the other Regulations. In these circumstances, there isn’t an owner-occupancy requirement (unchanged from the previous code).



- c) Explained the owner-occupancy requirement for all zones other than DS, GC, HB so that it is clear whether there are separate structures on a property or there are various units in one structure, one unit needs to be owner-occupied in order to be eligible for a STR license for any of the units.
- d) *Performance Standards for Short-Term Rentals*: This section contained standards relating to the maximum number of bedrooms and guests and the owner's agent requirements that were unchanged but moved to better fit under the licensing portion of the Code in Section 8-5.
- e) Added a distinction between "room" and "bedroom" in (8-5-1).
- f) Modified Title of 8-5-3 to "LICENSE ADMINISTRATION" to add distinction between 7-4-6 SUPPLEMENTAL REGULATIONS and "SUPPLEMENTAL REGULATIONS" as previously used in the title of 8-5-3.
- g) Added a warning note that if a license is revoked, it would require a new license, but because of the cap of 50 licenses, one may not be available at that time.
- h) Add a definition to 7-9-2 General Definitions: OWNER-OCCUPIED: At least one owner of a property lives on that property as their primary residence for at least nine months out of any 12-month period.

ATTACHMENTS:

-
1. *Ordinance 01-2025*
 2. *STR RMC Section 7-4-6(N) update – redline version*
 3. *STR RMC Section 8-5 update – redline version*

**TOWN OF RIDGWAY, COLORADO
ORDINANCE NO. 01-2025**

**AN ORDINANCE OF THE TOWN OF RIDGWAY, COLORADO
AMENDING SECTION 7-4 “ZONING REGULATIONS” OF THE RIDGWAY MUNICIPAL
CODE REGARDING SHORT-TERM RENTAL REGULATION AND AMENDING SECTION 8-
5 “SHORT-TERM RENTALS” OF THE RIDGWAY MUNICIPAL CODE**

WHEREAS, the Town of Ridgway, Colorado (“Town”) is a home rule municipality existing pursuant to the laws of the Colorado Constitution, the Colorado Revised Statutes and the Town's Home Rule Charter; and

WHEREAS, the zoning and land use powers conferred upon the Town by the State of Colorado as a Home Rule Municipality empower the Town to manage land use to ensure the public health, safety, and welfare; and

WHEREAS, the Town currently regulates land uses within the Town limits in accordance with Chapter 7 “Land Use Regulations” of the Ridgway Municipal Code (“RMC”), adopted pursuant to its Home Rule Constitutional authority and the Local Government Land Use Control Enabling Act of 1974, as amended, §§29-20-101, et seq. C.R.S; and

WHEREAS, the Town has determined that it is appropriate to amend RMC Subsection 7-4-6(N) “Short-Term Rental Regulations” to provide additional clarity and flexibility in our regulations; and

WHEREAS, the Town has determined that it is appropriate to amend RMC Section 8-4 “Short-Term Rentals” to provide additional clarity in Short-Term Rental (“STR”) license administration; and

WHEREAS, modifications to the Town’s Short-Term Rental Regulations will help advance *POLICY ECO-2.4: Ease of Doing Business* in the Town of Ridgway Master Plan; and

WHEREAS, modifications to the Town’s Short-Term Rental Regulations will help advance *POLICY ECO-3.2: Local Goods, Products, and Services* in the Town of Ridgway Master Plan; and

WHEREAS, the Town has determined that it is appropriate to amend RMC Section 7-9-2 General Definitions to provide additional clarity about owner occupancy requirements; and

WHEREAS, Town staff held a Work Session with the Ridgway Planning Commission on January 7th, 2025 and received recommendations from the Planning Commission; and

WHEREAS, the Ridgway Town Council finds that this ordinance furthers and is necessary to promote the health, safety and general welfare of the Ridgway community.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF RIDGWAY, COLORADO the following:

Section 1. Recitals Incorporated. The above and foregoing recitals are incorporated herein by reference and adopted as findings and determinations of the Town Council.

Section 2. Amendment of Subsection (N) of Section 7-4-6. Subsection (N) of Section 7-4-6 of the Ridgway Municipal Code is hereby repealed and reinstated to read as set forth in *Exhibit A*.

Section 3. Amendment of Section 4 of Chapter 8. Section 4 of Chapter 8 of the Ridgway Municipal Code is hereby repealed and reinstated to read as set forth in *Exhibit B*.

Section 4. Amendment of Section 7-9-2 General Definitions: The definition of “Owner-Occupancy” is added within Section 7-9-2 General Definitions to read as follows:

OWNER-OCCUPIED: At least one owner of a property lives on that property as their primary residence for at least nine months out of any 12-month period.

Section 5. Codification of Amendments. The Town Clerk, as the codifier of the Town’s Municipal Code, is hereby authorized to make such numerical and formatting changes as may be necessary to incorporate the provisions of this Ordinance within the Ridgway Municipal Code. The Town Clerk is authorized to correct, or approve the correction by the codifier, of any typographical error in the enacted regulations, provided that such correction shall not substantively change any provision of the regulations adopted in this Ordinance. Such corrections may include spelling, reference, citation, enumeration, and grammatical errors.

Section 6. Severability. If any provision of this Ordinance, or the application of such provision to any person or circumstance, is for any reason held to be invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable. The Town Council hereby declares that it would have passed this Ordinance and each provision thereof, even though any one of the provisions might be declared unconstitutional or invalid. As used in this Section, the term “provision” means and includes any part, division, subdivision, section, subsection, sentence, clause or phrase; the term “application” means and includes an application of an ordinance or any part thereof, whether considered or construed alone or together with another ordinance or ordinances, or part thereof, of the Town.

Section 7. Effective Date. This Ordinance shall take effect thirty (30) days after the date of final passage in accordance with Article 3-7 of the Ridgway Charter.

Section 8. Safety Clause. The Town Council hereby finds, determines and declares that this Ordinance is promulgated under the general police power of the Town of Ridgway, that it is promulgated for the health, safety and welfare of the public, and that this Ordinance is necessary for the preservation of health and safety and for the protection of public convenience and welfare. The Town Council further determines that the Ordinance bears a rational relation to the proper legislative object sought to be obtained.

Section 9. No Existing Violation Affected. Nothing in this Ordinance shall be construed to release, extinguish, alter, modify, or change in whole or in part any penalty, liability or right or affect any audit, suit, or proceeding pending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing which may have been incurred or obtained under any ordinance or provision hereby repealed or amended by this Ordinance. Any such ordinance or provision thereof so amended, repealed, or superseded by this Ordinance shall be treated and held as remaining in force for the purpose of sustaining any and all proper actions, suits, proceedings and prosecutions, for the enforcement of such penalty, liability, or right, and for the purpose of sustaining any judgment, decree or order which can or may be rendered, entered, or made in such actions, suits or proceedings, or prosecutions imposing, inflicting, or declaring such penalty or liability or enforcing such right, and shall be treated and held as remaining in force for the purpose of sustaining any and all proceedings, actions, hearings, and appeals pending before any court or administrative tribunal.

Section 10. Publication. The Town Clerk is ordered to publish this Ordinance in accordance with Article 3-7 of the Ridgway Charter.

INTRODUCED AND REFERRED TO PUBLIC HEARING on February 12, 2025, and setting such public hearing for March 12, 2025, at Ridgway Town Hall, located at 201 N. Railroad Street, Ridgway, Colorado.

BY:

ATTEST:

John Clark, Mayor

Pam Kraft, Town Clerk

ADOPTED on _____, 2025.

BY:

ATTEST:

John Clark, Mayor

Pam Kraft, Town Clerk

APPROVED AS TO FORM:

Bo James Nerlin, Town Attorney

Exhibit A:

Amendment of Subsection (N) of Section 7-4-6 “Short-Term Rental Regulations”.

Exhibit B:

Amendment of Section 8-5 “Short-Term Rentals”.

7-4-6 SUPPLEMENTAL REGULATIONS.

(N) Short-Term Rental Regulations.

