

**AGENDA  
OURAY CITY COUNCIL**

**Tuesday, September 5, 2023 - 6:00 PM**

**Ouray Community Center  
320 6th Ave  
Ouray, CO 81427**

**VIRTUAL OPTION - <https://zoom.us/j/9349389230>**

Meeting ID: 934 938 9230 Passcode: 491878 Or dial: 408 638 0968 or 669 900 6833

**Ouray City Council Regular Meeting**

- Changes to this agenda can be found on the bulletin board at City Hall
- Electronic copies of the Council Packet are available on the City website at [www.cityofouray.com](http://www.cityofouray.com). A hard copy of the Packet is also available at the Administrative Office for interested citizens.
- Notice is hereby given that a majority or quorum of the Planning Commission, Community Economic Development Committee, Beautification Committee, Tourism Advisory Committee, and/or Parks and Recreation Committee may be present at the above noticed City Council meeting to discuss any or all of the matters on the agenda below for Council consideration

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. PUBLIC HEARING - Ordinance 10, Series 2023 - Franchise Agreement with Black Hills Energy
5. CEREMONIAL/INFORMATIONAL - Proclamation Honoring Cindy McCord
6. APPROVAL OF MINUTES - August 7 and 21, 2023
7. CITIZENS' COMMUNICATION
8. CITY COUNCIL REPORTS/INFORMATION - Tamara Gulde, Peggy Lindsey, John Wood, Josh Smith, and Ethan Funk
9. DEPARTMENT REPORTS
  - a. City Administrator
  - b. Police Chief
  - c. Fire Chief
  - d. Public Works Director
  - e. City Resources Director
  - f. Tourism and Destination Marketing Director
10. CONSENT AGENDA
  - Festival Permit Application - The Gray, Oktoberfest, Fellin Park, September 30, 2023
  - Liquor License Renewal - Ouray Liquors LLC
11. ACTION ITEMS
  - a. Ordinance 10, Series 2023 - Franchise Agreement with Black Hills Energy - Second Reading
  - b. Possible Addition of a Full-time Police Officer Position
  - c. Application for Beautification Committee Membership - Lou Hart
12. DISCUSSION ITEMS
  - a. Discussion of Mill Levy
  - b. 2024 Budget Request from Kathy Elmont to Consider a Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction
  - c. 2024 Budget Request from John Hart to Consider a Housing Stipend for City Employees Living in the City

- d. 2024 Budget Request from Councilor Lindsey to Consider Paving the Hot Springs Pool Parking Lot
  - e. Waterview PUD
  - f. Future Agenda Items
13. ADJOURNMENT

**Ordinance No. 10 (Series 2023)**

**AN ORDINANCE GRANTING BLACK HILLS COLORADO GAS, INC. D/B/A BLACK HILLS ENERGY, ITS LESSEES, SUCCESSORS AND ASSIGNS, A NATURAL GAS FRANCHISE AND THE AUTHORITY TO CONSTRUCT, OPERATE, MAINTAIN, AND EXTEND A NATURAL GAS DISTRIBUTION PLANT AND SYSTEM, AND GRANTING THE RIGHT TO USE THE STREETS, ALLEYS, AND OTHER PUBLIC PLACES WITHIN THE PRESENT OR FUTURE CORPORATE LIMITS OF THE CITY OF OURAY, COLORADO**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OURAY, COLORADO,**  
as follows:

**1. FRANCHISE GRANTED**

The City of Ouray, Colorado (hereinafter referred to as "Grantor"), hereby grants a non-exclusive franchise to Black Hills Colorado Gas, Inc. d/b/a Black Hills Energy, (hereinafter called "Grantee"), its lessees, successors, and assigns. Upon the appropriate permit being obtained, Grantee is hereby granted the right, privilege, franchise, permission and authority to lay, construct, install, maintain, operate and extend in, along, over or across the present and future streets, alleys, avenues, bridges, public rights-of-way and public easements as are now within the present or future limits of said Grantor, a natural gas distribution system and all facilities necessary for the purpose of supplying natural gas or processed gas and other operations connected therewith or incident thereto for all purposes to the inhabitants of said Grantor and consumers in the vicinity thereof, and for the distribution of natural gas from or through said Grantor to points beyond the limits thereof. Such facilities shall include, but not be limited to, all mains, services, pipes, conduits and all other apparatus and appliances necessary or convenient for transporting, distributing and supplying natural gas for all purposes for which it may be used, and to do all other things necessary and proper in providing natural gas service to the inhabitants of Grantor and in carrying on such business.

**2. TERM**

This franchise shall take effect on the first day of the month following the date this Ordinance is finally approved by the Colorado Public Utilities Commission (the "Effective Date"), at which time Grantee will begin to collect the franchise fee set forth herein, and this franchise shall remain in effect for a period of fifteen (15) years from the Effective Date of this Ordinance.

**3. FRANCHISE FEES OR TAXES**

In exchange for the franchise granted herein, Grantee shall collect from all customers located within the corporate limits of Grantor and pay to Grantor an amount equal to \$0.0215 per therm of gas delivered within the present or future limits of Grantor. The amount paid by Grantee shall be in lieu of, and Grantee shall be exempt from, all other fees, charges, taxes or assessments which the Grantor may impose for the privilege of doing business within the present or future corporate limits of Grantor, including, without limitation, excise taxes, occupation taxes or licensing fees,.

Ad valorem property taxes imposed upon all real and personal property within the present or future corporate limits of Grantor shall not be deemed to affect Grantee's obligations under this section.

Grantee shall report and pay any amount payable under this Ordinance on an annual basis by April 1st . Such payment shall be made no more than thirty (30) days following the close of the period for which payment is due. Initial and final payments shall be prorated for the portions of the periods at the beginning and end of any franchise granted by the City of Ouray, Colorado, to Grantee.

Grantee shall list the franchise fee collected from customers as a separate item on bills for utility service issued to its customers. If at any time the Colorado Public Utilities Commission or other authority having proper jurisdiction prohibits such recovery, then Grantee will no longer be obligated to collect and pay the franchise fee. Any customer refunds ordered by the Commission or other authority due to an unlawful or prohibited collection of the franchise fee collected by Grantee and remitted to Grantor shall be refunded by Grantor.

Within ten (10) days of the date of this ordinance, Grantor shall provide Grantee with a map of its corporate limits (the "Map"). The Map shall be of sufficient detail to assist Grantee in determining whether their customers reside within Grantor's corporate limits. The Map along with Grantee's Geographic Information System ("GIS") mapping information shall serve as the basis for determining Grantee's obligation hereunder to collect and pay the franchise fee from customers; provided, however, that if the Grantor's corporate limits are changed by annexation or otherwise, it shall be the Grantor's sole responsibility to (a) update the Map so that the changes are included therein, and (b) provide the updated Map to the Grantee.

Grantee's obligation to collect and pay the franchise fee from customers within an annexed area shall not commence until the later: (a) of sixty (60) days after Grantee's receipt from the Grantor of an updated Map including the annexed area, or (b) after Grantee's receipt from the Grantor of an updated Map including the annexed area as is reasonably necessary for Grantee to identify the customers in the annexed area obligated to pay the franchise fee; provided, further that neither party shall have the obligation to correct a mistake, including but not limited to collection of the fee by Grantee from its customers or remittance of that fee by Grantee to Grantor, that is discovered more than one (1) year after the occurrence thereof. .

Grantor shall have access to and the right to examine, during normal business hours, such as Grantee's books, receipts, files, records, and documents as is necessary to verify the accuracy of payments due hereunder. If it is determined that a mistake was made in the payment of any franchise fee required hereunder, the mistake shall be corrected promptly upon discovery such that any under-payment by Grantee shall be paid within thirty (30) days of recalculation of the amount due, and any over-payment by Grantee shall be deducted from the next payment of such franchise fee due by Grantee to Grantor.

#### **4. GOVERNING RULES AND REGULATIONS**

The franchise granted hereunder is subject to all conditions, limitations and immunities now provided for, or as hereafter amended, and applicable to the operations of a public utility, by state or federal laws, including but not limited to the rates, terms, and conditions of services approved

by the Colorado Public Utilities Commission. The rates to be charged by Grantee for service within the present or future corporate limits of Grantor and the rules and regulations regarding the character, quality and standards of service to be furnished by Grantee, shall be under the jurisdiction and control of such regulatory body or bodies as may, from time to time, be vested by law with authority and jurisdiction over the rates, regulations and quality and standards of service to be supplied by Grantee. Provided however, should any judicial, regulatory, or legislative body having proper jurisdiction take any action that precludes Grantee from recovering from its customers any cost associated with services provided hereunder, then Grantee and Grantor shall renegotiate the terms of this Ordinance in accordance with the action taken. In determining the rights and duties of the Grantee, the terms of this Ordinance shall take precedence over any conflicting terms or requirements contained in any other ordinance enacted by the Grantor.

**5. PROVISION FOR INADEQUATE ENERGY SUPPLIES**

If an energy supplier is unable to furnish an adequate supply of energy due to an emergency, an order or decision of a public regulatory body, or other acts beyond the control of the Grantee, then the Grantee shall have the right and authority to adopt reasonable rules and regulations limiting, curtailing or allocating extensions of service or supply of energy to any customers or prospective customers, and withholding the supply of energy to new customers, provided that such rules and regulations shall be uniform as applied to each class of customers or prospective customers, and shall be non-discriminatory as between communities receiving service from the Grantee.

**6. CONSTRUCTION AND MAINTENANCE OF GRANTEE’S FACILITIES**

Any pavements, sidewalks or curbing taken up and any and all excavations made shall be done in such a manner as to cause only such inconvenience to the inhabitants of Grantor and the general public as is reasonably necessary, and repairs and replacements shall be made promptly by Grantee, leaving such properties in as good as condition as existed immediately prior to excavation.

Grantee agrees that for the term of this franchise, it will use its best efforts to maintain its facilities and equipment in a condition sufficient to meet the current and future energy requirements of Grantor, its inhabitants, and industries. While maintaining its facilities and equipment, Grantee shall obtain permits as required by ordinance, including but not limited to Section 13-3 of the Grantor’s Municipal Code, and will fix its excavations within a commercially reasonable time period, except that in emergency situations Grantee shall take such immediate unilateral actions as it determines are necessary to protect the public health, safety, and welfare; in which case, Grantee shall notify Grantor as soon as reasonably possible. Within a reasonable time thereafter, Grantee shall request, and Grantor shall issue any permits or authorizations required by Grantor for the actions conducted by Grantee during an emergency.

Grantor will give Grantee reasonable notice of plans for street improvements where paving or resurfacing of a permanent nature is involved that affects Grantee’s facilities. The notice shall contain the nature and character of the improvements, the rights-of-way upon which the improvements are to be made, the extent of the improvements, and the time when the Grantor will start the work, and, if more than one right-of-way is involved, the order in which the work is to proceed. The notice shall be given to the Grantee as soon as practical in advance of the actual

commencement of the work, considering reasonable working conditions, to permit the Grantee to make any additions, alterations, or repairs to its facilities.

Should it become necessary for the Grantee, in exercising its rights and performing its duties hereunder, to interfere with any sidewalk, graveled or paved streets, roads or alleys or any other public or private improvement, the Grantee shall repair at its own expense in a workmanlike manner subject to the approval by the Grantor, such sidewalk, graveled or paved street, road, alley, or other improvement after the installation of its pipes or other structures. The Grantee shall use due care not to interfere with or damage any water mains' sewers, or other structures now in place or which may hereafter be placed in said streets, alleys, or other public places, and said Grantee shall, at its own expense, repair in a workmanlike manner subject to the approval of the Grantor, any such water mains' sewers or other structures which are damaged through the action of the Grantee, provided, however, that the Grantor may make such repairs and charge the reasonable cost thereof to the Grantee. This grant of authority shall apply to all streets and alleys presently platted or otherwise of record, all gas easements presently owned by or dedicated to the Grantor or the public within the Grantor limits, and to future streets, alleys, and easements and other property later acquired by or dedicated to the Grantor and located within the Grantor limits. The Grantee shall be responsible for remedying any defects in repair work done by the Grantee for a period of two years after completion. The Grantor shall have the right to inspect and supervise any work on Grantor property and improvements.

#### **7. EXTENSION OF GRANTEE'S FACILITIES**

Upon receipt and acceptance of a valid application for service, Grantee shall, subject to its own economic feasibility criteria as approved by the Colorado Public Utilities Commission make reasonable extensions of its distribution facilities to serve customers located within the current or future corporate limits of Grantor.

#### **8. RELOCATION OF GRANTEE'S FACILITIES**

If at any time it shall be necessary to change the position of any gas main or service connection of the Grantee to permit the Grantor to lay, make, replace or change street or other grades, sanitary or storm sewers, water mains or other Grantor works, such changes shall be made by the Grantee at its own expense; provided, however, the Grantor shall confer with the Grantee and seek the Grantee's input during the initial phase of planning and engineering of any Grantor project which may require the Grantee to relocate its facilities in order to explore means of reducing the costs to the Grantee, and the Grantor shall make reasonable efforts to mitigate the financial impact of any such project on the Grantee. If the Grantor does not confer with the Grantee during the initial phase of planning and engineering of any Grantor project which may require the Grantee to relocate its facilities, such Grantee relocation expenses shall be paid by the Grantor; however, the Grantor shall have an annual expense allowance of up to \$3,000 that the Grantee will be obligated to bear each year without reimbursement by the Grantor if such costs are expended. If the Grantor and Grantee confer and do not agree on a facilities relocation plan, the Grantee may request, and Grantor representatives shall participate in, good faith mediation before a mutually agreeable third party to resolve their differences.

If Grantor orders or requests Grantee to relocate its facilities or equipment for the primary benefit of a commercial or private project, or as a result of the initial request of a commercial or private

developer or other non-public entity, and such removal is necessary to prevent interference, then Grantee shall receive payment for the cost of such relocation as a precondition to relocating its facilities or equipment.

## **9. CONFIDENTIAL INFORMATION**

Grantor acknowledges that certain information it might request from Grantee pursuant to this Ordinance may be of a proprietary and confidential nature, and that such requests may be subject to the Homeland Security Act or other confidentiality protections under state or federal law. If Grantee requests that any information provided by Grantee to Grantor be kept confidential due to its proprietary or commercial value, Grantor and its employees, agents and representatives shall maintain the confidentiality of such information, to the extent allowed by law. If Grantor is requested or required by legal or administrative process to disclose any such proprietary or confidential information, Grantor shall promptly notify Grantee of such request or requirement so that Grantee may seek an appropriate protective order or other relief.

## **10 FORCE MAJEURE**

It shall not be breach or default under this Ordinance if either party fails to fulfil its obligations hereunder due to force majeure. Force majeure shall include, but not be limited to, the following: 1) physical events such as acts of God, landslides, lightning, earthquakes, fires, freezing, storms, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery, equipment or distribution or transmission lines; 2) acts of others such as strikes, work-force stoppages, riots, sabotage, insurrections or wars; 3) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, executive order, or regulation promulgated by a governmental authority having jurisdiction; and (4) any other causes, whether of the kind herein enumerated or otherwise not reasonably within the control of the affected party to prevent or overcome. Each party shall make reasonable efforts to avoid force majeure and to resolve such event as promptly as reasonably possible once it occurs to resume performance of its obligations hereunder; provided, however, that this provision shall not obligate a party to settle any labor strike.

## **11. HOLD HARMLESS**

Grantee shall indemnify, hold harmless and defend the Grantor, and its officers, directors, shareholders, agents, employees and representatives, from all claims, liabilities, fines, interest, costs, expenses and damages (including reasonable attorneys' fees) it incurs for any damage, injury, death, loss or destruction of any kind to persons or property, to the extent the damage, injury, death, loss or destruction arises out of or is related to the conduct, negligence, error, omission, willful misconduct, misrepresentation, breach of warranty or other breach of this Franchise Ordinance, if such injury, loss, or damage is caused in whole or in part by the act, omission, error, professional error, mistake, negligence, or other fault of the Grantee, or any subcontractor, officer, employee, or representative of Grantee or which arises out of any worker's compensation claim of any employee or the Grantee or of any employee of any subcontractor of the Grantee. The Grantee agrees to investigate, handle, respond to, and to provide defense for and defend against, defend such liability, claims or demands at the sole expense of the Grantee, or at the option of the Grantor, agrees to pay the Grantor or reimburse the Grantor for the reasonable defense costs incurred by the Grantor in connection with any such liability claims or demands. The

Grantee also agrees to bear all other costs and expenses related thereto, including court costs and attorney fees, whether any such liability claims or demands alleged are groundless, false or fraudulent. The obligation of this paragraph shall not extend to any injury, loss or damages to the extent it is caused by the professional error, omission, mistake, negligence, or other fault of the Grantor, its officers, or its employees. Grantee hereby waives any claim for damages to its property within streets, alleys and gas easements against the Grantor, its officers and employees, except for damages caused by the negligence, recklessness, or the specific intent of the Grantor, its officers or employees. In addition, except for gross negligence, willful misconduct, and fraud, in no event will either party be liable to the other party for any special, incidental, indirect, punitive or consequential damages (including, without limitation, lost profits, business interruption, or loss of product, data or use) arising from or related to, the performance of the rights and obligations under this Agreement.

## **12. INSURANCE**

Grantee shall always maintain adequate insurance during the term of this franchise and any extensions hereof in an adequate amount to cover and protect itself and others to whom Grantee may be held legally liable in the performance of its duties. Grantee is self-insured and may provide evidence of its self-insurance for the insurance required by Grantee in lieu of purchasing separate insurance policies. Grantee shall provide Grantor with a certificate of insurance evidencing such coverage and naming Grantor as an additional insured thereunder.

## **13. FRANCHISE APPLICATION FEE**

Grantee shall pay a one-time franchise application Fee to Grantor for costs incurred by the Grantor in the negotiation and adoption of this franchise within thirty (30) days of the date of Grantor's invoice. The franchise application fee shall include the costs of publication, and reasonable attorneys' fees, not to exceed \$1,000.

## **14. SUCCESSORS AND ASSIGNS**

All rights, privileges and authority granted to Grantee hereunder shall inure to the benefit of Grantee's lessees, successors, and assigns, subject to the terms, provisions and conditions herein contained, and all obligations imposed upon Grantee hereunder shall be binding upon Grantee's lessees, successors, and assigns.

## **15. NO THIRD-PARTY BENEFICIARIES**

This Ordinance constitutes a franchise agreement between the Grantor and Grantee. No provision of this Ordinance shall inure to the benefit of any third person, including the public at large, so as to constitute any such person as a third party beneficiary of the agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action for any person not a party hereto.

## **16. SEVERABILITY**

If any clause, sentence, or section of this Ordinance is deemed invalid by any judicial, regulatory, or legislative body having proper jurisdiction, the remaining provisions shall not be affected.

## **17. NON-WAIVER**

Any waiver of any obligation or default under this Ordinance shall not be construed as a waiver of any future defaults, whether of like or different character.

**18. REPEAL CONFLICTING ORDINANCES**

This Ordinance, when accepted by Grantee as provided below, shall constitute the entire agreement between the Grantor and the Grantee relating to the franchise granted by Grantor hereunder, and the same shall supersede all prior ordinances relating thereto, and any terms and conditions of such prior ordinances or parts of ordinances in conflict herewith are hereby repealed. Ordinance No. 08, 2003 of the City of Ouray, Colorado, is hereby repealed as of the Effective Date hereof.

**19. EFFECT AND INTERPRETATION OF ORDINANCE**

The captions that precede each section of this Ordinance are for convenience and/or reference only and shall not be taken into consideration in the interpretation of any of the provisions of this Ordinance.

**20. RESERVED RIGHTS**

The right is hereby reserved to the Grantor to adopt, from time to time, in addition to the provisions herein contained, such ordinances as may be deemed necessary in the exercise of its police power, or in the future absence of PUC regulation, in furtherance of such power as the Grantor may have under law to regulate the rates and service of the Grantee, provided that such regulations shall be reasonable and not destructive of the rights and benefits herein granted, and not in conflict with the laws of the State of Colorado, or with orders of other authorities having jurisdiction in the premises, except, if applicable, as permitted in the exercise of the Grantor's "home rule" powers granted by Article XX of the Colorado Constitution. This franchise shall be subject to all valid and effective provisions of the City Charter whether enumerated herein or not.

**21. FORFEITURE**

The Grantor reserves the right to declare a forfeiture of this franchise for the breach of a substantial and material provision thereof. No forfeiture shall be declared until the Grantee shall have had an opportunity to be heard and to correct the alleged breach. Upon failure of the Grantee to exercise reasonable diligence to correct such condition, or to demonstrate that remedying the breach is legally proscribed, the Grantor may declare this franchise forfeited. If this franchise is forfeited, then the Grantee agrees to continue to render service as theretofore for a period of six (6) months to give the Grantor time to decide upon its course of action.

**22. ACCEPTANCE**

Upon final passage and approval of this Ordinance by Grantor, in accordance with applicable laws and regulations, Grantee shall file its acceptance by written instrument, within sixty (60) days of passage by City Council, with the Clerk of the City of Ouray, Colorado. The Clerk of the City of Ouray, Colorado shall sign and affix the community seal to acknowledge receipt of such acceptance and return one copy to Grantee. If Grantee does not, within sixty (60) days following passage of this Ordinance, either express in writing its objections to any terms or provisions contained therein, or reject this Ordinance in its entirety, Grantee shall be deemed to have accepted this Ordinance and all its terms and conditions.

Introduced, passed and ordered published on first reading by the City Council of the City of Ouray, Colorado, this 21st day of August 2023.

\_\_\_\_\_  
Ethan Funk, Mayor

Attest:

\_\_\_\_\_  
Melissa M. Drake, Clerk

Introduced, read, and adopted on second reading, by \_\_ vote of the Ouray City Council this \_\_ day of September 2023.

\_\_\_\_\_  
Ethan Funk, Mayor

Attest:

\_\_\_\_\_  
Melissa M. Drake, Clerk

**CERTIFICATE OF ATTESTATION**

I, Melissa M. Drake, Ouray City Clerk, hereby certify that Ordinance No. 10 (Series No. 2023), was introduced, read, and passed by the Ouray City Council on first reading on \_\_\_\_\_, 2023. The Ordinance was published, in summary, in the *Ouray County Plaindealer* on \_\_\_\_\_, 2023, and thereafter introduced, read, and adopted by the Ouray City Council on \_\_\_\_\_, 2023, and thereafter published in the *Ouray County Plaindealer*, as required by law.

\_\_\_\_\_  
Melissa M. Drake, City Clerk



**A PROCLAMATION BY  
THE MAYOR OF THE  
CITY OF OURAY, COLORADO**

**PROCLAMATION NO. 4, 2023  
CINDY McCORD DAY**

WHEREAS, Cindy McCord has been dedicated to the City of Ouray and has served on the Beautification Committee for over 15 years; and

WHEREAS, Cindy has ordered Ouray's famous Main Street flowers and hanging baskets for over 15 years; and

WHEREAS, Cindy designed many of the street planters for flowers; and

WHEREAS, Cindy has found the best vendors, color schemes, and longest-blooming flowers for the City; and

WHEREAS, the flowers attract hummingbirds and moths, adding to the wildlife on Main Street; and

WHEREAS, Cindy, through the Main Street flower project, has added to the guest and resident experience by creating a welcoming look and pleasing background for millions of photos.

NOW THEREFORE, I, Ethan Funk, the Mayor of the City of Ouray, do hereby proclaim

**September 6, 2023 as Cindy McCord Day**

in the City of Ouray, and I ask all citizens to join the City Council in recognizing Cindy McCord and showing appreciation for her dedication to and love for our City.

\_\_\_\_\_  
Ethan Funk, Mayor

September 5, 2023

ATTEST: \_\_\_\_\_  
Melissa M. Drake, City Clerk



## Ouray City Council Regular Meeting

Monday, August 7, 2023 6:00 PM

Ouray Community Center, 320 6th Ave, Ouray, CO 81427

Ethan Funk: Present  
Tamara Gulde: Present  
Peggy Lindsey: Present  
Josh Smith: Present  
K. John Wood: Present

Also present were: City Administrator Silas Clarke, Finance and Administration Director Melissa Drake, City Resource Director Rick Noll, Public Works Director Joe Coleman (via Zoom), Tourism and Destination Marketing Director Kailey Rhoten, and City Attorney Carol Viner.

### 1. CALL TO ORDER

*Mayor Funk called the meeting to order at 6:00 pm.*

### 2. ROLL CALL

### 3. PLEDGE OF ALLEGIANCE

*The Pledge of Allegiance was recited.*

### 4. PUBLIC HEARINGS

- a. Ordinance 8, Series 2023 - Regulating Fireworks in the City of Ouray

*Mayor Funk opened the public hearing. Since there were no comments, Mayor Funk closed the public hearing.*

- b. Ordinance 9, Series 2023 - Establishing the Main Street Committee

*Mayor Funk opened the public hearing. Since there were no comments, Mayor Funk closed the public hearing.*

### 5. APPROVAL OF MINUTES - July 10 and 24, 2023

Motion to approve the minutes as presented. This motion, made by K. John Wood and seconded by Josh Smith, Carried.

Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, K. John Wood: Yea

### 6. CITIZENS' COMMUNICATION

*Mayor Funk opened the floor for public comment. Gillian Jacobson wanted to talk about the Waterview PUD, but was told she could not continue due to ex parte communication rules. Kevin Normoyle stated his dislike for the PUD process as a development mechanism, but when he started to discuss the Waterview PUD specifically, he was asked to refrain. Mr. Normoyle left the meeting. Since there were no other comments, Mayor Funk closed the floor.*

## **7. CITY COUNCIL REPORTS/INFORMATION - Tamara Gulde, Peggy Lindsey, John Wood, Josh Smith, and Ethan Funk**

*Councilor Gulde -OEDC will be meeting on August 10th. The business roundtable will be held on September 14th at 6:30 pm. The Young Entrepreneur Camp begins on August 8th. Attended IPAT meeting on August 2nd. An off-season update was given, and the commercial guide allocations were announced for the 23-24 season, which are unchanged. Corey Gera will be replacing Pete Davis as the operations manager. The Ice Park Staff will be working with Ms. Rhoten for messaging ideas. The Love Your Gorge event will be happening in September. The Ice Park Sustainability Group will meet next on September 13th, and will have a report at the next IPAT meeting on October 4th. Attended the Uncompaghre Water Project strategic planning meeting via Zoom on July 25th.*

*Councilor Lindsey - The Beautification Committee did not meet in August. The committee is still doing Riverwalk Trail cleanup on Tuesdays and Thursdays. The next meeting will be on September 6th at 8:00 am. Councilor Wood - Looking at bathroom options for the Ice Park. If the bathroom is delivered in one piece, it may be hard to get it up the road to place. A survey is up and running to collect data on long term rental size and monthly rent.*

*Mayor Pro Tem Smith - PARC met last Tuesday and discussed the field day that is coming up on August 25th, possible ways to drain the ice rink liner to remove it for the summer, and increasing the ballfield size to increase the age group that can play on the field. The next meeting will be held at Rotary Park, but needs to be rescheduled due to the conflict with the council meeting on September 5th. Councilor Lindsey asked what prolonged sun exposure would do to the ice rink liner. Mayor Pro Tem Smith said it is guaranteed for 5 years. Mr. Clarke said he's considering leaving it in place where it would be damaged by the UV rays instead of the considerable labor and damage created by taking it up each summer and putting it back in place for the winter, given the predicted lifespan and the replacement cost.*

*Mayor Funk - Attended the meet 'n greet with the new Beaumont owners. Citizens interested in running for Mayor or Council can pick up petitions starting tomorrow at City Hall.*

## **8. DEPARTMENT REPORTS**

### **a. City Administrator**

*Mr. Clarke gave an overview of his report. The Parks and Trails Master Plan Survey is out.*

### **b. Police Chief**

*Report in packet*

### **c. Fire Chief**

*Report in packet*

### **d. Public Works Director**

*Mr. Coleman reported that some blasting forced a section of the Via Ferrata to close. The Via Ferrata staff and volunteers were very professional and understanding during that incident. Mayor Pro Tem Smith asked if the curbs would be re-painted yellow to eliminate the parking spots that are close to the intersections at Main and 7th and 8th, which are causing visibility issues at the intersections. Mr. Coleman said his crew would take a look at the areas.*

### **e. City Resources Director**

*Mr. Noll reported that a parks employee who was supposed to start working today quit because of housing and transportation concerns.*

### **f. Tourism and Destination Marketing Director**

*Ms. Rhoten gave an overview of her report. Councilor Wood asked about securing the Montrose Airport advertising space in the new sections of the airport that are under construction. Councilor Gulde said the visitor guides are very popular in her store and she has trouble keeping them stocked, noting the importance of printed visitor guides.*

## 9. CONSENT AGENDA

- Liquor License Renewal - Ouray Riverside Resort - Inn & Cabins
- Liquor License Change of Ownership - Beaumont Food Service LLC
- IGA with the Ouray County Clerk and Recorder for Election Services

Motion to remove Beaumont Liquor License from the consent agenda. This motion, made by K. John Wood and seconded by Josh Smith, Carried.

Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, K. John Wood: Yea

Motion to approve the consent agenda. This motion, made by K. John Wood and seconded by Tamara Gulde, Carried.

Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, K. John Wood: Yea

## 10. ACTION ITEMS

Motion to table the Beaumont Liquor License Change of Ownership. This motion, made by K. John Wood and seconded by Peggy Lindsey, Carried.

Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, K. John Wood: Yea

- a. Ordinance 8, Series 2023 - Regulating Fireworks in the City of Ouray - Second Reading

Motion to approve Ordinance 8, Series 2023. This motion, made by K. John Wood and seconded by Josh Smith, Carried.

Ethan Funk: Yea, Tamara Gulde: Nay, Peggy Lindsey: Yea, Josh Smith: Yea, K. John Wood: Yea

- b. Ordinance 9, Series 2023 - Establishing the Main Street Committee - Second Reading

Motion to approve Ordinance 9, Series 2023. This motion, made by Josh Smith and seconded by Tamara Gulde, Carried.

Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, K. John Wood: Yea

- c. Resolution 4, Series 2023 - Amending the Fine Schedule for Violations of the Ouray Municipal Code

*Councilor Wood made a motion to approve Resolution 4, Series 2023. Councilor Lindsey seconded the motion. Council discussed removing the first offense \$500 fine and just having \$1000 first offense and \$2000 second offense.*

Amended motion to approve Resolution 4, Series 2023, changing the fireworks first offense to \$1000 and second offense to \$2000, removing the 3rd violation tier. This motion, made by K. John Wood and seconded by Peggy Lindsey, Carried.

Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, K. John Wood: Yea

- d. Request from Home Trust of Ouray County for \$100,000 for Affordable Rental Project

*Andrea Sokolowski presented the request. Mayor Funk asked if the property would have deed restrictions to ensure that the property continues to be affordable. Ms. Sokolowski said that could be implemented if Council wanted it in case the Home Trust sells the property, but noted that in the case of the Home Trust's dissolution, all assets would go to another affordable housing organization. Councilors and legal counsel expressed concern about financially supporting a project that would later come back to Council for PUD approval, knowing that they've already put \$100,000 into the project. Gillian Jacobson had concerns about moving forward with so many housing projects in the City without having the results of a housing study available.*

Motion to deny request for funds from Home Trust of Ouray County. This motion, made by Peggy Lindsey and seconded by K. John Wood, Carried.

Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, K. John Wood: Yea

e. Professional Services Agreement with Buckhorn Engineering for Geotechnical Services for Predesign of Fellin Park Stage

Motion to approve PSA with Buckhorn Engineering and authorize the mayor to execute the agreement.

This motion, made by K. John Wood and seconded by Josh Smith, Carried.

Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, K. John Wood: Yea

**11. DISCUSSION ITEMS**

a. Parking Study Goals

*Study should examine traffic flow in and out of town, existing parking capacity, existing parking locations, accessibility, and limited time/paid parking. Kevin Schiffer commented that the city should not design parking that would accommodate every visitor for the 4th of July or Ice Fest, but for the need on the rest of the days of the year.*

b. Future Agenda Items

**12. ADJOURNMENT**

Motion to adjourn at 8:39 pm. This motion, made by Peggy Lindsey and seconded by K. John Wood, Carried.

Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, K. John Wood: Yea

---

Ethan Funk, Mayor

ATTEST:

---

Melissa M. Drake, City Clerk

**CERTIFICATION**

I, Melissa M. Drake, do hereby certify that I am the City Clerk of the City of Ouray, Ouray County, State of Colorado, and that the above minutes are a true and correct summary of the meeting of the Ouray City Council held on Monday, August 7, 2023. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this Monday, August 7, 2023.

---

Melissa M. Drake, City Clerk



## Ouray City Council Regular Meeting

Monday, August 21, 2023 6:00 PM  
Ouray Community Center, 320 6th Ave, Ouray, CO 81427

Ethan Funk: Present  
Tamara Gulde: Present  
Peggy Lindsey: Present  
Josh Smith: Present  
K. John Wood: Present

Also present were: City Administrator Silas Clarke, Finance and Administration Director Melissa Drake, Public Works Director Joe Coleman, City Resources Director Rick Noll, Police Chief Jeff Wood, IT Director Rich Willis and City Attorney Carol Viner.

### 1. CALL TO ORDER

*Mayor Funk called the meeting to order at 6:00 pm.*

### 2. ROLL CALL

### 3. PLEDGE OF ALLEGIANCE

*The Pledge of Allegiance was recited.*

### 4. CEREMONIAL/INFORMATIONAL - Proclamation 3, Series 2023 - Suicide Prevention Month

*Mayor Funk read the proclamation.*

### 5. CITIZENS' COMMUNICATION

*Mayor Funk opened the floor for public comment. Cindy Carothers said the Woman's Club held two mental health clinics, and she could give the City contact information to contact the person who hosted the meetings. Aline Travis wanted to comment about alcohol at the pool, but was told she should wait until that agenda item to share her thoughts.*

### 6. CITY COUNCIL REPORTS/INFORMATION - Tamara Gulde, Peggy Lindsey, John Wood, Josh Smith, and Ethan Funk

*Councilor Gulde - OEDC meeting was canceled last month. The next meeting is on Sept 7th. The business roundtable will be on September 14th. Attended ORRCA August 14th. Viewed the Water Treatment Plant construction site from a hiking trail. Clearnetworx is almost done installing fiber on Oak Street. Attended Friends of the Ouray Hot Springs committee meeting. A clock will be installed that can be viewed from the lap lanes.*

*Councilor Lindsey - The next Beautification Committee meeting will be on September 6th. The committee deadheaded Main Street flowers last week, and is continuing to prune the Riverwalk Trail every week. Cindy Carothers asked if high school students could volunteer to help; Councilor Lindsey said the committee works with the school to get help when needed.*

*Councilor Wood - Response from the housing needs survey, a total of 85 units were uncovered. EPS had previously shown 11 units available. Information has been forwarded to EPS to help complete the housing*

*needs analysis. TAC is working on grading metrics for grants for next year's budget. Mayor Pro Tem Smith - PARC is preparing for Field Day on Friday. The Transportation Committee met. There were no updates for Ouray. The Main Street Committee met. Mayor Funk - attended the ORRCA meeting and the Ridgway Reservoir Dam Tour.*

## **7. DEPARTMENT REPORTS**

### **a. City Administrator**

*Mr. Clarke gave an overview of his report.*

### **b. Director of Finance and Administration**

*Ms. Drake presented the financial reports.*

### **c. Information Technology Director**

*Report in packet. Mayor Funk asked how the app testing was going. Mr. Willis said Ms. Rhoten is testing the app on a non-City managed phone. Ms. Rhoten said all the mines have been removed as landmarks, but some could be added back later.*

### **d. Communications and Community Engagement Coordinator**

*Ms. Bailey gave an overview of her report. Councilor Gulde asked if Mac Safari users would be able to access the City website soon. Ms. Bailey said as long as users clear their cache, the website does load in Safari, but calendars take longer to load than they do in Chrome. Kevin Normoyle suggested doing more proactive community outreach for topics that would be important to locals. Councilor Gulde said the City has been working very hard on its community engagement, but it requires the public to know where to go to get information.*

## **8. CONSENT AGENDA**

**- Liquor License Change of Ownership and Manager - Beaumont Food Service LLC**

**- Special Events Permit Application - Ouray Creative District/Ouray Made - Music & Makers Festival, Fellin Park, Sept. 3, 2023**

Motion to approve the Consent Agenda. This motion, made by K. John Wood and seconded by Peggy Lindsey, Carried.

Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, K. John Wood: Yea

## **9. ACTION ITEMS**

### **a. Ordinance 10, Series 2023 - Franchise Agreement with Black Hills Energy - First Reading**

*Mayor Funk recused himself because Black Hills Energy advertises on his radio station. Ms. Viner presented the new franchise agreement. Jason Auslander from Black Hills Energy attended the meeting to answer any questions. Councilor Wood felt that the City's franchise fee should be tied to dollars instead of therms to increase the franchise fee accordingly in case of inflation. Other councilors did not feel strongly that the ordinance should be changed.*

Motion to approve Ordinance 10, Series 2023. This motion, made by Tamara Gulde and seconded by Peggy Lindsey, Carried.

Ethan Funk: Abstain (With Conflict), Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, K. John Wood: Nay

### **b. Agreement with Drew Loewen Creative for "Do Right by Ouray" Video Production**

*Ms. Rhoten presented the agreement.*

Motion to approve Professional Services Agreement with Drew Loewen Creative for Do Ouray Right video production. This motion, made by K. John Wood and seconded by Tamara Gulde, Carried.

Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, K. John Wood: Yea

c. IGA Between Town of Ridgway, City of Ouray, and Ouray County for Proposition 123 Affordable Housing Commitments

*Councilor Wood was concerned about existing affordable housing not counting towards the housing commitment. Mr. Clarke said it only counted deed-restricted properties, so the City is starting with none. County Commissioner Jake Niece clarified that this is not the agreement for the housing commitment itself, but is an agreement to share credit. Gillian Jacobson asked how many years the agreement applied to. Councilor Wood responded that it is a 3-year period. Ms. Jacobson encouraged the council to work to convert short-term rentals into affordable housing through incentive programs.*

Motion to approve the intergovernmental agreement with the Town of Ridgway and Ouray County. This motion, made by Tamara Gulde and seconded by Josh Smith, Carried.

Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, K. John Wood: Yea

## 10. DISCUSSION ITEMS

a. Discussion of Alcohol at the Hot Springs Pool or Schedule Work Session on the Topic

*Council discussed forgoing the test at all. Councilor Wood and Mayor Funk were in favor of continuing to hold the test, but only in order to hold special events only and not to have daily alcohol service. Cindy Carothers suggested alternatives to selling alcohol to help raise funds. Lynne Evans thought the special events aspect would be a good idea. Michael Underwood said the entire community does not support alcohol at special events. Kevin Normoyle said the ice climbers want to have a party atmosphere, and the council should only approve if they believe they could handle a party of that magnitude (Ice Fest weekend parties). Aline Travis expressed concern about the families and young lifeguards that work there if alcohol was served during the day.*

b. Police Coverage - Potential Additional Full-time Officer Position

*Chief Wood presented his proposal for a new full time officer. Council expressed support for budgeting for a 5th full time officer for 2024.*

c. Future Agenda Items

*List in packet*

## 11. ADJOURNMENT

Motion to adjourn 8:37 pm. check second. This motion, made by Peggy Lindsey and seconded by Josh Smith, Carried.

Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, K. John Wood: Yea

---

Ethan Funk, Mayor

ATTEST:

---

Melissa M. Drake, City Clerk

CERTIFICATION

I, Melissa M. Drake, do hereby certify that I am the City Clerk of the City of Ouray, Ouray County, State of Colorado, and that the above minutes are a true and correct summary of the meeting of the Ouray City Council held on Monday, August 21, 2023. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this Monday, August 21, 2023.

---

Melissa M. Drake, City Clerk

P.O. Box 468  
320 Sixth Avenue  
Ouray, Colorado 81427



970.325.7211  
Fax 970.325.7212  
www.cityofouray.com

---

**City Administrator**  
**Report for September 5, 2023**  
**City Council August 21 – September 1, 2023:**

**Hot Springs Pool Alternative Heat Source:**

I have received the final draft of the updated Alternative Heat Source report for future discussion. The report is being presented to the Mayor and I next week. Once the draft is presented, I will send out to the Council and schedule a time in the near future to review during a Work Session.

The SMPA electrical cost is estimated at \$1,000,000 alone. I have a meeting with Tri-State and SMPA to discuss potential grant opportunities next week.

**Debris Flow Report:**

Last year the City received funding from the Colorado Water Conversation Board (CWCB) for a consultant to update the City's debris flow mapping during flood events. The draft data was presented on September 1 and will be available for inclusion in our emergency management plans and GIS system within the next month.

**Fire Mitigation (Spring Branch Project):**

Spring Branch, LLC has continued their work on the Fire Mitigation project on the east and south sides of the City. They conducted a pre-bid, on-site, work session where four contractors discussed the potential project for the dead tree removal. Pre-bids were provided by three contractors and ranged from approximately \$10,400/acre (\$1.0M) to \$40,000/acre (\$3.7M). These are not final bids, which will be requested and provided next spring by the contractors. West Region Wildfire Council, County, City and GMUG are all in discussions on project funding opportunities.

**Via Ferrata/Ice Park/Perimeter Trail Restroom:**

Mark Iuppenlatz, Craig Hinkson and I have identified a new location for the proposed restroom to service the Via Ferrata, Ice Park and Perimeter Trail users. The original location, adjacent to the Via Ferrata entrance, was determined to be too costly for the necessary road improvements. The new location is less than 200 yards to the North and will still service all users. We are working on the installation details now for the spring of 2024.

**Strategic Plan Update:**

The Mayor and I are working on the final information (i.e. community project partners) for the completion of the Strategic Plan. We plan to have this presented to the Council for final adoption in October.

**EPS Housing Study:**

EPS has continued to work on the creation and recommendations for the City of Ouray Housing Study. They would like to schedule a work session at the beginning of October.

# **City of Ouray Police Department**

**August 2023**

For the month August 2023 OUPD ran approximately 336 dispatched calls for service.

Last month we ran 430 dispatched calls for service and 282 in July 2022.

These included:

- 55 Parking complaints (last month's was over 70)
- 12 Traffic Stops
- 11 VIN inspections
- 10 Bar checks
- 5 Noise complaints
- 2 Thefts
- 3 Bear calls
- 1 Accident

Additionally OUPD conducted approximately 210 directed patrols, security checks and business checks.

## **Recent Events:**

August showed an overall downturn in the total number of calls dispatched with small increases in noise complaints and code enforcements.

We assisted in several events such as traffic control for foot races and participated in National Night Out.

## **Upcoming Events:**

This year's Imogene Run is on 09/09/2023. We will be assisting.

The current 12 schedule will continue through September. This allows for additional coverage in the later evening hours. We will switch back to the 10 hour schedule in October and begin our training and recertification program.

Fire Department Report for August, 2023

08/27/23

1 Training opportunities held in Ridgway

We currently have no fire danger within the county.

Colorado Fire Academy end of September.

Council, Office staff, and PD invited to FD Annual Picnic Septemebr9th at 1:00pm

Will be held at Ouray Miners Park

Calls for August

8/4	Gas Line Break	7ffs 2.5hr
8/7	Patient Transport	4 ffs 2hr
8/11	Com kitchen hood alarm	6 ffs 1 hr
8/12	CO2 Alarm	5 ffs 1hr
8/13	MVA	6ffs 2 hr
8/13	Motorcycle acc	3ffs 1hr
8/25	Landing Zone ops	5ffs 1hr

## Public Works August 2023 Update

### Water

- Water Usage Numbers for July:
  - Influent (Water from spring) – 63,504,640 Gallons
  - Effluent (Water to town) – 30,549,622 Gallons
  - Hydro Plant – 14,331,872 Gallons
  - Mineral Farms – 221,400 Gallons
- Continued to monitor and sample chlorine residuals at the two entry points of the distribution system. The City has been in compliance and meeting all CDPHE requirements.
- Aslan Construction continues to work on the new Water Treatment Facility. Crews have started forming the water tank ring. They are also working on the building foundation as well, pipes have been stubbed out and the forming of the footings has begun. First concrete footings are scheduled to be poured on Wednesday August 30<sup>th</sup> at 9am.  
*Please see current pictures attached to this report*
- Multiple onsite inspections in regards to the new water and sewer utilities being installed at the Waterview Housing Project.
- City crew replaced a leaking fitting in the PRV vault on South Oak St.
- City Crew rebuilt the PRV in the vault on Oak St located by the City Shop.
- CDPHE requires that the City send a letter to all of its water customers stating that we have not provided adequate treatment of our water. This letter is to be sent every 90 days until the new water treatment facility is operational. Letters were sent on August 2<sup>nd</sup> 2023. The next round of letters will be sent on November 2<sup>nd</sup> 2023.
- Onsite meeting with Element Engineering to look at the Spring Box and possible repairs/upgrades. We have addressed the needs and concerns and will be working with them to develop a scope of work. The City budgeted for the engineering portion of the project in 2023.
- Repaired the overflow line from the water tanks, an above ground pipe had separated.
- The water tanks were inspected by a dive crew on Wednesday August 23<sup>rd</sup>. It is a requirement from CDPHE to have water tanks inspected every five years. The last time the tanks were inspected was June 2018.

### Sewer

- Aslan Construction continues to work on the new Wastewater Treatment Facility. Masonry work has begun on the solids room, UV room and the mechanical room. Underground plumbing and electrical conduit has been installed in the administration building. Crews continue to install rebar and pour concrete for the MBBR (Moving Bed Biofilm Reactor), digesters and mechanical room.  
*Please see current pictures attached to the this report*
- Continued to clean head works three times daily.
- Continued to skim lagoons of debris as needed.

- Cleaned debris out of multiple aerators in order to keep them running. City staff replaced two aerators that failed in the month of August.
- Assisted a homeowner in trouble shooting a sewer issue at their home.

### **Streets**

- Continued equipment maintenance on all City vehicles and heavy equipment. This includes removing all police equipment from the Ford Expedition and returning it to the Building Inspector
- Repaired a sign that was damaged on Main St reported by the Police Department.
- Hauled off brush from the North Ouray Corridor Trail.
- Graded roads and alleys as needed.
- Replaced bridge in the 800 block of 4<sup>th</sup> St.
- Replaced bridge in the alley behind the Comfort Inn.
- Cleaned up area on Oak St by the City Shop, hauled off multiple dump trucks of material.
- Chautauqua Lane is scheduled to be crack sealed and seal coated on Thursday August 31<sup>st</sup>.
- After hours call out to clean debris from a plugged culvert located on Pinecrest Dr.

Water Treatment Plant



# Wastewater Treatment Plant



## **City Resources Department**

September 5, 2023

- Beginning on Labor Day, hours of operation at the Box Canon Falls are shortened one hour in the evening: 8 am to 7 pm seven days a week. On Tuesday October 10 hours will be reduced to 9 am to 5 pm.
- Public hours at the Hot Springs Pool are noon to 9 pm on weekdays and 11 am to 9 pm on weekends, beginning Labor Day. Members only hours are from 11 am to noon on weekdays and 10 am to 11 am on weekends.
- A new Pool Maintenance Operator has been hired to fill the position that recently became opened.
- The new Aquatics and Facilities Assistant Manager for the Hot Springs Pool began on Thursday, August 31.
- There have been several personnel issues at the Hot Springs Pool that have required attention of management. This is common at the end of the summer and was exasperated by the number of current job openings.
- Friends of the Hot Springs Pool and Pool staff met to review placement locations for a pace clock near the lap lanes.
- Friends of the Hot Springs Pool are reviewing the array of equipment at the Fitness Center. They will make a recommendation with prioritization of equipment that can be replaced.
- The maintenance company that had been contracted to assess and maintain equipment at the Fitness Center has been sporadic in visiting the facility and performing the necessary duties. Pool maintenance staff will conduct inspections and complete repairs while the contracted situation is being worked out.
- Resource Department staff met with Ouray Trail Group, Volunteers for Outdoor Colorado (VOC), and US Forest Service representatives to discuss trail improvements on the Perimeter Trail in the vicinity of Cascade Falls. The work will be performed by volunteers from VOC. Some of the work will be on USFS lands and other work will be on City owned property. These projects will be on September 23 and 24. There may be temporary trail closures of the Perimeter Trail in this area. The trail to Cascade Falls, from 8<sup>th</sup> Avenue, will remain open. It is anticipated there will be 30 or more volunteers with Volunteers for Outdoors Colorado for this project. Many of the volunteers will be camping overnight at Rotary Park September 22, 23, and 24.
- City Resource staff worked alongside Beautification Committee volunteers for deadheading and pruning of Main Street flowers in August.
- The outhouse at the Cascade Falls trailhead was pumped out in mid-August. This was the third pumping this season.
- Restrooms at the Box Canon Falls, Visitor Center, Fellin Park, and north restroom have all needed repair this month.
- The parks and Facilities crew continues to operate with only two of the five full time positions filled.

- Several loads of chipped wood have been dumped illegally at the Dog Park this summer. Vehicle gates are now locked to restrict access. The material has been removed by Park personnel because it is sharp and splintered, not suitable for a dog park.
- When time permits, the Parks staff has begun removing material that was cut along the River trail by volunteers and the Southwest Conservation Corps earlier this summer.
- Sprinkler maintenance has been performed at Fellin Park, Woman's Club Park, and near the fishpond.
- Parks staff has met with contractors to explore possible fixes to seal the roof of the powder house building.
- Electrical work has begun for installation of automatic ADA doors at the Visitor Center.
- Much work is taking place on the new restroom building at Fellin Park. The foundation has been excavated, concrete poured, sprinkler lines relocated, underground utilities have begun, and scheduling of contractors for plumbing, framing, etc.
- New signs have been installed on restrooms at Rotary Park.
- New bleachers have been assembled and placed in location. Thank you to the volunteers (and City Administrator) who assisted with this project.

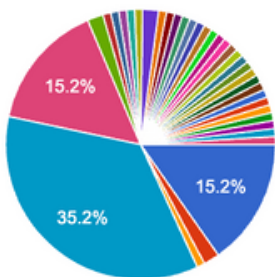
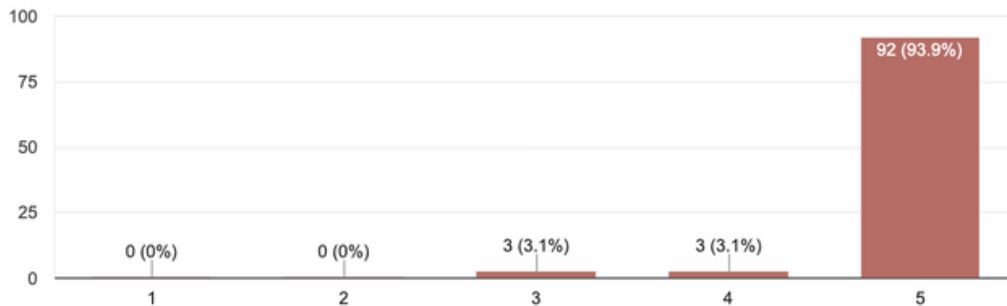
## Visitor Center

- We are currently looking for a new Lead Customer Service Associate
- We are currently looking for a 4 day part-time position
- In August 2023, we saw 3,320 people, took 169 calls, mailed 10 packets, and had 39 scavenger hunt finishers
- We have some new volunteers assisting at the Do Ouray Right booth
- Continued to respond to emails from the general email address and requests for mailing of information
- Did a staff and volunteer activity at the Bachelor Syracuse Mine Tour
- Staff starting to make calls to businesses and destinations that we are low on rack cards to get more
- Ordered more product for the Visitor Center
- Total sales for the month, as of June 30th, were \$\$3,852.22

How satisfied were you with the Ouray Visitor Center Staff

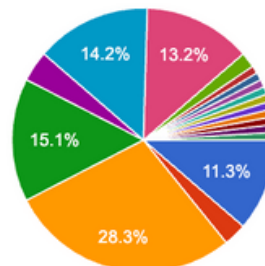
 Copy

98 responses



- Internet
- Social Media
- Newspapers
- Radio
- Magazine
- Word of mouth
- Just driving by
- Been here before

▲ 1/5 ▼



- Just passing through
- Jeeping
- Hiking
- Hot Springs
- Climbing
- Camping
- Driving Million Dollar Highway
- Photography

▲ 1/3 ▼

## Visit Ouray

### Website:

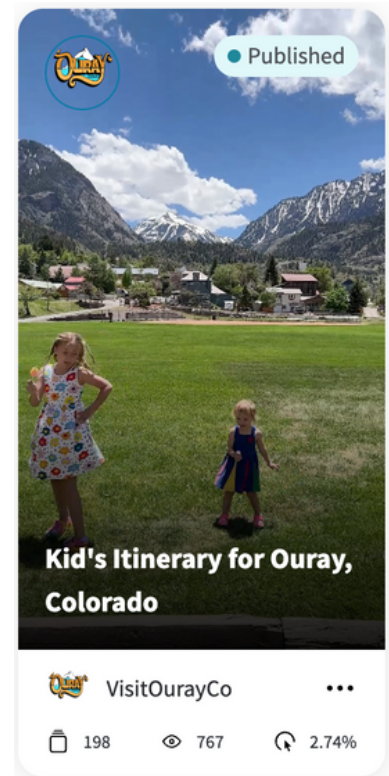
- Added Sarah's Blog to our itinerary page
- Added Sarah's Blog to our blog page
- Added events to events page
- Added button for "Find Public Restrooms" on Ouray App Page
- Updated restaurant page with those who have vegan and vegetarian options
- Added Jeep/ OHV rentals and tour information to our jeeping page, including if they allow pets and car seats.
- Added to each hotel how many rooms are available, which are pet friendly, which have a complimentary breakfast.

### Social Media:

- Facebook Insights for Last 28 Days | 41,341 page reaches, 51 new followers, 65 link clicks
- Instagram Insights for Last 30 Days | 29,900 reaches, 269 new followers, 2,141 engagements
- Created a Kid's Itinerary in Localhood thanks to @Hausvonfloop
- Dog-Friendly spots in Ouray

### Media:

- Google Ad Campaign for Visiting in the Fall continuation
- Darrell CTO Fam Tour | Conde Nest Traveler | Exploring the luxury side of travel
- Wall Street Journal: Highlight Mountain Trip and Ouray Meat and Cheese. The online version of this story (pdf attached) has a readership of 29,517,193 and a media value of \$55.5K. We are also hopeful this will appear in print this weekend and will send those numbers and clips when we have them. The print version of the article has a readership of 872,691 and a media value of \$102,707!



## Visit Ouray

### Business Spotlights:

- Ouray Grocery
- Music and Makers Festival/ Artist Highlights

### Business Consultation:

- Ouray Ice Park

### Meetings:

- 8.8.23 CTO 2022 Destination Report
- 8.8.23 Ouray Ice Park Meeting
- 8.9.23 Main Street Committee
- 8.10.23 Destination Blueprint Meeting
- 8.10.23 Going Green with Hulu
- 8.10.23 Presented to the Young Entrepreneur Group
- 8.15.23 Tourism Advisory Committee
- 8.16.23 CTO International Promotion
- 8.17.23 CTO Marketing Matching Grant Info Meeting
- 8.17.23 Letter of Intent with Colorado Tourism Office
- 8.21.23 City Council Regular Meeting
- 8.22.23 Main Streets Dinner
- 8.24.23 Decision Making Matrix
- 8.29.23 Branding Committee Meeting

### TAC:

- Approved funding to Mountain Trip to help promote the Ouray Via Ferrata to the Latino community
- Approved the use of a Decision Making Matrix
- Created a new LOT Grant Funding Application Google Form

### Newsletters:

- 9.1.23 Local Newsletter
- 9.1.23 Tourism Newsletter

## Visit Ouray

### Do Ouray Right Ambassador Program:

- Ordered more LNT reference cards and pocket guides
- Cascade Falls location we partnered with San Juan Mountain Association
- Received Leave No Trace Products for booth
- For the month of August we made 192 contacts
- We have a new volunteer to help in September

### QR Code Stats:

- Window clings Autumn Bailey created and handed out - 47 scans
- Montrose Airport Ad - 15 scans
- Discovery Maps - 20 scans
- Visitor Guide Scans - QR Code 260 scans
  - 773 Impressions (each time it is loaded)
  - 557 Views (Interactions)
  - 5:30 Average time spent

### Other Things To Note:

- Submitted a Letter of Intent for Ouray having a Destination Learning Lab created for frontline workers and a resource for other DMO's
- Submitted our application for the Marketing Matching Grant
- Sent out Grant Result Google Forms to previous funding recipients
- TDM Director completed the Leave No Trace 101 Course

## Alcohol Beverage Festival Permit Application

This permit is only available for the following license types:

- Beer and Wine license;
- Hotel and Restaurant license;
- Tavern license;
- Brew Pub license;
- Vintner's Restaurant license;
- Distillery Pub license;
- Manufacturer's license (beer, wine, or spirits);
- Wholesaler's license; or
- Limited Wineries

<input type="checkbox"/> Initial Application – \$50.00 Processing Fee <input checked="" type="checkbox"/> Subsequent Festival Application - \$50.00 per festival (9 total allowed per 12 month period, per participating licensee) Note - Beginning January 1, 2024, a permittee may hold up to 9 festivals during a calendar year.		
Legal Business Name <i>The Gray</i>		
Trade Name/DBA Name <i>The Grays</i>		
License Number <i>03-16908</i>	License Type <i>Tavern</i>	Sales Tax Number <i>95087907-0000</i>
Business Phone Number <i>402 570 6213</i>	Email Address <i>thegrayouray@gmail</i>	
Premises Address <i>929 main Street</i>		
City <i>Duray</i>	State <i>CO</i>	ZIP Code <i>81427</i>
Mailing Address <i>PO Box 1394</i>		
City <i>Duray</i>	State <i>CO</i>	ZIP Code <i>81427</i>
Festival Location <i>Fellin Park</i>		
Date(s) of Festival <i>Sep 30th</i>		
What are the hours of alcohol service during each festival date(s)? (1 festival can be no more than 72 hours) <i>11 AM to 11 pm</i>		
<b>Attach a copy of Premises Use Authorization Letter or Lease</b>		
<b>Notification to Local Authority</b>		
Local Licensing Authority Name <i>CITY OF DURAY</i>	Date Notice was provided to Local Licensing Authority <i>8-20-23</i>	
During this festival alcohol will only be sold by the participating alcohol beverage holders (Check All that apply)		
<input checked="" type="checkbox"/> In open containers for on-premises consumption <input type="checkbox"/> In sealed containers for off-premises consumption		
<b>Notice To Local Licensing Authority</b>		
This application for a festival permit will be granted to the above named applicant unless any of the below listed conditions apply. If any of these conditions apply please contact the state licensing authority immediately.		
<input type="checkbox"/> The applicant has not provided you with at least 30 business days notice of the proposed festival <input type="checkbox"/> Past festivals have had a history of violation of the Colorado Liquor Code or Colorado Liquor Rules or violations of local ordinances <input type="checkbox"/> If granted, this permit would result in violations of the Colorado Liquor Code or Colorado Liquor Rules, or the laws of the local government		

**Control Plan Attestation**

I affirm that I have attached a Security and Control plan that has been circulated and agreed upon by all participating licensees.

Applicant's Signature <i>Sarah Gray</i>		Date 8/20/23
Licensing Authority Signature <input type="checkbox"/> Object <input type="checkbox"/> Do Not Object	Local Licensing Authority Contact Name	Phone Number 402.570.6265

**List of participating businesses (Attach a separate sheet if needed)**

Name <i>The Silver Eagle</i>		
License Number <i>03-07850</i>	License Type <i>03-07850 Tavern</i>	
Person Responsible <i>Trisha Johnson</i>	Phone Number <del>509 540 5751</del> <i>509 540 5751</i>	
Name		
License Number	License Type	
Person Responsible	Phone Number	
Name		
License Number	License Type	
Person Responsible	Phone Number	
Name		
License Number	License Type	
Person Responsible	Phone Number	
Name		
License Number	License Type	
Person Responsible	Phone Number	
Name		
License Number	License Type	
Person Responsible	Phone Number	

**Oath Of Applicant**

I declare under penalty of perjury in the second degree that this application and all attachments are true, correct, and complete to the best of my knowledge. I also know that it is my responsibility and the responsibility of my agents and employees to comply with the provisions of the Colorado Liquor or Beer and Wine Code and Colorado Liquor Rules which affect my license or permit.

