

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.

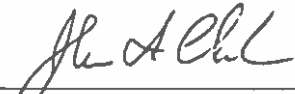
NOW, THEREFORE, BE IT RESOLVED that the Ridgway Workforce and Affordable Housing Committee of Ridgway, Colorado, approves and adopts the Policy Addendum 2024-01 for use in administrating the RURAL HOMES: FOR SALE, FOR LOCALS AFFORDABLE HOUSING REGULATIONS AND GUIDELINES RIDGWAY WETTERHORN HOMES as follows:

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:

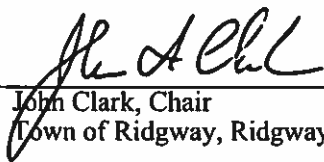
1. The cost of the Solar System shall be classified as a permitted and approved Capital Improvement under the Covenant §6.11, however it shall be exempt from the homeowner 10% Capital Improvement cap.
2. The value of the Solar System shall be calculated and tracked separately from the MSP and shall not 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 8th day of May ~~April~~ 2024.



John Clark, Chair

Town of Ridgway, Ridgway Workforce and Affordable Housing Committee