- (1) Intent and Purpose: Establish standards and procedures by which residential short-term rentals can be provided in a manner that protects both the quality of experience and the character of the Town. It is the Town's intent to establish short-term rental regulations to promote a mix of lodging options, support the local economy, while also upholding the integrity of the Town.
- (2) Short-term rentals shall comply with the provisions of this Subsection (N) and shall be licensed per Chapter 8, Section 5 of the Municipal Code.
- (3) Permitted Use of Short-Term Rentals:
 - (a) For short-term rentals outside of the "HB" Historic Business, "DS" Downtown Service, or "GC" General Commercial Districts, the structure involved:
 - (i) Shall be a single-family dwelling structure; or
 - (ii) Shall be a single residential unit in structures with mixed uses; or
 - (iii) Shall be a property with multiple dwelling units owned by the same owner, in which one of the dwelling units may be used as a short-term rental as long as at least one of the other dwelling unit(s) is/are owner occupied; and
 - (iv) Shall not be a multiple family dwelling or structure as short-term rentals are prohibited in multiple family structures in districts other than HB, DS, and GC.
 - (b) In the HB, DS, and GC Districts, a maximum of five short-term rentals are allowed per building or structure.
- (4) Performance Standards for Short-Term Rentals:
 - (b) The unit shall have a minimum of two off-street parking spaces available and any additional spaces necessary to accommodate the tenant's vehicles off-street.
 - (d) Adequate animal resistant trash and recycling containers shall be provided, and information on placement for collection shall be provided in the short-term rental as stated in Ridgway Municipal Code Section 9-2.
 - (e) The unit shall be maintained in compliance with applicable Town ordinances and regulations. The rental of residential units as provided herein shall not unreasonably annoy or interfere with the use or enjoyment of public or private property or constitute a health or safety hazard.
 - (f) The owner must have current State and Town sales tax licenses, a Town business license, if at such time the Town has business licensing, and collect and remit sales taxes and lodging taxes.

SECTION 5 Short-Term Rentals

Subsections:

(Section enacted by Ord. 3-2017)

8-5-1 LICENSES REQUIRED.

- (A) Any property owner who rents out a bedroom or unit on a short-term basis within the Town shall be required to obtain a short-term rental license (hereinafter a "Short-Term Rental License") for each short-term rental unit from the Town. The property owner is responsible for prominently displaying the Short-Term Rental License number in all advertising/listing of the unit. The cost of such licensing and renewals shall be set by resolution of the Town Council. Short-Term Rental Licenses are nontransferable, except where upon death the property is transferred to an immediate family member, the short-term license may be transferred with the property.
- (B) All short-term rental units, except the short-term rental of a single bedroom inside an owner-occupied dwelling unit, are required to have and pass a health, safety, and welfare inspection by the Town Building Inspector. This inspection will be completed with the initial licensing and renewal licensing processes.
- (C) The total number of short-term rental licenses in the Town shall be limited to 50 at any one time. The short-term rental of a single bedroom inside an owner-occupied dwelling unit shall not be counted toward the maximum number of licenses to be issued.
- (D) Short-Term Rental Licenses shall be issued for a period of two years and subject to biannual renewal (every two years). Notwithstanding this two-year term, the Town may determine a more frequent licensing schedule is needed for any particular unit, and the initial term for licensing.

8-5-2 LICENSE FEES.

- (A) The local application and license fees for all short-term rental licenses issued, and applications submitted shall be enacted by Town Council resolution.
- (B) In addition to the above fees, the applicant/licensee shall reimburse the Town for all out-of-pocket costs incurred during review of the application, or license, including legal fees, consultant fees, postage, notice and publishing costs. The Town shall bill the applicant/licensee upon completion of the application or review process and completion of any conditions thereof. No application or license shall be finally approved until the bill is paid. Each bill shall be overdue 30 days after its date. Bills not paid by the due date shall accrue interest at the rate of one and one-half percent per month or part thereof. Such fees may be certified to the County Treasurer for collection as delinquent charges or collected in any other lawful manner.
- (C) The Town Council may revise such amounts by resolution based on costs incurred by the Town in the administration and enforcement of the short-term rental licensing and related provisions.

8-5-3 LICENSE ADMINISTRATION

- (A) All dwelling units, for Short-Term Rental Licenses issued, shall comply with applicable requirements of Town ordinances, including building and zoning regulations, inclusive of Chapter 7, 7-4-6 Supplemental Regulations, and this Section.

-
- (B) The Town Council shall be the local licensing authority for the Town for Short-Term Rental Licenses. The Town Manager or their designee shall review and act upon all Short-Term Rental License applications without hearing.
 - (C) The Town Manager or their designee is hereby designated as the entity responsible for processing procedures and reviewing Short-Term Rental Licenses for compliance with Town ordinances and regulations.
 - (D) The Town Manager shall make reasonable rules and regulations in conformity with this Article for the proper administration and enforcement of Short-Term Rental Licenses.
 - (E) There shall be an owner's agent available to be at the unit within 20 minutes, who is on call full-time to manage the property during any period the unit is rented. The name, address and phone number of the agent must be kept current on file with the Town and posted in the short-term rental.
 - (F) The unit being rented shall be a dwelling unit, as defined pursuant to Section 9 shall not have more than five bedrooms, nor be used by any group containing more than ten people over the age of 18.

8-5-4 REVOCATION OF LICENSE.

- (A) The Town Manager may revoke or suspend a Short-Term Rental License. The following shall be prima facie evidence for revocation or suspension of a Short-Term Rental License:
 - (1) A holder of a Short-Term Rental License is in violation of the Town Municipal Code;
 - (2) A holder of a Short-Term Rental License has violated the rules and regulations for short term rentals, as established by the Town Manager;
 - (3) There have been two or more violations of Chapter 2, Section 1, the General Administrative Provisions of the Town Municipal Code, at the short-term rental;
 - (4) The holder of the Short-Term Rental License has failed to remit sales and/or lodging taxes.
- (B) In the event a licensee wishes to challenge the revocation or a suspension of a license by the Town Manager, they can request, in writing, an administrative hearing before the Town Council within 30 days of the license being revoked or suspended.
- (C) No license shall be issued to any property owner for whom a license has been revoked, until at least one year has elapsed since revocation. This will require application for a new license, which may not be available at the time of application.

7-4-6 SUPPLEMENTAL REGULATIONS.

(N) Short-Term Rental Regulations.

- (1) Intent and Purpose: Establish standards and procedures by which residential short-term rentals can be provided in a manner that protects both the quality of experience and the character of the Town. It is the Town's intent to establish short-term rental regulations to promote a mix of lodging options, support the local economy, while also upholding the integrity of the Town.
- (2) Short-term rentals shall comply with the provisions of this Subsection ~~(N)(4)~~ and shall be licensed per Chapter 8, Section 5 of the Municipal Code.
- (3) Permitted Use of Short-Term Rentals:
 - (a) For short-term rentals ~~not in~~outside of the "HB" Historic Business, "DS" Downtown Service, or "GC" General Commercial Districts, the structure involved:
 - (i) Shall be a single-family dwelling structure; or
 - (ii) Shall be a single residential unit in structures with mixed uses; or
 - (iii) Shall be a property with ~~two multiple~~ dwelling structures~~units~~ owned by the same owner, in which one of the dwelling ~~structures~~ units may be used as a short-term rental as long as at least one of the second dwelling~~other dwelling~~ unit(s) is/are owner occupied; and
 - (iv) Shall not be a multiple family dwelling or structure as short-term rentals are prohibited in multiple family structures in districts other than HB, DS, and GC.
 - (b) In the HB, DS, and GC Districts, a maximum of five short-term rentals are allowed per building or structure.
- (4) Performance Standards for Short-Term Rentals:
 - ~~(a) The unit being rented shall be a dwelling unit, as defined pursuant to Section 9 shall not have more than five bedrooms, nor be leased or used to any group containing more than ten people over the age of 18.~~
 - (b) The unit shall have a minimum of two off-street parking spaces available and any additional spaces necessary to accommodate the tenant's vehicles off-street.
 - ~~(c) There shall be an owner's agent available to be at the unit within 20 minutes, who is on call full time to manage the property during any period the unit is rented. The name, address and phone number of the agent must be kept current on file with the Town and posted in the short term rental.~~
 - (d) Adequate animal resistant trash and recycling containers shall be provided, and information on placement for collection shall be provided; in the short-term rental as stated in Ridgway Municipal Code Section 9-2.
 - (e) The unit shall be maintained in compliance with applicable Town ordinances and regulations. The rental of residential units as provided herein shall not unreasonably annoy or interfere with the use or enjoyment of public or private property or ~~which~~ constitutes a health or safety hazard.
 - (f) The owner must have current State and Town sales tax licenses, a Town business license, if at such time the Town has business licensing, and collect and remit sales taxes and lodging taxes.

SECTION 5 Short-Term Rentals

Subsections:

(Section enacted by Ord. 3-2017)

8-5-1 LICENSES REQUIRED.

