

POLICY ADDENDUM 2024-01; SOLAR PROGRAMS

Title: Solar System Costs
Date: July 15, 2024
Authority: C.R.S. § 29-4-201, Impact Development Services (IDS), and the DEED RESTRICTION and COVENANT FOR OURAY WATERVIEW HOMES PUD, City of Ouray, Affordable Housing Ownership, Occupancy and Resale (“Covenant”) and the associated Regulations and Guidelines adopted January 16, 2024, 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following Policy Statement shall remain in full force and effect as of the date of adoption noted below until replaced, repealed, or amended.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 Ouray Waterview Homes Affordable Housing Regulations and Guidelines adopted January 16, 2024, (“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 Ouray County 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 Ouray Waterview 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 Ouray Waterview 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 City of Ouray Housing Committee.