

**RIDGWAY PLANNING COMMISSION
REGULAR MEETING AGENDA**

Tuesday, January 7th, 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/89359272161?pwd=ynfTPmxYYIbWMIRUBh2A7CsRF8Rmcn.1>

Meeting ID: 893 5927 2161
Passcode: 345254

*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

WORK SESSIONS:

1. Affordable Housing Work Session. Discussion about potential language for the Ridgway Municipal Code Section 7-7 regarding Affordable Housing.
2. Short-Term Rental Work Session. Discussion about potential Amendments to the Ridgway Municipal Code Section 7-4-6(N) and Section 8-5 regarding Short-Term Rentals.

APPROVAL OF MINUTES:

3. Minutes from the Regular Meeting of November 26th, 2024

OTHER BUSINESS:

4. Planning Commission Schedule for 2025
5. Updates from Planning Commission members

ADJOURNMENT

AGENDA ITEM #1



To: Town of Ridgway Planning Commission
From: Angela Kemp, Senior Planner, Town of Ridgway
Date: January 7, 2025

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

BACKGROUND

In 2023, the Town of Ridgway Planning Commission identified planning projects to prioritize for 2024. Updates to the Ridgway Municipal Code (RMC) Section 7-7 pertaining to Affordable Housing was identified as one of the priorities. As we enter 2025, the goals identified in 2023 have been carried over as we continue to design and implement a robust affordable housing program, starting with the addition of Community Housing requirements in the RMC under Section 7-7 AFFORDABLE HOUSING as our Town's version of an Inclusionary Zoning Ordinance.

2024 Affordable Housing Planning To-Date:

January 30 th Regular Meeting of the PC Memo dated May 24 th	Presentation, introducing 2024 Planning Projects, Community Planning Strategies (CPS) Memo on Affordable Housing Research, CPS
May 28 th Regular Meeting of the PC	Presentation on Affordable Housing Research, CPS
August 27 th Regular Meeting of the PC	Affordable Housing Update: Mitigation and Calculation, CPS
September 24 th Regular Meeting of the PC	Affordable Housing Discussion, CPS
October 29 th Regular Meeting of the PC	Affordable Housing Discussion
November 26 th Regular Meeting of the PC	Affordable Housing Work Session Part One: to establish a baseline understanding, define strategies, and review policies of peer communities.



At the November 26th regular meeting of the Planning Commission, staff and the Planning Commission worked to establish a shared baseline understanding of the terms, concepts, strategies, and policies related to planning for affordable housing in the community. Staff gave peer community examples and shared recent data for the Town of Ridgway. Following that meeting, staff was directed to draft initial code language for the RMC Section 7-7 AFFORDABLE HOUSING for the Planning Commission to react to and discuss at their next meeting.

PURPOSE

The attached Draft Code language for RMC Section 7-7 AFFORDABLE HOUSING and accompanying Draft of *The Town of Ridgway Community Housing Guidelines* (“The Guidelines”) establish a tangible starting point for Ridgway’s Community Housing program while offering flexible means of compliance plus incentives for projects that voluntarily exceed the requirements. The drafts attempt to respond to the needs of the community based on the best data we have available at this time.

The drafts are intended to spark discussion about the various ways in which a Community Housing program can be designed, administered, and implemented. Any potential policy to be adopted should involve significant public outreach and engagement and allow for adequate response time from stakeholders such as the development community, real estate professionals, and neighboring jurisdictions.

CODE VS. GUIDELINES

Two documents come together to support the Town in its efforts to support the development of affordable housing. The code and guidelines are a tool for administering Affordable Housing Regulations. To simplify the codified language to be easily understood, widely applicable, and focused on the mandatory parts of the Community Housing program we created a separate complementary document called the *Community Housing Guidelines*. The Guidelines are a reference document to explain nuances within the program. The Guidelines:

- elaborate on topics like income limits and affordability, design and location standards, rental, purchase and sale of Community Housing;
- explain the incentives that could be available to projects meeting criteria that exceeds the mandatory requirements;
- contain templates for deed restrictions; and
- are designed to be updated annually whenever HUD or CHFA update their AMI chart for the year.