- (A) Any property owner who rents out a bedroom or unit on a short-term basis within the Town shall be required to obtain a short-term rental license (hereinafter a "Short-Term Rental License") for each short-term rental unit from the Town. ~~Such-The property owner is responsible for Short-Term Rental License and its corresponding number shall be~~ prominently displaying the Short-Term Rental License number in all advertising/listing of the unit. The cost of such licensing and renewals shall be set by resolution of the Town Council. Short-Term Rental Licenses are nontransferable, except where upon death the property is transferred to an immediate family member, the short-term license ~~number~~ may be transferred with the property.
- (B) All short-term rental units, except the short-term rental of a single bedroom inside an owner-occupied dwelling unit, are required to have and pass a health, safety, and welfare inspection by the Town Building Inspector. This inspection will be completed with the initial licensing and renewal licensing processes.
- (C) The total number of short-term rental licenses in the Town shall be limited to 50 at any one time. The short-term rental of a single bedroom inside an owner-occupied dwelling unit shall not be counted toward the maximum number of licenses to be issued.
- (D) Short-Term Rental Licenses shall be issued for a period of two years and subject to biannual renewal (every two years). Notwithstanding this two-year term, the Town may determine a more frequent licensing schedule is needed for any particular unit, and the initial term for licensing.

8-5-2 LICENSE FEES.

- (A) The local application and license fees for all short-term rental licenses issued, and applications submitted shall be enacted by Town Council resolution.
- (B) In addition to the above fees, the applicant/licensee shall reimburse the Town for all out-of-pocket costs incurred during review of the application, or license, including legal fees, consultant fees, postage, notice and publishing costs. The Town shall bill the applicant/licensee upon completion of the application or review process and completion of any conditions thereof. No application or license shall be finally approved until the bill is paid. Each bill shall be overdue 30 days after its date. Bills not paid by the due date shall accrue interest at the rate of one and one-half percent per month or part thereof. Such fees may be certified to the County Treasurer for collection as delinquent charges or collected in any other lawful manner.
- (C) The Town Council may revise such amounts by resolution based on costs incurred by the Town in the administration and enforcement of the short-term rental licensing and related provisions.

8-5-3 ~~SUPPLEMENTAL REGULATIONS~~ LICENSE ADMINISTRATION

- (A) All dwelling units, for Short-Term Rental Licenses issued, shall comply with applicable requirements of Town ordinances, including building and zoning regulations, inclusive of Chapter 7, ~~subsection 3-13(H), 7-4-6~~ Supplemental Regulations, and this Section.

-
- (B) The Town Council shall be the local licensing authority for the Town for Short-Term Rental Licenses. The Town Manager or their designee shall review and act upon all Short-Term Rental License applications without hearing.
 - (C) The Town Manager or their designee is hereby designated as the entity responsible for processing procedures and reviewing Short-Term Rental Licenses for compliance with Town ordinances and regulations.
 - (D) The Town Manager shall make reasonable rules and regulations in conformity with this Article for the proper administration and enforcement of Short-Term Rental Licenses.

(E) There shall be an owner's agent available to be at the unit within 20 minutes, who is on call full-time to manage the property during any period the unit is rented. The name, address and phone number of the agent must be kept current on file with the Town and posted in the short-term rental.

(F) The unit being rented shall be a dwelling unit, as defined pursuant to Section 9 shall not have more than five bedrooms, nor be used by any group containing more than ten people over the age of 18.

8-5-4 REVOCATION OF LICENSE.

- (A) The Town Manager may revoke or suspend a Short-Term Rental License. The following shall be prima facie evidence for revocation or suspension of a Short-Term Rental License:
 - (1) A holder of a Short-Term Rental License is in violation of the Town Municipal Code;
 - (2) A holder of a Short-Term Rental License has violated the rules and regulations for short term rentals, as established by the Town Manager;
 - (3) There have been two or more violations of Chapter 2, Section 1, the General Administrative Provisions of the Town Municipal Code, at the short-term rental;
 - (4) The holder of the Short-Term Rental License has failed to remit sales and/or lodging taxes.
- (B) In the event a licensee wishes to challenge the revocation or a suspension of a license by the Town Manager, they can request, in writing, an administrative hearing before the Town Council within 30 days of the license being revoked or suspended.
- (C) No license shall be issued to any property owner for whom a license has been revoked, until at least one year has elapsed since revocation. This will require application for a new license, which may not be available at the time of application.-

AGENDA ITEM #2



To: Town of Ridgway Planning Commission
From: Angela Kemp, Senior Planner, Town of Ridgway
Date: February 14th, 2025

RE: Concept Review of a Development Proposal at Lot 3 PUD of the Ridgway Land Co. Subdivision
Staff Memo for the February 19th Planning Commission Meeting

BACKGROUND

Beginning in 2023, the Town was receiving requests to rezone property from commercial districts to residential to address both market demand and local and regional housing needs. While housing – specifically affordable workforce housing – is an immense need for Ridgway, ensuring a “land use balance” in town was also acutely understood for the long term.

In 2024, a Land Use Analysis, *Town of Ridgway: Economic Implications of Land Use* by Economies of Place, was conducted to understand the amount of commercial and industrial land available compared to anticipated future needs and financial sustainability. This analysis concluded that while there is plenty of commercially and industrially zoned land to meet future demands, it would not be advisable to reduce the amount available through rezonings. This analysis assumed that Lot 3 PUD would be a mixed use/commercial property in that assessment, as established by its current zoning district

Over the last few years, several concepts for this property have been brought to the town. These concepts were presented to the applicant and are shared here to remind the Commission of these previous discussions in their consideration of this concept:

1. Connection between east/west side of 550 – there are aspirational plans to provide a crossing of 550 in this vicinity so taking extra care in how this property connects to the west side of 550 and downtown will be important.
2. Activity node and Town center – this property should include community gathering spaces where events and activities can occur.
3. Commercial uses to attract tourists – Provides easy vehicular access to this site and then pedestrian connection to downtown.
4. Residential components are secondary to commercial. The proximity to the intersection of Hwy 62/Sherman Street and Hwy 550 makes this is prime commercial property and, for the foreseeable future, the last large-scale commercial property available in town. This is not the best location for residential development for the same reasons. There are other areas of town that appear to better suit residential development.
5. There is currently a PUD in place that was approved in the 1990s which appears to be unviable due to 1) market factors and 2) misalignment with the current town vision and goals. Subsequently, there has been discussion between staff, elected officials, and in public forums about the approved PUD being wrong or deficient in a lot of aspects and representing goals to be careful to make it right.



6. PUD vs Straight zoning – with the various changes to Ch. 7 over the last few years, whether this property should be a PUD or utilize straight zoning should also be evaluated. General Commercial zone district allows commercial uses as well as multifamily, however, the emphasis is on commercial uses which is also consistent with the Future Land Use Map (FLUM).

CONCEPTUAL DEVELOPMENT PROPOSAL

On December 19th, 2024, the Lot 3 P.U.D. development team and Town staff met to discuss a concept for Lot 3 P.U.D. which is approximately 8.955 acres zoned General Commercial “GC”. No Site Plan was reviewed, and discussion was kept at a high-level concept. Residential vs. Commercial was discussed, and Town staff emphasized the need to preserve land zoned for commercial development available for that purpose.

On January 24th, the development team met virtually with Town Planning to discuss the conceptual plan and provide a conceptual site plan and narrative for review. Town provided feedback about the amount of residential vs. the amount of commercial development proposed and walked through the history of the property, providing information that is also included in this Staff Memo under the section titled *Background*.

The development team was receptive to feedback from Town Planning and provided a revised conceptual plan on January 31st, which is presented for discussion today:

- +/- 1.5 acres are set aside for “Future Commercial Development”;
- A hotel with 10 hotel-owned units outside of the main hotel building, referred to as “Townhomes” but not individually subdivided (3-stories);
- The hotel is proposed to contain 110 rooms and a rooftop restaurant (3-stories);
- 20 for-sale Townhome units (3-stories);
- A pocket park and dog park;
- Various infrastructure including drives, parking lots, utilities, etc.

ATTACHMENTS:

1. Conceptual Site Plan at Lot 3 PUD

POWER & PHONE PEDESTALS

PROPOSED TOWNHOMES 20 UNITS

LIFT STATION & CONTROL PANEL

FIRE HYDRANT

POWER PEDESTALS

MAIL KIOSK

PROPOSED PROPERTY BOUNDARY FOR COMMERCIAL PARCEL

POWER TRANSFORMER

PROPOSED PROPERTY BOUNDARY FOR COMMERCIAL PARCEL

Revised Boundary suggested by Staff for clarity. 10 units to be hotel-owned per development team. -AMK

PROPOSED HOTEL TOWNHOMES 10 UNITS

POWER & PHONE PEDESTALS

Remove Boundary Line

PROPOSED HOTEL +/- 2.25-ACRES

FUTURE COMMERCIAL DEVELOPMENT +/- 1.5-ACRES

US HWY 550

REDCLIFF DRIVE

HUNTER PARKWAY

EXISTING BUILDING TO REMAIN

January 28, 2025 rdl: #24149P COPYRIGHT © 2025

RIDGWAY TOWNHOMES | RIDGWAY, COLORADO | CONCEPTUAL SITE PLAN

The drawings, specifications, ideas, design and arrangements represented thereby are and shall remain the property of the architect. No part of shall be copied, disclosed to others or used in conjunction with any work or project other than the specific project for which they have been prepared and developed without the written consent of the architect. Visual contact with these drawings or specifications shall constitute conclusive evidence of acceptance of these restrictions. Written dimensions on these drawings shall have precedence over scaled dimensions. Contractors shall verify and be responsible for all dimensions and conditions on the job site, and this office must be notified of any variations from the dimensions and conditions shown by these drawings.

