

**Ridgway Workforce & Affordable Housing Committee  
Meeting Agenda  
Wednesday, May 8, 2024**

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/81623693648?pwd=N09qeHM5YXR0cGIURHIUVDhoNkdjUT09>

Meeting ID: 816 2369 3648

Passcode: 842705

Dial by your location

+1 346 248 7799 US

+1 253 215 8782 US

**5:30 p.m.**

**ROLL CALL** Polly Kroger, Kevin Grambley, Beth Lakin, Terry Schuyler, Josey Scoville, Russ Meyer and John Clark

**ACTION ITEM**

1. Resolution No. 24-01 Adopting a Policy Addendum Solar System Costs to use in the Administration of Rural Homes: For Sale, For Locals Affordable Housing Regulations and Guidelines Ridgway Wetterhorn Homes

**DISCUSSION ITEM**

2. Update regarding housing units and compliance

**ADJOURNMENT**



## MEMORANDUM

**To:** Ridgway Workforce & Housing Committee, Town of Ridgway  
**From:** Jim Kolnik and Ross Valdez, Impact Development Services  
**Cc:** Paul Major and Lois Major, Rural Homes, LLC  
**Date:** April 11, 2024  
**Meeting Date:** May 8, 2024  
**Re:** Solar Panel Policy Addendum / Housing Unit Update / Compliance Update  
**Attachments:** Solar System Policy Resolution and Addendum

---

### Definitions

**§1.9 Permitted Capital Improvement** - a Capital Improvement is any fixture, construction or installation that is erected, constructed, or installed as a permanent improvement to real property or non-recurring expenses for physical improvements that provide a long-term upgrade or improvement to the Housing Unit, not to include ordinary repair and maintenance. A Permitted Capital Improvement is a Capital Improvement that has been approved by HA prior to erection and shall NOT include luxury items, upgrades for esthetic or personal preference, landscaping, or cost associated with ordinary repair, replacement, and maintenance. For example, installing a stained-glass window in place of a functioning clear glass window would be considered a luxury item.

**§1.56 Maximum Sale Prices (MSP)** - the maximum purchase price that can be paid by any purchaser of a Housing Unit. The MSP is not a guaranteed price, but merely the highest price an Owner may obtain for the sale of a Housing Unit. The Owner's MSP is determined as defined in Sections 5.8 and 8.2.3 and according to the Covenant covering the Housing Unit.

**§ 1.63 Original Purchase Price (OPP)** - the sale price for a Housing Unit that is recorded at the time the Covenant for the Housing Unit is executed and recorded in the County Clerk and Recorder's Office.

### Request

Adopt the policy addendum on the Solar System so that owners and purchasers are treated fairly and consistently over time.

### Background

The housing units in the Ridgway Wetterhorn housing developments included pre-installed photovoltaic rooftop solar systems (Solar System). The cost of the Solar System was in addition to the original base sales price (OPP) of the home.

The Solar System cost was either paid by the buyer at the time of the purchase or financed through Tariff On-Bill Financing (TOBF) provided by Colorado Clean Energy Fund, through a surcharge on the home



200 E. 7<sup>th</sup> Street, Suite 412  
Loveland, CO 80537  
Tel: 970-541-2617  
E-mail: [lottery@impactdf.org](mailto:lottery@impactdf.org)  
Web: [impactdf.org/impactdevelopmentservices](http://impactdf.org/impactdevelopmentservices)

utility bill. In both cases the homeowner owns the system. The system provides electricity to the home, reducing the utility costs to the homeowner.

The Solar System cost approximately \$13,000 and should last 20 years.

The RURAL HOMES: FOR SALE, FOR LOCALS, DEED RESTRICTION and COVENANT, RIDGWAY WETTERHORN HOMES, Ouray County Affordable Housing, Ownership, Occupancy and Resale (“Covenant”) has sections that deals with maximum sales price (§7.3) and capital improvements (§7.3.3). Capital Improvements are limited to 10% of the OPP.