Authorized Signature <i>Sarah Gray</i>	
Title <i>Owner - The Gray</i>	Date 8/20/23

**Submit to Local Licensing Authority**

**OURAY LIQUORS LLC  
 PO BOX 1175  
 Ouray CO 81427**

Fees Due	
Renewal Fee	352.50
Storage Permit \$100 X _____	\$
Sidewalk Service Area \$75.00	\$
Additional Optional Premise Hotel & Restaurant \$100 X _____	\$
Related Facility - Campus Liquor Complex \$160.00 per facility	\$
<b>Amount Due/Paid</b>	<b>\$352.50</b>

Make check payable to: Colorado Department of Revenue. The State may convert your check to a one-time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department may collect the payment amount directly from your banking account electronically.

## Retail Liquor License Renewal Application

Please verify & update all information below

Return to city or county licensing authority by due date

Licensee Name <b>OURAY LIQUORS LLC</b>		Doing Business As Name (DBA) <b>OURAY LIQUORS LLC</b>	
Liquor License # <b>28-16914-0000</b>	License Type Liquor Store (city)		
Sales Tax License Number <b>028169140000</b>	Expiration Date <b>10/24/2023</b>	Due Date <b>09/09/2023</b>	
Business Address <b>611 MAIN STREET Ouray CO 81427</b>			Phone Number <b>9703250784</b>
Mailing Address <b>PO BOX 1175 Ouray CO 81427</b>		Email <b>OURAYLIQUORS@HOTMAIL.COM</b>	
Operating Manager <b>MATTHEW GEMM</b>	Date of Birth <b>C</b>	Home Address	Phone Number
1. Do you have legal possession of the premises at the street address above? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Are the premises owned or rented? <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Rented*      *If rented, expiration date of lease <b>08/31/2030</b>			
2. Are you renewing a storage permit, additional optional premises, sidewalk service area, or related facility? If yes, please see the table in upper right hand corner and include all fees due. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
3a. Are you renewing a takeout and/or delivery permit? (Note: must hold a qualifying license type and be authorized for takeout and/or delivery license privileges) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
3b. If so, which are you renewing? <input type="checkbox"/> Delivery <input type="checkbox"/> Takeout <input type="checkbox"/> Both Takeout and Delivery			
4a. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant, been found in final order of a tax agency to be delinquent in the payment of any state or local taxes, penalties, or interest related to a business? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
4b. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant failed to pay any fees or surcharges imposed pursuant to section 44-3-503, C.R.S.? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
5. Since the date of filing of the last application, has there been any change in financial interest (new notes, loans, owners, etc.) or organizational structure (addition or deletion of officers, directors, managing members or general partners)? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders, owners (other than licensed financial institutions), officers, directors, managing members, or general partners are materially interested. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
6. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been convicted of a crime? If yes, attach a detailed explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

**Ordinance No. 10 (Series 2023)**

**AN ORDINANCE GRANTING BLACK HILLS COLORADO GAS, INC. D/B/A BLACK HILLS ENERGY, ITS LESSEES, SUCCESSORS AND ASSIGNS, A NATURAL GAS FRANCHISE AND THE AUTHORITY TO CONSTRUCT, OPERATE, MAINTAIN, AND EXTEND A NATURAL GAS DISTRIBUTION PLANT AND SYSTEM, AND GRANTING THE RIGHT TO USE THE STREETS, ALLEYS, AND OTHER PUBLIC PLACES WITHIN THE PRESENT OR FUTURE CORPORATE LIMITS OF THE CITY OF OURAY, COLORADO**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OURAY, COLORADO,**  
as follows:

**1. FRANCHISE GRANTED**

The City of Ouray, Colorado (hereinafter referred to as "Grantor"), hereby grants a non-exclusive franchise to Black Hills Colorado Gas, Inc. d/b/a Black Hills Energy, (hereinafter called "Grantee"), its lessees, successors, and assigns. Upon the appropriate permit being obtained, Grantee is hereby granted the right, privilege, franchise, permission and authority to lay, construct, install, maintain, operate and extend in, along, over or across the present and future streets, alleys, avenues, bridges, public rights-of-way and public easements as are now within the present or future limits of said Grantor, a natural gas distribution system and all facilities necessary for the purpose of supplying natural gas or processed gas and other operations connected therewith or incident thereto for all purposes to the inhabitants of said Grantor and consumers in the vicinity thereof, and for the distribution of natural gas from or through said Grantor to points beyond the limits thereof. Such facilities shall include, but not be limited to, all mains, services, pipes, conduits and all other apparatus and appliances necessary or convenient for transporting, distributing and supplying natural gas for all purposes for which it may be used, and to do all other things necessary and proper in providing natural gas service to the inhabitants of Grantor and in carrying on such business.

**2. TERM**

This franchise shall take effect on the first day of the month following the date this Ordinance is finally approved by the Colorado Public Utilities Commission (the "Effective Date"), at which time Grantee will begin to collect the franchise fee set forth herein, and this franchise shall remain in effect for a period of fifteen (15) years from the Effective Date of this Ordinance.

**3. FRANCHISE FEES OR TAXES**

In exchange for the franchise granted herein, Grantee shall collect from all customers located within the corporate limits of Grantor and pay to Grantor an amount equal to \$0.0215 per therm of gas delivered within the present or future limits of Grantor. The amount paid by Grantee shall be in lieu of, and Grantee shall be exempt from, all other fees, charges, taxes or assessments which the Grantor may impose for the privilege of doing business within the present or future corporate limits of Grantor, including, without limitation, excise taxes, occupation taxes or licensing fees,.

Ad valorem property taxes imposed upon all real and personal property within the present or future corporate limits of Grantor shall not be deemed to affect Grantee's obligations under this section.

Grantee shall report and pay any amount payable under this Ordinance on an annual basis by April 1st . Such payment shall be made no more than thirty (30) days following the close of the period for which payment is due. Initial and final payments shall be prorated for the portions of the periods at the beginning and end of any franchise granted by the City of Ouray, Colorado, to Grantee.

Grantee shall list the franchise fee collected from customers as a separate item on bills for utility service issued to its customers. If at any time the Colorado Public Utilities Commission or other authority having proper jurisdiction prohibits such recovery, then Grantee will no longer be obligated to collect and pay the franchise fee. Any customer refunds ordered by the Commission or other authority due to an unlawful or prohibited collection of the franchise fee collected by Grantee and remitted to Grantor shall be refunded by Grantor.

Within ten (10) days of the date of this ordinance, Grantor shall provide Grantee with a map of its corporate limits (the "Map"). The Map shall be of sufficient detail to assist Grantee in determining whether their customers reside within Grantor's corporate limits. The Map along with Grantee's Geographic Information System ("GIS") mapping information shall serve as the basis for determining Grantee's obligation hereunder to collect and pay the franchise fee from customers; provided, however, that if the Grantor's corporate limits are changed by annexation or otherwise, it shall be the Grantor's sole responsibility to (a) update the Map so that the changes are included therein, and (b) provide the updated Map to the Grantee.

Grantee's obligation to collect and pay the franchise fee from customers within an annexed area shall not commence until the later: (a) of sixty (60) days after Grantee's receipt from the Grantor of an updated Map including the annexed area, or (b) after Grantee's receipt from the Grantor of an updated Map including the annexed area as is reasonably necessary for Grantee to identify the customers in the annexed area obligated to pay the franchise fee; provided, further that neither party shall have the obligation to correct a mistake, including but not limited to collection of the fee by Grantee from its customers or remittance of that fee by Grantee to Grantor, that is discovered more than one (1) year after the occurrence thereof. .

Grantor shall have access to and the right to examine, during normal business hours, such as Grantee's books, receipts, files, records, and documents as is necessary to verify the accuracy of payments due hereunder. If it is determined that a mistake was made in the payment of any franchise fee required hereunder, the mistake shall be corrected promptly upon discovery such that any under-payment by Grantee shall be paid within thirty (30) days of recalculation of the amount due, and any over-payment by Grantee shall be deducted from the next payment of such franchise fee due by Grantee to Grantor.

#### **4. GOVERNING RULES AND REGULATIONS**

The franchise granted hereunder is subject to all conditions, limitations and immunities now provided for, or as hereafter amended, and applicable to the operations of a public utility, by state or federal laws, including but not limited to the rates, terms, and conditions of services approved

by the Colorado Public Utilities Commission. The rates to be charged by Grantee for service within the present or future corporate limits of Grantor and the rules and regulations regarding the character, quality and standards of service to be furnished by Grantee, shall be under the jurisdiction and control of such regulatory body or bodies as may, from time to time, be vested by law with authority and jurisdiction over the rates, regulations and quality and standards of service to be supplied by Grantee. Provided however, should any judicial, regulatory, or legislative body having proper jurisdiction take any action that precludes Grantee from recovering from its customers any cost associated with services provided hereunder, then Grantee and Grantor shall renegotiate the terms of this Ordinance in accordance with the action taken. In determining the rights and duties of the Grantee, the terms of this Ordinance shall take precedence over any conflicting terms or requirements contained in any other ordinance enacted by the Grantor.

**5. PROVISION FOR INADEQUATE ENERGY SUPPLIES**

If an energy supplier is unable to furnish an adequate supply of energy due to an emergency, an order or decision of a public regulatory body, or other acts beyond the control of the Grantee, then the Grantee shall have the right and authority to adopt reasonable rules and regulations limiting, curtailing or allocating extensions of service or supply of energy to any customers or prospective customers, and withholding the supply of energy to new customers, provided that such rules and regulations shall be uniform as applied to each class of customers or prospective customers, and shall be non-discriminatory as between communities receiving service from the Grantee.

**6. CONSTRUCTION AND MAINTENANCE OF GRANTEE'S FACILITIES**

Any pavements, sidewalks or curbing taken up and any and all excavations made shall be done in such a manner as to cause only such inconvenience to the inhabitants of Grantor and the general public as is reasonably necessary, and repairs and replacements shall be made promptly by Grantee, leaving such properties in as good as condition as existed immediately prior to excavation.

Grantee agrees that for the term of this franchise, it will use its best efforts to maintain its facilities and equipment in a condition sufficient to meet the current and future energy requirements of Grantor, its inhabitants, and industries. While maintaining its facilities and equipment, Grantee shall obtain permits as required by ordinance, including but not limited to Section 13-3 of the Grantor's Municipal Code, and will fix its excavations within a commercially reasonable time period, except that in emergency situations Grantee shall take such immediate unilateral actions as it determines are necessary to protect the public health, safety, and welfare; in which case, Grantee shall notify Grantor as soon as reasonably possible. Within a reasonable time thereafter, Grantee shall request, and Grantor shall issue any permits or authorizations required by Grantor for the actions conducted by Grantee during an emergency.

Grantor will give Grantee reasonable notice of plans for street improvements where paving or resurfacing of a permanent nature is involved that affects Grantee's facilities. The notice shall contain the nature and character of the improvements, the rights-of-way upon which the improvements are to be made, the extent of the improvements, and the time when the Grantor will start the work, and, if more than one right-of-way is involved, the order in which the work is to proceed. The notice shall be given to the Grantee as soon as practical in advance of the actual

commencement of the work, considering reasonable working conditions, to permit the Grantee to make any additions, alterations, or repairs to its facilities.

Should it become necessary for the Grantee, in exercising its rights and performing its duties hereunder, to interfere with any sidewalk, graveled or paved streets, roads or alleys or any other public or private improvement, the Grantee shall repair at its own expense in a workmanlike manner subject to the approval by the Grantor, such sidewalk, graveled or paved street, road, alley, or other improvement after the installation of its pipes or other structures. The Grantee shall use due care not to interfere with or damage any water mains' sewers, or other structures now in place or which may hereafter be placed in said streets, alleys, or other public places, and said Grantee shall, at its own expense, repair in a workmanlike manner subject to the approval of the Grantor, any such water mains' sewers or other structures which are damaged through the action of the Grantee, provided, however, that the Grantor may make such repairs and charge the reasonable cost thereof to the Grantee. This grant of authority shall apply to all streets and alleys presently platted or otherwise of record, all gas easements presently owned by or dedicated to the Grantor or the public within the Grantor limits, and to future streets, alleys, and easements and other property later acquired by or dedicated to the Grantor and located within the Grantor limits. The Grantee shall be responsible for remedying any defects in repair work done by the Grantee for a period of two years after completion. The Grantor shall have the right to inspect and supervise any work on Grantor property and improvements.

#### **7. EXTENSION OF GRANTEE'S FACILITIES**

Upon receipt and acceptance of a valid application for service, Grantee shall, subject to its own economic feasibility criteria as approved by the Colorado Public Utilities Commission make reasonable extensions of its distribution facilities to serve customers located within the current or future corporate limits of Grantor.

#### **8. RELOCATION OF GRANTEE'S FACILITIES**

If at any time it shall be necessary to change the position of any gas main or service connection of the Grantee to permit the Grantor to lay, make, replace or change street or other grades, sanitary or storm sewers, water mains or other Grantor works, such changes shall be made by the Grantee at its own expense; provided, however, the Grantor shall confer with the Grantee and seek the Grantee's input during the initial phase of planning and engineering of any Grantor project which may require the Grantee to relocate its facilities in order to explore means of reducing the costs to the Grantee, and the Grantor shall make reasonable efforts to mitigate the financial impact of any such project on the Grantee. If the Grantor does not confer with the Grantee during the initial phase of planning and engineering of any Grantor project which may require the Grantee to relocate its facilities, such Grantee relocation expenses shall be paid by the Grantor; however, the Grantor shall have an annual expense allowance of up to \$3,000 that the Grantee will be obligated to bear each year without reimbursement by the Grantor if such costs are expended. If the Grantor and Grantee confer and do not agree on a facilities relocation plan, the Grantee may request, and Grantor representatives shall participate in, good faith mediation before a mutually agreeable third party to resolve their differences.

If Grantor orders or requests Grantee to relocate its facilities or equipment for the primary benefit of a commercial or private project, or as a result of the initial request of a commercial or private

developer or other non-public entity, and such removal is necessary to prevent interference, then Grantee shall receive payment for the cost of such relocation as a precondition to relocating its facilities or equipment.

## **9. CONFIDENTIAL INFORMATION**

Grantor acknowledges that certain information it might request from Grantee pursuant to this Ordinance may be of a proprietary and confidential nature, and that such requests may be subject to the Homeland Security Act or other confidentiality protections under state or federal law. If Grantee requests that any information provided by Grantee to Grantor be kept confidential due to its proprietary or commercial value, Grantor and its employees, agents and representatives shall maintain the confidentiality of such information, to the extent allowed by law. If Grantor is requested or required by legal or administrative process to disclose any such proprietary or confidential information, Grantor shall promptly notify Grantee of such request or requirement so that Grantee may seek an appropriate protective order or other relief.

## **10 FORCE MAJEURE**

It shall not be breach or default under this Ordinance if either party fails to fulfil its obligations hereunder due to force majeure. Force majeure shall include, but not be limited to, the following: 1) physical events such as acts of God, landslides, lightning, earthquakes, fires, freezing, storms, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery, equipment or distribution or transmission lines; 2) acts of others such as strikes, work-force stoppages, riots, sabotage, insurrections or wars; 3) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, executive order, or regulation promulgated by a governmental authority having jurisdiction; and (4) any other causes, whether of the kind herein enumerated or otherwise not reasonably within the control of the affected party to prevent or overcome. Each party shall make reasonable efforts to avoid force majeure and to resolve such event as promptly as reasonably possible once it occurs to resume performance of its obligations hereunder; provided, however, that this provision shall not obligate a party to settle any labor strike.

## **11. HOLD HARMLESS**

Grantee shall indemnify, hold harmless and defend the Grantor, and its officers, directors, shareholders, agents, employees and representatives, from all claims, liabilities, fines, interest, costs, expenses and damages (including reasonable attorneys' fees) it incurs for any damage, injury, death, loss or destruction of any kind to persons or property, to the extent the damage, injury, death, loss or destruction arises out of or is related to the conduct, negligence, error, omission, willful misconduct, misrepresentation, breach of warranty or other breach of this Franchise Ordinance, if such injury, loss, or damage is caused in whole or in part by the act, omission, error, professional error, mistake, negligence, or other fault of the Grantee, or any subcontractor, officer, employee, or representative of Grantee or which arises out of any worker's compensation claim of any employee or the Grantee or of any employee of any subcontractor of the Grantee. The Grantee agrees to investigate, handle, respond to, and to provide defense for and defend against, defend such liability, claims or demands at the sole expense of the Grantee, or at the option of the Grantor, agrees to pay the Grantor or reimburse the Grantor for the reasonable defense costs incurred by the Grantor in connection with any such liability claims or demands. The

Grantee also agrees to bear all other costs and expenses related thereto, including court costs and attorney fees, whether any such liability claims or demands alleged are groundless, false or fraudulent. The obligation of this paragraph shall not extend to any injury, loss or damages to the extent it is caused by the professional error, omission, mistake, negligence, or other fault of the Grantor, its officers, or its employees. Grantee hereby waives any claim for damages to its property within streets, alleys and gas easements against the Grantor, its officers and employees, except for damages caused by the negligence, recklessness, or the specific intent of the Grantor, its officers or employees. In addition, except for gross negligence, willful misconduct, and fraud, in no event will either party be liable to the other party for any special, incidental, indirect, punitive or consequential damages (including, without limitation, lost profits, business interruption, or loss of product, data or use) arising from or related to, the performance of the rights and obligations under this Agreement.

## **12. INSURANCE**

Grantee shall always maintain adequate insurance during the term of this franchise and any extensions hereof in an adequate amount to cover and protect itself and others to whom Grantee may be held legally liable in the performance of its duties. Grantee is self-insured and may provide evidence of its self-insurance for the insurance required by Grantee in lieu of purchasing separate insurance policies. Grantee shall provide Grantor with a certificate of insurance evidencing such coverage and naming Grantor as an additional insured thereunder.

## **13. FRANCHISE APPLICATION FEE**

Grantee shall pay a one-time franchise application Fee to Grantor for costs incurred by the Grantor in the negotiation and adoption of this franchise within thirty (30) days of the date of Grantor's invoice. The franchise application fee shall include the costs of publication, and reasonable attorneys' fees, not to exceed \$1,000.

## **14. SUCCESSORS AND ASSIGNS**

All rights, privileges and authority granted to Grantee hereunder shall inure to the benefit of Grantee's lessees, successors, and assigns, subject to the terms, provisions and conditions herein contained, and all obligations imposed upon Grantee hereunder shall be binding upon Grantee's lessees, successors, and assigns.

## **15. NO THIRD-PARTY BENEFICIARIES**

This Ordinance constitutes a franchise agreement between the Grantor and Grantee. No provision of this Ordinance shall inure to the benefit of any third person, including the public at large, so as to constitute any such person as a third party beneficiary of the agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action for any person not a party hereto.

## **16. SEVERABILITY**

If any clause, sentence, or section of this Ordinance is deemed invalid by any judicial, regulatory, or legislative body having proper jurisdiction, the remaining provisions shall not be affected.

## **17. NON-WAIVER**

Any waiver of any obligation or default under this Ordinance shall not be construed as a waiver of any future defaults, whether of like or different character.

**18. REPEAL CONFLICTING ORDINANCES**

This Ordinance, when accepted by Grantee as provided below, shall constitute the entire agreement between the Grantor and the Grantee relating to the franchise granted by Grantor hereunder, and the same shall supersede all prior ordinances relating thereto, and any terms and conditions of such prior ordinances or parts of ordinances in conflict herewith are hereby repealed. Ordinance No. 08, 2003 of the City of Ouray, Colorado, is hereby repealed as of the Effective Date hereof.

**19. EFFECT AND INTERPRETATION OF ORDINANCE**

The captions that precede each section of this Ordinance are for convenience and/or reference only and shall not be taken into consideration in the interpretation of any of the provisions of this Ordinance.

**20. RESERVED RIGHTS**

The right is hereby reserved to the Grantor to adopt, from time to time, in addition to the provisions herein contained, such ordinances as may be deemed necessary in the exercise of its police power, or in the future absence of PUC regulation, in furtherance of such power as the Grantor may have under law to regulate the rates and service of the Grantee, provided that such regulations shall be reasonable and not destructive of the rights and benefits herein granted, and not in conflict with the laws of the State of Colorado, or with orders of other authorities having jurisdiction in the premises, except, if applicable, as permitted in the exercise of the Grantor's "home rule" powers granted by Article XX of the Colorado Constitution. This franchise shall be subject to all valid and effective provisions of the City Charter whether enumerated herein or not.

**21. FORFEITURE**

The Grantor reserves the right to declare a forfeiture of this franchise for the breach of a substantial and material provision thereof. No forfeiture shall be declared until the Grantee shall have had an opportunity to be heard and to correct the alleged breach. Upon failure of the Grantee to exercise reasonable diligence to correct such condition, or to demonstrate that remedying the breach is legally proscribed, the Grantor may declare this franchise forfeited. If this franchise is forfeited, then the Grantee agrees to continue to render service as theretofore for a period of six (6) months to give the Grantor time to decide upon its course of action.

**22. ACCEPTANCE**

Upon final passage and approval of this Ordinance by Grantor, in accordance with applicable laws and regulations, Grantee shall file its acceptance by written instrument, within sixty (60) days of passage by City Council, with the Clerk of the City of Ouray, Colorado. The Clerk of the City of Ouray, Colorado shall sign and affix the community seal to acknowledge receipt of such acceptance and return one copy to Grantee. If Grantee does not, within sixty (60) days following passage of this Ordinance, either express in writing its objections to any terms or provisions contained therein, or reject this Ordinance in its entirety, Grantee shall be deemed to have accepted this Ordinance and all its terms and conditions.

Introduced, passed and ordered published on first reading by the City Council of the City of Ouray, Colorado, this 21st day of August 2023.

\_\_\_\_\_  
Ethan Funk, Mayor

Attest:

\_\_\_\_\_  
Melissa M. Drake, Clerk

Introduced, read, and adopted on second reading, by \_\_ vote of the Ouray City Council this \_\_ day of September 2023.

\_\_\_\_\_  
Ethan Funk, Mayor

Attest:

\_\_\_\_\_  
Melissa M. Drake, Clerk

**CERTIFICATE OF ATTESTATION**

I, Melissa M. Drake, Ouray City Clerk, hereby certify that Ordinance No. 10 (Series No. 2023), was introduced, read, and passed by the Ouray City Council on first reading on \_\_\_\_\_, 2023. The Ordinance was published, in summary, in the *Ouray County Plaindealer* on \_\_\_\_\_, 2023, and thereafter introduced, read, and adopted by the Ouray City Council on \_\_\_\_\_, 2023, and thereafter published in the *Ouray County Plaindealer*, as required by law.

\_\_\_\_\_  
Melissa M. Drake, City Clerk

## Training

FTO

## Cost

14 weeks Salary

Axon Licenses, basic 2931.00

### Equipment

Patrol Car Already Have

Patrol Rifle Already Have

Lethal shotgun 500.00

Less-Lethal Shotgun 500.00

Patrol Sidearm w/holster Already Have

portable radio w/holster, Mic and charger Already Have

Axon In Car Camera 3846.00

Axon Body Camera w/mount 731.00

Axon Taser w/holster 2052.00

Handcuffs X2 60.00

Baton w/Holster 238.00

Duty Belt 60.00

Under Belt 70.00

Balistic vest 1000.00

Badge 200.00

Name tag 50.00

### Uniforms

3 Long Sleeve Shirts 240.00

3 Short Sleeve Shirts 240.00

3 Pairs of Pants 195.00

1 Pair Summer boots 180.00

1 Pair Winter Boots 180.00

SUB TOTAL 13,273.00

Back Ground Check 4000.00

20 % BUFFER 2643.00

**Total 19,916.00**

## Estimated Annual Costs

Salary 65,000

Health benefits 11,088

Retirement 1,900

Housing Stipend 6,000

**Total 83,988**



APPLICATION FOR PARTICIPATION ON A CITY COMMITTEE

City of Ouray
320 6th Avenue
PO Box 468
Ouray, Colorado 81427
Telephone: (970) 325 7211 FAX: (970) 325 7212

An Equal Employment Opportunity Employer

Thank you for your interest in applying to serve on a City Committee. Please complete the following on your background. This information will allow us to select and appoint a balanced membership for each of our committees.

PART 1: PERSONAL DATA

Full Name: Lou Hart
Physical Address: 0000 Oak St
Mailing Address: PO Box 1173
E-Mail Address: [redacted]@gmail.com
Home Telephone Number: [redacted]
Business Telephone Number:
Present job title: Director Ouray Chamber of Commerce
Present employment is (check one) Full-time Part-time
May we contact you at work for committee related issues? Yes No
Do you rent or own your home? If you own, do you have vacation rentals? No

PART 2: BACKGROUND INFORMATION

Please check the name of the committee you are interested in:
[ ] Planning Commission [ ] Community Economic & Development (CDEC) [x] Beautification
[ ] Park & Recreation (PARC) [ ] Tourism Advisory Committee (TAC) [ ] Other:
How long have you lived in the City of Ouray? 4 years
What do you think are the major issues affecting our City?
Infrastructure updates
Maintaining our environment and keeping it a desirable place to live
How do you envision your contribution to this committee?
I have worked with the Beautification Com for several years. I am invested in the responsibilities of this committee - caring for our community

Signature Lou Hart
Print Name Lou Hart

Date 8/23/23

If you are interested in this opportunity to serve your community, please fill out the application and return to the above address.

# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>A</sup> of Ouray County, Colorado.

On behalf of the City of Ouray,  
(taxing entity)<sup>B</sup>

the City Council,  
(governing body)<sup>C</sup>

of the City of Ouray,  
(local government)<sup>D</sup>

**2024 Preliminary**

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ \$40,343,180 **\$59,059,470**  
assessed valuation of: (GROSS<sup>E</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>F</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>G</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ \$40,343,180  
(NET<sup>H</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

**Submitted:** 12/15/2022 for budget/fiscal year 2023.  
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>1</sup>	REVENUE <sup>1</sup>
1. General Operating Expenses <sup>I</sup>	<u>13.585</u> mills	\$ <u>548,062</u> <span style="color: red; font-weight: bold;">\$802,323</span>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>J</sup>	<u>&lt; 0 &gt;</u> mills	\$ <u>&lt; 0 &gt;</u>
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<u>13.585</u> mills	\$ <u>548,062</u> <span style="color: red; font-weight: bold;">\$802,323</span>
3. General Obligation Bonds and Interest <sup>K</sup>	_____ mills	\$ _____
4. Contractual Obligations <sup>L</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>M</sup>	<u>2.477</u> mills	\$ <u>99,930</u> <span style="color: red; font-weight: bold;">\$146,290</span>
6. Refunds/Abatements <sup>N</sup>	<u>0.002</u> mills	\$ <u>77</u> <span style="color: red; font-weight: bold;">?</span>
7. Other <sup>O</sup> (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<u>16.064</u> mills	\$ <u>648,069</u>

Contact person: Melissa M. Drake Daytime phone: ( 970 ) 325-7066  
(print)

Signed: Melissa M. Drake Title: Dir. of Finance & Administration

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

<sup>1</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

# Administrative Services

320 6th Avenue | P.O. Box 468 Ouray, CO 81427  
 agenda-request@cityofouray.com | 970-325-7211



## CITY COUNCIL AGENDA REQUEST FORM

All interested persons must submit a completed City Council Agenda Request Form to the City of Ouray for review and consideration. Once an agenda item request is received, the City Administrator will review with the Mayor and determine if the request can be handled administratively or should be added to a future City Council agenda.

City Council meetings are held on the 1<sup>st</sup> and 3<sup>rd</sup> Monday of every month at 6:00 p.m. in the Community Center, unless otherwise noticed. All requests for the agenda must be submitted by noon on the Wednesday prior to the Council meeting.

<b>CONTACT INFORMATION</b>	
Form Submission Date:	7/31/23
Proposed Agenda Date (if known):	8/7/23
Name of person(s) proposing item:	Kathy Elmont
Mailing Address:	PO Box 589
Phone:	970-318-1206
Email:	kathy@ouraynet.com
Subject of Agenda Item:	Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction
Property Location of Agenda Item (if applicable):	
Request Type:	<input checked="" type="checkbox"/> Applicable                    ( ) Information Only                    ( ) Action Item                    ( ) Discussion/Action ( ) Consent                    ( ) Public Hearing                    ( ) Agreement/Contract (X) Other: Info now, discussion/action during 2024 Budget meetings
Brief description/summary of the agenda item (as you would like it to appear on the agenda):	Request for City to take Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction
Does the subject concern a City Department? If so, please include the name of the department(s):	Administrative Services
Does the subject concern a City Ordinance? If so, please include the ordinance name and number:	
Have you discussed your issue(s) with City/Administrative Staff?	<input checked="" type="checkbox"/> One    ( ) No    (X) Yes
Desired outcome:	City takes Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction

<b>SIGNATURE</b>	
Review "Rules and Instructions for Public Hearing Request Forms" on Page 2 before signing or submitting form	
Signature of person submitting agenda item:	Date:
Kathy Elmont	7/31/23
Printed name of person submitting agenda item:	
Kathy Elmont	

**RULES AND INSTRUCTIONS FOR PUBLIC AGENDA REQUEST FORMS:**

1. The City of Ouray Council meets on the first and third Mondays of each month at 6:00pm in the Community Center in City Hall. All meetings are open to the public. The yearly schedule of meetings for the City Council may be found on the City website.
2. Members of the public desiring to present matters to the Council on the public agenda must submit a request in writing to the City of Ouray Administrative Assistant. This request form may be submitted in-person to City Hall or emailed to [agenda-request@cityofouray.com](mailto:agenda-request@cityofouray.com). Request forms are located in City Hall and on the City's website at [www.cityofouray.com](http://www.cityofouray.com) under "City Council." Once an agenda item request is received, Administration will review the request and determine whether or not it requires Mayor/Council action, or whether it is an item that needs to be handled by Staff.
3. Council meeting agendas are posted on the public bulletin board at City Hall and on the City's website before each scheduled meeting. The request should state the name of the individual(s) desiring to be heard and the matter to be presented. Item requests may be referred at the discretion of the Administration, to appropriate staff for mediation prior to being placed on the agenda.
4. If presenting any handouts or documents pertaining to the topic, please provide a copy with this form. Electronic documents can be emailed to [agenda-request@cityofouray.com](mailto:agenda-request@cityofouray.com). (File types allowed: PDF, JPG, DOC, DOCX).
5. According to City Council policy, it is mandatory that the petitioner be present to be heard by Council.
6. Matters pertaining to personnel, litigation and violations of laws and ordinances are excluded from the agenda.
7. Adopted rules of decorum, policies, and procedures for the Council meeting will be observed.