PROGRAM DESIGN

The below graphic, based on one from [InclusionaryHousing.org](https://inclusionaryhousing.org), can help illustrate the variety of program components that can be considered as part of a robust Community Housing Program. The following subsections discuss, in more detail, the direction that the draft RMC Section 7-7 and accompanying Guidelines take.



Based on a graphic from: <https://inclusionaryhousing.org/designing-a-policy/>

Program Structure:

Residential vs. Commercial: Market-rate residential development is the most common type of development in Ridgway now so we are prioritizing this as the type of development that should assist in creating affordable housing. We want to use our authority as a local government under House Bill (HB) 21-1117 to adopt an Inclusionary Housing policy. We use the terminology "Community Housing" which represents housing that is affordable to a middle-income portion of the population we are hoping to better serve. This population group and the housing that serves them are not eligible for traditional subsidies, yet they make up an important portion of our local workforce.



Mandatory vs. Voluntary: The program’s structure contains elements of mandatory compliance (10% dedicated for “Community Housing”) with opportunities and incentives for voluntarily exceeding the requirements or providing deeper levels of affordability.

Requirements:

There are requirements around the deed-restriction, the processes of renting, purchasing, and selling Community Housing, and the design (including size and amenities) and location of the unit to ensure it is integrated into market-rate housing developments seamlessly and it meets the needs of residents.

Community Housing units must be deed-restricted to be for rent or sale to eligible residents only.

Eligible residents must:

- be an employee of a Local Business as defined herein who lives in Ouray County and works a minimum of 1,560 hours per calendar year; an employee of a Local Business who worked 1,560 hours per calendar year for the four years immediately prior to their retirement;
- occupy the affordable housing unit as their primary residence;
- live in the unit for a minimum of nine out of any 12 consecutive months; and
- not own developed residential property in Ouray County.

Additionally, for the continued affordability of Community Housing units:

- No short-term rental is allowed;
- For-sale units are capped at 3% appreciation and have requirements for their first sale price;
- For-sale units will be affordable to those households earning 140% or less of the Area Median Income (AMI); and
- For-rent units will be affordable to those household with earnings at 100% or less of the Area Median Income (AMI).

Applicability:

Geographic Area: Town Limits. The target geographic area is the entirety of the Town.

Tenure Type and Unit Mix: For-sale and for-rental tenure for Community Housing units must align with the development’s unit mix. A timeline for the



provision of Community Housing units is established so that before any of the free-market units are granted Certificates of Occupancy (CO) for up to 50% of the total units, that 80% of the total affordable deed-restricted units receive their CO. Before the remaining free-market units are eligible for CO or Temporary Certificate of Occupancy (TCO), 100% of the affordable and Community Housing units receive their CO.

Project Size Threshold: Applications for condominium plats of any size; townhome subdivisions; and minor and major subdivision, as well as multi-family residential rental projects including additions and conversions that result in three (3) or more units are required to provide at least ten percent (10%) of the total number of new residential dwelling units or lots as deed-restricted affordable dwelling units for “Community Housing”. Planned Unit Developments have stricter requirements in accordance with the RMC Section 7-6 Planned Unit Development (PUD). Annexations will be required to enter into an Annexation Agreement which may result in an excess of 10% of the future development to be dedicated to affordable housing.

Compliance:

General Compliance:

Provide a Community Housing Plan discussing how the calculated number of units within the same development will be provided so that they are integrated, of the same quality, have a recorded deed restriction that satisfied Town Requirements. Build/develop to that plan. If exempt, provide an exemption letter.

Alternative Compliance:

Provide a Community Housing Plan discussing how your development will become compliant through the following actions:

- Provide the Required Housing Off-Site.
- Dedicate Land Within the Project.
- Provide Lots In Lieu.
- Provide In-Lieu Fee.



Calculation of Fee In-Lieu: In theory, the in-lieu fee should be similar to the cost of producing a unit on site. There are several common methods for making this calculation, explored below; The affordability gap method; The production cost method; Indexed fees based on project characteristics.