SCALE: 1" = 100'-0"

0 50' 100'



AGENDA ITEM #3



To: Town of Ridgway Planning Commission
From: Angela Kemp, Senior Planner, Town of Ridgway
Date: February 14th, 2025

**RE: Affordable Housing Work Session, Part Three
Staff Memo**

BACKGROUND

After much consideration and discussion about affordable housing policies in 2023 and 2024, Town Planning and the Planning Commission began laying the groundwork for affordable housing regulations that would suit the Town of Ridgway. In 2025, we will seek to design and implement Community Housing requirements in the Ridgway Municipal Code (RMC) under Section 7-7 AFFORDABLE HOUSING as the Town's version of an Inclusionary Zoning Policy.

"Community Housing" shall mean units restricted for occupancy by eligible households that meet size, for sale price, and/or rental requirements and that are deed restricted in accordance with a covenant approved by the Town Attorney of the Town of Ridgway.

Following two Affordable Housing Work Sessions at the Planning Commission, the Guidelines and Regulations drafts were refined by Town Staff. The latest version of each document is attached.

7-7 AFFORDABLE HOUSING

Section 7-7 of the RMC contains the portions that will be codified and cited as "Affordable Housing Regulations". This code section contains subsections establishing the purpose, interpretation, and which reference the Community Housing Guidelines and discusses how it works alongside the RMC. Additionally, it discusses applicability, explaining the scale and type of development that triggers the need for compliance. In this case, we determined that market-rate residential development of a certain scale triggers the requirement to provide Community Housing.

The section does not present a specific income requirement and instead references the Guidelines document to provide this information. The Guidelines get updated annually so this allows the Town to be nimble in targeting the Area Median Income percentage of income ranges that need to be prioritized, especially as we learn what those are through the Housing Needs Assessment process set to take place in 2025.

The code also covers the general requirements and explains that a deed restriction is required, fair marketing if the unit is required, and there are location requirements to try to make sure



Community Housing is provided in an equitable way, so that the quality and location is comparable to the market-rate units. More detail is provided in the Guidelines document.

Additionally, the code section emphasizes the need for a project-specific Community Housing Plan to be submitted by the applicant. There are several methods for achieving compliance discussed, and the applicant will need to represent how they plan to comply in the Community Housing Plan. This will be an important document for tracking compliance as projects get approved, built, and occupied.

Notably, the production cost method has been identified as the appropriate method for calculating fee in-lieu for Ridgway. It requires the developer to assign a projected cost to the project, and to pay the fee-in lieu that matches with the per-unit project costs. In theory, this method will calculate higher fee amounts for high-end market-rate development while allowing developers to make economical choices to save project cost, potentially making it more desirable to build to more modest standards.

COMMUNITY HOUSING GUIDELINES

The Community Housing Guidelines document covers the purpose, applicability, and administration of the program. It contains definitions that are specific to Ridgway's affordable housing program and sets the standards for resident eligibility, performance standards, renting, purchasing, and selling Community Housing, and it contains the Town's incentives "toolbox".

The Guidelines document provides details about resident eligibility for Community Housing. Prospective residents or buyers are responsible for providing adequate information to prove they are an eligible household. The requirements we decided to include are as follows:

- The household must contain at least one person employed by a business based in Ouray County and work a minimum of 1,000 hours per calendar year; contain at least one person that was a former employee of a Ouray County Business who worked 1,000 hours per calendar year for the four years immediately prior to their retirement;
- An owner must occupy the affordable housing unit as their primary residence and live in the unit for a minimum of nine (9) out of any twelve (12) month period;
- The household members must not own any other developed residential property in Ouray County; and
- The household must meet applicable household income limits:
 - BUYER INCOME LIMIT: the household income will be 140% or less of the Area Median Income (AMI) for the unit.
 - RENTER INCOME LIMIT: the household income will be 100% or less of the Area Median Income (AMI) for the unit.

We provide more details about the administration of the program under the section titled *Renting, Purchasing, and Selling Community Housing*. This section covers fair marketing of units, purchase price, rental rates, deed restrictions, right of first refusal, rental, and sale of deed



restricted units. To ensure continued affordability this section contains provisions that no short-term rental is allowed, and for-sale units are capped at 3% appreciation, they also have strict requirements for their first sale price.

CONCLUSION:

The drafts presented with this Memo take an incremental approach to an Inclusionary Housing program, which will produce deed-restricted units called “Community Housing”. As we have previously established, successful adoption and implementation of a Community Housing policy for Ridgway is dependent on adequate public outreach.

In response to the last Planning Commission work session, the drafts of 7-7 Affordable Housing Regulations and the Community Housing Guidelines were revised. A final revision should occur ahead of our public outreach efforts, which will present the next version of the drafts to stakeholders in a public forum and may require significant outreach and marketing. This public outreach effort can be combined with efforts that relate to a Housing Needs Assessment and can provide information to the public about affordable housing concepts and ideas, along with an opportunity to celebrate what Ridgway has already successfully implemented in this regard.

ATTACHMENTS:

1. Draft *RMC Chapter 7 Section 7 AFFORDABLE HOUSING*
2. Draft *Town of Ridgway Community Housing Guidelines*
3. *2024 AMI CHART for Ouray County, Colorado*



February 12, 2025

DRAFT Ridgway Municipal Code
Chapter 7 Section 7 AFFORDABLE HOUSING

7-7-1 - GENERAL PROVISIONS.

(A) Purpose.

- (1) These Regulations shall be known and may be cited as the Town's "Affordable Housing Regulations"
- (2) These Regulations shall apply within the limits of the Town.
- (3) The purposes of these Regulations are to:
 - (a) Promote the construction of housing that is affordable to the community's workforce and full-time residents;
 - (b) Retain opportunities for people that work in Town to also live in the Town;
 - (c) Maintain a balanced housing portfolio that provides housing for residents at various income levels; and
 - (d) Contribute to the regional supply of affordable housing that is deed-restricted to remain affordable.

(B) Interpretation.

- (1) Whenever a provision of these Regulations and any other provision found in another section of the Town Code contains any restrictions or regulations covering the same subject matter, the restriction or regulation which is more restrictive or that imposes a higher standard, the stricter requirement shall govern.
- (2) These Regulations shall not create any liability on the part of the Town or any officer or employee thereof arising from reliance upon these regulations or any administrative act or failure to act pursuant to these regulations.

(C) Community Housing Guidelines.

- (1) Definition: "Community Housing" shall mean units restricted for occupancy by eligible households that meet size, for sale price, and/or rental requirements and that are deed restricted in accordance with a covenant approved by the Town Attorney of the Town of Ridgway.



- (2) The Community Housing Guidelines, “Guidelines” are amended annually to complement this Code section and provide more detailed guidance for development, rental, and sale of affordable housing. In cases of conflict between the Community Housing Guidelines and this section, this section shall prevail.
- (3) The Town Manager or their designee shall publish the Community Housing Guidelines for the development and management of affordable housing including the provision of incentives for qualified projects.

7-7-2- PERFORMANCE STANDARDS.

(A) Applicability.

- (1) Any application brought under the Planned Unit Development (PUD) section of this Code is required to provide the amount of affordable housing required by Section 7-6 Planned Unit Development (PUD);
- (2) Any property petitioning for annexation is required to enter into an Annexation agreement which may establish the required number of units of Affordable Housing, including Community Housing;
- (3) Applications for condominium plats of any size, townhome subdivisions, and minor and major subdivision require a plat note and/or a restrictive covenant specifying the intended number of units, ten (10) percent of which must be designated as “Community Housing” subject to the standards of this Code; and
- (4) Multi-family residential rental projects including additions and conversions that result in three (3) or more units, are required to provide at least ten (10) percent of the total number of proposed new residential dwelling units as deed-restricted affordable dwelling units for “Community Housing pursuant to requirements set forth in this section, and subject to the following standards:
 - (a) Area Median Income (AMI) for Ouray County as defined annually by the Colorado Housing Finance Authority (CHFA) sets maximum prices for sale or rents charged for Community Housing as further specified in Sections 7-7-2 (B) and 7-7-3.
 - (b) Community Housing units shall be permanently restricted unless a different timeframe is required as a part of a low-income housing tax credit (LIHTC) project or otherwise time restricted by federal or state grant funds.