<b>FOR CITY USE ONLY</b>	
Date Form Received: <u>8/1/23</u>	Received By: <u>Melissa M. Drake</u>
Additional materials /handouts required? If Yes, received?	<input checked="" type="checkbox"/> Yes ( ) No <input checked="" type="checkbox"/> Yes
Applicable to City Council? If Yes, Council Meeting Date for Item Requested:	<input checked="" type="checkbox"/> Yes ( ) No <u>8/7/23 REQUESTED</u>
If No, applicable City Department(s) for processing issue/request:	
Optional comments:	

TO: OURAY CITY COUNCIL

FROM: Kathy Elmont, 335 4<sup>th</sup> Street

DATE: July 24, 2023

TOPIC: Option to take Temporary Credit General Property Tax Credit on Form DLG 70 Certification of Tax Levies for Non-School Governments

BACKGROUND: I was the Ouray City Clerk/Treasurer from 2000 to 2015. Each year I was responsible for preparing the Form DLG 70 Certification of Tax Levies for Non-School Governments. Therefore, I am familiar with Line 2. Temporary General Property Tax Credit / Temporary Mill Levy Rate Reduction. This line item provides a property taxing entity to reduce its current mill levy rate for the coming year, which would lower the property tax impact on property owners in its jurisdiction. The following year, the entity may increase its mill levy back up to its previous rate without having to get voter approval for such increase.

REASON FOR ASKING COUNCIL TO CONSIDER THE OPTION TO TAKE A TEMPORARY CREDIT: The recent Ouray County Assessment notices resulted in an approximate 65% increase in residential property values. Given the statutory formula for certifying mill levies ( $\text{Assessed Valuation} \times \text{Mill Levy} = \text{Property Tax}$ ), this results in an approximate 65% increase in property taxes. Many property owners are retirees on fixed incomes, and many of those individuals have lived in Ouray for decades contributing to the fabric of the community through working and volunteering locally. Somewhat younger property owners have raised their families here, along with operating a business in Ouray. A lot of emphasis is being placed on affordable housing for new younger workers and Council has directed funding to help with that demographic. I am proposing that Council consider taking a Temporary General Property Tax Credit of at least 1 or more mills, as an effort to mitigate a portion of the adverse impact on its citizens as a result of the 65% windfall increase from the recent Assessed Valuations. In recent years, Council has increased and created new taxing sources. This is one area of taxation where you have the option to provide some tax relief in 2024, sending a message of supporting your citizenry. If each Property Taxing District would consider a small reduction in their mill levy, then across the board ALL citizens of Ouray would experience a more affordable housing situation.

Thank you for your consideration! Kathy Elmont

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners<sup>1</sup> of \_\_\_\_\_, Colorado.

On behalf of the \_\_\_\_\_ (taxing entity)<sup>A</sup>

the \_\_\_\_\_ (governing body)<sup>B</sup>

of the \_\_\_\_\_ (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: \_\_\_\_\_ for budget/fiscal year \_\_\_\_\_ (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)

LEVY<sup>2</sup>

REVENUE<sup>2</sup>

Table with 3 columns: PURPOSE, LEVY, REVENUE. Rows include General Operating Expenses, Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction, General Obligation Bonds and Interest, Contractual Obligations, Capital Expenditures, Refunds/Abatements, and Other (specify).

SUBTOTAL FOR GENERAL OPERATING:

TOTAL: [ Sum of General Operating Subtotal and Lines 3 to 7 ]

\_\_\_\_\_ mills \$ \_\_\_\_\_

Contact person: \_\_\_\_\_ Daytime phone: ( ) \_\_\_\_\_ Signed: \_\_\_\_\_ Title: \_\_\_\_\_

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

1 If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution. 2 Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

- 1. Purpose of Issue: \_\_\_\_\_  
Series: \_\_\_\_\_  
Date of Issue: \_\_\_\_\_  
Coupon Rate: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_
  
- 2. Purpose of Issue: \_\_\_\_\_  
Series: \_\_\_\_\_  
Date of Issue: \_\_\_\_\_  
Coupon Rate: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

**CONTRACTS<sup>K</sup>:**

- 3. Purpose of Contract: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Principal Amount: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_
  
- 4. Purpose of Contract: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Principal Amount: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Notes:

<sup>A</sup> **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a *taxing entity* is also a geographic area formerly located within a *taxing entity*'s boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government<sup>C</sup>.

<sup>B</sup> **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity*'s mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

<sup>C</sup> **Local Government** - For purposes of this line on Page 1 of the DLG 70, the *local government* is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The *local government* is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the *local government* and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the *local government* when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the *local government* if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the *local government* when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

<sup>D</sup> **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a "tax increment financing" entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity*'s total mills upon the *taxing entity*'s *Gross Assessed Value* found on Line 2 of Form DLG 57.

<sup>E</sup> **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25<sup>th</sup> each year and may amend it, one time, prior to December 10<sup>th</sup>. Each entity must use the **FINAL** valuation provided by assessor when certifying a tax levy.

<sup>F</sup> **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use "tax increment financing" to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity*'s mill levy applied against the *taxing entity*'s gross assessed value after subtracting the *taxing entity*'s revenues derived from its mill levy applied against the net assessed value.

<sup>G</sup> **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57. **Please Note:** A downtown development authority (DDA) may be both a *taxing entity* and have also created its own *TIF area* and/or have a URA *TIF Area* within the DDA's boundaries. As a result DDAs may both receive operating revenue from their levy applied to their certified *NET assessed value* and also receive TIF revenue generated by any *tax entity* levies overlapping the DDA's *TIF Area*, including the DDA's own operating levy.

---

<sup>H</sup> **General Operating Expenses (DLG 70 Page 1 Line 1)**—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

<sup>I</sup> **Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)**—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity*'s levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not applicable to other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

<sup>J</sup> **General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)**—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

<sup>K</sup> **Contractual Obligation (DLG 70 Page 1 Line 4)**—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

<sup>L</sup> **Capital Expenditures (DLG 70 Page 1 Line 5)**—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

<sup>M</sup> **Refunds/Abatements (DLG 70 Page 1 Line 6)**—The county assessor reports on the *Certification of Valuation* (DLG 57 Line 11) the amount of revenue from property tax that the local government did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: Pursuant to Article X, Section 3 of the Colorado Constitution, if the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity*'s total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

<sup>N</sup> **Other (DLG 70 Page 1 Line 7)**—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.

# Ouray Waterview Project

- Non-profit affordable housing developer
  - Affordable housing = 30% of household income (mortgage or rent)
  - Ouray current average 3 BR home/townhouse price is \$980,000
  - Average teacher salary \$48k can buy a \$250,000 priced home
- Building 21 (phase 1) deed restricted homes designated for homeownership and priced for the local Ouray workforce.
- Local business owners, school district, public safety & first responders, and local government all struggle to find and retain employees due to lack of affordable housing.
- Quality, stable housing is the most important determinate of health outcomes.

# Waterview Economic Impact for City of Ouray

- Construction, property taxes, sales taxes, employee recruiting and retention savings and new students in district
- City of Ouray all (city, school, EMS, etc.) property tax districts ONLY revenue:
  - **Annual \$34,588**
- City of Ouray only property tax ONLY revenue:
  - **Annual \$8,894**

# PUD Conditions

1. Fence or landscape to create a buffer between Riverwalk and adjacent properties
2. Address shed size
3. Address privacy fences
4. Discuss landscape budget and developer responsibility
5. Address open parks space determination of ownership
6. Finalize deed restriction conversation

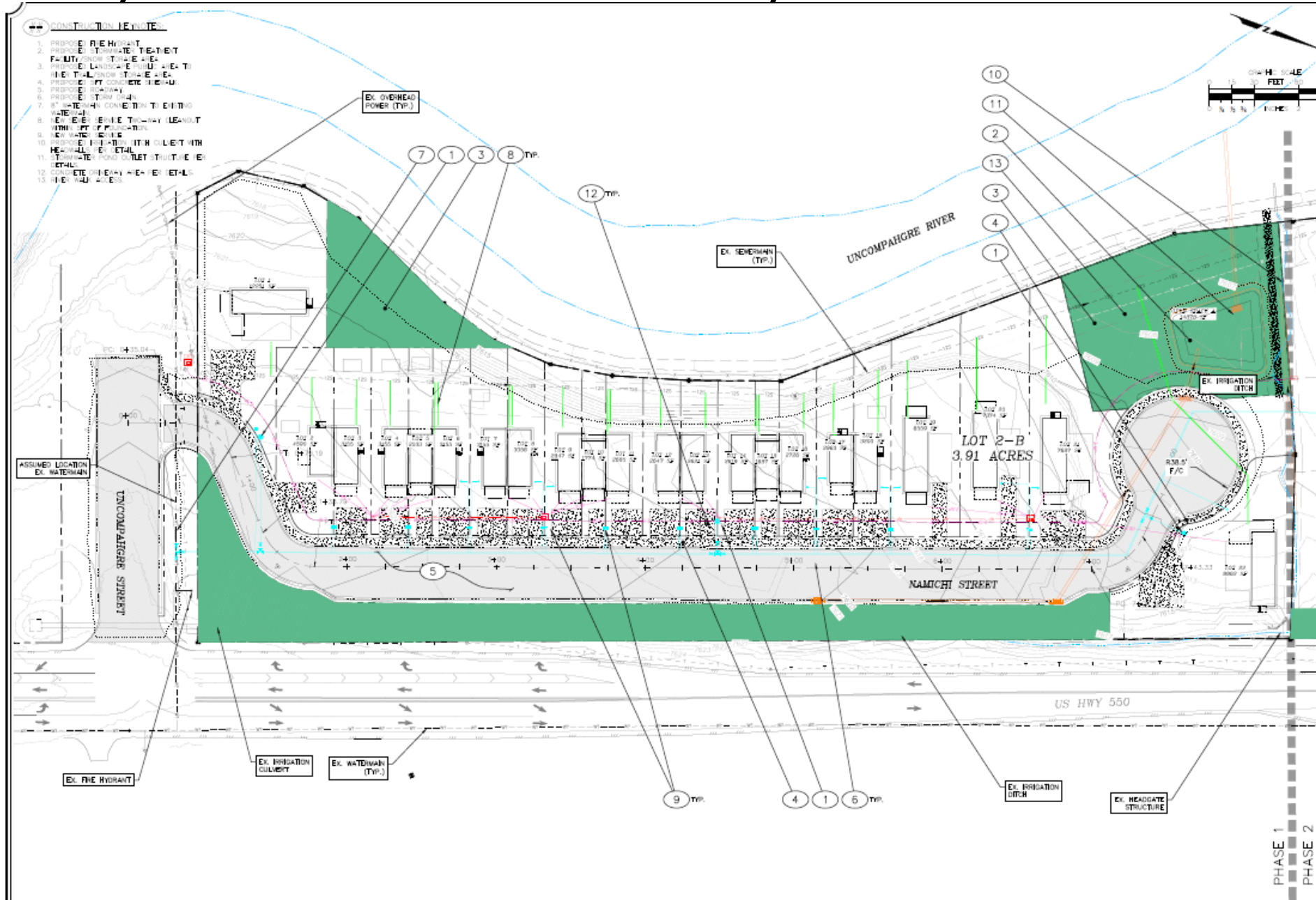
# Draft Development Agreement (DA)

4. Landscaping, Riverwalk Corridor Buffer, Sheds and Privacy Fencing
5. Infrastructure Improvements
  - Neighborhood street paving request – neighborhood standard will save \$250k
6. Permitting and Tap Fees
  - Permitting and tap fee donation requests – consideration of \$150k donation
7. Conveyance of Green Space and Detention Ponds to City
  - No HOA; sewer encroachment protection; affordable housing standard
8. Deed Restriction Covenant, Guidelines and Administration

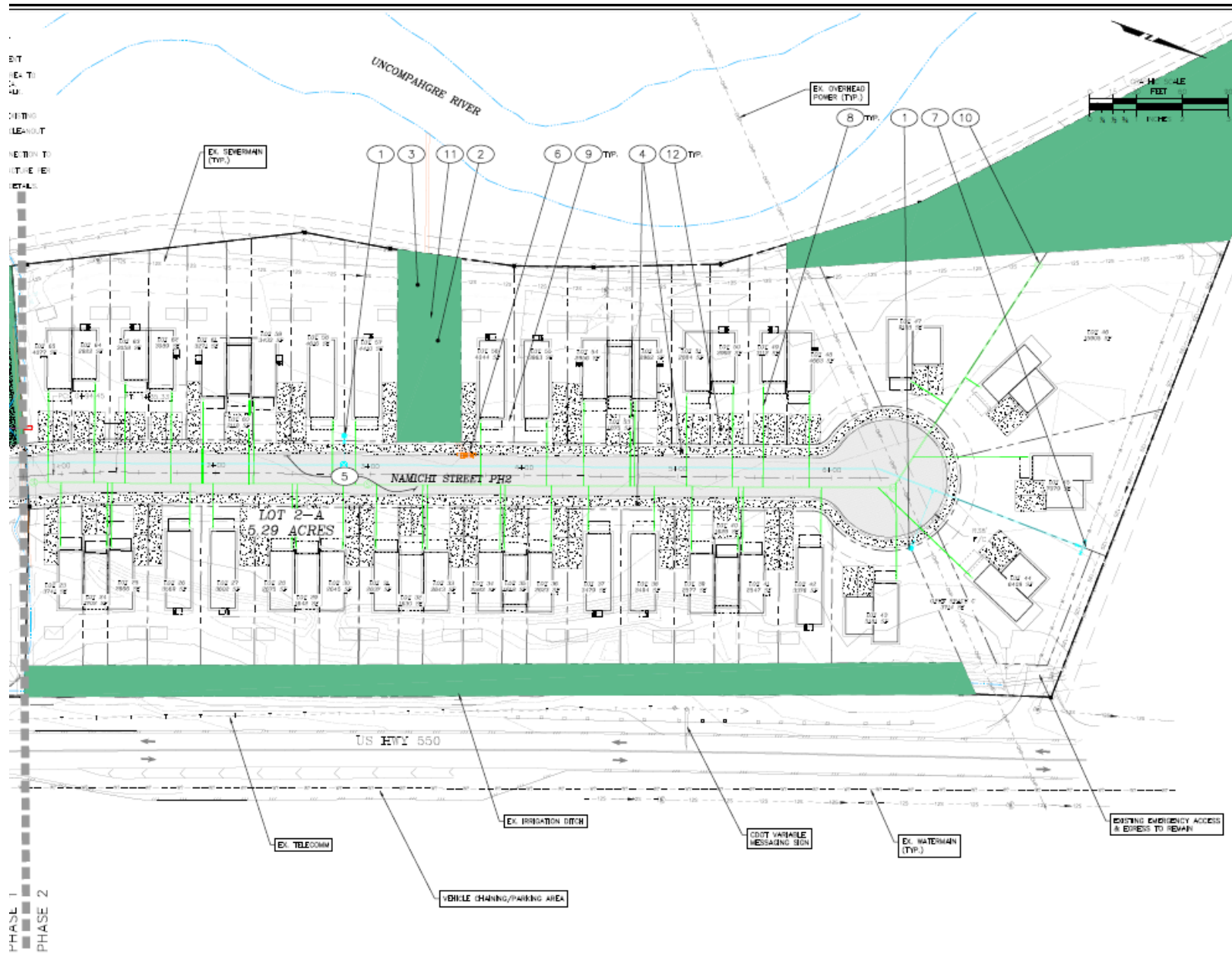
# City of Ouray Neighborhood Streets



# Conveyance of Land to City



# Conveyance of Land to City



# Detention Pond

Table 1. Typical maintenance activities for dry ponds

Activity	Schedule
<ul style="list-style-type: none"><li>Note erosion of pond banks or bottom</li></ul>	Semiannual inspection
<ul style="list-style-type: none"><li>Inspect for damage to the embankment</li><li>Monitor for sediment accumulation in the facility and forebay</li><li>Examine to ensure that inlet and outlet devices are free of debris and operational</li></ul>	Annual inspection
<ul style="list-style-type: none"><li>Repair undercut or eroded areas</li><li>Mow side slopes</li><li>Manage pesticide and nutrients</li><li>Remove litter and debris</li></ul>	Standard maintenance
<ul style="list-style-type: none"><li>Seed or sod to restore dead or damaged ground cover</li></ul>	Annual maintenance (as needed)
<ul style="list-style-type: none"><li>Monitor sediment accumulations in the forebay; remove sediment when the forebay capacity has been reduced by 50 percent</li></ul>	2- to 7-year maintenance
<ul style="list-style-type: none"><li>Monitor sediment accumulations; remove sediment when the pond volume has been reduced by 25 percent</li></ul>	25- to 50-year maintenance

Source: Modified from MPCA, 2017

## Limitations

Although dry detention ponds are widely applicable, they have some limitations that might make other stormwater controls preferable:

- Dry detention ponds have limited water quality treatment capacity compared to other structural stormwater controls and are ineffective at removing soluble pollutants (see "Effectiveness").
- Dry extended detention ponds may become a nuisance due to mosquito breeding if improperly maintained or if shallow pools of water form for more than 3 days.
- Dry ponds may detract from the value of a home (see "Cost Considerations").

Dry detention ponds on their own only provide peak flow reduction and do little to control stormwater volume, which could result in adverse downstream impacts.

## Effectiveness

Structural stormwater controls can achieve four broad resource protection goals: flood control, channel protection, groundwater recharge and pollutant removal. Dry detention basins can provide flood control and channel protection, as well as some limited pollutant removal. They are not typically designed to provide groundwater recharge (for a similar control that does provide groundwater recharge, see [Infiltration Basin](#)). However, some infiltration to surrounding soils may occur, particularly in soils with high infiltration rates.

## Flood Control

One objective of stormwater controls can be to reduce the flood hazard associated with large storm events by reducing the peak flow associated with these storms. One of the main purposes of dry detention basins is to slow stormwater and reduce peak flow rates. Dry detention ponds therefore provide effective flood control, especially in conjunction with other peak flow reduction controls throughout a watershed.

# Deed Restrictions Follow-Up

- Additional work session
- City Housing Committee formation (hear exceptions and appeals)
- County agreement for homes and shared with City and OSD
- DR administration break-even forecast
  - Rough estimate of cost \$15,000/year
  - Rough estimate of revenue @ 1% of each sale after 3 years \$16,000
- Principles
  - Household Incomes below 120% AMI (50-120% AMI)
  - Working households (earned income)
  - Owner occupied
  - Re-sale appreciation cap of 3%
  - 100-year term, resets upon sale
  - Lottery for selecting buyers
  - Administered by Impact Development Services

# Ouray Waterview Budget - Phase 1&2 ESTIMATE

DRAFT - OURAY WATERVIEW BUDGET - PHASE 1 & 2		Phase 1 Sub-Total	Phase 2 Sub-Total	Total
Number of Homes		21	44	65
Pre-Development & Entitlements Costs (design, civil, soils, environmental)		\$ 137,066	\$ 287,185	\$ 424,251
Land Acquisition (pro rata loan repayment)		\$ 304,000	\$ 1,600,000	\$ 1,904,000
Land Development (grading, utilities, curb, gutter, sidewalks and roads)		\$ 2,948,386	\$ 6,177,571	\$ 9,125,957
Vertical Development (homes, foundations, ship, set, solar, landscaping, appliances, tap fees)		\$ 9,029,547	\$ 18,919,051	\$ 27,948,598
Project Costs (insurance, bonds, legal)		\$ 188,992	\$ 395,983	\$ 584,975
Administrative overhead		\$0	\$ -	\$ -
Total Construction Budget		\$ 12,607,991	\$ 26,416,743	\$ 39,024,734
Grant Subsidies		\$ 3,670,751	\$ 5,000,000	\$ 8,670,751
Net Construction Costs		\$ 8,937,240	\$ 21,416,743	\$ 30,353,983
Home Sales Revenue		\$ 8,500,000	\$ 18,700,000	\$ 27,200,000
Net Project Profit/(Loss)		\$ (437,240)	\$ (2,716,743)	\$ (3,153,983)

# Ouray Waterview Budget – Phase 1

OURAY WATERVIEW BUDGET - PHASE 1			Sub-Total
Pre-Development & Entitlements Costs (design, civil, soils, environmental)			\$ 137,066
Land Acquisition (pro rata loan repayment)			\$ 304,000
Land Development (grading, utilities, curb, gutter, sidewalks and roads)			\$ 2,948,386
	<i>Utilities (sewer, water, storm)</i>		\$ 1,020,467
Vertical Development (homes, foundations, ship, set, solar, landscaping, appliances, tap fees)			\$ 9,029,547
	<i>Fading West homes supply agreement (paid Q1 and Q2 2023)</i>		\$ 4,528,236
Project Costs (insurance, bonds, legal)			\$ 188,992
Administrative overhead			\$0
Total Construction Budget			\$ 12,607,991
Grant Subsidies			\$ 3,670,751
Net Construction Costs			\$ 8,937,240
Home Sales Revenue			\$ 8,500,000
Net Project			\$ (437,240)

# Ouray Waterview Grants

\$1.1 M	Division of Housing (confirmed)
\$1.05M	DOLA HB 1271 (City) (confirmed)
\$1M	Land owner donation (confirmed)
\$350K	Paradox Community Trust Operations (confirmed)
\$500K	Ouray County (confirmed)
\$126K	OEDIT Factory Homes rebate (confirmed)
\$95K	Energy (IRA) rebates (pending)
\$600K	Colorado Foundations (confirmed)
\$200K	City Tap and Permits Fees Assistance (Requested)

# Ouray County 2023 AMI's

Ouray County 2023 AMI		Household Size				
AMI	1	2	3	4	5	6
120	\$ 78,225	\$ 89,400	\$ 100,575	\$ 111,750	\$ 120,750	\$ 129,675
100	\$ 65,188	\$ 74,500	\$ 83,813	\$ 93,125	\$ 100,625	\$ 108,063
80	\$ 52,150	\$ 59,600	\$ 67,050	\$ 74,500	\$ 80,500	\$ 86,450
60	\$ 39,113	\$ 44,700	\$ 50,288	\$ 55,875	\$ 60,375	\$ 64,838
2022-2023 Change	5%	5%	5%	5%	5%	5%

# Mortgages & Down Payment Assistance

- Impact Development Fund (IDF)/ First Southwest Bank (FSWB) partnership
  - Impact Development Fund (IDF)
    - Mortgage origination and underwriting
    - Down payment assistance (DPA) – 10% households 100% AMI & below
  - First Southwest Bank (FSWB) purchases mortgages
    - 80% AMI and below – 2.5% interest rate, 30 year fixed
    - 80-100% AMI – Five Year Treasury +1%
    - 100-120% AMI – Five Year Treasury +2%
    - ITIN lending allowed (no SS number) and UTR credit scoring
- Other lenders
  - Community Banks, USDA 502, CHFA

# Norwood Pinion Park

- 24 homes
- Last home CO'd April 21
- Solar net metering active
- 8 homes remain to sell
- 3 and 2 bedroom home prices \$225-\$420K
- Average homeowner AMI 80% (\$50k for individual)



# Ridgway Wetterhorn

- 14 homes
- June 15 buyer lottery; 11 homes under contract and finalizing mortgages
- July 24 homes placed on foundations
- October homeowner move-in
- 3 and 2 bedroom home priced \$275-\$459K



# Ouray Waterview

- 21 Homes
- Web site updated  
<https://www.waterviewouray.co/>
- Horizontal construction (grading, deep utilities) started mid-July
- Fading West homes start 9/1; completed November
- Suspend construction until spring once horizontal completed
- Restart construction April 2024
- Buyer lottery spring 2024
- Move-in summer 2024



# TWO-FAMILY DWELLING

DESIGNED AS A TWO-FAMILY DWELLING UNDER IRC  
SHAVANO-ANTERO W/ SIDE PORCH, MASTER SET  
CITY OF OURAY, OURAY COUNTY, COLORADO



**EVstudio**

Denver, CO  
Evergreen, CO  
Boise, ID

303.670.7242

inspections@evstudio.com  
design@evstudio.com  
www.evstudio.com

Contact:  
Alex Watz  
alex.watz@evstudio.com  
(303) 670-7242 x1027

## BUILDING CODES

2018 INTERNATIONAL RESIDENTIAL CODE  
2018 INTERNATIONAL FUEL GAS CODE  
2018 INTERNATIONAL MECHANICAL CODE  
2018 INTERNATIONAL PLUMBING CODE  
2018 INTERNATIONAL ENERGY CONSERVATION CODE  
2020 NATIONAL ELECTRICAL CODE

## SHEET INDEX

SHEET NUMBER	SHEET TITLE	REV. #	REV. DESCRIPTION	REV. DATE
<b>GENERAL:</b>				
G000	COVER SHEET			
G001	GENERAL NOTES, LEGENDS & ABBREVIATIONS			
<b>ARCHITECTURAL:</b>				
A110	FOUNDATION PLAN			
A120	FLOOR PLANS			
A140	ROOF PLAN			
A200	EXTERIOR ELEVATIONS			
A201	EXTERIOR ELEVATIONS			
A400	SITE BUILDING SECTION			
A800	FOUNDATION DETAILS (TYP)			
A801	PORCH DETAILS			
A802	AWNING DETAILS			
A803	ROOF DETAILS			
A804	ROOF DETAILS			
<b>STRUCTURAL:</b>				
S000	STRUCTURAL GENERAL NOTES			
S100	FOUNDATION PLAN			
S101	MODULE 1 FRAMING PLAN			
S102	MODULE 2 FRAMING PLAN			
S103	ROOF FRAMING PLAN			
<b>PLUMBING:</b>				
P000	PLUMBING LEGEND AND NOTES			
P101	PLUMBING PLANS			
P201	PLUMBING ISO			
P501	PLUMBING DETAILS AND SCHEDULES			
P601	PLUMBING SCHEDULES			
<b>MECHANICAL:</b>				
M000	MECHANICAL LEGEND AND NOTES			
M101	MECHANICAL FLOOR PLANS			
M501	MECHANICAL DETAILS AND SCHEDULES			
<b>ELECTRICAL:</b>				
E000	ELECTRICAL LEGEND AND NOTES			
E101	ELECTRICAL FLOOR PLANS			
E201	1-LINE DIAGRAM AND CALC'S.			
E601	ELECTRICAL SCHEDULES			

### SCOPE NOTES:

MODULES ARE PROVIDED BY FADING WEST AND ARE DESCRIBED IN GREATER DETAIL IN MODULE SETS DRAWN BY FADING WEST. MODULES ARE SHOWN FOR REFERENCE. FINAL DESIGN INFORMATION IS TO COME FROM FADING WEST. CONTRACTOR TO VERIFY ANY DIMENSIONS OF MODULE PRIOR TO CONSTRUCTION AND ADJUST ACCORDINGLY.

SET IS ONLY INTENDED TO DOCUMENT AND DESCRIBE WORK TO BE COMPLETED ON SITE TO BE REVIEWED AND APPROVED BY AHJ.

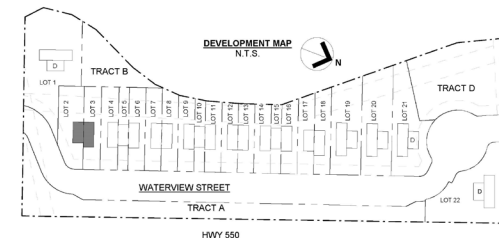
## THERMAL ENVELOPE

MINIMUM INSULATION VALUES BASED ON IECC R402.1.2 FOR CLIMATE ZONE 6B

ROOF/CEILING : R-49  
CRAWLSPACE : R-15

FENESTRATION U-FACTOR : 0.30  
GLAZING SHGC : NOT REQUIRED

REFER TO RESCHECK FOR COMPLIANCE VERIFICATION



**RURAL HOMES OURAY**  
**SHAVANO-ANTERO SIDE PORCH**  
**MASTER SET**  
**OURAY, CO**  
**AC23010.001**

**NOT FOR**  
**REGULATORY**  
**APPROVAL**  
**PERMITTING OR**  
**CONSTRUCTION**

**COPYRIGHT 2023**  
This document is an instrument of service, and as such remains the property of the architect. Permission for use of this document is limited and can be extended only by written agreement with EVstudio, LLC.