- 1) The affordability gap method is a widely used method to calculate fee in lieu for projects based on the difference between the cost of developing a comparable affordable unit and the income generated by an affordable unit.
- 2) The production cost method may be an appropriate means for calculating fee in-lieu for Ridgway, this is the method chosen and described in the guidelines document. It requires the developer to assign a projected cost to the project, and to pay the fee-in lieu that matches closely with the total project costs. In theory, this method will calculate higher fee amounts for high-end market rate development while allowing developers to make economical choices with finishes to save project cost, potentially making it more desirable to build to more modest standards.
- 3) Indexed fees based on project characteristics like density of the project, location of the project, or whether the project meets other local priorities. With these formulas, the in-lieu fee is the product of a square foot charge and the gross floor area. In contrast to other methods that set fees on a per unit basis, this method uses a per project calculation.

Source: Shroyer, 2020, *Determining In-Lieu Fees in Inclusionary Zoning Policies: Considerations for Local Governments*

Incentives:

Incentives are contained in the Guidelines and only apply to those projects which voluntarily exceed the requirements for providing deed-restricted affordable housing. Incentives need to be applied for by the developer, and the developer is responsible for making their case to the Planning Commission about why their project should be eligible and which incentives are appropriate. Incentives include:

- Increased Development Potential;
- Landscaping Regulation Flexibility;
- Town Fee Deferment, Reduction, or Waiver; and
- Expedited Processing.



CONCLUSION

The drafts presented with this Memo take an incremental approach to Inclusionary Housing requirements for our community to provide “Community Housing”. There are further considerations that could be part of our discussion at this early stage but may not be realistic to wrap into the first adopted policy. For example, additional means of compliance could be considered, additional incentives could be offered, renter/owner eligibility could be tweaked, and we could consider applying this to commercial and industrial development based on employees generated or gross floor area. Without clear assignment of duties for administration of the program, it may be best to keep the policy and guidelines as simple as possible at this early stage, target the most likely form of development (market-rate housing) and allowing eligibility to encompass a larger population by sourcing from Ouray County’s employee and retiree pool rather than just the Town of Ridgway’s.

Successful adoption and implementation of a “Community Housing” policy for Ridgway is dependent on adequate public outreach. At the next stage of the Planning Commission’s consideration for the RMC Section 7-7 and Guidelines there should be a targeted effort to reach the public, stakeholders, neighboring jurisdictions, and other entities working in the Affordable Housing and Inclusionary Zoning space.

These drafts have not been reviewed by the Town Attorney at this stage, but that should occur ahead of our public outreach efforts.

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



December 27, 2024

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 Town ordinance or the Ridgway Municipal Code (RMC) contains any restrictions or regulations covering the same subject matter, the restriction or regulation which is more restrictive or that imposes a higher standard or 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) The Community Housing Guidelines, "Guidelines" complement this Code section and provide more detailed guidance for development, rental, and sale of affordable housing. In case of conflict between The Community Housing Guidelines and this section, this section shall prevail.



- (2) The Town Manager or their designee of the Town of Ridgway shall publish the Community Housing Guidelines for the development and management of affordable housing including the provision of incentives to developers.

7-7-2- PERFORMANCE STANDARDS.

(A) Applicability.

- (1) Any application brought under the planned unit development (PUD) sections 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 increase the required number of units of Affordable Housing, including Community Housing; and
- (3) Applications for condominium plats of any size; townhome subdivisions; and minor and major subdivision require Plat notes and restrictive covenant specifying the intended number of units, 10% of which must be designated as “Community Housing” subject to the standards of this Code.
- (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 percent (10%) 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 project (LIHTC) 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. For example, if the project includes all for-sale units, then all of the required affordable units shall



be for-sale units. If the project includes half for-sale units and half for-rental units, that same percentage of for-sale and for-rental affordable units shall be provided.