(c) If the calculation for Community Housing results in a fraction of a dwelling unit, the fraction of the unit shall be provided as a complete affordable unit, or a fee-in-lieu shall be provided per Section 7-7-3(B)(1)(d).

(d) The proportion of required Community Housing units, whether for-sale or for-rental, shall follow the proportion of for-sale and for-rental market rate units, unless otherwise approved by the decision-making body.

(B) General Community Housing Requirements.

- (1) **Income Eligibility Required.** A Community Housing unit created pursuant to this subsection shall be purchased, owned, leased or occupied exclusively by or to an eligible household. All sales, rentals, purchases and leases shall comply with the provisions of this Section.
- (2) **Deed Restriction Required.** No person offering an affordable dwelling unit for rent or sale pursuant to this Section shall fail to lawfully reference in the deed conveying title of any such unit, and record with the Ouray County Clerk and Recorder, a deed restriction in a form approved by the Town Attorney.
- (3) **Fair Marketing of the Unit.** All sellers or owners of affordable dwelling units shall engage in public advertising efforts as further expressed in the Town’s Community Housing Guidelines.
- (4) **Location Requirements.** The location of all mandatory Community Housing units shall conform to the standards set forth in the Guidelines. The location of Community Housing Units shall be provided in a Community Housing Plan. The location of Community Housing shall be provided as outlined in Sec. 7-7-3.
- (5) **Accessory Dwelling Units (ADU).** ADUs may serve as Community Housing for the purpose of compliance with the requirements of this Section and Section 7-4-6(A) of the RMC. Qualifying criteria for Community Housing is outlined in the Town’s Community Housing Guidelines.
- (6) **Timeline.** Units built as affordable in the project should receive Certificates of Occupancy (CO) concurrent with free-market units. As such, it is required that Certificates of Occupancy for market-rate units can only be granted at 10% more than those Certificates of Occupancy for Community Housing units until 100% of Community Housing Units receive Certificates of Occupancy. For example:

Number of Certificates of Occupancy granted for Affordable Housing units	Maximum number of Certificates of Occupancy allowed to be granted for market-rate units
1-9 units	Same amount as Affordable Units
10-19	Same amount plus one +1



Sec. 7-7-3. COMPLIANCE METHODS

(A) Community Housing Plan.

- (1) Community Housing Plan. An applicant for any new residential or commercial development within the Town shall submit a Community Housing Plan or letter of exemption to the Town for approval.
- (2) The Community Housing Plan shall be submitted to and approved by the Town Council prior to, or concurrent with, an application to the Town for the market-rate portion of the initial development plan. The decision-making body responsible for furnishing a decision shall certify its approval, approval with conditions, or denial of the Community Housing Plan. Such a decision shall be based on compliance with the provisions of this Section and the Community Housing Guidelines.
- (3) Any amendment to the Community Housing Plan shall require the approval of the Town Council.

(B) Methods to Achieve Compliance.

- (1) Provide all required Community Housing units on-site.
- (2) At the discretion of the Town Council, an applicant may seek an alternative to providing the required percentage of Community Housing by any of the following methods:
 - (a) Providing the Required Housing Off-Site. It is intended that Community Housing be provided on the same site as the development that triggered the requirement for the units to be developed. Alternative off-site locations within the Town may be allowed if one or more of the following conditions exist:
 - (i) If incompatible uses cannot feasibly be buffered from the Community Housing units.
 - (ii) The number of Community Housing units to be built off-site are at least 15% of the total development.



(iii) The units to be built off site clearly exceed amenities not required but desired, and/or offer energy efficiency and utility savings beyond what is standard.

(iv) The off-site location of units is more convenient to transit, employment centers, or other area amenities, and in closer proximity to other primary residences such that a sense of neighborhood is fostered.

(b) Dedicating Land Within the Project. Provided it is large enough and located appropriately to accommodate at least the minimum number of required Community Housing units, land within a project may be dedicated to the Town or a qualified non-profit housing developer for the required development of such units, as approved by the Town. The units to be built within the dedicated land shall be comparable to the market rate housing units in exterior finish and design to blend into the overall project. Each lot shall have sufficient area devoid of environmental or other constraints to meet applicable dimensional standards and allow construction of the required development of such units. All public infrastructure improvements to support development of the required units shall be in place prior to conveyance, or sufficient security in accordance with the Ridgway Municipal Code Section 7-5-3(B)(2)(d) shall be provided. Dedication of the lots shall occur at the same time as plat or other applicable recordation of the development.

(c) Lots In Lieu. In lieu of the provision of the minimum number of required housing units and at the discretion of the Town Council, the developer may dedicate an equal number of lots to the Town. The lots may be off site but within the municipal boundaries of the Town provided that the conditions stipulated in 7-7-2(B)(4) Location, are satisfied and there are no covenants or other restrictions placed on the lots that would limit their appropriateness for Community Housing.

(d) In-Lieu Fee. Paying a fee in lieu of construction or land dedication as an alternative is available if the calculation for Community Housing results in a fraction of a dwelling unit above a whole number. For rental units only, providing fewer units, but which are affordable to households earning eighty (80) percent or less of the AMI for Ouray County is an option. For the purposes of this option, an affordable rental unit at eighty (80) percent AMI or less shall equal one and one-quarter (1.25) Community Housing.



(i) When an in-lieu fee is being paid to meet a fractional unit requirement, the entire fee shall be paid prior to the first building permit being issued for the development at the time of complete building permit submittal as described in the Town's fee schedule, established, adopted and amended by Town Council from time to time; and

(ii) The fee shall be based upon the cost to develop the market-rate units in the same development within Ridgway. The method for calculating fee in-lieu for Ridgway requires the developer to assign a projected cost to the project, and to pay the fee-in lieu that matches with the per-unit project costs. Town will review the computation of costs associated with the project to confirm this amount is accurate.

DRAFT

Town of Ridgway
Community Housing Guidelines

Draft February 12th, 2025

Adoption
[Insert Ordinance]

Amendments
[TBD]

Table of Contents

Purpose:	2
Applicability:	2
Administration of the Program:.....	3
Definitions:.....	3
Non-Discrimination and Reasonable Accommodation:.....	4
Eligible Households	4
Performance Standards:	5
Renting, Purchasing, and Selling Community Housing:	5
Fair Marketing of the Unit Required.....	5
Purchase Price.....	5
Rental Rates	6
Sale of Deed Restricted Unit:.....	6
Deed Restriction Required:.....	6
Right of First Refusal Required:	8
Rental of Deed Restricted Unit(s):	8
Incentives Toolbox for Community Housing Developments:	8
Increased Development Potential	9
Town of Ridgway Fee Deferment	9
Landscaping Regulation Flexibility.....	9
Expedited Processing	9

Purpose:

The purpose of The Town of Ridgway Community Housing Guidelines “Guidelines” is to complement the Ridgway Municipal Code (RMC) Section 7-7 AFFORDABLE HOUSING “Affordable Housing Regulations” and increase the supply of housing that is affordable to those who live and work in the area, to assist in mitigating high housing costs, support mixed-income development, improve the attraction and retention of employees, reduce traffic congestion from commuters, increase community stability by keeping owner-occupancy rates high, to keep vacancy rates reasonable, and to create housing opportunities for renters and owners avoid becoming cost burdened (spending 30% or more of their income on housing costs). This document should also provide a predictable regulatory environment and clear path to the development of affordable housing.

Affordable deed-restricted units are assets the Town can offer to its residents far into the future. These Guidelines and Section 7-7 AFFORDABLE HOUSING reflect the goals offered in the Ridgway Master Plan relating to housing: GOAL COM-1: *Maintain Ridgway as a community that is accessible to a range of income levels, ages, and households.* GOAL COM-2: *Encourage a diversity of housing options that meet the needs of residents.* These Goals have eleven policy statements associated with them included in the 2019 Ridgway Master Plan. The Town has been dedicated to pursuing multiple means of increasing the supply of affordable housing in the community and remains a steadfast partner to the development community to meet the market demands.

To remain dynamic and responsive to community needs, these Guidelines will be updated annually. The CHFA Area Median Income chart with income limits and rental prices will be updated annually (attached).

Applicability:

These Guidelines are intended to complement Section 7-7 AFFORDABLE HOUSING of Ridgway Municipal Code (RMC). Where conflicts exist, the Town Code prevails, followed by these guidelines. Deed restrictions or plat notes on specific properties may supersede these guidelines.

Sale or rental of a housing unit subject to the Guidelines will be administered in accordance with the Guidelines in effect at the time of sale or rental.

- a) Owners and tenants are subject to the Guidelines that are in effect as amended over the course of their ownership or lease term.
- b) At the sale or transfer of interest of Community Housing unit, the new owner is required to record the Town’s current form of Deed Restriction.
- c) Owners of appreciation capped units are required to record the Town’s current form of Deed Restriction.
- d) The Town requires the execution and recording of a new Acknowledgement of Deed Restriction with updated terms at the time of any sale or the transfer of the interest of an affordable housing unit for all Affordable Housing units.