**REVISION:**

**DESIGN DEVELOPMENT**  
DATE: 08/02/2023  
DRAWN BY: CMH  
CHECKED BY: ALW

COVER SHEET

**G000**

## MANUFACTURER



1950 McCormick Place  
Buena Vista, CO 81211  
(719) 398-3080

## DEVELOPER



Rural Homes  
PO Box 4222, Telluride,  
CO 81435  
(970) 209-2880  
Contact: Paul Major  
paul@ruralhomesproject.co

## CONTRACTOR



1950 McCormick Place  
Buena Vista, CO 81211  
(719) 398-3080  
Contact: Thomas Grap

## DESIGN TEAM



5335 W. 48th, Suite 300  
Denver, CO 80212  
(303) 670-7242

**ARCHITECTURE**  
Dean Dalvit, AIA

**STRUCTURAL ENGINEERING**  
Ross Maxwell, PE

**MEP ENGINEERING**  
Shane Donatson, PE

# TWO-FAMILY DWELLING

DESIGNED AS A TWO-FAMILY DWELLING UNDER IRC  
SHAVANO-ANTERO W/ FRONT PORCH, MASTER SET  
CITY OF OURAY, OURAY COUNTY, COLORADO

**EVstudio**

Denver, CO  
Evergreen, CO  
Boise, ID

303.670.7242

inspections@evstudio.com  
design@evstudio.com  
www.evstudio.com

Contact:  
Alex Waltz  
alex.waltz@evstudio.com  
(303) 670-7242 x1027

## BUILDING CODES

2018 INTERNATIONAL RESIDENTIAL CODE  
2018 INTERNATIONAL FUEL GAS CODE  
2018 INTERNATIONAL MECHANICAL CODE  
2018 INTERNATIONAL PLUMBING CODE  
2018 INTERNATIONAL ENERGY CONSERVATION CODE  
2020 NATIONAL ELECTRICAL CODE

SHEET NUMBER	SHEET TITLE	REV. #	REV. DESCRIPTION	REV. DATE
<b>GENERAL</b>				
G000	COVER SHEET			
G001	GENERAL NOTES, LEGENDS & ABBREVIATIONS			
<b>ARCHITECTURAL</b>				
A110	FOUNDATION PLAN			
A120	FLOOR PLANS			
A140	ROOF PLAN			
A200	EXTERIOR ELEVATIONS			
A201	EXTERIOR ELEVATIONS			
A400	SITE BUILDING SECTION			
A800	FOUNDATION DETAILS (TYP)			
A801	PORCH DETAILS			
A802	AWNING DETAILS			
A803	ROOF DETAILS			
A804	ROOF DETAILS			
<b>STRUCTURAL</b>				
S000	STRUCTURAL GENERAL NOTES			
S100	FOUNDATION PLAN			
S101	MODULE 1 FRAMING PLAN			
S102	MODULE 2 FRAMING PLAN			
S103	ROOF FRAMING PLAN			
<b>PLUMBING</b>				
P000	PLUMBING LEGEND AND NOTES			
P101	PLUMBING PLANS			
P201	PLUMBING ISO			
P501	PLUMBING DETAILS AND SCHEDULES			
P601	PLUMBING SCHEDULES			
<b>MECHANICAL</b>				
M000	MECHANICAL LEGEND AND NOTES			
M101	MECHANICAL FLOOR PLANS			
M501	MECHANICAL DETAILS AND SCHEDULES			
<b>ELECTRICAL</b>				
E000	ELECTRICAL LEGEND AND NOTES			
E101	ELECTRICAL FLOOR PLANS			
E201	1-LINE DIAGRAM AND CALCS			
E601	ELECTRICAL SCHEDULES			

### SCOPE NOTES:

MODULES ARE PROVIDED BY FADING WEST AND ARE DESCRIBED IN GREATER DETAIL IN MODULE SETS DRAWN BY FADING WEST. MODULES ARE SHOWN FOR REFERENCE. FINAL DESIGN INFORMATION IS TO COME FROM FADING WEST. CONTRACTOR TO VERIFY ANY DIMENSIONS OF MODULE PRIOR TO CONSTRUCTION AND ADJUST ACCORDINGLY.

SET IS ONLY INTENDED TO DOCUMENT AND DESCRIBE WORK TO BE COMPLETED ON SITE TO BE REVIEWED AND APPROVED BY AHJ.



**RURAL HOMES OURAY**  
**SHAVANO-ANTERO FRONT PORCH**  
**MASTER SET**  
**CITY OF OURAY CO**  
**AC23010.002**

NOT FOR  
 REGULATORY  
 APPROVAL  
 PERMITTING OR  
 CONSTRUCTION

**COPYRIGHT 2023**  
 This document is an instrument of service, and as such remains the property of the Architect. Permission for use of this document is limited and can be obtained only by written agreement with EVstudio, LLC.  
 REVISION:

**DESIGN DEVELOPMENT**  
 DATE: 06/02/2023  
 DRAWN BY: CMH  
 CHECKED BY: ALW

COVER SHEET

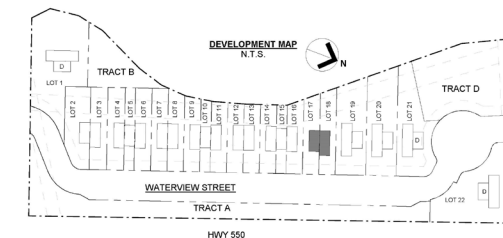
**G000**

## THERMAL ENVELOPE

MINIMUM INSULATION VALUES BASED ON IECC R402.1.2 FOR CLIMATE ZONE 6B

ROOF/CEILING : R-49  
 CRAWLSPACE : R-15  
 FENESTRATION U-FACTOR : 0.30  
 GLAZING SHGC : NOT REQUIRED

REFER TO RESCHECK FOR COMPLIANCE VERIFICATION



## MANUFACTURER



1950 McCormick Place  
Buena Vista, CO 81211  
(719) 398-3080

## DEVELOPER



Rural Homes  
PO Box 4222, Telluride,  
CO 81435  
(970) 209-2880  
Contact: Paul Major  
paul@ruralhomesproject.co

## CONTRACTOR



1950 McCormick Place  
Buena Vista, CO 81211  
(719) 398-3080  
Contact: Thomas Grap

## DESIGN TEAM



5335 W. 48th, Suite 300  
Denver, CO 80212  
(303) 670-7242

**ARCHITECTURE**  
Dean Dalvit, AIA

**STRUCTURAL ENGINEERING**  
Ross Maxwell, PE

**MEP ENGINEERING**  
Shane Donalson, PE

# TWO-FAMILY DWELLING

DESIGNED AS A TWO-FAMILY DWELLING UNDER IRC  
SHAVANO-SHAVANO W/ FRONT PORCH, MASTER SET  
CITY OF OURAY, OURAY COUNTY, COLORADO

**EVstudio**

Denver, CO  
Evergreen, CO  
Boise, ID

303.670.7242

inspections@evstudio.com  
design@evstudio.com  
www.evstudio.com

Contact:  
Alex Walz  
alex.walz@evstudio.com  
(303) 670-7242 x1027

## BUILDING CODES

2018 INTERNATIONAL RESIDENTIAL CODE  
2018 INTERNATIONAL FUEL GAS CODE  
2018 INTERNATIONAL MECHANICAL CODE  
2018 INTERNATIONAL PLUMBING CODE  
2018 INTERNATIONAL ENERGY CONSERVATION CODE  
2020 NATIONAL ELECTRICAL CODE

## SHEET INDEX

SHEET NUMBER	SHEET TITLE	REV. #	REV. DESCRIPTION	REV. DATE
GENERAL				
G000	COVER SHEET			
G001	GENERAL NOTES, LEGENDS & ABBREVIATIONS			
ARCHITECTURAL				
A110	FOUNDATION PLAN			
A120	FLOOR PLANS			
A140	ROOF PLAN			
A200	EXTERIOR ELEVATIONS			
A201	EXTERIOR ELEVATIONS			
A400	SITE BUILDING SECTION			
A800	FOUNDATION DETAILS (TYP)			
A801	PORCH DETAILS			
A802	AWNING DETAILS			
A803	ROOF DETAILS			
A804	ROOF DETAILS			
STRUCTURAL				
S000	STRUCTURAL GENERAL NOTES			
S100	FOUNDATION PLAN			
S101	MODULE 1 FRAMING PLAN			
S102	MODULE 2 FRAMING PLAN			
S103	ROOF FRAMING PLAN			
PLUMBING				
P000	PLUMBING LEGEND AND NOTES			
P101	PLUMBING PLANS			
P201	PLUMBING ISO			
P501	PLUMBING DETAILS AND SCHEDULES			
P601	PLUMBING SCHEDULES			
MECHANICAL				
M000	MECHANICAL LEGEND AND NOTES			
M101	MECHANICAL FLOOR PLANS			
M501	MECHANICAL DETAILS AND SCHEDULES			
ELECTRICAL				
E000	ELECTRICAL LEGEND AND NOTES			
E101	ELECTRICAL FLOOR PLANS			
E201	LINE DIAGRAM AND CALCUS			
E601	ELECTRICAL SCHEDULES			



### SCOPE NOTES:

MODULES ARE PROVIDED BY FADING WEST AND ARE DESCRIBED IN GREATER DETAIL IN MODULE SETS DRAWN BY FADING WEST. MODULES ARE SHOWN FOR REFERENCE. FINAL DESIGN INFORMATION IS TO COME FROM FADING WEST. CONTRACTOR TO VERIFY ANY DIMENSIONS OF MODULE PRIOR TO CONSTRUCTION AND ADJUST ACCORDINGLY.

SET IS ONLY INTENDED TO DOCUMENT AND DESCRIBE WORK TO BE COMPLETED ON SITE TO BE REVIEWED AND APPROVED BY AHJ.

## MANUFACTURER



1950 McCormick Place  
Buena Vista, CO 81211  
(719) 398-3080

## DEVELOPER



Rural Homes  
PO Box 4222, Telluride,  
CO 81435  
(970) 209-2880  
Contact: Paul Major  
paul@ruralhomesproject.co

## CONTRACTOR



1950 McCormick Place  
Buena Vista, CO 81211  
(719) 398-3080  
Contact: Thomas Grap

## DESIGN TEAM



5335 W. 48th, Suite 300  
Denver, CO 80212  
(303) 670-7242

ARCHITECTURE  
Dean Dalvit, AIA

STRUCTURAL ENGINEERING  
Ross Maxwell, PE

MEP ENGINEERING  
Shane Donalson, PE

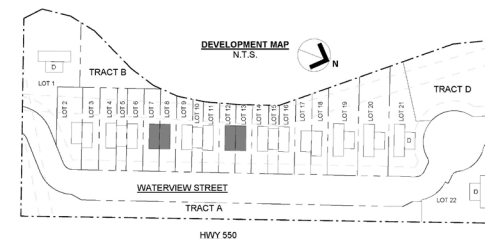
## THERMAL ENVELOPE

MINIMUM INSULATION VALUES BASED ON IECC R402.1.2 FOR CLIMATE ZONE 6B

ROOF/CEILING : R-49  
CRAWLSPACE : R-15

FENESTRATION U-FACTOR : 0.30  
GLAZING SHGC : NOT REQUIRED

REFER TO RESCHECK FOR COMPLIANCE VERIFICATION



RURAL HOMES OURAY  
SHAVANO-SHAVANO DUPLEX  
MASTER SET  
CITY OF OURAY, CO  
AC23010.003

NOT FOR  
REGULATORY  
APPROVAL  
PERMITTING OR  
CONSTRUCTION

COPYRIGHT 2023

This document is an instrument of service, and as such, remains the property of the Architect. Permission for use of this document is limited and can be withdrawn by the Architect without notice. EVstudio, LLC

REVISION:

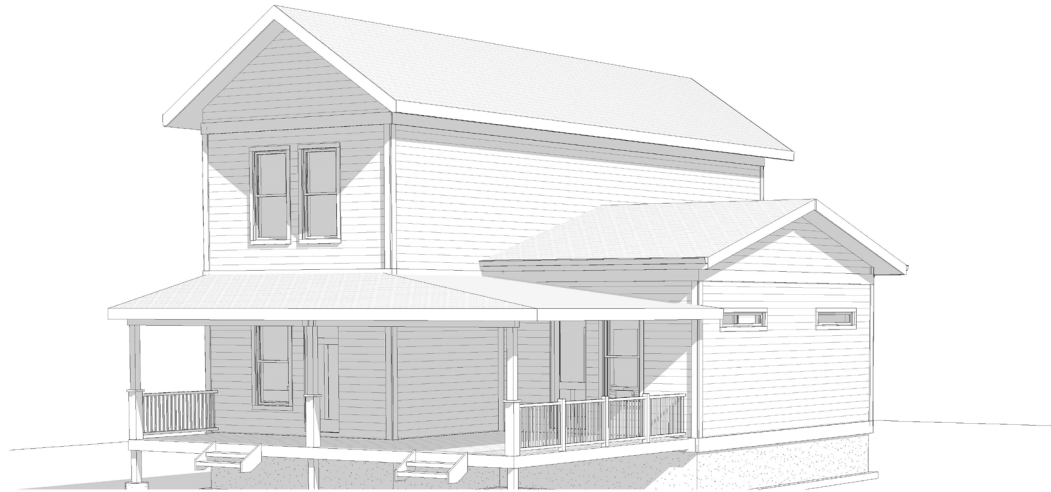
DESIGN DEVELOPMENT  
DATE: 08/02/2023  
DRAWN BY: CMH  
CHECKED BY: ALW

COVER SHEET  
**G000**



# SINGLE-FAMILY DWELLING

DESIGNED AS A SINGLE-FAMILY DWELLING UNDER IRC  
TORREYS W/ HOMECARE, MASTER SET  
CITY OF OURAY, OURAY COUNTY, COLORADO



### SCOPE NOTES:

MODULES ARE PROVIDED BY FADING WEST AND ARE DESCRIBED IN GREATER DETAIL IN MODULE SETS DRAWN BY FADING WEST. MODULES ARE SHOWN FOR REFERENCE. FINAL DESIGN INFORMATION IS TO COME FROM FADING WEST. CONTRACTOR TO VERIFY ANY DIMENSIONS OF MODULE PRIOR TO CONSTRUCTION AND ADJUST ACCORDINGLY.

SET IS ONLY INTENDED TO DOCUMENT AND DESCRIBE WORK TO BE COMPLETED ON SITE TO BE REVIEWED AND APPROVED BY A.H.I.

## MANUFACTURER



1950 McCormick Place  
Buena Vista, CO 81211  
(719) 398-3080

## DEVELOPER



Rural Homes  
PO Box 4222, Telluride,  
CO 81435  
(970) 209-2880  
Contact: Paul Major  
paul@ruralhomesproject.co

## CONTRACTOR



1950 McCormick Place  
Buena Vista, CO 81211  
(719) 398-3080  
Contact: Thomas Grap

## DESIGN TEAM



5335 W. 48th, Suite 300  
Denver, CO 80212  
(303) 670-7242

ARCHITECTURE  
Dean Dalvit, AIA

STRUCTURAL ENGINEERING  
Ross Maxwell, PE

MEP ENGINEERING  
Shane Donalson, PE

## BUILDING CODES

2018 INTERNATIONAL RESIDENTIAL CODE  
2018 INTERNATIONAL FUEL GAS CODE  
2018 INTERNATIONAL MECHANICAL CODE  
2018 INTERNATIONAL PLUMBING CODE  
2018 INTERNATIONAL ENERGY CONSERVATION CODE  
2020 NATIONAL ELECTRICAL CODE

## SHEET INDEX

SHEET NUMBER	SHEET TITLE	REV. #	REV. DESCRIPTION	REV. DATE
<b>GENERAL</b>				
G000	COVER SHEET			
G001	GENERAL NOTES, LEGENDS & ABBREVIATIONS			
<b>ARCHITECTURAL</b>				
A110	FOUNDATION PLAN			
A120	FLOOR PLANS			
A140	ROOF PLAN			
A200	EXTERIOR ELEVATIONS			
A201	EXTERIOR ELEVATIONS			
A400	SITE BUILDING SECTION			
A800	FOUNDATION DETAILS (TYP)			
A801	PORCH DETAILS			
A802	AWNING DETAILS			
A803	ROOF DETAILS			
A804	ROOF DETAILS			
<b>STRUCTURAL</b>				
S000	STRUCTURAL GENERAL NOTES			
S100	FOUNDATION PLAN			
S101	MODULE 1 FRAMING PLAN			
S102	MODULE 2 FRAMING PLAN			
S103	ROOF FRAMING PLAN			
<b>PLUMBING</b>				
P000	PLUMBING LEGEND AND NOTES			
P101	PLUMBING PLANS			
P201	PLUMBING ISO			
P501	PLUMBING DETAILS AND SCHEDULES			
P601	PLUMBING SCHEDULES			
<b>MECHANICAL</b>				
M000	MECHANICAL LEGEND AND NOTES			
M101	MECHANICAL FLOOR PLANS			
M501	MECHANICAL DETAILS AND SCHEDULES			
<b>ELECTRICAL</b>				
E000	ELECTRICAL LEGEND AND NOTES			
E101	ELECTRICAL FLOOR PLANS			
E201	1-LINE DIAGRAM AND CALC'S			
E601	ELECTRICAL SCHEDULES			

## THERMAL ENVELOPE

MINIMUM INSULATION VALUES BASED ON IECC R402.1.2 FOR CLIMATE ZONE 6B

ROOF/CEILING : R-49

CRAM SPACE : R-15

FENESTRATION U-FACTOR: 0.30

GLAZING SHGC : NOT REQUIRED

REFER TO RESCHECK FOR COMPLIANCE VERIFICATION



**EVstudio**

Denver, CO  
Evergreen, CO  
Meridian, ID

303.670.7242

inspections@evstudio.com  
design@evstudio.com  
www.evstudio.com

Contact:  
Alex Walz  
alex.walz@evstudio.com  
(303) 670-7242 x1027

**RURAL HOMES OURAY  
TORREYS+HOMECARE  
MASTER SET  
CITY OF OURAY, CO**  
**AC23010.005**

**NOT FOR  
REGULATORY  
APPROVAL  
PERMITTING OR  
CONSTRUCTION**

**COPYRIGHT 2022**

This document is the property of EVstudio, LLC and all rights reserved. No part of this document may be reproduced or transmitted in any form or by any means electronic or mechanical, including photocopying and recording, or by any information storage or retrieval system, without agreement with EVstudio, LLC.

REVISION:

DESIGN DEVELOPMENT  
DATE: 08/02/2023  
DRAWN BY: CMH  
CHECKED BY: ALW

COVER SHEET

**G000**

# MULTI-FAMILY DWELLING

DESIGNED AS A TOWNHOME UNDER IRC  
SHAVANO-ANTERO-SHAVANO, MASTER SET  
CITY OF OURAY, OURAY COUNTY, COLORADO

**EVstudio**

Denver, CO  
Evergreen, CO  
Boise, ID

303.670.7242

inspections@evstudio.com  
design@evstudio.com  
www.evstudio.com

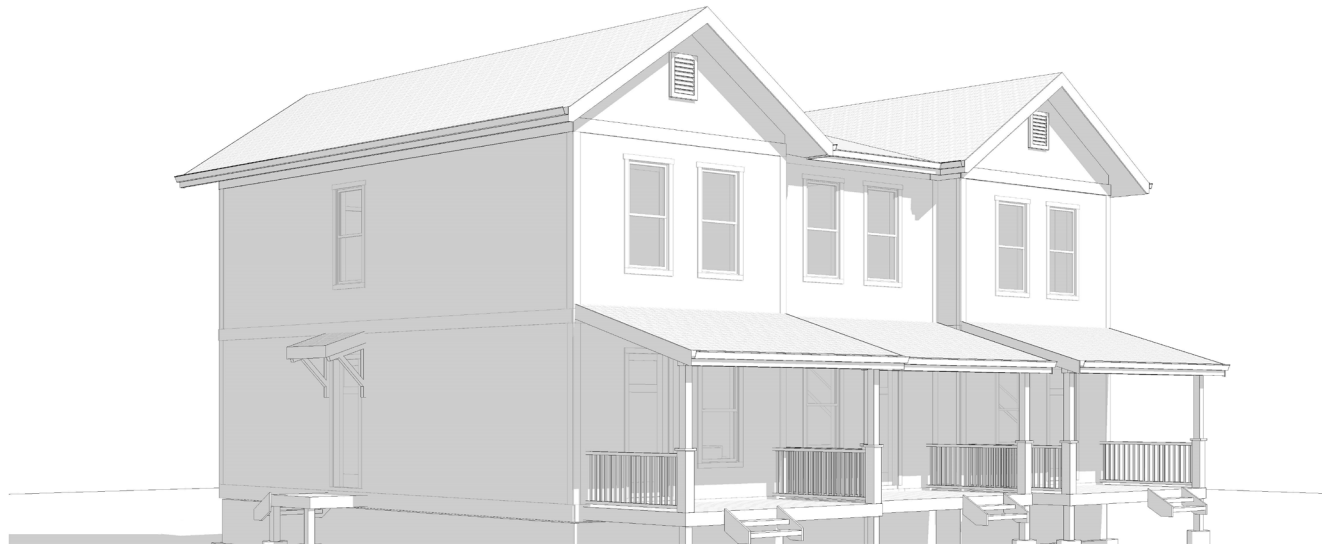
Contact:  
Alex Walz  
alex.walz@evstudio.com  
(303) 670-7242 x1027

## BUILDING CODES

2018 INTERNATIONAL RESIDENTIAL CODE  
2018 INTERNATIONAL FUEL GAS CODE  
2018 INTERNATIONAL MECHANICAL CODE  
2018 INTERNATIONAL PLUMBING CODE  
2018 INTERNATIONAL ENERGY CONSERVATION CODE  
2020 NATIONAL ELECTRICAL CODE

## SHEET INDEX

SHEET NUMBER	SHEET TITLE	REV. #	REV. DESCRIPTION	REV. DATE
<b>GENERAL</b>				
G000	COVER SHEET			
G001	GENERAL NOTES, LEGENDS & ABBREVIATIONS			
<b>ARCHITECTURAL</b>				
A110	FOUNDATION PLAN			
A120	FLOOR PLANS			
A140	ROOF PLAN			
A200	EXTERIOR ELEVATIONS			
A201	EXTERIOR ELEVATIONS			
A400	SITE BUILDING SECTION			
A800	FOUNDATION DETAILS (TYP)			
A801	PORCH DETAILS			
A802	AWNING DETAILS			
A803	ROOF DETAILS			
A804	ROOF DETAILS			
<b>STRUCTURAL</b>				
S000	STRUCTURAL GENERAL NOTES			
S100	FOUNDATION PLAN			
S101	MODULE 1 FRAMING PLAN			
S102	MODULE 2 FRAMING PLAN			
S103	ROOF FRAMING PLAN			
<b>PLUMBING</b>				
P000	PLUMBING LEGEND AND NOTES			
P101	PLUMBING PLANS			
P201	PLUMBING ISO			
P501	PLUMBING DETAILS AND SCHEDULES			
P601	PLUMBING SCHEDULES			
<b>MECHANICAL</b>				
M000	MECHANICAL LEGEND AND NOTES			
M101	MECHANICAL FLOOR PLANS			
M501	MECHANICAL DETAILS AND SCHEDULES			
<b>ELECTRICAL</b>				
E000	ELECTRICAL LEGEND AND NOTES			
E101	ELECTRICAL FLOOR PLANS			
E201	1-LINE DIAGRAM AND CALCS			
E501	ELECTRICAL SCHEDULES			



### SCOPE NOTES:

MODULES ARE PROVIDED BY FADING WEST AND ARE DESCRIBED IN GREATER DETAIL IN MODULE SETS DRAWN BY FADING WEST. MODULES ARE SHOWN FOR REFERENCE. FINAL DESIGN INFORMATION IS TO COME FROM FADING WEST. CONTRACTOR TO VERIFY ANY DIMENSIONS OF MODULE PRIOR TO CONSTRUCTION AND ADJUST ACCORDINGLY.

SET IS ONLY INTENDED TO DOCUMENT AND DESCRIBE WORK TO BE COMPLETED ON SITE TO BE REVIEWED AND APPROVED BY AHJ.

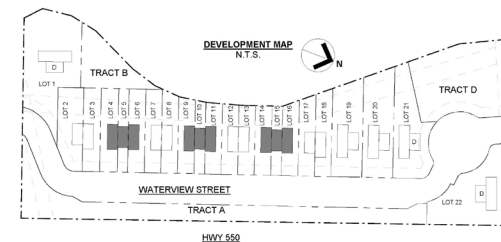
## THERMAL ENVELOPE

MINIMUM INSULATION VALUES BASED ON IECC R402.1.2 FOR CLIMATE ZONE 6B

ROOF/CEILING : R-49  
CRAWLSPACE : R-15

FENESTRATION U-FACTOR : 0.30  
GLAZING SHGC : NOT REQUIRED

REFER TO RESCHECK FOR COMPLIANCE VERIFICATION



**RURAL HOMES OURAY**  
**SHAVANO-ANTERO 3-PLEX**  
**MASTER SET**  
**CITY OF OURAY, CO**  
**AC23010.006**

NOT FOR  
 REGULATORY  
 APPROVAL  
 PERMITTING OR  
 CONSTRUCTION

**COPYRIGHT 2023**  
This document is the property of EVstudio, and its use without the property of EVstudio is prohibited. Permission for use of this document is hereby granted and can be addressed only by written request to EVstudio LLC.

REVISION:

SCHMATIC DESIGN  
DATE: 08/02/2023  
DRAWN BY: CMH  
CHECKED BY: ALW

COVER SHEET

**G000**

## MANUFACTURER



1950 McCormick Place  
Buena Vista, CO 81211  
(719) 398-3080

## DEVELOPER



Rural Homes  
PO Box 4222, Telluride,  
CO 81435  
(970) 209-2880  
Contact: Paul Major  
paul@ruralhomesproject.co

## CONTRACTOR



1950 McCormick Place  
Buena Vista, CO 81211  
(719) 398-3080  
Contact: Thomas Grap

## DESIGN TEAM



5335 W. 48th, Suite 300  
Denver, CO 80212  
(303) 670-7242

ARCHITECTURE  
Dean Dalvit, AIA

STRUCTURAL ENGINEERING  
Ross Maxwell, PE

MEP ENGINEERING  
Shane Donalson, PE

Rural Homes: For Sale, For Locals

AFFORDABLE HOUSING REGULATIONS AND GUIDELINES

**OURAY WATERVIEW HOMES**

Ouray County

Approved by the Colorado Attorney General and DOLA

Adopted by the City of Ouray on [date]

## **WELCOME**

**GENERAL POLICY GOALS:** The general goal of the Rural Homes: For Sale, For Locals (RH) 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 Ouray School District R-1 boundaries, whose income and assets are below certain targeted limits, and who choose to be part of the local community. This is accomplished, for the most part, by regulating and restricting occupancy and sale of the Housing Units covered by these Affordable Housing Regulations and Guidelines (Guidelines) to “Qualified Households” as defined herein.

Qualified Households must meet specific economic means tests that may include both Household Income and Household Net Assets. Such tests of economic means are intended to promote diversity within the target community.

The Housing Units covered by these Guidelines are subject to price limitations for sale, resale and/or rental. These limitations are intended to insure affordability for the current Household and for the long-term affordability of the Housing Unit.

These Guidelines are intended to provide for clear, fair, and consistent administration of the Rural Homes: For Sale, For Locals Deed Restriction and Covenant Ouray Waterview Homes (referred to as “Covenant” or “Deed Restriction”), associated with each Housing Unit (also referred to as Unit). It is recognized that there are individual Households and Housing Units that may not fit clearly within the specific provisions of the Guidelines but still meet these general policy goals. For these cases, Exception and Appeal processes have been established (Section 11).

The Housing Authority (HA) or its designee is authorized to adopt specific policy directives as necessary to clarify and aid in the application and enforcement of the Deed Restriction. Any policy directives shall be adopted by HA at a properly noticed public meeting.

## Table of Contents

1.	Definitions	Page 4
2.	Purpose and Applicability	Page 13
3.	Household Qualification and Eligibility	Page 13
4.	Initial Household Application Process	Page 16
5.	Continuing Household Qualification and Compliance Verification	Page 16
6.	Sale and Resale of Housing Units	Page 18
7.	Rental Procedures	Page 21
8.	Deed Restriction Covenant	Page 22
9.	Lenders and Loans	Page 24
10.	Ownership Lotteries	Page 24
11.	Exceptions, Appeals and Grievances	Page 27
12.	Administrative Procedures	Page 31

### Appendices

A.	Income Eligibility Tiers & Area Median Income (AMI) Limits	Page 33
B.	Initial Sales Price & Maximum Rental Prices	Page 34
C.	Lottery Point System Criteria	Page 35
D.	Fee Schedule	Page 36
E.	Schedule of Violations and Fines	Page 37

## 1. DEFINITIONS

Definitions of terms and phrases contained within the Deed Restriction and Guidelines:

- 1.1 **ACCESSORY DWELLING UNIT (ADU)** - a building, or portion thereof, the use of which is incidental to that of the main building, and which is located on the same lot or parcel with the main building or use, and which building has a separate kitchen, separate bathroom, a separate entrance, and which is restricted by rent and occupancy requirements as described in these Guidelines.
- 1.2 **APPEAL** - is the process used when the Applicant understands and acknowledges the Covenant and Guidelines criteria and believes that after an initial determination, the criteria have been applied to him or her incorrectly.
- 1.3 **APPLICANT** - a Household that has submitted the required application either for qualification as a Buyer or a Renter or who submits a request for an Exception.
- 1.4 **AREA MEDIAN INCOME (AMI)** - a statistical number based on Household Size and Income for residents of the county in Colorado in which the Housing Unit is located and that is used in these Guidelines as a basis for the Income Eligibility Tiers applied to specific Housing Units. HA shall update the AMI once per year based upon an analysis of the best available data for County Household Incomes. Data sources and methods for this analysis are documented in Appendix A.
- 1.5 **ASSETS** - anything owned by an individual that has commercial or exchange value. Assets consist of specific property or claims against others, in contrast to obligations due others. Assets include both liquid and non-liquid assets. Liquid Assets include cash in savings, checking or other forms of bank accounts and stocks, bonds or other instruments that can readily be converted to cash. Non-liquid Assets are those items not easily converted to cash.

The most recent assessed value as provided by the applicable assessor's office will be used to determine the value of Assets, including real estate holdings, regardless of setoffs by encumbrances, costs of sale or holding, or percent of ownership interest. Assets shall include funds or property held in a living trust or any similar entity or interest, where the person has management rights or the ability to apply the assets to the payment of debts. Assets in a qualified retirement plan and intangible assets will not be included in the asset calculations for each income category. Household Net Assets equals gross Household Assets less gross Household Liabilities.

NOTE: A one-time gift of up to 30% of the Original Purchase Price used exclusively as a down payment for the purchase of a Housing Unit may be considered as a net asset, and not as Unearned Income for the purposes of initial qualification.

- 1.6 **BEDROOM** - area designed to be used for sleeping purposes that shall contain a closet, have access to a bathroom and meets applicable Building Code requirements for light, ventilation, sanitation, and egress.

1.7 BUSINESS OWNER - a person or entity that owns or operates a business located in and serving the County, with a local workforce working in the School District, and who has been certified by the Housing Authority to own a Housing Unit and who has agreed to the rental restrictions set forth in the Deed Restriction and these Guidelines. Note: Businesses who are in the business of residential property management, residential property rentals, mobile home park ownership or rental and/or residential property ownership may not be certified as a Business Owner.

1.8 BUYER - a person who is buying a Housing Unit.

1.9 CAPITAL IMPROVEMENTS AND PERMITTED CAPITAL IMPROVEMENTS - 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.

Permitted Capital Improvements are established for determining Maximum Sales Price as the terms are defined in Section 6.11.

1.10 COMMERCIAL PROPERTY - property which is used for any of the following uses as defined by the applicable Land Use Code: Commercial; Industrial; Accommodations (including Hotel, Lodge, Boarding and Rooming houses, Lock-off units, and Short-term Dwelling Units); and Agricultural Land.