(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 a program 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 qualify to be considered 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. 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
20-29	Same amount plus two +2
30-39	Same amount plus three +3
40-49	Same amount plus four +4



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 of Ridgway shall submit a Community Housing Plan or statement of exemption to the Town of Ridgway for approval.
- (2) The Community Housing Plan, the “Plan” shall be submitted to and approved by the Town of Ridgway prior to, or concurrent with, application to the Town of Ridgway for the market-rate portion of the initial development plan. The decision-making body responsible for furnishing a decision will shall certify its approval, approval with conditions, or denial of the Community Housing Plan. Such approval, approval with conditions, or denial 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 Manager or their designee, Planning Commission, or Town Council, whichever approved the initial Plan.

(B) Methods to Achieve Compliance.

- (1) Provide all required Community Housing units on-site.
- (2) At the discretion of the Town Council, alternative compliance may be requested by the applicant. 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 of Ridgway 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 or existing units to be acquired is at least 15% greater than the number required.



(iii) The units to be built off site exceed amenities not required but desired, and/or offer energy efficiency/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 project 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 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 of the Town of Ridgway, the developer may dedicate an equal number of lots to the Town of Ridgway. The lots may be off site but within the municipal boundaries of the Town of Ridgway provided that the conditions stipulated in 7-7-2(C) 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 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 percent (80%) or less of the AMI for Ouray County is an option. For the purposes of this option, an affordable rental unit at eighty percent (80%) AMI or less shall equal one and one-quarter (1.25) Community Housing units at any other AMI level specified in Sections 7-7-2 and as defined in the Guidelines.



(i) If an in-lieu fee is permitted and chosen for all or part of the Community Housing required for the project, the applicable fee shall be calculated 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. No building permit shall be issued until one-half ($\frac{1}{2}$) of the in-lieu fee required has been paid. The remaining half of the in-lieu fee shall be paid prior to issuance of the certificate of occupancy.

(ii) 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, and where applicable, shall be based upon the cost to develop the market-rate units in the same development in Ridgway.

DRAFT

Town of Ridgway

Community Housing Guidelines

Adoption

Amendments

TOC

Purpose:

The purpose of The Town of Ridgway Community Housing Guidelines “Guidelines” and Ridgway Municipal Code (RMC) Section 7-7 AFFORDABLE HOUSING “Affordable Housing Regulations” is to 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.

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 an Affordable 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:

[IN PROCESS]

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 individuals 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.

"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)

"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. Deed restriction templates are included in the Guidelines.

"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, or financial contribution to the housing fund, as a requirement for development approval.

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

"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.

Affordability:

Purchase Price

- a) Any owner of a restricted unit shall maintain their sole residence and abode in Ouray County, Colorado, or provide written intent of their desire and intent to do so within 21 days of purchasing the restricted unit;
- b) At the time of purchase of a restricted unit, including the original property transfer and all subsequent resales and transfers of property, at least one person in the household shall earn the majority of their income in Ouray County, or from an employer based in Ouray County;
- c) An appreciation cap of no more than 3% per year shall be required as part of the deed restriction. The original sale price must be established within the deed restriction;
- d) 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.
- e) No short-term rentals shall be permitted for the restricted units.
- f) Provisions regarding long-term rental will be defined in the Deed Restriction.

Rental Rates

- a) Any renter of a restricted unit shall maintain their sole residence and abode in Ouray County, Colorado, or provide written intent of their desire and intent to do so within 21 days of applying for rental of the restricted unit;
- b) At the time of rental, at least one person in the household shall earn the majority of their income in Ouray County, or from an employer based in Ouray County;
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;

- c) No short-term rentals shall be permitted for the restricted units.

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.

Eligibility of Residents:

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

- a) be an employee of a Local Business as defined herein who lives in Ouray County and works a minimum of 1,560 hours per calendar year; an employee of a Local Business who worked 1,560 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 out of any 12 consecutive months; and
- d) not own developed residential property in Ouray County.

Applicants for affordable 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 an Affordable 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.)

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.

If the criteria 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. Parking usage patterns can be considered when determining the amount of parking required;
- (b) A density bonus allowing an increase in the density of allowable square footage and/or units of both market-rate and Community Housing; and/or
- (c) A possible increase in the allowable height of buildings provided that view corridors are not obstructed.