Administration of the Program:

The Town of Ridgway Town Manager or their designee can monitor, track, and create reports on the various aspects of the Community Housing Program. With each applicable development proposed, the decision-making body will be responsible for reviewing the associated Community Housing Plan, and decide to approve, deny, or approve with conditions, the various aspects of the plan. Alignment with Master Plan goals and community initiatives will be considered in the review process of each development application.

Definitions:

When used in *The Community Housing Guidelines* the following words and phrases shall have the specific meaning as defined in this section:

"Affordable Housing" A dwelling unit that is restricted in perpetuity to occupancy by households meeting the income limitations and occupancy standards as established from time to time by the Town. Occupancy standards include requirements for primary residency and local employment or retirement from local employment.

"AMI" shall mean the median annual income for Ouray County, as adjusted for household size, that is calculated and published annually by the Department of Housing and Urban Development (HUD) or Colorado Housing and Finance Authority (CHFA).

"Community Housing" shall mean units restricted for occupancy by eligible households that meet size, for sale price, and/or rental requirements and that are deed restricted in accordance with a covenant approved by the Town Attorney of the Town of Ridgway.

"Deed restriction" shall mean an enduring covenant placed on units that identifies the conditions of ownership and occupancy of the units to eligible households and may control the prices of for-sale units, initially and/or upon resale.

"Gross income" shall mean the total income of a household derived from employment, business, trust or other income producing assets include wages, alimony and child support, distributions and before deductions for expenses, depreciation, taxes and similar allowances.

"Household" shall mean one or more persons who intend to live together, on a property as a single housekeeping unit.

"Housing Agency" shall mean Town of Ridgway, or any comparable governmental agency selected by the Town of Ridgway, Colorado responsible for the administration of Community Housing.

"HUD" shall mean the U.S. Department of Housing and Urban Development.

"Inclusionary zoning" shall mean the mandatory provision of Inclusionary Zoning units, Community Housing units, or financial contribution to the housing fund, as a requirement for development approval.

"Income limits" shall mean the income amounts on which the eligibility of households is based expressed as percentages of the AMI and in absolute dollar amounts, updated annually and contained in the Community Housing Guidelines.

"Infrastructure" shall mean water, sewer, natural gas, electric, cable television and any other utility installations; as well as streets, curb and gutters; storm drainage systems.

"Interim covenant" shall mean a covenant placed on lots or parcels that conveys the conditions of the deed restrictions that will be filed upon Community Housing units built on the lots or parcels.

"Market-rate units" shall mean residential units upon which there are no restrictions on the occupancy, price or resale.

Non-Discrimination and Reasonable Accommodation:

The Town of Ridgway does not discriminate against anyone due to race, color, creed, religion, ancestry, national origin, sex, age, marital status, disability, affectional or sexual orientation, family responsibility or political affiliation resulting in the unequal treatment or separation of any person, nor shall they deny, prevent, limit, or otherwise adversely affect the benefit of enjoyment by any person of employment, ownership, occupancy of real property or public service or accommodations. The Town provides reasonable accommodation and encourages all applicants and interested parties to reach out to the Town to initiate a discussion to ensure that the Town's housing programs are inclusive and responsive to the community's needs.

Eligible Households

Eligible household applicants for rental or for-sale Community Housing must:

- a) Contain at least one person employed by a business based in Ouray County and work a minimum of 1,000 hours per calendar year; contain at least one person that was a former employee of a Ouray County Business who worked 1,000 hours per calendar year for the four years immediately prior to their retirement;
- b) occupy the affordable housing unit as their primary residence;
- c) live in the unit for a minimum of nine (9) out of any twelve (12) month period;
- d) not own developed residential property in Ouray County;
- e) meet applicable household income limits as listed below:
 - a. BUYER INCOME LIMIT: At the time of purchase, including the original property transfer and all subsequent resales and transfers of property, the household income will be 140% or less of the Area Median Income (AMI) for the unit, as determined by the United States Department of Housing and Urban Development (HUD) and represented by Colorado Housing and Finance Authority (CHFA) in their *Area Median Income Chart*, as adjusted annually. Proof of this must be presented to the Town in advance of any transfer of a restricted unit. Proof shall include written documentation, such as income tax returns, verifying annual income for the prior year. HUD income limits are derived from the most recent data provided by HUD regarding AMI for Ouray County, CHFA.
 - b. RENTER INCOME LIMIT: At the time of application, the household income will be 100% or less of the Area Median Income (AMI) for the unit, as determined by the United States Department of Housing and Urban Development (HUD) and represented by Colorado

Housing and Finance Authority (CHFA) in their *Area Median Income Chart*, as adjusted annually. Proof of this must be presented to the Town in advance of any rental of a restricted unit. Proof shall include written documentation, such as income tax returns, verifying annual income for the prior year. HUD income limits are derived from the most recent data provided by HUD regarding AMI for Ouray County;

Applicants for Community Housing must submit applications and documents that are required to verify employment and work history, income, assets, household size, and such other information as deemed necessary to qualify as a buyer or tenant. Approval must be obtained prior to signing a lease, occupying a unit, or submitting purchasing a Community Housing unit.

Performance Standards:

To ensure that the affordable units are integrated with market-rate units in new, mixed-income developments, developers should achieve comparable outward appearance across units, making it difficult for passers-by to differentiate between affordable and market-rate homes. In addition to requirements regarding external appearance, new affordable homes should be comparable to market-rate homes in other respects, including but not limited to:

- Unit size (square feet)
- Number of bedrooms provided
- Storage
- Accessibility
- Energy Efficiency
- Tenure – i.e., whether units are for sale or rentals
- Amenities provided (balconies, garages, etc.)

Renting, Purchasing, and Selling Community Housing:

Fair Marketing of the Unit Required

All sellers or owners of affordable dwelling units shall engage in public advertising efforts each time an affordable dwelling unit is rented or sold such that members of the public who are qualified to rent or purchase such units have a fair chance to become informed of the availability of such units.

Purchase Price

- a) An appreciation cap of no more than 3% per year shall be required as part of the deed restriction.
- b) The original sale price must be established within the deed restriction, with no more than 10% profit for the developer.
- c) Rental: No short-term rentals shall be permitted for the restricted units. Provisions regarding long-term rental will be defined in the Deed Restriction.
- d) Units shall be priced at an affordable rate, not costing more than thirty percent (30%) of household income, to a household with earnings of 140% or less of the Area Median Income (AMI), as determined by the United States Department of Housing and Urban Development (HUD) and represented by Colorado Housing and Finance Authority (CHFA) in their *Area Median*

Income Chart, as adjusted annually. Proof of this must be presented to the Town in advance of any transfer of a restricted unit.

Rental Rates

- a) The unit shall be rented at an affordable rate, not costing more than thirty percent (30%) of household income, to a household with earnings of 100% or less of the Area Median Income (AMI) for the unit, as determined by the United States Department of Housing and Urban Development (HUD) and represented by Colorado Housing and Finance Authority (CHFA) in their *Area Median Income Chart*, as adjusted annually. Proof of this must be presented to the Town in advance of any rental of a restricted unit.
- b) No short-term rentals shall be permitted for the restricted units. Subletting provisions shall be established in the Covenant, should subletting be an acceptable use.

Sale of Deed Restricted Unit:

Buyers and sellers of affordable housing units are advised to consult legal counsel regarding examination of all contracts, agreements, and title documents. The retention of any professional services shall be at the buyer's or seller's own expense. Buyers of affordable housing units are required to sign an Acknowledgment of Deed Restriction and cause it to be recorded at closing. If an Acknowledgment of Deed Restriction is not signed and recorded at closing, the sale is void.

Deed Restriction Required:

Property Owner shall restrict the ownership, use and occupancy of the "Community Housing" to the terms, conditions, restrictions and requirements provided for in this Section, which shall be written to run in perpetuity, not expire, and survive any foreclosure of the Deed Restricted Units, unless the restrictions are otherwise released or modified with the written consent of the Town.

Any instrument of conveyance concerning a Deed Restricted Unit shall clearly indicate that the Unit is deed restricted and contain a reference to these restrictions in a form approved by the Town. The Town will be granted and conveyed the right to enforce compliance with the restrictions that are applicable to the Deed Restricted Unit. The Deed Restricted Unit shall be owned and occupied by qualified person, as defined herein.

At the time of the purchase of a Deed Restricted Unit, including the original property transfer and all subsequent resale and transfer of property, at least one person in the household shall work at least 1000 hours annually for an employer or business based in Ouray County. This occupancy limitation and requirement may include at least one person in the household that is retired but previously worked at least 1000 hours annually for an employer or business based in Ouray County. Proof of this must be presented to the Town in advance of any transfer of property. Proof shall include written documentation verifying employment within Ouray County.