1.11 CO-SIGNER - a joint signatory of a promissory note whose obligations are the same as those of the primary borrower. If the primary borrower does not repay the loan, the co-signer accepts responsibility for the debt. A Co-signer shall not occupy the Housing Unit unless qualified by HA.

1.12 COUNTY - the county in the state of Colorado in which the Housing Unit is located.

1.13 DECLARANT - the person or entity who is purchasing the Housing Unit and who signs the Deed Restriction and Covenant.

1.14 DEED RESTRICTION – a contract prepared by HA in coordination with Rural Homes (RH) and entered into between HA, RH, and the Owner or Buyer of real property identifying and burdening the conditions of use, occupancy and sale which shall not be altered by any party without the written consent of all parties, also referred to as Covenant.

1.15 DESIGNEE - a person or entity that is named and authorized to act in place of the person or entity granting the designation.

1.16 DISABLED PERSON – See Individual with a Disability.

- 1.17 DOWN PAYMENT - a cash payment made by the purchaser toward the purchase price of the Housing Unit.
- 1.18 EARNED INCOME STANDARD - total Household Earned Income must be at least 75% of the total Household Income. Unearned Income cannot exceed 25% of total Household Income. See INCOME.
- 1.19 ELDERLY - a person who is at least 65 years of age.
- 1.20 ELIGIBILITY - qualification requirements applied to a Household based on the specific Housing Unit the Household intends to occupy.
- 1.21 EMPLOYEE - a person who is self-employed or is working for another person or business and is compensated for such work on an hourly, weekly, monthly or commission basis or any combination of such compensation.
- 1.22 ESSENTIAL RESPONSE PERSONNEL - those persons required to report to their designated work location to ensure the operation of essential functions during an emergency. Qualified Essential Response Personnel are employees (on call 12 hours/day, a minimum of 8 times per month or its equivalent) of a community-based organization, in the Ouray School District R-1 boundaries that provides on-scene assistance and personal care to victims. Community-based organizations include but are not limited to the Fire Department, Search & Rescue, Police, Marshal, and Sheriff's Departments, Emergency Medical Services, Social Services, and Emergency Dispatch.
- 1.23 EXCEPTION, REQUEST FOR - the process used when the Applicant understands and acknowledges the Covenant and Guidelines criteria and believes that there exists a legitimate and compelling reason why the Applicant should be excused from such criteria or allowed a modification of the criteria.
- 1.24 FAIR MARKET VALUE - the price at which bona fide non-distress sales have been consummated for assets of like type, quality, and quantity in a particular market.
- 1.25 FAMILY - see Immediate Family
- 1.26 FEE SIMPLE ESTATE - the maximum possible estate that one can possess in real property, complete and absolute ownership of indefinite duration, freely transferable, and inheritable.
- 1.27 FINANCIAL STATEMENT - a statement detailing all personal assets, liabilities, and net assets (the difference between gross assets and liabilities) as of a specific date.
- 1.28 FIRST MORTGAGE - a deed of trust or mortgage that is recorded senior to any other deeds of trust or liens against a property to secure a loan used to purchase a property by a Mortgagee.
- 1.29 FREE-MARKET PROPERTY - a property that is not restricted by any Deed Restriction or covenant regarding price or terms of sale.

- 1.30 FULL-TIME EMPLOYEE - a person who works a minimum of 1,200 hours per year by working no less than eight (8) of every twelve (12) months on a rolling twelve (12) month basis AND during the qualifying eight (8) months must work at least forty (40) hours per month.
- 1.31 GOVERNMENT PERSONNEL - any Full-time Employee of a federal, state, or County agency, or any local government, including law enforcement agencies.
- 1.32 GRIEVANCE - any dispute that Seller, Buyer, Owner, or Applicant may have with HA with respect to an action or failure to act in accordance with the individual's rights, duties, welfare, or status.
- 1.33 GUEST - a person with whom a Household shares the same living quarters who has no proprietary interest including no leasehold interest in the Housing Unit, who is not on the title to the unit, who does not provide financial assistance to the Household, and whose stay is limited to less than thirty (30) days every six (6) months.
- 1.34 GUIDELINES - these Rural Homes: For Sale, For Locals Affordable Housing Regulations and Guidelines, Ouray Waterview Homes, are a set of operational regulations adopted by RH and the HA and are amended from time to time that set out definitions, standards and procedures that further define and detail the Rural Homes: For Sale, For Locals Deed Restriction and Covenant, Ouray Waterview Homes and are to be applied to specific Housing Units.
- 1.35 HEALTH CARE PERSONNEL - any Full-time Employee, who is licensed or otherwise authorized by the State of Colorado to provide health care services and who is employed as such by a nonprofit institution within the Ouray School District R-1 boundaries.
- 1.36 HOME OCCUPATION - any business conducted principally within a dwelling unit, an enclosed garage or accessory building, which is carried on by the inhabitants of the Housing Unit. Home Occupation does not include: an individual working at home that does not routinely conduct meetings in the home; does not have routine contact with employer, employee, consultant and/or client in the home; and does not conduct traditional sales or retail activities on the premise of their workplace; and/or does not place any identifying signs on the exterior of the workplace.
- 1.37 HOUSEHOLD - one or more persons who intend to live together in a Housing Unit as a single housekeeping entity.
- 1.38 HOUSING AUTHORITY (HA) - Housing Authority will have the responsibility to administer the Deed Restriction and Guidelines, including qualifying owners, enforcement, and making any exceptions. Each RH development will be assigned a HA within that jurisdiction. As used in these Guidelines, HA may also mean staff and the Board of Directors of the Housing Authority or its designee, as the context requires.
- 1.39 HOUSING UNIT - a residential unit that is subject to the Covenant and Guidelines and any additional covenants that run with the land.
- 1.40 IMMEDIATE FAMILY - the Qualified Employee and the spouse of the Qualified Employee and their siblings, the parents and/or offspring of the Qualified Employee and

the spouse of the Qualified Employee, all of whom may be related either biologically, by marriage, by civil union and/or by legal adoption, and regardless of age. Immediate Family also includes: a minor child for whom the Qualified Employee or the spouse of the Qualified Employee becomes a legal guardian and a minor child for whom the Qualified Employee or the spouse of the Qualified Employee becomes a legal foster parent. Such children shall be treated as biological children and have the same Immediate Family status, regardless of age.

1.41 IMPROVED RESIDENTIAL PROPERTY - property that contains at least one (1) dwelling unit as defined in the applicable Land Use Code.

1.42 INCOME -

a. Earned Income -

- i. Income derived from one's own labor or through active participation on a regular, continuous, and substantial basis in a business and including retirement funds from deferred income earned from employment, Social Security benefits, alimony, and child support; and
- ii. Net income derived from a business after reasonable deductions for expenses, depreciation, taxes, and similar allowances.
- iii. For Qualified Elderly, retirement and/or pension income, regardless of origin, is considered Earned Income.

b. Household Income - combined Gross Income of all individuals in the Household.

c. Unearned Income - income derived from investments, rental property, trusts, inheritance, etc. and any other passive activity.

d. Gross Income - the total of all income from whatever source before deductions.

1.43 INCOME ELIGIBILITY TIER - the specification and limits of Household Income that applies to a particular Housing Unit.

1.44 INDIVIDUAL WITH A DISABILITY- has the same meaning as set forth in the federal "Americans with Disabilities Act of 1990", 42 U.S.C. sec. 12131, and its related amendments and implementing regulation, as amended, which currently defines a person with a disability as "Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment." (see also, Mobility Disabled Person).

1.45 INITIAL SALES PRICE - the sale price for a Housing Unit that is recorded as the Original Purchase Price [OPP] of that Housing Unit at the time the original Deed Restriction for the Housing Unit is executed and recorded in the County Clerk and Recorder's Office.

1.46 JOINT TENANCY - ownership of real estate between two or more parties who have been named in one conveyance as joint tenants. Upon the death of one tenant, surviving joint tenant(s) have the right of survivorship.

1.47 LAND CONTRIBUTOR - the entity that provided the land upon which the Rural Homes, For Sale, For Locals Project was built.

- 1.48 LAND CONTRIBUTOR UNITS - those deed-restricted properties that have been designated for purchase by the Land Contributor. A Land Contributor Unit is a Housing Unit.
- 1.49 LANDLORD - the owner of the Housing Unit, who, in an exchange for rent, leases the entire Housing Unit or a room in the Housing Unit to another individual known as the Tenant.
- 1.50 LEASE - a written agreement between an Owner/Landlord and a Tenant/Tenant Household that creates a Leasehold Interest.
- 1.51 LEASEHOLD INTEREST - a less than Fee Simple Estate that a Tenant possesses in real property.
- 1.52 LEAVE OF ABSENCE - an Exception from the requirement that a Qualified Household maintain the Housing Unit as its primary place of residence granted according to the Exception Procedure in Section 5.2.4.1.
- 1.53 LIABILITIES - the total amount owed to other persons including loans, liens, accounts payable, and other financial obligations as defined by generally accepted accounting practice.
- 1.54 LONG-TERM RENTAL - rental of a Housing Unit for any period of time equal to or greater than six consecutive months.
- 1.55 LUXURY ITEMS - are non-essential appliances, fixtures, or upgrades to a Housing Unit.
- 1.56 MAXIMUM SALE PRICE (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.
- 1.57 MINIMUM WORK STANDARD - in order to meet the Minimum Work Standard, a person must work 1,200 hours per year by working physically within the Ouray School District R-1 boundaries no less than eight (8) of every twelve (12) months on a rolling twelve (12) month basis AND during the qualifying eight (8) months must work at least forty (40) hours per month.
- 1.58 MOBILITY DISABLED PERSON - a person who is an Individual with a Disability and who suffers from a long-term limitation in independent, purposeful physical movement of the body or of one or more extremities.
- 1.59 MORTGAGEE - any bank, savings and loan association, or any other institutional lender that is licensed to engage in the business of providing purchase money mortgage financing for residential real property and that is the beneficiary of a deed of trust or the mortgagee under a mortgage encumbering the Housing Unit.

- 1.60 NET WORTH - the estimated sum of the assets of the Qualified Owner and/or Qualified Occupant and/or Qualified Household less liabilities, the term is synonymous with Net Assets.
- 1.61 NOTICE OF VIOLATION - a formal written notice from the HA or its Designee to a Housing Unit Owner, Occupant, or Tenant who may be in violation of provisions of the Deed Restriction for the Housing Unit or of the provisions of the Guidelines.
- 1.62 OCCUPANT - any person who occupies the Housing Unit as his or her Primary Residence but who has no ownership interest in 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.
- 1.64 OWNER - individual(s) who has a legal right to the Housing Unit by deed, tenancy in common, joint tenancy, or tenancy in the entirety or other relationship; an individual who may have a proprietary interest in the Housing Unit, and may include any subsequent buyer, heir, devisee, transferee, grantee, or holder of title, or any portion of title, to the Housing Unit.
- 1.65 PURCHASE PRICE - all consideration paid by the Buyer to the Seller for a Housing Unit.
- 1.66 PREQUALIFICATION - a borrower's tentative written mortgage approval from a lender.
- 1.67 PRIMARY RESIDENCE - the sole and exclusive place of residence.
- 1.68 PRIORITY - the order in which Housing Units are offered to Applicant Households based on the applicable selection procedure (e.g., a lottery, waiting list). Priority is created by RH and the HA and not all Housing Units are subject to Priority.
- 1.69 PROPERTY - includes all real estate of any kind, improved or unimproved, including but not limited to land, commercial property, investment property, and residential property.
- 1.70 QUALIFICATION - the minimum standards of employment, residency and/or net assets that are applied to a Qualified Household according to the Covenant covering the Housing Unit and as defined in Sections 3 and 5.
- 1.71 QUALIFIED EMPLOYEE - an Employee who meets the Minimum Work Standard, is certified by the HA, and who maintains compliance pursuant to the Covenant and Guidelines.
- 1.72 QUALIFIED ENTITY OWNER-an Owner who is a Business Owner, Land Contributor, Local Government or Special District located in and serving the County, with a local workforce working in the School District, that has been certified as Qualified by the HA to own a Housing Unit and who has agreed to the rental restrictions set forth in the Deed Restriction and these Guidelines.

- 1.73 QUALIFIED HOUSEHOLD - all Owners and Occupants who meet the requirements of Sections 3 and 5 who are certified by the HA to own and/or occupy the Housing Unit according to the terms and conditions of the Deed Restriction and Guidelines and who maintain compliance pursuant to the Covenant and Guidelines.
- 1.74 QUALIFIED OCCUPANT - a person who meets the requirements of Sections 3 and 5 to occupy the Housing Unit, who is certified by the HA, and who maintains compliance pursuant to the Covenant and Guidelines. Entity Owners shall not be considered Qualified Occupants.
- 1.75 QUALIFIED OWNER - a person who meets the requirements of Sections 3 and 5 at the time that they take initial ownership interest or transfer of interest in a Housing Unit, is certified by the HA, and who maintains compliance pursuant to the Covenant and Guidelines. Entity Owners may be considered Qualified Owners subject to the Covenant and Guidelines.
- 1.76 RIGHT OF FIRST REFUSAL: a provision in a lease or other agreement that gives a potentially interested party the right to buy a property before the seller negotiates any other offers.
- 1.77 SALE - a sale is the exchange of a Housing Unit for an agreed amount of money in a single transaction in which title to the Housing Unit is transferred to a new Qualified Household.
- 1.78 SELF-EMPLOYED - a person who carries on a trade or business as a sole proprietor or independent contractor who is working for oneself as a freelancer rather than for an employer including part-time business or a member of a partnership that carries on a trade or business.
- 1.79 SELLER - a person who owns and is selling a Housing Unit.
- 1.80 SELLER'S LISTING CHECKLIST - the list of items required to be in good order as defined in the "Minimum Standards" required for a sale at Maximum Sale Price (Section 6.8).
- 1.81 SELLER'S PROPERTY DISCLOSURE - the residential form approved by the Colorado Real Estate Commission and customarily required in transactions involving the purchase and sale of residential real estate in the State of Colorado.
- 1.82 SCHOOL DISTRICT – the Ouray School District R-1, the school district in which the Housing Unit is located.
- 1.83 SCHOOL DISTRICT PERSONNEL - any Full-time Employee, including independent contractors, of the Ouray School District R-1 who provides health, educational, administrative, social, psychological, custodial, food service, transportation, law enforcement, or childcare services.
- 1.84 SHORT-TERM RENTAL - rental of a Housing Unit for any period of time less than thirty (30) consecutive days.

- 1.85 SPECIAL DISTRICT- is a quasi-municipal corporation and political subdivision of the State of Colorado formed to provide necessary public services that the county or municipality cannot otherwise provide. The formation and operation of a special district is governed by Title 32 of the Colorado Revised Statutes and other applicable laws.
- 1.86 TENANT - a person who has the temporary use and occupancy of real property owned by another subject to the Guidelines.
- 1.87 TOWN - the Town or City in which the Housing Unit is located.
- 1.88 TRANSFER - an act of a Party, or of the law, by which the title to the Housing Unit is wholly or partially transferred to another; including but not limited to the sale, assignment voluntary or involuntary transfer, or transfer by operation of law (whether by deed, contract of sale, gift, devise, bequest, trustee's sale, deed in lieu of foreclosure, or otherwise) of any interest in the Housing Unit, including but not limited to a fee simple interest, a joint tenancy interest, a tenancy in common, a life estate, a leasehold interest or any interest evidenced by a land contract by which possession of the Housing Unit is transferred and Owner retains title, except that, this definition does not include any transfer of an interest by the Housing Authority.
- 1.89 UNIMPROVED RESIDENTIAL PROPERTY - vacant property, which is restricted solely to residential uses, and uses accessory thereto, as defined in the applicable Land Use Code.

## 2. PURPOSE AND APPLICABILITY

The purpose of the Guidelines is to provide a comprehensive and consistent set of provisions that apply to housing created by Rural Homes: For Sale, For Locals and the Housing Authority.

Every sale or rental of a Housing Unit shall be subject to the Deed Restriction and Guidelines in effect at the time of sale or rental. Owners and Tenants are subject to the Guidelines in effect and as amended during their ownership or lease.

Violations of these Guidelines are violations of the Deed Restriction and are subject to the penalties adopted for such violations in addition to remedies provided herein.

These Guidelines are considered regulations in order to control and enforce the applicable RH Deed Restriction and have the force and effect of law and can be enforced by the Beneficiaries and the HA or its authorized agents and/or representatives. These rules have binding effect on all individuals and courts.

## 3. HOUSEHOLD QUALIFICATION and ELIGIBILITY

A Qualified Owner or a Qualified Household must maintain its Qualification continuously as long as it owns, rents, or occupies the Housing Unit.

**3.1 Household Initial Qualification.** Qualified Owners and Qualified Households must meet each of the following requirements for initial purchase or occupancy as described below in the following sections:

- 3.1.1 Minimum Work Standard
- 3.1.2 Earned Income Standard
- 3.1.3 Residency Standard
- 3.1.4 Property Ownership Standard
- 3.1.5 Net Assets Standard

### 3.1.1 Minimum Work Standard.

3.1.1.1 Qualified Employee. At least one member of the Household who is an Owner shall be a Qualified Employee who must demonstrate and verify 1,200 hours of employment physically performed in the School District boundaries for a minimum of forty (40) hours per month for at least eight (8) of the previous twelve (12) months immediately prior to submission of an application or provide verifiable intent to physically perform 1,200 hours of work in the School District boundaries within twelve (12) months of application at a minimum of forty (40) hours per month for eight (8) of the next twelve (12) months.

3.1.1.2 Exemptions. Those who have been determined by HA to be Qualified Elderly or Qualified Individual with a Disability as defined below, prior to application for ownership or rental, as well as Immediate Family and Dependents of a Qualified Employee are exempt from the required employment hours.

3.1.1.2.a Qualified Individual with a Disability – Those persons with a disability may apply to be Qualified Individual with a Disability by providing a verifiable history of employment meeting the Minimum Work Standard on a rolling twelve (12) month basis for at least five (5) of the seven (7) years within the County immediately prior to application for Qualified Individual with a Disability as defined. Note: Persons with a disability who cannot meet this exemption standard may request an Exception under §11.1.3

3.1.1.2.b Qualified Elderly – Those who are 65 years or older may apply to be Qualified Elderly by providing a verifiable history of employment meeting the Minimum Work Standard on a rolling twelve (12) month basis for at least five (5) of the seven (7) years within the County, immediately prior to application for Qualified Elderly as defined.

3.1.1.3 Exception. Employees who are employed by a business located in the School District boundaries with a workforce physically located within the School District boundaries and who are required to perform tasks outside the School District boundaries, may apply for an Administrative Exception to the “physically performed” requirement, §1.1.1 above.

### **3.1.2 Earned Income Standard.**

3.1.2.1 Total Household Earned Income must be at least 75% of the total Household Income. Unearned Income cannot exceed 25% of total Household Income.

3.1.2.2 Households must qualify for the AMI standard associated with the Housing Unit and show proof of Income not to exceed the income range allowed for the Housing Unit.

3.1.2.2a For purposes of Initial Qualification under this standard for Applicants who do meet the local Minimum Work Standard, the HA shall examine historical data. Historical data is a hybrid of previous year's tax returns and current year-to-date employer payment information that creates a total income for the twelve-month period immediately prior to the application submittal. All other income received or earned in the same twelve-month period is included in the income total.

3.1.2.2.b For purposes of Initial Qualification under this standard for Applicants who do **not** meet the local Minimum Work Standard and who provide verifiable intent to work, the HA shall use prospective information and income related to the applicant's employment in the School District going forward. The start date of the “intent to work” shall begin the twelve-month period of analysis, including anticipated income from all sources.

3.1.2.3 Applicant representations of Gross Income are subject to verification and evaluation of reasonableness by HA.

3.1.2.4 The following are exempt from the Earned Income Standard:

3.1.2.4.a Those who are Qualified Individual with a Disability per the provisions of Section 3.1.1.2.a; and

3.1.2.4.b. Those who are Qualified Elderly per the provisions of Section 3.1.1.2.b.

**3.1.3 Residency Standard.** Applicants purchasing a Housing Unit are not subject to a prior residency requirement but must intend to, and in fact, occupy the Housing Unit as their sole and Primary Residence.

**3.1.4 Property Ownership Standard.**

3.1.4.1 At the time of application, a Household may own other improved or unimproved residential or commercial property, however, Applicant must enter into an Intent to Sell Agreement for all Improved Residential Property located within a one-hundred and fifty (150) mile radius from the Housing Unit. Further all Improved Residential Property must be listed for sale within seven days of taking title to the Housing Unit and sold for fair market value within one year of taking title to the Housing Unit.

3.1.4.2 Households that desire to acquire Improved Residential Property located within a one-hundred and fifty (150) mile radius from the Housing Unit after taking ownership of a Housing Unit must apply for and be granted an Exception prior to taking ownership of the additional property.

3.1.4.3 Households that desire to retain Improved Residential Property located within a one-hundred and fifty (150) mile radius from the Housing Unit after taking ownership of a Housing Unit must apply for and be granted an Exception before purchasing the Housing Unit.

**3.1.5 Net Assets Standard.**

3.1.5.1 Total Household Net Assets shall not exceed three (3) times the Original Purchase Price (“OPP”) of the Housing Unit. All Household members’ shares of business assets, including real estate, shall be included in determination of the Household Net Assets.

3.1.5.2 Disposition of Assets. Any member of a Household who has assigned, conveyed, transferred, or otherwise disposed of property or other assets within the last two (2) years without fair consideration in order to meet the net asset limitation or the property ownership limitation shall be ineligible to purchase a Housing Unit.

**3.2. Household Eligibility Criteria.**

**3.2.1 Income Eligibility Tiers.** Households must meet Income Eligibility Tiers in addition to the Household Initial Qualification criteria. Eligibility criteria may differ between units that are targeted to different Tiers, as defined in Appendix A, and as designated in the Covenant.

The existence of more than one Eligibility Tier does not guarantee that the HA will construct or otherwise make available housing in that Tier.

**3.2.2 Household Size.** The total number of people in a Household shall not be less than the following Minimum Household Sizes or exceed the Maximum Household Sizes:

Unit Type:*	Minimum Household Size:	Maximum Household Size
Studio/1 Bedroom	1 person	3 persons
2 Bedroom	1 person	4 persons
3 Bedroom	2 persons	6 persons
4 Bedroom	3 persons	8 persons

\*this chart does not guarantee houses will be built or available in all listed types.

3.2.2.a If Declarant’s Household Size falls below the minimum size required, Declarant shall rent a room to a Qualified Tenant pursuant to the Covenant and Guidelines.

**3.3 Qualified Entity Owners.** Qualified Entity Owners shall be exempt from the Initial Qualification Standards and Eligibility Criteria. Tenants of all Qualified Entity Owner Housing Units shall meet the requirements above as required by Section 7, below.

**4. INITIAL HOUSEHOLD APPLICATION PROCESS**

**4.1 Application Process.** Applications for qualification shall be made to HA. HA may request any combination of documentation reasonably related to proof of income, assets, and employment. Household shall sign a release of information so that HA may obtain such information. HA will require a sworn statement of the facts contained in the application including at least the following certifications:

**4.1.1** That the facts contained in the application are true and correct to the best of the Applicant’s knowledge; that the Applicant has been given the standard application information packet by HA; and

**4.1.2** That the Applicant, on the basis of the application presented, believes that the Household qualifies to occupy the Housing Unit in question according to the Deed Restriction, these Guidelines and all other applicable procedures, rules, and regulations.

**4.1.3** Any material misstatement of fact or deliberate fraud by the Household in connection with any information supplied to HA shall be cause for immediate expulsion from the application process and/or forced sale or vacation of the Housing Unit.

**4.1.4 Qualified Entity Owners.** Qualified Entity Owners shall have a streamlined application process which may vary among entity type.

**4.2 Homeowners Associations.** The Housing Unit is not currently subject to a homeowner's association ("HOA"). However, HOAs and related dues are authorized in Colorado under Colorado Revised Statutes §38-33.3-101 et seq. If an HOA is formed and applicable, all Owners of Housing Units are required to timely remit payment of HOA dues. It is the Household's responsibility to be aware of any HOA dues or interest charges.

## **5. CONTINUING HOUSEHOLD QUALIFICATION AND COMPLIANCE VERIFICATION**

**5.1 Maintaining Qualified Household Status.** HA requires Households, including all occupants of Housing Units, to maintain Qualified Household status on an on-going basis.

**5.1.1 Changes to Households.** Changes to Qualified Households impact ongoing qualifications and may jeopardize qualification, such as a pending separation or divorce, the death of a Household member, or departure of a Household member, and the addition of Immediate Family members. All changes to the Household shall be reported to HA within thirty (30) days of said change. HA will make every effort to maintain stable housing for Households in transition but shall require the Household to come into compliance within a reasonable period prior to issuing a Notice of Violation.

**5.1.2 Compliance Checks.** In order to verify compliance with Deed Restrictions and the Guidelines, HA will conduct regular Compliance Checks and may initiate them to investigate complaints or reports of non-compliance. Any on-site Housing Unit inspection is subject to a twenty-four (24) hour notice requirement.

**5.1.3 Verification of Qualification.** HA shall require Households to verify that they remain a Qualified Household within twenty-one (21) days of a written notice of Compliance Check or a penalty will be assessed (see Appendix E). A sworn statement of the facts required for maintaining Qualified Status shall be required as detailed in Section 4 for initial Compliance Check submissions.

**5.2 Qualified Household Continuing Requirements.** Verification of the following shall be required:

**5.2.1 Continuing Minimum Work Standard.**

5.2.1.1 At least one member of the Household must be a Qualified Employee who meets the Minimum Work Standards.

5.2.1.2 Qualified Elderly, Qualified Individual with a Disability and Immediate Family of Qualified Employees are exempt from the continuing Minimum Work Standard.

**5.2.2 Continuing Earned Income Standard.**

5.2.2.1 Household shall meet the Earned Income Standard, Section 3.1.2.1.

**5.2.3 Continuing Net Income Standard.**

5.2.3.1 Household Net Income shall not be considered for ongoing qualification for Owners.

5.2.3.2 Tenant Households shall continue to meet the Earned Income Eligibility Tier as designated by Appendix A.

**5.2.4 Continuing Residency Standard.** Qualified Households shall occupy the Housing Unit for at least eight (8) of every twelve (12) months on a rolling twelve (12) month basis.

5.2.4.1 Leave of Absence. In the event a Household wishes to not occupy the unit for more than four (4) months, the Household may apply to HA for a Leave of Absence for a term not to exceed two (2) years. The Household must provide clear and convincing evidence showing both a bona fide reason for leaving and a commitment to re-occupy the Housing Unit. HA shall condition the granting of the Leave of Absence on the Household offering the Housing Unit for rent to a Qualified Household, during the period of the requested leave. HA may include conditions on the Leave of Absence, as it deems necessary. Applications for a Leave of Absence shall be made to HA according to the Exceptions Procedure in Section 11.1. Short-term rental of Housing Units is otherwise prohibited.

**5.2.5 Ownership of Improved Residential Property.** Household is prohibited from ownership of other Improved Residential Property located within a one-hundred and fifty (150) mile radius from the Housing Unit unless the HA approves an Exception, see Section 11.1.

**5.2.6 Household Net Assets.** Household Net Assets shall not exceed three (3) times the Initial Sales Price of the Unit.

**5.2.7 Household Size.** Minimum and Maximum Household Size are on-going requirements. See Section 3.2.2, above.

**5.3 Qualified Entity Owners.** Qualified Entity Owners shall be subject to verification of Qualification of Entity Status. Tenants of all Qualified Entity Owner Housing Units shall meet all continuing requirements of the Covenant and Guidelines. Failure to do either or both is a material breach of the Covenant.

## 6. SALE AND RESALE OF HOUSING UNITS

The initial sale of all Housing Units shall be in accordance with applicable lottery, wait list or other selection procedures as determined by the HA.

### 6.1 **Notification Required.**

**6.1.1** Written notice to HA shall be required for any pending change in financing or ownership of a Housing Unit. Failure to timely notify HA is considered a serious breach of the Deed Restriction and violation of the Guidelines and shall be subject to a Notification Required Penalty (see Appendix E) for each day the failure to notify persists.

**6.1.2** Notice of Intent to Sell a Housing Unit must be given at least sixty (60) days prior to the sale of the unit on notice forms available from HA.

**6.1.3** Notice of transfer of any interest in a Housing Unit must be given at least thirty (30) days prior to the transfer and will require the execution of a new Deed Restriction.

**6.1.4** Notice of refinancing of a Housing Unit must be given at least thirty (30) days prior to closing of the loan.

**6.2 **Consult with HA.**** Sellers are advised to consult with HA prior to offering a Housing Unit for sale, in order to obtain the most current information about applicable Guidelines and processes, and to verify the Maximum Sale Price and other applicable provisions of the Deed Restriction concerning the Sale.

**6.3 **Independent Legal Counsel.**** All Sellers and Buyers of Housing Units are advised to consult independent legal counsel regarding the examination of title and all contracts, agreements, and title documents. The retention of such counsel, or related services, shall be at Buyer's and Seller's own expense.

**6.4 **Title Company.**** HA advises Buyers to use a local title company and escrow agent with experience in closings of Housing Units to close the sale transaction. The title documents involved in the closing of Housing Units are unique and technical. Mistakes in the closing documents are easily made and difficult to correct. Seller shall authorize HA to review the conveyance documents prior to closing.

**6.5 **Sales Fee.**** After the initial sale, at the closing of the sale, the Buyer, will pay to HA a fee equal to 1% of the sales price. HA may instruct the title company to pay such fees out of the funds held in escrow at closing. The sales fee is waived for the sale from the developer to the first purchaser. HA may also waive the fee, or a portion thereof, in its sole discretion, to promote affordable housing. Fees due to HA shall be paid regardless of any action or services that the Buyer or Seller may undertake or acquire.

**6.6 **Beneficiaries with the Right to Acquire Ownership.**** Upon Owner's Notice of Intent to Sell, or upon exercise of Notice of Election to Require Sale as defined in the Covenant, Section 10.3, or if an Owner receives any offer to purchase or tenders any offer of sale for the Housing

Unit either of the Beneficiaries, or their successors, shall be notified within five (5) days of such event and have the Right of First Refusal to purchase the Housing Unit for the Maximum Sale Price or at the offered sales price outlined in the Covenant, Section 7.3.