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."
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.

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.

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 hereby restricts the ownership, use and occupancy of the following: ("Deed Restricted Units") to the terms, conditions, restrictions and requirements provided for in this Section, which shall run in perpetuity and not expire and shall 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 is granted and conveyed the right to enforce compliance with these restrictions that are applicable to the Deed Restricted Unit. The Deed Restricted Unit shall be owned and occupied by persons who qualify with the terms and conditions of these restrictions. The Preliminary Plat for the Project further references those Units in the Project that are designated as Deed Restricted Units. The Parties may mutually agree to amend this Development Agreement to modify the Units which are being designated as a Deed Restricted Unit without the need to amend the Preliminary or Final Plat.

On the day of application, the prospective owner(s) of a Deed Restricted Unit shall maintain their sole residence and abode in Ouray County, Colorado, or provide written intent of their desire and intent to do so within 30 days of purchasing the Deed Restricted Unit. Proof of this intent must be presented to the Town in advance of any transfer of property, including the original property transfer and all subsequent resale and transfer of property. Proof shall include written documentation verifying residency within Ouray County, or residency within 30 days of application.

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 earn the majority of their income in Ouray County or from an employer based in Ouray County. This occupancy limitation and requirement may include at least one person in the household that is retired but previously earned the majority of their income in Ouray County or from an employer 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 this 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.

The foregoing notwithstanding, 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 than 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 shall be read to require the Property Owner to lose money in connection with the sale of the Deed Restricted Unit by establishing an initial maximum sales price which causes the Property Owner to lose money in the construction and sales 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 is in compliance with 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 these 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 this Agreement and applicable note included in the Final Plat, as amended from time to time.

Deed Restriction Templates

Ownership

[IN PROCESS]

Rental

[IN PROCESS]

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 or Housing Authority 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.

Renters:

1. Any renter of a restricted unit shall maintain their sole residence and abode in Ouray County, Colorado, or provide written intent to do so within 21 days of applying for rental of the restricted unit;
2. At the time of rental, at least one person in the household shall earn the majority of their income in Ouray County, or from an employer based in Ouray County;
3. 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; and
4. No short-term rentals shall be permitted for the restricted units.

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.

Attached:
AMI CHART FOR OURAY COUNTY (2024)



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 #2



To: Town of Ridgway Planning Commission
Cc: Preston Neill, *Ridgway Town Manager*
TJ Dlubac, AICP, *CPS* & Max Garcia, AICP, *CPS*
From: Angela Kemp, AICP
Date: January 3rd, 2025
Subject: Proposed Short-Term Rental Regulations for the January 7th Planning Commission Meeting.

BACKGROUND

Community Planning Strategies (CPS) and the Town of Ridgway Planning Commission kicked off the 2024 Land Development Code Update project in January of 2024; at CPS was directed to broadly research Accessory Dwelling Unit (ADU) regulations and bring that research back to Planning Commission. The discussion at the Planning Commission and Town Council level clarified the intent behind the promotion and allowance of ADUs within the Town and identified priorities relating to the Short-term rental (STR) of these types of units. The Modifications to Section 7-4-6(A) of the Ridgway Municipal Code (RMC) were adopted in late 2024 based on the best practices research. The modifications have some overlap with Section 7-4-6(N) Short-Term Rental Regulations of the RMC and Section 8-5 regarding licensing Short-term Rentals. This adoption of Ordinance No. 03-2024 updating Section 7-4-6(A) of the RMC prompted a review and recommendation for modification of sections 7-4-6(N) & 8-5 of the Code, as discussed below.

PROPOSED TIMELINE

January 7, 2025	<i>Project kickoff with Planning Commission.</i>
January 28, 2025	<i>Potential Planning Commission Public Hearing on the Ordinance and STR Code Updates for Recommendation to Town Council.</i>
February 12, 2025	<i>Potential Introduction of the Ordinance at Town Council.</i>
March 12, 2025	<i>Potential Second Reading and Adoption at Town Council.</i>

PROPOSED UPDATES AND ANALYSIS

Below is a summary of the staff recommended updates to the Code for better alignment with the ADU Regulations and the topics offered during the public hearings related to that code update that affect Short-Term Rental Regulation and/or STR Licensing.