Proof of Household Income must be presented to the Town in advance of any transfer of property. Proof shall include written documentation, such as income tax returns, verifying annual income for the prior year. HUD income limits are derived from the most recent HUD data regarding Area Median Income Levels (AMI) for Ouray County.

There shall be an initial maximum sales price on every Deed Restricted Unit, which shall be equal to the cost of acquiring and developing the Deed Restricted Unit, plus not more than a ten (10%) profit;

provided, however, that if the initial maximum sale price exceeds the maximum purchase price for an the AMI thresholds stated above for households for Ouray County, the Property Owner agrees to reduce the profit downward from 10% to an amount that achieve the targeted AMI affordable maximum purchase price, except that in no event will the initial maximum sales price be reduced to an amount that requires the Property Owner to achieve less that a 3% profit.

Evidence of the developer's cost shall be submitted to the Town Manager, or their designee, who shall review the developer's computation of cost and approve, in writing, the proposed initial maximum sales price. The documents establishing the Property Owner's cost must be approved by the Town Manager, or their designee, prior to any transfer of property. The guiding principles in determining initial sales price of any unit is that the Property Owner should be constructing and selling these units without exceeding the prescribed profit. In no event should the requirements of this Section be read to require the Property Owner to lose money in connection with the sale of the Deed Restricted Unit. The Town Manager, based on review of the Property Owner's cost, may deviate from the AMI restrictions if the cost plus 3% profit exceeds affordability for the thresholds stated above.

The maximum resale price of these deed-restricted units is limited to an annual price appreciation cap of 3% of the initial gross purchase price. All resale pricing is subject to the review and reasonable approval of the Town of Ridgway Town Manager, or their designee, for the sole purpose of ensuring the resale price follows the requirements of this Section.

If an owner of a Deed Restricted Unit makes any capital improvements requiring a building permit to the property during their term of ownership, the cost of those capital improvements as indicated on the building permit shall be added to the gross resale purchase price of the property for the purpose of computing the annual price appreciation cap created herein. Any costs of capital improvements to be added to the gross purchase price of the property, including but not limited to upgrades during construction, shall require the prior, written reasonable approval of the Town.

The owner of a Deed Restricted Unit may apply to the Town Planning Commission for a waiver from the strict application of any one or more of these provisions. A waiver from the strict application of these provisions may be granted at the discretion of the Planning Commission and may only be granted if the applicant can establish that the following criteria are substantially met:

- (i) there are practical difficulties or unnecessary hardships caused to the individual unit owner if these provisions are strictly applied. Any such practical difficulty and/or unnecessary hardship must be of such a nature as to create an individually differentiated situation from all other owners of units burdened by these regulations; and
- (ii) the spirit of these provisions will be observed, the public health safety and welfare secured, and substantial justice done by granting the waiver. The burden shall be on the applicant to establish by a preponderance of the evidence that these criteria have been met.

The seller of the Deed Restricted Unit is responsible for ensuring compliance with all restrictions and agrees to consult with the Town of Ridgway Town Manager, or their designee, regarding any qualified buyer(s) and the maximum resale price under the provisions of this Section.

All warranty deeds for the transfer and conveyance of a Deed Restricted Unit

will clearly indicate that they are deed restricted and reference the applicable note included in the Final Plat, as amended from time to time.

Right of First Refusal Required:

Owner(s) shall enter into an agreement with the Town of Ridgway authorizing their Right of First Refusal for developments containing deed-restricted units as allowed by HB24-1175 and HB23-1190 [PROVIDE MORE DETAIL]

Rental of Deed Restricted Unit(s):

OWNERS:

Owners of for-rent or rental units defined as Community Housing units have a responsibility to manage compliance of these regulations and ensure the Town of Ridgway is informed of changes with occupants, occupancy, or rates. In an annual statement, the owner shall respond to basic questions about their tenants to confirm they are still qualified tenants. The owner shall follow the Federal Fair Housing Act in all actions. No short-term rentals shall be permitted for the restricted units.

RENTERS:

Applicants who do not meet the current qualification requirements may apply to the Town Planning Commission for a waiver from the strict application of any one or more of the provisions. A waiver from the strict application of the provisions may be granted at the discretion of the Planning Commission and may only be granted if the applicant can establish that the following criteria are substantially met:

- (i) there are practical difficulties or unnecessary hardships caused to the individual unit owner/renter if these provisions are strictly applied. Any such practical difficulty and/or unnecessary hardship must be of such a nature as to create an individually differentiated situation from all other owners of units burdened by these regulations; and
- (ii) the spirit of the provisions will be observed, the public health safety and welfare secured, and substantial justice done by granting the waiver. The burden shall be on the applicant to establish by a preponderance of the evidence that these criteria have been met.

Incentives Toolbox for Community Housing Developments:

The purpose of this Section is to increase the supply of income-restricted housing in the town by offering development incentives to applicants that include income-restricted housing in their developments and exceed the requirements of RMC 7-7.

If the requirements in Section 7-7 are exceeded, the applicant may choose to apply for one or more of the following incentives to be applied to the proposed development. The applicant is responsible for applying for incentives at the time of submittal. The Town of Ridgway reserves the right to request additional information. The application will result in a decision by the appropriate decision-making body, which reviewed for decision the application in its entirety based on Sec. 7-7-3 of the RMC.

Increased Development Potential

Developments that contain deed-restricted affordable housing units beyond what is required by Section 7-7 of the Ridgway Municipal Code may be eligible at the Town Council's discretion for the following:

- (a) A reduction in parking requirements as considered and appropriate for the use and context.
- (b) A density bonus associated with the amount of allowable lot coverage.

Town of Ridgway Fee Deferment

Developments that contain deed-restricted affordable housing units beyond what is required by Section 7-7 of the Ridgway Municipal Code may be eligible at the Town Council's discretion for the following:

- (a) Tap fee deferment, reduction, or waiver;
- (b) Plan review fee deferment, reduction, or waiver; and/or
- (c) Application fee deferment, reduction, or waiver.

Landscaping Regulation Flexibility

Developments that contain deed-restricted affordable housing units beyond what is required by Section 7-7 of the Ridgway Municipal Code may be eligible at the Town Council's discretion for the following:

- (a) Minimum Landscaping requirement deferment, reduction, or waiver.

Expedited Processing

Expedited processing means applications may receive a priority over other applications that are being reviewed by staff, the Planning Commission, or the Town Council. At each phase of its review, the application shall be placed on the first scheduled Commission or Town Council agenda for which it can be properly noticed.

1. Projects exceeding the requirement of the amount of Community Housing units provided, shall be subject to an expedited review process which calls for a final decision within [120] days of receipt of a complete application. The applicant is responsible for applying for expedited review at the time of submittal. The Town reserves the right to request additional information, the submittal of which may delay the process.
2. Notwithstanding subsection 1 above, if the project has received funding through Colorado Proposition 123 and more than one-half of the dwelling units included in the project meet the requirements for affordability in proposition 123, the application shall be reviewed and a decision to approve, approve with conditions, or deny the application shall be made within [90] days of receipt of a complete application herein referred to as a "fast-track approval process." The applicant is responsible for applying for "fast track" review at the time of submittal. The Town reserves the right to request additional information, the submittal of which may delay the process.
3. The Town of Ridgway's expedited review process may include a one-time extension request from the developer for up to 90-calendar days. The request may allow time for a developer to comply with a state law or court order, or to address comments from an agency that has approval authority over the project. It is meant to avoid a "rush" mentality that may penalize a

developer by leading to a decision of denial rather than working towards approval. The Town can implement one or more 30-calendar day extension(s) to work with a developer on addressing comments on the application.

Attached:

AMI CHART FOR OURAY COUNTY (2024)

DRAFT



2024 Income Limit and Maximum Rent Tables
for All Colorado Counties
20% to 120% of Area Median Income (AMI)

HUD Effective Date: April 1, 2024

- The IRS allows Housing Tax Credit projects that placed in service as of 12.31.2008 to use higher HERA Special limits.
- All Housing Tax Credit and CHFA Loan projects are "held harmless" from limit decreases. To be "held harmless," a project must be in service before 05.16.2024.
- Housing Tax Credit and CHFA Multifamily Loan projects whose counties experienced a decrease in 2024 limits and that place in service before 05.16.2024 may continue to apply the same limits they used in 2023.