**6.7 Resale Options.** Sellers of Housing Units have the following options for advertisement and marketing of their units:

**6.7.1** Seller may advertise, market, and sell a Unit directly, or list the Unit with a real estate broker licensed to do business in the State of Colorado provided that:

6.7.1.1 The Buyer meets the Qualified Household requirements of Section 3;  
and

6.7.1.2 In all events the HA will assist the Seller as it is able.

**6.8 Maximum Sales Price.**

**6.8.1 Maximum Sale Price as Only Exchange of Value.** The Maximum Sale Price of the Housing Unit shall be calculated according to its Deed Restriction. In no case shall any Housing Unit be sold for more than the Maximum Sale Price. The contracted sale price shall be the only exchange of value between parties to any sale of the Housing Unit. Both Buyer and Seller must execute a sworn statement affirming that the contracted sale price is the only exchange of value in the sale. Any exchange of value outside the contract sale price shall invalidate the sale in addition to being a violation of applicable provisions of Colorado law that provide for additional civil and criminal remedies.

**6.8.2 Minimum Standards for Maximum Sale Price.** The Owner, Buyer and HA should work together in addressing repairs necessary to bring a Housing Unit to Minimum Standards for Maximum Sale Price. Owners and Buyers shall use the following checklist of Minimum Standards for a sale at Maximum Sale Price (Seller's Listing Checklist), including but not limited to:

- Clean, odor-free interior;
- Carpets steam-cleaned within seven (7) days of closing;
- Surface scratches, marks, holes in doors, floors, walls, woodwork, cabinets, counter tops, other than normal wear and tear, repaired;
- Walls in good repair and paint-ready;
- Windows and window locks in good repair;
- Broken windowpanes replaced;
- Window screens in place and in good repair;
- Doors and door locks in good repair; keys for all locks must be delivered at closing;
- Light fixtures, outlets, switches secure and in working order;
- Plumbing in good repair with no leaks;
- Tile grout in good repair and clean;
- Roof in good repair with no leaks (if home is a single-family) including an expected remaining life of ten years; and
- Safety hazards resolved.

## **6.9 Mitigation of Repairs.**

**6.9.1** HA shall conduct a walk-through of the Housing Unit for purposes of verifying the Seller's Listing Checklist and identifying necessary repairs pursuant to Section 6.8. The Seller shall make identified repairs to bring the unit to Minimum Standards for Maximum Sale Price prior to closing.

**6.9.2** If a unit does not meet the Minimum Standards, HA may, at its discretion, require:

- 6.9.2.1 That the cost of necessary repairs be deducted from the closing sale price; or
- 6.9.2.2 That a credit be required from the Seller to the Buyer; or
- 6.9.2.3 That the Seller places into escrow the funds necessary to ensure satisfactory repairs, the balance of which, after necessary repairs, shall be returned to the Seller.

**6.9.3** Buyer is strongly encouraged to hire, at its own expense, a licensed inspector to conduct a thorough inspection of the Housing Unit.

## **6.10. Disclosure of Relevant Contracts and Information.**

**6.10.1** Both Buyer and Seller of any Housing Unit must sign a release of information allowing HA to obtain copies of all documents relevant to the sale and must disclose all relevant information known to them. All financial information shall remain confidential except as noted in Section 12.1.

**6.10.2** Relevant documents include but are not limited to:

- 6.10.2.1 The sales contract for the Housing Unit;
- 6.10.2.2 The Buyer's application for financing and related documentation; and
- 6.10.2.3 Title and escrow documents related to the sale.

**6.10.3** Sellers must inform Buyers of any proposed or pending increases in homeowner association dues, as well as any proposed or pending assessments, if any.

**6.11 Permitted Capital Improvements.** Permitted Capital Improvements, as defined in Section 1.9 provide a long-term upgrade or improvement to the Housing Unit. Permitted Capital Improvements shall NOT include luxury items, upgrades for esthetic or personal preference, landscaping, or cost associated with ordinary repair, replacement, and maintenance.

Ordinary Repair and Maintenance including roof repair and replacement, siding repair and replacement, driveway repair and replacement, and other similar maintenance cost are not considered Capital Improvements. Labor costs provided by the Owner may be authorized for up to 50% of the Permitted Capital Improvements upon approval by the HA.

It is the Owner's responsibility to secure any approval necessary from the Housing Unit's homeowners association and HA prior to undertaking any Capital Improvements.

**6.11.1 ADUs and Capital Improvements.** The new construction of an ADU, where permissible, will not be included in the Capital Improvement calculation for the Housing Unit. It will, however, impact the MSP based on criteria established by the HA.

## 7. RENTAL PROCEDURES

There are two types of Rental Procedures. One for the rental of the entire Housing Unit and one for a partial rental.

### 7.1 Entire Housing Unit.

**7.1.1 Owner Occupied Units:** Owners of Housing Units may, in some instances, be permitted to rent their entire Housing Unit. Households interested in renting the entire Housing Unit shall apply to and be qualified by the HA under the standards delineated in Section 3. HOUSEHOLD QUALIFICATION, ELIGIBILITY AND PRIORITY.

**7.1.2 Qualified Entity Owner Units:** Qualified Entity Owners are required to rent their Housing Units and all applicants interested in renting the Housing Unit shall apply to and be qualified by the HA under the standards delineated in Section 3. HOUSEHOLD QUALIFICATION, ELIGIBILITY AND PRIORITY. Qualified Entity Owners must fulfill the Minimum Household Size and not exceed the Maximum Household Size (Section 3.2.2 Chart). Qualified Entity Owners may rent to unrelated/non-Household applicants and treat each as a separate Household for purposes of qualification as described in 7.2 Room Rental, below.

**7.1.3** All other rules and regulations apply to Qualified Entity Owners Housing Units.

**7.2 Room Rental.** For purposes of qualification for room rental in an Owner-occupied Unit, each room rental shall be considered independently, and Tenant Household's income and assets shall not be included in the Owner's Household for income and asset qualification purposes. However, rental income shall be considered Unearned Income for the Owner/Landlord.

Tenant Household requirements for room rentals:

**7.2.1** At least one member of the Tenant Household, who is not part of the Immediate Family of the Owner, must be a Qualified Employee; and

**7.2.2** Tenant Households shall meet the Minimum Work, Earned Income, Residency, Property Ownership and Net Assets Standards; and

**7.2.3** Tenant household Income Eligibility shall be determined by the Housing Unit's Income Eligibility Tier (see Appendix A) at time of initial tenancy.

**7.3 General Provisions for all Rentals.** In this section, Tenant refers to Households that rent an entire Unit and Tenant Households renting a room in a Unit.

**7.3.1** Tenant shall meet the Income Eligibility Criteria designated by the Housing Unit's Income Eligibility Tier (see Appendix A).

**7.3.2** Maximum Rental Rate per Housing Unit is set by the HA and shall not exceed the rental rate for the same number of bedrooms designated by the Housing Unit's Income Eligibility Tier (see Appendix A).

**7.3.3** Maximum Rental Rate per room is set by the HA and shall not exceed studio/one-bedroom rental rate designated by the Housing Unit's Income Eligibility Tier (see Appendix A).

**7.3.4** Tenant Qualification shall be certified by HA prior to tenancy and/or the signing of a Lease.

**7.3.5** Tenant Qualification shall be recertified by HA yearly at Lease renewal and any time there is a change in Household/Tenant Household.

**7.3.6** Landlords must obtain proof of qualification from Tenant prior to occupancy.

**7.3.7** Rental of Housing Units must be memorialized by a written Lease.

**7.3.8** Leases must be for a minimum of six months with a maximum of twelve months.

**7.3.9** Landlords shall provide a copy of the fully executed Lease with Tenant to HA within seven (7) days of its execution.

**7.3.10** Executed copies of Leases shall be on file with HA at all times during the period in which rental of the Housing Unit is required or has been approved.

**7.3.11** A sublease to a Qualified Employee is allowed upon approval of the Owner and of HA.

## **8. DEED RESTRICTION COVENANT**

**8.1** **Deed Restriction Applied with Each Transfer.** A Deed Restriction shall be applied prior to or concurrent with each Sale or Transfer of a Housing Unit. Original executed and recorded documents will be maintained by HA. Provisions herein further defining the Deed Restriction are a summary of significant policies and should not be considered the complete authority. Sellers and Buyers are advised to consult the Deed Restriction for the Housing Unit for complete specific language, which is the final authority for that Housing Unit.

### **8.2** **Specifications of the Deed Restriction.**

**8.2.1** **The Original Purchase Price ("OPP").** Each Housing Unit Sale generates a new OPP and necessitates execution of a new Deed Restriction.

**8.2.1** **The designated Income Eligibility Tier for the Housing Unit.**

**8.2.3** **The method of calculation of the allowed Maximum Sale Price ("MSP").** MSP shall be the OPP specified in the Deed Restriction plus an increase in price of three

percent 3%) per year from the date of purchase to the date of Owner's Notice of Intent to Sell (compounded annually and prorated at the rate of .25 percent per each whole month of any part of a year);

PLUS, the costs of any public improvements for which assessments were imposed by a government entity since the recording date of the Deed Restriction; PLUS, the costs of Permitted Capital Improvements, not to exceed ten percent (10%) of the OPP, provided that:

8.2.3.1 Improvements are pre-approved by HA prior to commencement of any work or installation to be considered in the calculation of the MSP.

8.2.3.2 Proof of homeowner's association approval, if any, must be provided to HA prior to commencement of work.

8.2.3.3 Improvements must be properly permitted and inspected by the Town or County Building Official, if applicable.

8.2.3.4 LESS the Depreciation on Permitted Capital Improvements; PLUS, any other reasonable costs allowed by HA pursuant to Guidelines in effect on the date of Owner's Notice of Intent to Sell.

**8.3 Home Occupations.** The Housing Unit may be used in a Home Occupation if:

**8.3.1** Home Occupation complies with applicable land use regulations;

**8.3.2** HOA approval of the specific Home Occupation, if applicable;

**8.3.3** The business holds a current business license, if applicable; and

**8.3.4** The business holds current sales and excise tax licenses, if applicable.

**8.4 No Guarantee of MSP.** Neither HA nor the Beneficiaries make any guarantees of the owner's ability to sell the housing unit for its MSP or rent the housing unit for its maximum rental rate.

**8.5 Violation of Deed Restriction.** Violation of any of the covenants, conditions and terms of the Deed Restriction shall also be a violation of these Guidelines whether or not a corollary provision exists.

**8.6 Deed Restriction Binding.** The Deed Restriction shall be binding on all Owners, successors and assigns including any holder of a deed in lieu of foreclosure.

**8.7 Recording of Deed Restriction.** The Deed Restriction and any amendments thereto must be recorded in the property records of the County. The original executed and recorded documents must be delivered to HA.

**8.8 Deed Restrictions may not be transferred off the Housing Unit.**

**8.9 All Deed Restrictions must be prepared by HA.** No modification or amendment to the Deed Restriction shall be effective unless agreed to in writing by HA and other Parties.

## **9. LENDERS AND LOANS**

**9.1 Purpose.** RH intends to meet the following goals in the facilitation of individual mortgage financing for Housing Units:

**9.1.1** Protect the public investment and regulatory integrity of RH in the short and long term;

**9.1.2** Minimize financial and other risks to HA and RH by prohibiting excessive debt or other obligations from being secured by Housing Units;

**9.1.3** Minimize the chance that Owners will create a financial risk for HA through creation of debt or other secured obligations against their Housing Unit; and

**9.1.4** Increase the potential financing opportunities for Applicants and Owners.

**9.2 Lenders and Mortgages.** Borrowers are restricted to either conventional or government guaranteed mortgages with a fixed rate from commercial banking and lending institutions authorized to engage in mortgage lending practices in the State of Colorado. All other mortgages will require an Exception from HA prior to purchase of a Housing Unit.

**9.3 Total Debt.** Prior to and continuing after closing on a Housing Unit, Owners shall not incur debt, judgments, liens, or other obligations secured by the Housing Unit and in no event shall any obligation secured by the Housing Unit exceed the total Original Purchase Price of the unit. This limitation shall apply also to any refinance of existing debt secured by the Housing Unit. Owners must notify HA prior to finalizing any refinancing of the Housing Unit. Failure to notify HA shall be subject to a penalty (see Appendix E).

**9.4 Co-Borrower or Co-Signor.** Co-borrowers or Co-signors who are not part of the Qualified Household must apply and be approved through the Exception Procedure (Section 11). Approved Co-borrowers and Co-signors shall be required to sign a separate agreement to sell the Housing Unit in the event the Qualified Owner becomes an Unqualified Owner, is in default under its Deed Restriction or the Guidelines or is otherwise required to sell the Housing Unit. Such Co-signors and co-borrowers shall not occupy the Housing Unit unless qualified by HA.

## **10. OWNERSHIP LOTTERIES**

The purpose of these Lotteries is to create a fair and orderly process for offering Units for sale to qualifying Households and give purchase priority to those identified in the Lottery Point System Criteria, Appendix C.

### **10.1 Ownership Lottery Procedure.**

**10.1.1** HA shall establish a procedure for ownership lotteries for initial sales of RH as subject to these Guidelines and may establish ownership lotteries for subsequent sales as necessary.

**10.1.2** HA shall open an ownership lottery as follows:

10.1.2.1 Notice of the date, time, and location at which applications will be taken shall be published as a Legal Notice in a newspaper of general circulation in the region. Such notice shall be published at least twenty-one (21) days prior to the close of the application period, which application period shall be a minimum of fourteen (14) days.

10.1.2.2 Application and information materials shall be available at the time of publication of the Legal Notice at locations and web sites announced in the Notice.

**10.1.3 Lottery Application Process and Applicant Responsibilities.**

10.1.3.1 Complete lottery application.

10.1.3.2 Households interested in purchasing a Housing Unit must submit an application to the HA, or its designee. All members of a Household over eighteen years of age must submit the required information necessary to determine qualification and eligibility.

10.1.3.3 A Household must submit a letter from a mortgage lender, stating the Household's ability to pre-qualify for a mortgage.

10.1.3.4 In order to participate in a lottery, Households must sign the sworn statement described in Section 4.

10.1.3.5 If a Household cannot sign the sworn statement, or if a Household does not provide HA with information required to process the application, then it will not be eligible to be entered into the lottery.

10.1.3.6 HA shall rely on the sworn statement of the Applicant as to the completeness and accuracy of the application for the purpose of determining eligibility to participate in a lottery.

**10.2 Lottery Order.**

**10.2.1** HA shall only accept lottery applications during the time period specified in the Legal Notice. Mailed applications shall be considered received in the proper time period if postmarked at least two (2) days prior to the last day of the application period and received within two (2) business days after the application period closes. HA shall not be responsible for delays in the delivery of mail beyond two (2) business days after the

application period closes. Incomplete applications shall not be processed for qualification.

**10.2.2** The lottery shall be executed in two rounds; First Round for all Applicants who qualify without an Exception and Second Round for all Applicants who have requested and received an Exception(s).

**10.2.3** All Applicants deemed Qualified Households shall automatically qualify for entry in the lottery and placed in First Round. Any household lacking one or more of the Qualification and Eligibility Criteria will be placed on a separate list for unqualified Applicants (as further explained in Section 10.3.3.6) and placed in Second Round.

10.2.2.1 Exception requests submitted pursuant to Section 9.2 (Lending) shall not preclude Applicant from classification as a Qualified Household for purposes of the Lottery.

**10.2.4** Qualified Applicants shall qualify for additional entries in the lottery according to the criteria as outlined in Appendix C or according to criteria established by RH.

**10.2.5** The Lottery Point System Criteria may be modified as necessary by HA.

**10.3 Lotteries are subject to the following guidelines:**

**10.3.1** A lottery must be conducted in a duly noticed public meeting of the HA.

**10.3.2** An independent County resident with no direct stake in the lottery outcome shall be invited to draw the Applicant names.

**10.3.3** Once an Applicant's name is drawn, any further instances of that Applicant's name drawn are recorded but ignored in establishing the order of Applicants.

**10.3.4** The results of the lottery shall be posted and certified by the resident drawing the names as soon as practically possible after the drawing.

**10.3.5** The order in which Applicant names are drawn in the lottery shall determine the order in which Applicants are contacted to purchase the Housing Units offered in the lottery and for which they qualify (except for handicapped-accessible units as noted in Section 10.3.3.7).

**10.3.6** These procedures will also be followed to establish the order of the unqualified Applicants. Unqualified Applicants will not be offered a Unit until all Qualified Applicants have been offered a Unit to purchase based on their preference, AMI designation and availability of Units. In addition, prior to being offered a Unit, the unqualified Applicant must have been provided an Exception per Section 11.1. These Applicants shall be placed in an "unqualified pool" for the Second Round lottery and shall be selected following the Qualified Applicants according to Sections 10.3.1- 10.3.5, above.

**10.3.7** First priority for ADA handicapped accessible units shall be given to Mobility Disabled Households that submit a lottery application based on the lottery order of all Mobility Disabled Households. If there are no Mobility Disabled Households that submit a lottery application for an available handicapped accessible Unit, the Unit will be available for purchase based on the lottery order by all lottery Applicants who are Qualified Households.

**10.3.8** Any material misstatement of fact or deliberate fraud by the Household in connection with any information supplied by the Household to the HA shall be cause for disqualification from lottery, fined pursuant to the Schedule of Violations and Fines and the Household will be prohibited from reapplying for any future ownership lottery for one year.

## **11. EXCEPTIONS, APPEALS AND GRIEVANCES.**

All applications for Exceptions and Appeals and all Grievances shall be reviewed on a case-by-case basis as provided for as follows.

### **11.1. Request for Exception.**

**11.1.1** Request must be presented in writing to HA on forms available from HA, and must include a fully completed Request for Exception Form, including:

11.1.1.1 The particular ground(s) upon which the Exception is based; and

11.1.1.2 The action or remedy requested; and

11.1.1.3 The name, mailing and electronic addresses and telephone number of the exception Applicant and similar information of exception Applicant's representative, if any; and

11.1.1.4 Proof of notification of the Exception request to the Housing Unit's homeowner's association, if applicable; and,

11.1.1.5 Exception fee (see Appendix E).

**11.1.2 Process.** All requests for Exceptions will be reviewed by HA for completeness and handled administratively ("Administrative Exceptions") or forwarded to the HA Board for consideration at a public hearing.

11.1.2.1 Prior to consideration, HA shall prepare a written report analyzing the impact of the Exception on the Housing Program. HA shall distribute a copy of the report to the Applicant requesting the Exception and shall make the report available to the public.

**11.1.3 Standards for Review of Exception Applications.** Exception Applicants desiring an Exception must demonstrate, and the HA must find:

11.1.3.1 That the Exception meets the general RH policy goals; and

11.1.3.2 That the Exception meets one or more of the following review standards:

11.1.3.2.a Promotes greater affordability through decreasing the long-term operating and maintenance costs of the Housing Unit in question; enabling the Exception Applicant to take advantage of a financing opportunity that would not be available without the Exception; and/or, protecting the long-term affordability of the Housing Unit through a price control or other similar means.

11.1.3.2.b Promotes or recognizes the long-term commitment of the Exception Applicant to residency, employment, and community involvement within the County in which the Housing Unit is located or provides housing for a critical community need.

11.1.3.2.c Provides increased livability or durability in materials, finishes, fixtures or appliances or useful increased square footage (which shall not include “luxuries”).

11.1.3.2.d Creates living space for an additional member of the Household while maintaining the Income Tier for the Housing Unit

11.1.3.2.e Enables a Household to own and occupy a Housing Unit more suitable to the Household’s needs; or

11.1.3.2.f. Enables the Household to respond to life circumstances that arise beyond the reasonable control of the Household (such as need to care for an Elderly or Household member who is Individual with a Disability).

**11.1.4 Exceptions shall not be granted:**

11.1.4.1 To Applicants who have been issued a Notice of Violation and who remain in violation of provisions of applicable Deed Restriction or of the Guidelines.

11.1.4.2 To an Unqualified Household to purchase a Housing Unit if there is a Qualified Household that can purchase the same Housing Unit. However, if the Owner has shown a bona fide advertisement effort which shall be no less than forty-five (45) days in duration and no Qualified Household presents itself, an Exception may be considered for the Unqualified Household.

11.1.4.3 To increase the total debt against the Housing Unit in excess of the OPP.

11.1.4.4 To Households whose Net Assets exceed three times the Maximum Sales Price of the Housing Unit.

11.1.4.5 To Households whose income is in excess of 120% AMI.

## **11.2. Appeal Procedure.**

**11.2.1 Appeal Form & Process:** Any Appeal must be presented in writing to HA on forms available from HA and within twenty-one (21) days of the decision or determination being appealed.

### **11.2.2 Appeals must include:**

11.2.2.1 Verification that appellant has fully completed the application process; and

11.2.2.2 The particular ground(s) upon which the Appeal is based; and

11.2.2.3 The action or remedy requested; and

11.2.2.4 The name, address, telephone number of the appellant and similar information of appellant's representative, if any; and

11.2.2.5 Proof of notification of the Appeal request to the Housing Unit's homeowner's association, if applicable; and

11.2.2.6 Appeal fee (see Appendix E).

### **11.2.3 Process.**

11.2.3.1 Time Deadlines: All Appeals will be reviewed by HA for completeness and forwarded to the HA Board within twenty-one (21) days from receipt of complete Appeal packet. The HA Board shall address the Appeal at the next scheduled board meeting.

#### **11.2.3.2 Rights of Parties.**

11.2.3.2.a The appellant shall be afforded a fair hearing before the HA, providing the basic safeguards of due process, including notice and an opportunity to be heard in a timely, reasonable manner.

11.2.3.2.b The HA Board may continue the hearing to a future date.

11.2.3.2.c The appellant and HA shall have the opportunity to examine all documents, records and regulations of HA that are relevant to the hearing.

11.2.3.2.d Appellant shall be responsible for all photocopying expenses.

11.2.3.2.e Any document not made available after written request may not be relied upon at the hearing. Appellant has the right to be represented by counsel.

11.2.3.2.f If the appellant fails to appear at the hearing, the HA Board may make a determination to postpone the hearing or make a determination based upon the evidence submitted.

11.2.2.3 Hearing Process.

11.2.2.3.a The hearing shall be conducted by a designated member of the HA Board, the “Hearing Officer”.

11.2.2.3.b The hearing shall be recorded.

11.2.2.3.c Oral or documentary evidence may be received without strict compliance with the Colorado Rules of Evidence.

11.2.2.3.d The right to cross-examine shall be at the discretion of the Hearing Officer and may be regulated by the Hearing Officer as it deems necessary for a fair hearing.

11.2.2.3.e Based on the hearing, the HA will provide a written decision with findings for a final determination.

11.2.2.4 Binding Determination. The final determination of the HA Board shall be binding, and HA shall take all actions necessary to carry out the decision.

### **11.3 Grievance Procedure.**

#### **11.3.1 Any grievance must be presented in writing to HA and include:**

11.3.1.1 The particular ground(s) upon which the grievance is based;

11.3.1.2 The action or remedy requested;

11.3.1.3 The name, address, telephone number of the complainant and similar information of complainant’s representative, if any; and

11.3.1.4 Grievance fee (see Appendix E).

### **11.3.2 Process.**

11.3.2.1 The HA Board shall address the grievance at the next scheduled board meeting.

11.3.2.2 The complainant shall be afforded a fair hearing providing the basic safeguards of due process, including notice and an opportunity to be heard in a timely, reasonable manner.

11.3.2.3 HA Board may continue the hearing to a future date.

11.3.2.4 The complainant and HA shall have the opportunity to examine all documents, records and regulations of HA that are relevant to the hearing.

11.3.2.5 Complainant shall be responsible for all photocopying expenses.

11.3.2.6 Any document not made available after written request may not be relied upon at the hearing.

11.3.2.7 Complainant has the right to be represented by counsel.

11.3.2.8 If the complainant fails to appear at the hearing, the HA Board may make a determination to postpone the hearing or make a determination based upon the evidence submitted.

### **11.3.3 Hearing.**

11.3.3.1 The hearing shall be conducted by a designated member of the HA Board, the "Hearing Officer".

11.3.3.2 The hearing shall be recorded. Oral or documentary evidence may be received without strict compliance with the Colorado Rules of Evidence.

11.3.3.3 The right to cross-examine shall be at the discretion of the Hearing Officer and may be regulated by the Hearing Officer as it deems necessary for a fair hearing.

11.3.3.4 Based on the records of the hearing, the HA Board will provide a written decision with findings to support the final determination.

**11.3.4 Binding Determination.** The final determination of the HA Board shall be binding, and HA shall take all actions necessary to carry out the decision.

## **12. ADMINISTRATIVE PROCEDURES**

**12.1. Confidentiality.** All personal and financial information provided to HA will be kept strictly confidential, except as follows:

**12.1.1** Signed contracts between the Applicant or Household and HA or RH, including but not limited to Contracts to Purchase a Housing Unit, Deed Restrictions, any document to be recorded with the sale of the Housing Unit along with the Deed Restriction, and any document that would customarily be a matter of public record in the property records of the applicable jurisdiction;

**12.1.2** The names and lottery positions of all persons who have participated in any ownership lottery held per Section 10;

**12.1.3** Any other information that a court of competent jurisdiction orders must be released under the Freedom of Information Act or the Colorado Open Records Act;

**12.1.4** Personal and private information necessary for an independent audit of HA records, provided such person or entity provides authorization;

**12.1.5** Personal and private information to the extent HA determines the information is necessary for its deliberation of a request for an Exception or for consideration during a violation hearing;

**12.1.6** HA may require third-party verification for all self-employed Applicants at initial qualification and during compliance checks; and

**12.1.7** HA may employ outside accounting expertise to evaluate the reasonability of an Applicant's or Household's representations of Income and Assets. The expense for outside services shall be borne by the Applicant or Household.

**12.2** **Fair Housing Standards.** HA shall administer this policy in compliance with all applicable fair housing standards, including but not limited to the Fair Housing Act. These standards prohibit discrimination in housing on the basis of age, race, color, religion, sex, or sexual identity, familial status, national origin, and handicapped or disabled status. In addition to any remedies available in the applicable law, any dispute between an Applicant and HA regarding these standards may be filed as a Grievance (see Section 11.3).

**12.3** **Reasonable Accommodation.** HA shall administer this policy in compliance with all reasonable accommodation standards, including but not limited to the Americans with Disabilities Act. Persons requiring reasonable accommodation for their disability shall give HA at least 48-hours' notice of such need so that appropriate arrangements can be made (for example: providing sign language services for a hearing-impaired person).

**12.4** **Assignment of Administrative Responsibilities.** HA shall have the right to contract with any qualified person or entity for the purpose of administering these Guidelines. The contract for administration shall provide for oversight by the HA, including access to applicable records and the ability to conduct an independent audit of administrative procedures.

**12.5** **Administrative Exceptions.**

**12.5.1** HA may grant Administrative Exceptions subject to the following conditions:

12.5.1.1 All Administrative Exception approvals shall be noticed on the Consent Calendar at the next HA regular meeting immediately following approval; and

12.5.1.2 Administrative Exceptions shall be granted in a fair and consistent manner at the discretion of the HA.

**12.5.2** Administrative Exceptions are limited to the following requests:

12.5.2.1 Extension of time to meet compliance for a Household that has a medical event impacting their ability to work.

12.5.2.2 Extension of time to meet compliance for a Household that has a family emergency impacting their ability fulfill the qualification requirements.

12.5.2.3 Use of a co-borrower or Co-signor for unconventional lending after legal review of documents to be recorded.

12.5.2.4 Permission to own other Improved Residential Property, within a 150-mile radius, when the other property consists of a cabin-like structure outside of a town or municipal boundary, with limited seasonal access and limited amenities, also referred to as a “cow camp” or “hunter’s camp”.

**DISCLAIMER:** Beneficiaries expressly disclaim any and all warranties, express or implied, including without limitation fitness for a particular purpose with respect to the provision of Housing Units. Beneficiaries do not represent, warrant, or promise to construct, finance, or otherwise produce, in whole or in part, any Housing Units pursuant to these guidelines or under any other programs. No Applicant may rely upon any promise implied or expressed that Housing Units shall be constructed, financed, or otherwise produced, in whole or in part, by the Beneficiaries. In no event shall the Beneficiaries be liable to any Applicant for any direct, indirect, incidental, punitive, or consequential damage of any kind whatsoever, including without limitation lost profits, lost sales, lost business, lost opportunity, lost information, lost or wasted time. None of the information contained in these Guidelines constitutes an offer to sell or the solicitation of an offer to buy a Housing Unit.

## Appendix A: Income Eligibility Tiers & Area Median Income and Income Limits

Area Median Income is currently determined by using the figures published by US Department of Housing and Urban Development (“HUD”) for each county in Colorado and adopted by Colorado Housing and Finance Authority (“CHFA”). They are published at: [www.chfainfo.com/arh/asset/rent-income-limits](http://www.chfainfo.com/arh/asset/rent-income-limits)

HA shall update the schedule below after CHFA adopts the most recent HUD figures.

Based on this procedure, the Area Median Incomes for County as of 2022 are:

Table 1. County Area Median Income (AMI\*) Eligibility

	Household Size					
	1 person	2 persons	3 persons	4 persons	5 persons	6 persons
100% Area Median Income	\$62,100	\$70,900	\$79,800	\$88,600	\$95,700	\$102,800

\*This is the AMI calculation pursuant to the Housing Guidelines.

Qualification is based on Household size, NOT unit size. The following table provides a guide for determining Household Income Eligibility. See Section 3.2.2 for Minimum Household Size requirements.

Household Size	1 Person	2 Persons	3 Persons	4 Persons
60% AMI	\$37,260	\$42,540	\$47,880	\$53,160
80% AMI	\$49,680	\$56,720	\$63,840	\$70,880
100% AMI	\$62,100	\$70,900	\$79,800	\$88,600
120% AMI	\$74,520	\$85,080	\$95,760	\$106,320

### Income Eligibility Tiers

- Tier 1 Income – Household Income shall not exceed sixty percent (60%) of AMI for County.
- Tier 2 Income – Household Income shall not exceed eighty percent (80%) of AMI for County.
- Tier 3 Income – Household income shall not exceed one hundred percent (100%) of AMI for County.
- Tier 4 Income- Household income shall not exceed one hundred and twenty percent (120%) of AMI for County.
- Sale prices for units are based on Tier affordability targets for County, as adjusted for the number of bedrooms per unit, and can be found in Appendix B.