### **Discussion**

There is no opt-out provision to the installation of the Solar System. Accordingly, there needs to be a policy that provides a fair and consistent approach for the seller of a home on how the Solar Systems costs should be treated regarding (1) Capital Improvements under the Covenant and (2) how, if at all it should be included in the Maximum Sales Price (MSP). The policy is based upon the following premises:

- 1) The cost of the Solar System should be classified as a permitted and approved Capital Improvement under Covenant §7.3.3, however it should be exempt from the homeowner 10% Capital Improvement cap.
- 2) The value of the Solar System should not appreciate over time as it has an anticipated lifetime of 20 years.
- 3) It should be subject to straight-line depreciation over the 20-year lifetime.
- 4) How will this impact MSP?
  - a) If the initial home owner pays for the cost of the System at the time of the home purchase (at closing), the MSP is calculated as follows:  $MSP = (OPP + 3\% \text{ annual appreciation}) + (\text{Solar System cost} - \text{annual depreciation})$ .
  - b) If System is financed through TOBF, the (MSP) is calculated as follows:  $MSP = (OPP + 3\% \text{ annual appreciation}) + (\text{Solar System principle paid} - \text{depreciation})$ .
  - c) In cases where the homeownership is less than 20 years and/or System is not fully paid off at the time of resale, the Net Value of the Solar System (Solar System principle paid– depreciation) will be tracked as a separate line item included in the MSP but will not subject to the 3% annual appreciation.
- 5) All determinations of MSP shall be made by IDS staff.
- 6) All requests for Exceptions and Appeals shall be heard by Ridgway Workforce and Housing Committee subject to the Guidelines.

**Recommendation:** IDS recommends that you adopt the policy as it provides a fair and consistent approach for existing and future owners with respect to how Solar Systems costs are treated as (1) Capital Improvements under the Deed Restriction Guidelines and (2) in the Maximum Sales Price (MSP).



200 E. 7<sup>th</sup> Street, Suite 412  
Loveland, CO 80537  
Tel: 970-541-2617  
E-mail: [lottery@impactdf.org](mailto:lottery@impactdf.org)  
Web: [impactdf.org/impactdevelopmentservices](http://impactdf.org/impactdevelopmentservices)

### **Sample Motions**

1. I move to adopt the Solar System Policy Addendum for use in applying the Covenant and find that it provides consistency and clarity and furthers the Affordable Housing Program goals.

### **Other**

All housing units in Ridgway Wetterhorn Homes have been sold with the exception of Lot 6, which is publicly listed for sale and applications for ownership qualification are being accepted on a first come, first served basis.

In late fall 2024, a check-in letter will be sent to all current owners of a Ridgway Wetterhorn Housing unit including:

- Notification of a full compliance check conducted in late fall 2025.
- Link to Deed Restriction Guidelines for reference of ongoing compliance requirements.
- Reminder for self-employed individuals to continue to track hours for minimum work standard ongoing qualification.
- Reminder to continue to ask questions as they arise.

---

End of Memorandum

**RESOLUTION NO. 24-01**

**RESOLUTION OF THE RIDGWAY WORKFORCE AND AFFORDABLE HOUSING COMMITTEE OF RIDGWAY, COLORADO, APPROVING ADOPTION OF A POLICY ADDENDUM SOLAR SYSTEM COSTS 2024-01 TO USE IN THE ADMINISTRATION OF RURAL HOMES: FOR SALE, FOR LOCALS AFFORDABLE HOUSING REGULATIONS AND GUIDELINES RIDGWAY WETTERHORN HOMES**

**WHEREAS**, Ridgway, Colorado (the “Town”) has the authority to regulate the use and development of land located within the Town according to the Colorado Constitution and the Colorado Revised Statutes (“C.R.S.”); and

**WHEREAS**, The Ridgway Wetterhorn affordable housing development in Ridgway was intended to provide high quality homes that would remain affordable for working residents and their families who make a living primarily from employment and who choose to be part of the local community; and

**WHEREAS**, the Town of Ridgway on January 13, 2023, approved the RURAL HOMES: FOR SALE, FOR LOCALS AFFORDABLE HOUSING REGULATIONS AND GUIDELINES RIDGWAY WETTERHORN HOMES (“Guidelines”); and

**WHEREAS**, the Ridgway Wetterhorn affordable housing development was successfully completed in September of 2023 and each housing unit included a photovoltaic rooftop solar system (Solar System); and

**WHEREAS**, the Solar System cost approximately \$13,000 and should last 20 years; and

**WHEREAS**, the Solar System cost was /will be either paid by the buyer at the time of the purchase or financed through Tariff On-Bill Financing (TOBF) provided by Colorado Clean Energy Fund, through a surcharge on the home utility bill. In both cases the homeowner owns the system. The system provides electricity to the home, reducing the utility costs to the homeowner; and

**WHEREAS**, the homeowners need clarification on how the cost of the Solar System will be treated at the time of resale; and

**WHEREAS**, in order to provide consistency and clarity, it is in the best interest of the Town and the Administrator to provide direction on this matter;

**WHEREAS**, the administrator, Impact Development Services (IDS), finds that the proposed Policy Addendum 2024-01 meets the goals of the affordable housing program, its regulations and standards.