County	HERA	AMI	2024 Maximum Rents					2024 Income Limits							
			0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Ouray		160%	2,868	3,072	3,684	4,260	4,752	114,720	131,040	147,360	163,840	176,960	190,080	203,200	216,160
Ouray		150%	2,688	2,880	3,453	3,993	4,455	107,550	122,850	138,150	153,600	165,900	178,200	190,500	202,650
Ouray		140%	2,509	2,688	3,223	3,727	4,158	100,380	114,660	128,940	143,360	154,840	166,320	177,800	189,140
Ouray		130%	2,330	2,496	2,993	3,461	3,861	93,210	106,470	119,730	133,120	143,780	154,440	165,100	175,630
Ouray		120%	2,151	2,304	2,763	3,195	3,564	86,040	98,280	110,520	122,880	132,720	142,560	152,400	162,120
Ouray		100%	1,792	1,920	2,302	2,662	2,970	71,700	81,900	92,100	102,400	110,600	118,800	127,000	135,100
Ouray		80%	1,434	1,536	1,842	2,130	2,376	57,360	65,520	73,680	81,920	88,480	95,040	101,600	108,080
Ouray		70%	1,254	1,344	1,611	1,863	2,079	50,190	57,330	64,470	71,680	77,420	83,160	88,900	94,570
Ouray		60%	1,075	1,152	1,381	1,597	1,782	43,020	49,140	55,260	61,440	66,360	71,280	76,200	81,060
Ouray		55%	985	1,056	1,266	1,464	1,633	39,435	45,045	50,655	56,320	60,830	65,340	69,850	74,305
Ouray		50%	896	960	1,151	1,331	1,485	35,850	40,950	46,050	51,200	55,300	59,400	63,500	67,550
Ouray		45%	806	864	1,036	1,198	1,336	32,265	36,855	41,445	46,080	49,770	53,460	57,150	60,795
Ouray		40%	717	768	921	1,065	1,188	28,680	32,760	36,840	40,960	44,240	47,520	50,800	54,040
Ouray		30%	537	576	690	798	891	21,510	24,570	27,630	30,720	33,180	35,640	38,100	40,530
Ouray		20%	358	384	460	532	594	14,340	16,380	18,420	20,480	22,120	23,760	25,400	27,020

AGENDA ITEM #4



To: Town of Ridgway Planning Commission
From: Angela Kemp, Senior Planner, Town of Ridgway
Date: February 14th, 2025

RE: Master Plan Review Work Session #1
Staff Memo for the February 19th Planning Commission Meeting

BACKGROUND

In 2024, the Town and Planning Commission identified priorities for 2025. A comprehensive review of the Master Plan that would lead to a future update was recognized as one of the priority areas. With new planning staff aboard, new development pressures, and new data available, this review will be an important step to ensure that the Master Plan reflects shared community goals and recognizes the changes that Ridgway has experienced since the adoption of the 2019 Master Plan.

The 2019 Master Plan explains:

Most communities revisit and update their comprehensive plan every five to seven years to ensure that it continues to meet the community's vision and goals for the future. The first Town of Ridgway Master Plan was adopted in 1999. Over time, the 1999 plan was replaced by a series of standalone Master Plan elements.

The standalone elements were utilized throughout the planning process, along with data analysis, community data collection through surveys, and robust public engagement efforts to create the 2019 Master Plan.

What is a Master Plan? A *Master Plan* or *Comprehensive Plan* is a guiding document for accomplishing community aspirations. It articulates goals and objectives and recommends actions that will help guide the community's future growth, development of land, public facilities and services improvements, and its environmental protection plans.

The 2019 Master Plan explains:

The Town of Ridgway Master Plan ("the Plan") is an officially adopted advisory document that outlines the community's vision and goals for the next ten to twenty years, and beyond. The Plan is comprehensive in nature—addressing issues related to land use, growth and development, community character, historic preservation, economic development and tourism, parks and open space, and other topics of importance to the community. The Plan establishes goals, policies, and actions to help achieve the community's vision. It also provides a blueprint for future growth within the Town of Ridgway and its defined boundaries that is implemented through the Town's zoning and subdivision regulations and other regulatory tools. Achieving the vision and goals outlined in the Plan will not occur overnight; rather, the Plan will be implemented incrementally



over time through day-to-day decision-making, and through the specific actions outlined in Part V.

Why Do we have a Master Plan? Ridgway has established a Master Plan to add parameters to its decision-making, to keep shared community values at the forefront of decisions that affect the community, and to consolidate and organize the many foundational plans and guidance reports that the Town has completed. The Master Plan is a vital document for the Town and it has had a significant impact on guiding the development of the town.

What is a Master Plan Review? A Master Plan review is the first step in ensuring the document is representative of the community and its goals as things change. It is an opportunity to evaluate the existing document and identify suitable updates. In this case, updates are not planned for 2025 but would become a priority in 2026.

The 2019 Mater Plan explains:

Plan Updates *Town staff should evaluate whether an update to the Master Plan is needed about every five years. Major updates may be triggered by the need to:*

- *Update key data points and re-evaluate trends related to demographics, housing, economic development, growth and development activity, and other important factors;*
- *Affirm the Master Plan’s vision, values, goals, and policies in total or regarding a particular topic or issue; and/or*
- *Re-evaluate the prioritization of implementation actions contained in the Action Plan.*

Any update to the Master Plan should include opportunities for involvement by the public, Town staff, elected and appointed officials, and other relevant or affected stakeholders. Depending on the amount of time that has passed since adoption of this Master Plan or any subsequent updates, the community profile or key data in the community profile should be made current as part of the update.

REVIEW PROCESS

Throughout the process of reviewing the 2019 Master Plan, we will seek to:

- 1) Identify Changes in the Community
- 2) Identify Plan Areas for Improvement
- 3) Identify Missing Plan Elements
- 4) Plan for Updates in 2026

There are a variety of process considerations that Planning staff have analyzed, each with Pros and Cons. This section contains the staff recommended process for accomplishing an efficient and comprehensive review of the 2019 Master Plan which involves these types of review coming together:



Individual Review:

Each Commissioner reviews the assigned portion and supplies comments to the Planner.

Planner’s Assessment:

The Planner identifies Master Plan areas that could use improvement, reviews current data against the data referenced, where applicable, and provides specialized knowledge of planning best practices and current trends to offer suggestions.

Group Review:

Planner combines Individual Review and Planner’s Assessment to present to the Planning Commission for discussion.

Staff recommends that the contents of the 2019 Master Plan are reviewed in manageable portions throughout the month in-between regular Planning Commission meetings from now through the Spring of 2025. The process would offer concurrent individual review by Commissioners and a Planner’s Assessment of the assigned review portion. Commissioners would be responsible for sending their notes, sharing their thoughts, and providing as much feedback as possible to the Planner ahead of the next month’s regular meeting. Planning staff will provide their perspective on each assigned portion of the review and bring it all together for a group review opportunity. A potential timeline is presented below, but is subject to change based on discussion at the February 19th Meeting and Planning staff’s workload:

Individual Review Comments to Planner Deadline:	Group Review at the Regular Meeting of:	Assigned Review Portion of the 2019 Master Plan:
March 5 th	March 19 th	Part I: Introduction (9 pages) Appendix Section: Community Profile (72 pages)
April 1 st	April 16 th	Part II: Community Vision and Values (7 pages) Part III: Goals & Policies (32 pages) Part IV: Growth Framework (12 pages)
May 6 th	May 21 st	Part V: Action Plan (20 pages) TBD Appendices
June 3 rd	June 18 th	Topic: Plan for Updates in 2026

ATTACHMENTS:

1. Table of Contents of the 2019 Town of Ridgway Master Plan

TABLE OF CONTENTS

- PART I: INTRODUCTION 1**
 - About Ridgway..... 2
 - About the Master Plan..... 4
 - About The Process..... 7
- PART II: COMMUNITY VISION & VALUES 10**
 - Community Vision 12
 - Community Values 13
- PART III: GOALS & POLICIES 18**
 - Community Value 1: Healthy Natural Environment 20
 - Community Value 2: Sense of Community & Inclusivity..... 26
 - Community Value 3: Small Town Character & Identity 32
 - Community Value 4: Vibrant & Balanced Economy 40
 - Community Value 5: Well-Managed Growth 43
- PART IV: GROWTH FRAMEWORK..... 50**
 - Future Land Use Map 62
- PART V: ACTION PLAN 64**
 - Implementation Actions..... 66
 - Community Value 1: Healthy Natural Environment 68
 - Community Value 2: Sense of Community & Inclusivity..... 72
 - Community Value 3: Small Town Character & Identity 77
 - Community Value 4: Vibrant & Balanced Economy 82
 - Community Value 5: Well-Managed Growth 84

APPENDICES

- Community Profile
- Community Survey Results – September 2018
- Community Event Summary – September 27, 2018
- Vision and Goals Survey Summary – February 07, 2019
- Community Event Summary – February 27, 2019
- Draft Plan Survey Summary – March 28, 2019

AGENDA ITEM #5