- a) Reorganized the STR Regulations and Licensing to add clarity between the two portions of the Code discussing the same topic.
 - 1) *Performance Standards for Short-Term Rentals* 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.

- 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 other zones (other than DS, GC, HB) so that it is clear whether there are separate structures on a property or there 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) 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.
- e) Added a distinction between "room" and "bedroom" in (8-5-1(C)).
- f) 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.
- 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.

ATTACHMENTS:

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

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)(H)~~ 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 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 Short-Term Rental License and its corresponding number shall be prominently displayed in all advertising 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 room 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 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 shall review and act upon all Short-Term Rental License applications without hearing.
 - (C) The Town Manager 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 leased or used to 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.-



Short-Term Rental License Application

Town Clerk's Department
970.626.5308 x213

The following fees are due when filing this application with the Clerk's Department. Full fees are due regardless of when the application is filed.

Licenses expire every other year on December 31.

- New License \$400
- Renewal License \$400 License # _____
- New License for owner occupied, only renting 1 bedroom \$300
- Renewal License for owner occupied, only renting 1 bedroom \$300 License # _____

Applicant, Property Owner

Name: _____

Mailing Address: _____

Phone Number: _____ Email Address: _____

Owner's Agent (if applicable)

Name: _____

Physical Address: _____

Phone Number: _____ Email Address: _____

Short-Term Rental Information

Physical address of proposed short-term rental: _____

Unit # _____ Zoning district: _____ Subdivision, lot: _____



What structure type will the short-term rental be in?

- single-family house duplex multi-family building
- accessory dwelling unit mixed-use building

attached or detached

Will the full residential unit be rented? Yes No

If no, what portion of the residential unit will be rented:

Is the short-term rental in the DS, HB, or GC zoning district?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If yes, does the building containing the proposed short-term rental have 5 or fewer short-term rentals?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Is the short-term rental within a duplex?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If yes, ...	Yes <input type="checkbox"/> No <input type="checkbox"/>
Are both units owned by a single owner?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Is one unit occupied by the owner?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Is the short-term rental in an accessory dwelling unit?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If yes, ...	
Have you paid applicable tap fees as required by the Municipal Code? <i>Please note that tap fees will NOT be refunded with any subsequent change in use. Also, you will be charged 100% of monthly utility bills (water, sewer, trash, recycling) for the short-term rental.</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Is the property a minimum of 6,000 square feet?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Does the dwelling unit have 5 or less bedrooms or accommodate 10 or less people over the age of 18?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Does the property have 2 off-street parking spaces plus additional spaces necessary to accommodate the tenant's vehicle off street?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Will the property provide adequate trash and recycle containers and information on placement for collection in the short-term rental unit?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If applicable, will the Owner's Agent be available within 20 minutes to manage the property during any periods the unit is rented?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
Did you notify your HOA that you intend to use your property as a short-term rental?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
Do you have the following on the premise?	
<input type="checkbox"/> working fire extinguisher <input type="checkbox"/> working carbon monoxide detector <input type="checkbox"/> working smoke alarms	
<input type="checkbox"/> property address(es) and emergency contact info posted on-site, including address signage.	
<input type="checkbox"/> information folder with owner's info, agent info, trash and recycling info	



AFFIRMATION BY PROPERTY OWNER

I understand that I am required to remit all applicable sales and lodging taxes monthly to the Town of Ridgway. If none were collected in any given month, I am required to file monthly remittance forms to the Town showing no sales and lodging taxes were collected.

_____ owner initials

I understand that all advertisement associated with this short-term rental will prominently display any license number issued with the approved permit application.

_____ owner initials

I understand the Town of Ridgway will inspect my property for health, safety and welfare requirements with the approval of this license and any subsequent renewals.