**NOW, THEREFORE, BE IT RESOLVED** that the Ridgway Workforce and Affordable Housing Committee of Ridgway, Colorado, approves and adopts the Policy Addendum 2024-01 for use in administrating the RURAL HOMES: FOR SALE, FOR LOCALS AFFORDABLE HOUSING REGULATIONS AND GUIDELINES RIDGWAY WETTERHORN HOMES as follows:

1. **Policy Addendum 2024-01-attached in full as exhibit A**

**BE IT FURTHER RESOLVED**, this Resolution is adopted based on the finding that the proposed Policy Addendum 2024-01 meets the intent of the Guidelines, Rules and Regulations Governing Affordable Housing in the Ridgway R-2 School District and the intent of the RURAL HOMES: FOR SALE, FOR LOCALS, DEED RESTRICTION and COVENANT, RIDGWAY WETTERHORN HOMES, Ouray County, Affordable Housing Ownership, Occupancy and Resale and further the Affordable Housing Program goals and prevent future uncertainty.

**DONE AND APPROVED** by the Ridgway Workforce and Affordable Housing Committee of Ridgway, Colorado, on May 8, 2024.

**RIDGWAY, COLORADO  
RIDGWAY WORKFORCE AND AFFORDABLE HOUSING  
COMMITTEE**

By: \_\_\_\_\_  
John Clark, Chair, Ridgway Workforce and Affordable Housing Committee

ATTEST:

By: \_\_\_\_\_  
Pam Kraft, Town Clerk

## EXHIBIT A

POLICY Addendum  
2024-01 Solar System Costs

Title: Solar System Costs  
Date: April 10, 2024  
Authority: C.R.S. § 29-4-201, Impact Development Services (IDS), and the Rural Homes: For Sale, For Locals Affordable Housing Covenant DEED RESTRICTION and COVENANT, RIDGWAY WETTERHORN HOMES, Ouray County Affordable Housing Ownership, Occupancy and Resale (“Covenant”) and the associated Regulations and Guidelines adopted January 13, 2023, as amended.

---

The following Policy Statement shall remain in full force and effect as of the date of adoption noted below until replaced, repealed, or amended.

As stated in the “General Policy Goals” of the Rural Homes: For Sale, For Locals Affordable Housing Regulations and Guidelines adopted January 13, 2023, (“Guidelines”) as amended, the general goal “is to provide high quality homes that will remain affordable for working residents and their families who make a living primarily from employment in the Ridgway School District (R-2) boundaries and who choose to be part of the local community.”

The Policy Statement provides a fair and consistent approach for the original purchaser and future purchasers of Ridgway Wetterhorn housing units with respect to how the Solar Systems costs will be treated regarding (1) Capital Improvements under the Covenant and (2) how it should be included in the Maximum Sales Price (MSP).

Therefore, the following shall apply in all situations where a Solar System was pre-installed at the time of construction:

1. The cost of the Solar System shall be classified as a permitted and approved Capital Improvement under the Covenant §6.11, however it shall be exempt from the homeowner 10% Capital Improvement cap.
2. The value of the Solar System shall be calculated and tracked separately from the MSP and shall not appreciate over time.
3. The Cost of the Solar System shall be subject to straight-line depreciation over the 20-year lifetime.
4. The cost of the Solar System shall be added to the MSP as follows:
  - a) When the initial home owner pays for the cost of the System at the time of purchase (at closing), the MSP is calculated as follows:  $MSP = (OPP + 3\% \text{ annual appreciation}) + (\text{Solar System cost} - \text{annual depreciation})$ .
  - b) When the Solar System is financed through Tariff On-Bill Financing (TOBF) provided by Colorado Clean Energy Fund, the MSP is calculated as follows:  $MSP = (OPP + 3\% \text{ annual appreciation}) + (\text{Solar System principle paid} - \text{annual depreciation})$ .
  - c) When the homeownership is less than 20 years and/or the Solar System is not fully paid off at

the time of resale, the Net Value of the Solar System (Solar System principle paid less depreciation) will be tracked as a separate line item included and in the MSP but will not subject to the 3% annual appreciation.

Please note that the MSP is the maximum sales price and that there is no guarantee that a Ridgway Wetterhorn housing unit sells at that amount.

Determination of Solar System costs and MSP shall be made by IDS staff, while exceptions and appeals shall be resolved by the Ridgway Workforce and Housing Committee.

Adopted this \_\_\_\_\_ day of April 2024.

---

John Clark, Chair  
Town of Ridgway, Ridgway Workforce and Affordable Housing Committee