_____ owner initials

I understand that I am required to comply with Sections 7-4-6 and 8-5 of the Ridgway Municipal Code as well as all other regulations set forth in the Ridgway Municipal Code.

_____ owner initials

I understand that any violations are subject to enforcement action including revocation of this short-term rental license, sales tax license and other applicable provisions for enforcement.

_____ owner initials

I understand that I am required to notify the Town of Ridgway if I choose to no longer operate my short-term rental and choose to release my license.

_____ owner initials

I understand the Town of Ridgway, Colorado accepts no legal liability in connection with the approval and subsequent operation of the applied for short-term rental. I hereby release the Town of Ridgway, Colorado, its employees, representatives, agents and elected or appointed officials from any and all liability in connection with the proposed approval and subsequent operation of the applied for short-term rental.

_____ owner initials

APPLICATION HAS BEEN EXAMINED BY ME; THAT ALL OF THE INFORMATION CONTAINED IN THIS APPLICATION AND ALL ATTACHMENTS ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF. I AM AWARE OF, AND FULLY UNDERSTAND THE TOWN OF RIDGWAY REGULATIONS REGARDING SHORT-TERM RENTALS.

Property Owner's Signature: _____ Date: _____

Printed Name: _____



Please note: Applicant has 14-days after being notified by the Town of missing or incomplete application information or documents, to submit the requested information. Failure to provide this information within required timeframe will cause the application to be denied.

Additional Documents to be Submitted with Application

___ Copy of sales tax license. If you do not yet have a sale tax license in the Town of Ridgway, you can apply for one online: <https://ridgway.munirevs.com/>

___ Copy of recorded deed to premises, executed lease for the premise, or other proof of property ownership.

RIDGWAY TOWN HALL USE ONLY

Date & Time Application Received: _____ By: _____

Payment Date: _____ Amount Received: _____ By: _____

Tap Fees Due: _____ Amount Received: _____ By: _____

STR Premises Inspected by _____ on _____, _____

Inspection Approved Inspection Denied

STR License Approved, Date: _____

STR License Denied, Date: _____

STR License No: _____ Town Sales Tax No: _____

Notes:



AGENDA ITEM #3

PLANNING COMMISSION
MINUTES OF THE REGULAR MEETING
NOVEMBER 26, 2024

CALL TO ORDER

The Planning Commission convened both in-person at 201 N. Railroad Street, Ridgway, Colorado and via Zoom Meeting, a virtual meeting platform, pursuant to the Town's Electronic Participation Policy.

The Chairperson called the meeting to order at 5:30 p.m. Commissioners Foyster, Liske, Nelson, Petruccelli, Mayor Clark, Mayor Pro Tem Meyer and Chairperson Montague were in attendance.

PUBLIC HEARING

1. Ordinance No. 03-2024 Amending Ridgway Municipal Code (RMC) Section 7-4 "Zoning Regulations" Relating to Accessory Dwelling Units (ADU).

Staff Report and Power Point presentation dated November 22, 2024, providing background, analysis and recommendation; prepared by TJ Dlubac, AICP and Max Garcia, AICP of Community Planning Strategies, LLC.

TJ Dlubac reviewed the progression of the accessory dwelling unit project from January 2024 to current. He provided a comprehensive summary of the changes in each section of the Code for General Provisions, Dimensional/Design Standards, Incentives, Ownership/Occupancy, and Utilities, noting the language has been clarified for consistency throughout the Code.

Dlubac explained that structures used as short-term rentals (STR) are regulated separately from accessory dwelling units and the language for structures that are short term rentals in RMC Section 8-5 should be reconciled with the language in RMC Section 7. The Planner recommended approval of the Ordinance with the addition of the following language added to the motion; "Section 7-4-6(A)(4-B) be amended to add the phrase *unless the short-term rental license was issued prior to the effective date of this Ordinance and remains in good standing.*"

The Planning Commission discussed the proposed Ordinance with the Planner.

Chairperson Montague noted the Commissioners read the electronic version of the public comment letters prior to the meeting and opened the hearing for public comment.

Thomas Griffith asked if property owners can rent a single-family home as a STR structure while living in the ADU on the same property.

Chris Bolane explained how his short-term rented ADU helps him to maintain employment with the Town, and as a result can volunteer as a firefighter in the Ridgway Fire Protection District. Bolane stated he supports enforcement for absentee homeowners with illegal STR structures.

Marjorie Phelps shared that her STR structure makes it affordable to live in Ridgway, shop locally, enjoy local amenities, reinvest in Ridgway and noted she previously held 3 jobs to make

ends meet. Phelps said ADUs are not a solution for affordable housing for families and the STR regulations should benefit residents and not assist investors.

Terese Seal said ADUs are not sustainable for long-term renting. She agreed with the owner-occupancy requirement because property owners that do not live in Ridgway with an STR structure are only profiting from the community. She said the grandfathering of existing ADUs into the proposed code amendment while not providing any opportunity for future residents to rent an ADU is not fair.

Shannon Weinberg said the problem in Ridgway with STRs is not the ADUs but the absentee property owners that lease single-family structures. Weinberg commented that the long-term rent advertised for ADUs in this area is not affordable and ADUs are the least affordable option. She also noted that she would not be able to afford the mortgage on her home without the STR income.

Nicki Castagneto spoke on how STR income can benefit young families that want to live in Ridgway and spoke in favor of the owner occupancy requirement.

Chairperson Montague closed the hearing for public comment.

The Planning Commission deliberated. There was consensus that single-family structures and ADUs can be used as short-term rentals as long as one of the structures on the property is owner-occupied. They also agreed the definition of owner-occupancy must be updated. Planner Dlubac will amend the code in Section 7-4-6(A)(4-B) to read as follows: *An ADU shall only be used as a short-term rental structure provided it complies with all provisions in Sections 7-4-6(N) Short-Term Rental Regulations, and Section 8-5 Short-Term Rentals.*

ACTION:

Mayor Pro Tem Meyer moved to recommend approval to the Town Council Ordinance No. 03-2024, an Ordinance Of The Town Of Ridgway, Colorado, Amending Section 7-4 "Zoning Regulations" Of The Ridgway Municipal Code Regarding Accessory Dwelling Units, finding that the criteria set forth in RMC Section 7-4-3(D)(3) have been met. The Ridgway Municipal Code Section 7-4-6(A)(4-B) shall be amended as follows: An ADU shall only be used as a short-term rental structure provided it complies with all provisions in Section 7-4-6(N) Short-Term Rental Regulations, and Section 8-5 Short-Term Rentals. Commissioner Petruccelli seconded the motion, and it was unanimously passed on a roll call vote.

WORK SESSION

2. Discussion Regarding Proposed Amendments to RMC Section 7-7 for Affordable Housing.

Memorandum dated November 22, 2024, providing peer review, and strategies for affordable housing, prepared by Angela Kemp, Senior Planner.

Planner Kemp provided an in-service to the Commissioners about concepts and strategies for affordable housing. The in-service included common definitions and terms, examples of what peer communities are doing for affordable housing, noted accomplishments to date for the Town and strategies to consider for future affordable housing programs. Kemp included a link to the Virtual Summit for the Inclusionary Zoning Panel Discussion webinar held in Chaffee County. She asked

the Commissioners to review the webinar for discussion at the December Regular Meeting, noting that inclusionary zoning must also be paired with incentives and multiple ways to provide the incentives.

The Planning Commission asked questions and received clarification throughout the presentation.

APPROVAL OF THE MINUTES

3. Approval of the Minutes from the Meeting of October 29, 2024

ACTION:

Commissioner Liske moved to approve the Minutes from October 29, 2024. Mayor Clerk seconded the motion, and it was carried unanimously on a roll call vote.

OTHER BUSINESS

4. Updates from Planning Commission Members

The Commissioners agreed that the December Regular Meeting should be rescheduled from December 31, 2024 to January 7, 2025.

ADJOURNMENT

The meeting was adjourned at 7:50 p.m.

Respectfully submitted,

Karen Christian
Deputy Clerk

AGENDA ITEM #4

AGENDA ITEM #5