## **Appendix B: Initial Sale Prices and Maximum Rental Prices**

[Ouray Waterview Homes should have a chart] [see Pinion Park Norwood for example]

[once the OWH Project housing details are finalized, we can populate a chart. We need to determine unit size by bedroom, unit tier designation and sales price.]

### **Initial Sale Price Standards**

Initial Sale Prices shall be calculated by Beneficiaries to ensure affordability by the target Tier group both now and in the future.

### **Rental Prices**

## **Appendix C: Lottery Point System Criteria**

### **1. INITIAL LOTTERY ENTRY:**

Completed lottery applications shall be processed for qualification of a Household. All lottery Applicants certified as Qualified Households shall be eligible for one (1) entry into the lottery.

### **2. ADDITIONAL LOTTERY ENTRIES:**

In an effort to weight Applicants based on criteria deemed to further the intent of RH, points toward additional lottery entries are given to Households meeting the criteria outlined below.

**2.1** One (1) additional entry is awarded to Households that have a member who is employed as one or more of the following types of employment, as further defined herein:

- 2.1.1 School District Personnel;
- 2.1.2 Health Care Personnel;
- 2.1.3 Government Personnel: and/or
- 2.1.4 Essential Response Personnel.

**2.2** The maximum number of entries allowed is two (2).

**2.3** Individual Household members may have different point rankings. The Household shall be evaluated for eligibility for this additional entry in the lottery based on the individual with the greatest number of points.

### **3. UNQUALIFIED APPLICANTS:**

**3.1** All lottery Applicants who did not qualify but have been provided an Exception per Section 11.1. or given a standard exception by the Lottery Administrator shall be eligible for one (1) entry in the Second Round lottery.

**3.2** All lottery Applicants who did not qualify but have been provided an Exception per Section 11.1. and currently live in the Ouray School District R-1 shall be eligible for three (3) entries in the Second Round lottery.

**3.3** All lottery Applicants who did not qualify but have been provided an Exception per Section 11.1. and currently work a minimum of twenty (20) hours per week physically in the Ouray School District R-1 boundaries shall be eligible for three (3) entries in the Second Round lottery.

**3.4** All lottery Applicants who did not qualify but have been provided an Exception per Section 11.1. and currently live in the Ouray School District R-1 boundaries and work a minimum of twenty (20) hours per week physically in the Ouray School District R-1 boundaries shall be eligible for five (5) entries in the Second Round lottery.

**3.5** Certified Entity Owner Applicants shall be eligible for three (3) entries in the lottery, except that all Entity Owner Applicants who did not qualify with a Local Work Force but have been provided an Exception per Section 11.1 shall be eligible for one (1) entry in the Second Round lottery.

**3.6** The maximum number of entries allowed in the Second Round lottery is five (5).

## **Appendix D: Fee Schedule**

### **Fees:**

Application Fee	\$25.00
Appeal Fee	\$25.00
Exception Fee	\$25.00
Grievance Fee	\$50.00
Inspection Fee	\$100.00
Sales Fee	Buyer will pay HA a fee equal to 1% of the sales price. HA may instruct the title company to pay such fees out of the funds held in escrow at closing.

## Appendix E: Schedule of Violations and Fines

	Violation	Fine per day	Maximum Fine
1	Failure to submit accurate and all documentation required to establish continued compliance by original deadline set by HA.	\$20.00	\$140.00
2	Failure to submit accurate and all documentation required to establish continued compliance by second deadline set by HA.	\$25.00	\$350.00
3	Failure to submit accurate and all documentation required to establish continued compliance by third deadline set by HA.	\$30.00	\$1,000.00
4	Failure to maintain eligibility (generally).	\$20.00	\$5,000.00
5	Failure to occupy unit as sole and exclusive place of residence.	\$20.00	\$5,000.00
6	Failure to work full-time as required by Deed Restriction and/or Guidelines.	\$20.00	\$2,000.00
7	Purchasing and/or owning other Improved Residential Property within a 150-mile radius and without an exception while owning a RH Housing Unit.	\$20.00	\$2,000.00
8	Rental of all or part of a unit in violation of the Deed Restriction, Guidelines, and/or the County LUC.	\$25.00	\$5,000.00
9	Non-approved use of Unit for other than residential purposes.	\$100.00	\$5,000.00
10	Non-approved use of Unit as income-producing property.	\$100.00	\$5,000.00
11	Creating an additional dwelling unit as defined in the County LUC without HA permission.	\$100.00	\$5,000.00
12	Failure to obtain approved Leave of Absence (LOA).	\$20.00	\$2,000.00
13	Submitting false/inaccurate information (per offense).	-	\$750.00
14	All other violations not specifically named.	\$20.00	\$2,000.00
	<p>*Owner shall be given 14 days from Notice of Violation by HA to cure all violations prior to the assessment of fines.            *Violation and Fine Schedule will be reviewed and updated every five years or sooner as determined by HA</p>		

**RURAL HOMES: FOR SALE, FOR LOCALS**  
**DEED RESTRICTION and COVENANT**  
**OURAY WATERVIEW HOMES**

**Ouray County**  
**Affordable Housing Ownership, Occupancy and Resale**

THIS DEED RESTRICTION AND COVENANT (“Covenant”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_ (“Effective Date”) by [insert Name of Purchaser], (“Declarant”) for the benefit of and enforceable by Ouray Homes, LLC, a Colorado Limited Liability Company, (the Grantor), and each the City of Ouray, a municipal corporation, and Rural Homes, LLC, their successors or assigns (together, the “Beneficiaries”). The Declarant and Beneficiaries are sometimes referred to herein individually as “Party” and collectively as the “Parties.”

Property Subject to Deed Restriction. The following real property (the “Housing Unit”) is hereby made subject to these Covenants:

**(insert lot legal here)**  
**County of Ouray**  
**State of Colorado.**

Commonly known as **(insert street address here)**  
This Housing Unit has a maximum AMI of \_\_\_\_\_%.  
This Housing Unit has \_\_\_\_\_# bedrooms and \_\_\_\_\_# bathrooms.  
The Original Purchase Price: \_\_\_\_\_.

**RECITALS**

**WHEREAS**, the Declarant is the Owner of the Housing Unit; and

**WHEREAS**, the Declarant on behalf of itself, its heirs, executors, administrators, representatives, successors, and assigns, desires to comply with the Deed Restriction and Covenant and **the Rural Homes: For Sale, For Locals Project – OURAY WATERVIEW HOMES AFFORDABLE HOUSING REGULATIONS AND GUIDELINES (“Guidelines”)** by restricting the use of the Housing Unit as **hereinafter described; and**

**WHEREAS**, under this Covenant the Declarant and Beneficiaries intend, declare, and agree that the regulatory and restrictive covenants set forth herein governing the use of the Housing Unit described and provided for herein shall be and are hereby covenants running with the land and are intended to be and shall be binding upon the Declarant and Beneficiaries; and

**WHEREAS**, this Covenant is intended to provide housing and help keep it affordable for residents who make a living primarily from physically working in the Ouray School District R-1 boundary and their families who chose to be part of the greater Ouray community; and

**WHEREAS**, Declarant understands that this property has been subsidized by the government and charitable organizations and acknowledges that it has received adequate and valuable consideration in exchange for the imposition of this Covenant upon the Housing Unit.

## COVENANT

**NOW, THEREFORE**, in consideration of the foregoing Recitals, which are hereby incorporated in this Covenant as substantive provisions, the mutual covenants, restrictions, and equitable servitudes stated herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby represent and agree as follows:

1. **Covenant Runs with the Land.** This Covenant shall constitute covenants running with title to the Housing Unit, for benefit of, and enforceable by, each of the Beneficiaries, and their successors and assigns, and this Covenant shall bind the Beneficiaries and all subsequent Owners and Occupants of the Housing Unit. Each Owner and Occupant, upon acceptance of a deed or lease to the Housing Unit, shall be personally obligated hereunder for the full and complete performance and observance of all covenants, conditions, and restrictions contained herein during the Declarant's period of ownership or Occupant's tenancy, as may be appropriate. Each and every Transfer or lease of the Housing Unit, for all purposes, shall be deemed to include and incorporate by this reference, the covenants contained in this Covenant, even without reference to this Covenant in any document of conveyance. The Beneficiaries shall hold their interest as tenants in common, except that no Beneficiary may sell, transfer or assign their interest in the Covenant without the express written permission of the other(s), and no Beneficiary shall agree to relieve any Owner or Qualified Occupant of their obligations under the Covenant without the express written consent of the other(s). If one of the Beneficiaries ceases to exist, that Beneficiary's interest in the Covenant shall be deemed to be assigned to the remaining Beneficiary(s).

**1.1 Term.** The "Term" of this Covenant shall commence on the Effective Date and shall continue until \_\_\_\_\_ ("Expiration Date"). Said term of one hundred (100) years shall reset upon each and every Transfer.

**1.2 Administration and Enforcement.** This Covenant shall be administered by the City of Ouray or its duly authorized Designee acting as the housing authority administrator ("HA"). This Covenant shall be enforceable by the HA, its duly authorized Designee, or the Beneficiaries, by any appropriate legal or equitable action, including but not limited to specific performance, injunction, abatement or eviction of non-complying Housing Unit Owner(s) or Occupant(s), or such other remedies and penalties as may be specified in this Covenant, including but not limited to the Schedule of Violations and Fines found in the Guidelines.

**1.3 Replacement of Prior Agreement.** If applicable, this Covenant shall supersede and replace in its entirety that certain Deed Restriction and Covenant recorded in the official records of the \_\_\_\_\_ County Clerk and Recorder ("Official Records") on [RECORDING DATE] at Reception No. [RECORDING #].

2. **Definitions.** The Parties acknowledge and agree to the definitions in the **Rural Homes: For Sale, For Locals Project – OURAY WATERVIEW HOMES AFFORDABLE HOUSING REGULATIONS AND GUIDELINES** ("Guidelines") and further agree that each definition: (a) forms a portion of the basis of this Covenant; and (b) is incorporated in this Covenant. As used in this Covenant, Guidelines shall mean the most current Guidelines in effect at the time of closing on a sale or transfer of the Housing Unit or at the commencement date of a lease or other occupation agreement, as same may be amended from time to time, or its successor document.

**3. Ownership, Use, Occupancy, Rentals, and Qualification.**

**3.1 Ownership.** The ownership of the Housing Unit is hereby, and shall henceforth be, limited exclusively to Qualified Owner(s) as defined in the Guidelines. In the event that the Housing Unit is owned without compliance with this Covenant, the HA shall have the remedies set forth herein, including but not limited to the rights under Section 11.

**3.2 Use and Occupancy.** The use and occupancy of Housing Unit is hereby, and shall henceforth be, limited exclusively to Qualified Owners or Qualified Occupant(s), and their Immediate Families.

3.2.1 Home Occupation. The Housing Unit may be used in conjunction with a Home Occupation by the Qualified Household or Qualified Occupants residing in the Housing Unit subject to the provisions of the Guidelines and local land use restrictions.

3.2.2 Guests are exempt from qualification requirements.

**3.3 Initial Qualification.**

3.3.0 Qualified Entity Owners: Land Contributors, Business Owners, Local Governments, and Special Districts are exempt from the Initial Qualifications in 3.3.1 but shall comply with all Occupancy Qualification and Rental Standards required by the Covenant and Guidelines.

3.3.1 Qualified Owner: To be eligible to purchase the Housing Unit, at least one member of the Household who is an Owner must be a Qualified Employee and meet Section 3.3.1.a, below, and all Household members must meet Section 3.3.1 b- f., below, and as further defined in the Guidelines:

3.3.1.a Meet the Minimum Work Standard physically in the Ouray School District R-1 boundary for the twelve (12) months prior to purchase or provide evidence to the HA that Applicant will meet the Minimum Work Standard physically in the Ouray School District R-1, boundary for the twelve (12) months following the purchase; and

3.3.1.b Must meet the Earned Income Standard or has provided evidence to the HA that Applicant will meet the Earned Income Standard within the next twelve (12) months following the purchase; and

3.3.1.c Must not own any interest in other Improved Residential Property(s) located within a one-hundred and fifty (150) mile radius from the Housing Unit.

3.3.1.d Must not have a Net Worth that exceeds three (3) times the Initial Sales Price of the Housing Unit; and

3.3.1.e Must meet the income restrictions applicable to the Housing Unit based on the Area Median Income (AMI) percentage limit and the Housing Unit designation in the legal description, and as set forth in the Guidelines to be recorded at time of sale; and

3.3.1.f Shall occupy the Housing Unit as their sole and exclusive primary residence.

3.3.1.g Qualified Entity Owners may own no more than three (2) Housing Units at one time, unless negotiated otherwise in the original development

agreement, and make them available via sale or long-term rental to Qualified Occupants pursuant to this Covenant without the Qualified Entity Owner itself meeting the above-listed requirements. Qualified Entity Owner shall not occupy or use the Unit for such Owner's own use or leave the Housing Unit vacant for more than three months in any twelve (12) month period. Any occupancy of a Unit pursuant to Section 3.4. shall meet all Household Size requirements.

3.3.1.h Businesses who are in the business of residential property management, residential property rentals, mobile home park ownership or rental and/or residential property ownership may not be certified as a Business Owner.

3.3.1.i A reasonable accommodation and exception may be requested from HA for any of these qualifications.

3.3.2 Qualified Occupant: To be eligible to rent the entire Housing Unit or a room in a Housing Unit, the Qualified Occupant:

3.3.2.a Shall meet the above-listed requirements of Section 3.3.1a-f.

3.3.2.b A reasonable accommodation and exception may be requested from the HA for any of these qualifications.

**3.4 Rental of Property.** Short-term rental of the Housing Unit is prohibited. Long-term rentals may be approved as follows:

3.4.1 Qualified Entity Owner Units: Long-term rental is allowed subject to the provisions of the Guidelines and the terms and provisions of this Covenant. Units, owned by the Qualified Entity Owner may be rented to Qualified Occupants for a term of no less than six (6) months. All rentals must comply with the current Guidelines.

3.4.2 All other Housing Units: Owner may not, except with prior written approval of the HA, and subject to the HA's conditions of approval, rent an entire Housing Unit for any period of time. If approved, a rental shall be for no less than one (1) month. All rentals must comply with the current Guidelines.

3.4.3 Roommates: The Qualified Owner may share occupancy of a Housing Unit with non-owners on a rental basis provided Qualified Owner continues to occupy Housing Unit as his/her sole and primary residence and meets the obligations contained in this Covenant. A roommate must be certified as a Qualified Tenant Household. Short-term rentals of any kind are strictly prohibited.

3.4.4 Copy of Lease: The Housing Unit Owner shall provide to the HA a fully executed copy of the Lease or other occupancy agreement no later than seven (7) days after it is fully executed.

3.4.5 No Indemnification or Waiver of Immunity: Nothing herein shall be construed to require any of the Beneficiaries to protect or indemnify the Owner against any losses attributable to a rental including, but not limited to, non-payment of rent or damages to a Housing Unit; nor to require any of the Beneficiaries to obtain a Qualified Occupant for the Owner in the event that none is found by the Owner. In addition, nothing herein shall be construed as a waiver by any of the Beneficiaries'

governmental immunity, if applicable, provided by the Colorado Governmental Immunity Act or other applicable law.

**3.5 Continued Qualification Compliance.** All Qualified Owners and Qualified Occupants, including multiple owners, must maintain compliance with all applicable requirements and shall maintain Qualified Household status on an on-going basis. Failure of any Owner or Occupant to do so shall constitute a violation. Any Owner or Occupant of a Housing Unit is required to comply with annual or biennial deed restriction monitoring certifying to the HA that they are in compliance with the requirements of this Covenant.

3.5.1 Continuing Compliance Standards to maintain Qualified Household status:

3.5.1.a At least one member of the Household must be a Qualified Employee who meets the Minimum Work Standards physically within the Ouray School District R-1 boundary.

3.5.1.b The Qualified Household shall meet the Earned Income Standard.

3.5.1.c The Qualified Household shall occupy the Housing Unit as their Primary Residence at all times during the ownership or rental of a Housing Unit and for at least eight (8) of every twelve (12) months on a rolling twelve (12) month basis.

3.5.1.d Household Net Worth shall not exceed three (3) times the Initial Sales Price of the Housing Unit:

3.5.1.e Household Net Income shall no longer be considered for continuing qualification for Owners.

3.5.1.f Tenant Household's Net Income will be considered for Tenant's continuing qualification and Tenant must continue to meet the AMI tier standard for the Housing Unit.

3.5.1.g Household is prohibited from ownership of other Improved Residential Property located within a one-hundred fifty (150) mile radius from the Housing Unit, see Section 5, and as further described in the Guidelines.

**4. Restriction on Debt.** Declarant shall not incur any debt or promissory note secured by a deed of trust or other security instrument that encumbers the Housing Unit in excess of the Original Purchase Price.

**5. Ownership Interest in Other Residential Property.** At the time of application, a Household may own other improved or unimproved residential or commercial property, however, all Improved Residential Property located within a one-hundred and fifty (150) mile radius from the Housing Unit must be listed immediately for sale and sold for fair market value within one year of taking title to the Housing Unit. In the event said other Improved Residential Property has not been sold by the Owner within twelve (12) months of its listing as required hereunder, then the Owner shall immediately list the Housing Unit for sale, pursuant to Section 7.1. a Qualified Entity Owner, qualified under Section 3.3.1 g-i, is exempt from this restriction.

**6. Income and Household Size Restrictions.** The applicable Income Eligibility Tier, which defines household income and household size restrictions, in compliance with this Covenant and as set forth in the Guidelines, Appendix A, will apply to Declarant, Qualified Occupants and future purchasers. If Declarant's Household size falls below the minimum required, Declarant shall rent a room to a Qualified Tenant pursuant to §3.4, above.

**7. Transfer of Property:** Transfers of the Housing Unit are subject to this section unless excepted under Section 7.2, below.

- 7.1 Requirements.** Declarant may sell the Housing Unit to a Qualified Owner, pursuant to the Guidelines, to the terms and provisions of this Covenant, and to the following:
- 7.1.1 Notice of Intent to Sell: Declarant or Owner must deliver a written notice of its intent to sell the Housing Unit (“Notice of Intent to Sell”) to the Beneficiaries prior to offering the Housing Unit for sale.
  - 7.1.2 Right of First Refusal: The Right of First Refusal to purchase shall first be provided to Beneficiaries pursuant to the Guidelines and Section 7.4, below.
  - 7.1.3 Qualification of Prospective Buyer: In order to proceed to the closing of the sale of the Housing Unit (“Closing”), HA must have first certified in writing that the prospective buyer is a Qualified Owner pursuant to the Guidelines and to the terms and provisions of this Covenant.
  - 7.1.4 Void Transfer: In the event the Housing Unit is sold and/or transferred without compliance with this Covenant, such sale and/or transfer shall be wholly null and void and shall confer no title whatsoever upon the purported buyer.
  - 7.1.5 Date of Notice: For purposes of this Covenant, “date of Owner's Notice of Intent to Sell” shall be the date on which written Notice of Intent to Sell is delivered to the HA.
  - 7.1.6 Administration Fees: At the time of purchase, Declarant must pay any Covenant administration fees due according to the Guidelines. Such fees shall be paid by Declarant to the HA out of Declarant's proceeds of the sale of the Housing Unit and may not be added to the price of the Housing Unit.
  - 7.1.7 HA Made Whole: No transfer of a Housing Unit shall occur unless and until each and every encumbrance, debt or liability owed by the Owner to any of the Beneficiaries is fully satisfied, such as fees and violation fines.
- 7.2 Transfer Exception.** If reviewed and approved in writing by the HA prior to transfer, the following occurrences are exceptions to the definition of Transfer, provided that the new Owner, other than an estate, shall use the Housing Unit as their principal residence:
- 7.2.1 A transfer resulting from the death of a Qualified Owner where the transfer is to the spouse or domestic partner or co-owner, who is also a Qualified Owner.
  - 7.2.2 A transfer resulting from the death of an Owner through a bequest or by intestate succession to a child of Qualified Owner who is certified as a Qualified Owner.
  - 7.2.3 A transfer resulting from a decree of dissolution of marriage or legal separation or from a settlement incidental to such a decree by which a transfer is made to a spouse who is also a Qualified Owner.
- 7.3 Maximum Sale Price.** The Original Purchase Price (“OPP”) of the Housing Unit shall be the basis for calculating the Maximum Sale Price (“MSP”) in accordance with this Covenant and the Guidelines in effect at the time of listing the Housing Unit for re-sale.

7.3.1 The Housing Unit shall meet the Minimum Resale Standards, defined in Section 7.3.4, below, to sell at MSP.

7.3.2 The MSP of a Housing Unit shall be limited to be no more than the following calculation:

The MSP may not exceed the sum of: (i) the OPP paid by the Owner for the Housing Unit, plus: (ii) an increase of three percent (3%) of such OPP per year compounded annually (prorated at the rate of 0.25 percent for each whole month, but not compounded annually) from the date of the Owner's purchase of the Housing Unit to the date of the Owner's Notice of Intent to Sell the Housing Unit; plus (iii) an amount equal to any special improvement district assessments, if applicable and not transferable, paid by the Seller during the Seller's ownership of the Housing Unit; (iv) the cost of Permitted Capital Improvements made to the Housing Unit by the Owner as set forth in Section 7.3.3, less the amount required to bring the Housing Unit up to the Minimum Resale Standards, if any.

7.3.3 Permitted Capital Improvements: The amount of Permitted Capital Improvements allowed to be added to the MSP shall not exceed ten per cent (10%) of the original purchase price provided that:

7.3.3.a Improvements are pre-approved by HA prior to commencement of any work or installation; and

7.3.3.a.1 Proof of homeowners' association, if any, approval is provided to HA prior to commencement of work.

7.3.3.a.2 Improvements are properly permitted and inspected by the local Building Official, if applicable.

7.3.3.b Improvements are documented by Declarant and submitted to HA within three months of completion.

7.3.3.c The depreciation of Permitted Capital Improvements calculated from the schedule in the Marshall Swift Residential Handbook or any other approved handbook in effect at the time of calculation of MSP, shall be subtracted from the cost of the improvement; and

7.3.3.d Any other reasonable costs allowed by HA pursuant to the Guidelines in effect on the date of Owner's Notice of Intent to Sell may be added to the MSP.

7.3.3.e The 10% limitation on Permitted Capital Improvements shall reset every ten (10) years of continued ownership of the Housing Unit.

7.3.4 Minimum Resale Standards: Pursuant to the Guidelines, Section 6.8.2, each Owner shall be responsible for ensuring that at the Transfer of his or her Housing Unit, the same is clean, the appliances are in working order, and that there are no health or safety violations regarding the Housing Unit. Seller's Property Disclosure form and Seller's Listing Checklist shall be completed and submitted prior to listing a unit for sale.

7.3.4.a If a Housing Unit does not meet Minimum Resale Standards, HA may, at its discretion, require that the cost of necessary repairs be deducted from the closing sale price, or that Seller place into escrow the funds

necessary to ensure satisfactory repairs. Any escrow balance remaining after necessary repairs are satisfactorily made shall be returned to Seller.

7.3.5 Assumption of Costs: No Declarant shall permit any prospective purchaser to assume any or all of the Declarant's closing costs. No Declarant shall accept anything of value from a prospective purchaser except for the MSP before, during or after closing of the transfer of the Housing Unit.

7.3.6 Caveat: Nothing in this Covenant represents or guarantees that the Housing Unit will be re-sold at an amount equal to the MSP. Depending upon conditions affecting the real estate market, the Housing Unit may be re-sold for less than the MSP.

**7.4 Beneficiaries Right to Acquire Ownership.** The initial Owner and each subsequent Owner shall not transfer any Housing Unit without first offering the same to each of the Beneficiaries for purchase. Each of the Beneficiaries shall have a right to purchase the Housing Unit as follows:

7.4.1 Upon Owner's Notice of Intent to Sell as set forth in Section 7.1.1, or upon exercise of Notice of Election to Require Sale as defined in Section 10.3, or if an Owner receives any offer to purchase or tenders any offer of sale for the Housing Unit, either of the Beneficiaries, or their successors, shall have the Right of First Refusal to purchase ("ROFR") the Housing Unit for the offered sales price or MSP. This ROFR shall be triggered at each submittal of a Notice of Intent to Sell.

7.4.2 Each of the Beneficiaries shall exercise its ROFR by executing a written and binding commitment to purchase ("Notice of Purchase") the Housing Unit to Owner and the other Beneficiaries within thirty (30) days after each of the Beneficiaries receives written Notice of Intent to Sell by Owner. A Party exercising the ROFR shall deposit a non-refundable deposit of 5% of the MSP in escrow for the benefit of the Seller contemporaneously with the exercise of said right. The commitment to buy shall set a closing date within sixty (60) days of delivery of Notice of Purchase.

7.4.3 Each of the Beneficiaries shall have the right to inspect the Housing Unit prior to exercising its ROFR.

7.4.4 In the event more than one Beneficiary wishes to exercise the ROFR, the priority shall first go to the Land Contributor, then to the HA, and then to the Rural Homes, LLC or their successors in interest, if applicable.

7.4.5 In the event the Beneficiaries do not execute a written and binding commitment to purchase the Unit within said thirty (30) day period, this ROFR shall expire.

7.4.6 The ROFR shall be in full force and effect from the date of initial sale in perpetuity. Any sale or attempted transfer of the Housing Unit effected without first giving each of the Beneficiaries the right of first refusal described above shall be wholly null and void and shall confer no title whatsoever upon the purported buyer.

**8. No Creation of Additional Unit.** In no event shall Declarant create an additional "Dwelling Unit" as defined in the applicable Land Use Code, in or as part of the Housing Unit unless authorized by the HA in writing and allowed by the zone district and subject to all local building and planning codes and permissions.

9. **No Alteration of Housing Unit.** The Housing Unit shall not be altered, demolished, partially demolished, released from these covenants, or relocated, unless and except in compliance with the Guidelines and the applicable Land Use Code provisions in effect at the time of the application for alteration, demolition, release, or relocation.

10. **Foreclosure**

10.1 **Default.** It shall be a breach of this Covenant for Declarant to default in the payments or other obligations due or to be performed under a promissory note secured by deed of trust encumbering a Housing Unit. The Declarant hereby agrees to notify the Beneficiaries, in writing, of any notification Declarant receives from a lender, or its assigns, of past due payments or default in payment or other obligations due or to be performed under a promissory note secured by a deed of trust, as described herein, within five (5) calendar days of Declarant's notification from lender, or its assigns, of said default or past due payments.

10.2 **Right to Cure Default.**

10.2.1 Upon receipt of notice as provided herein, each of the Beneficiaries shall have the right, in its sole discretion, to cure the default or any portion thereof ("Curing Party"). In such event, the Declarant shall be personally liable to the Curing Party for past due payments made by the Curing Party, together with interest thereon at the rate specified in the promissory note secured by the deed of trust, plus one (1) percent, and all actual expenses the Curing Party incurred in curing the default.

10.2.2 In the event the Declarant does not repay the Curing Party within sixty (60) days of notice that the Curing Party has cured the Declarant's default, the Declarant agrees that the Curing Party shall be entitled to a lien against the Housing Unit to secure payment of such amounts. Such a lien may be evidenced by a notice of lien setting the amounts due and rate of interest accruing thereon, and such notice of lien may be recorded in the real property records of Town, until such lien is paid and discharged. The Curing Party shall have the additional right to bring an action to foreclose on the Housing Unit for the payment of the lien set forth in Section 12.6.

10.3 **Right to Require Sale.**

10.3.1 Upon default of Declarant, each of the Beneficiaries shall have the right to require Declarant to sell the Housing Unit to avoid the commencement of any adverse proceedings against the Housing Unit by providing Declarant written notice of HA's decision to exercise such right ("Notice of Election to Require Sale").

10.3.2 Upon receipt of a Notice of Election to Require Sale by any Qualified Holders, as defined in C.R.S. § 38-38-100.3(20), or mortgage brokers licensed by the Colorado Division of Real Estate pursuant to C.R.S. § 12-61-901 et. seq., Declarant shall immediately offer the Housing Unit for sale according to the provisions of Section 7.

10.4 **Non-Qualified Owner in Event of Foreclosure.** In the event of a foreclosure on a promissory note secured by a first deed of trust on the Housing Unit or the acceptance by the holder of such note and deed of trust ("Holder") is issued a public trustee's deed for the Housing Unit or records a deed in lieu of foreclosure for the Housing Unit, this Covenant shall remain in full force and effect and Holder shall be considered a non-Qualified Owner.

11. **Obligation to Maintain Homeowner's Insurance.** Deed-restricted housing with public and private subsidies means that the cost to build homes is greater than the sales price. Owners shall obtain full replacement cost coverage through an insurance provider licensed with and compliant with the Colorado Department of Regulatory Agencies which will repair or replace the home in the event of damage or destruction.

11.1 Request for Insurance Coverage Certificate. Owner may be required to verify compliance with § 11, above at any time and is required to respond within seven (7) days.

11.2 Failure to maintain adequate Homeowner's Insurance shall be considered a material breach of this Covenant.

12. **Default/Breach**

12.1 **Right to Inspect.** In the event the HA has or the Beneficiaries have reasonable cause to believe a Declarant is violating the provisions of this Covenant, that entity, through its authorized representatives, may inspect the Housing Unit between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday, after providing the Declarant with no less than twenty-four (24) hours written notice; Declarant has the right to be present.

12.2 **Notice of Violation.** The HA shall send a Notice of Violation ("NOV") to the Declarant detailing the nature of the violation and allowing the Declarant fourteen (14) days to determine the merits of the allegations, or to correct the violation. The NOV shall advise the alleged violator of the fines associated with each alleged violation as required by the Schedule of Violations and Fines, Appendix E of the Guidelines, and any additional opportunity to cure before the fines or consequences escalate. In the event the Declarant disagrees with the allegation of violation of the Covenant or the Guidelines, the Declarant may request, in writing, a hearing before the HA or its designated hearing officer, who shall have absolute discretion to determine the appropriate action to be taken to either remedy the violation or to require Declarant to sell the Housing Unit. If the Declarant does not request a hearing and the violation is not cured within the fourteen-day period, the Declarant and/or Occupant shall be considered in violation of this Covenant, and fines shall continue to accrue until the violation is cured or the maximum fine has been reached. Failure to request a hearing shall constitute the failure to exhaust administrative remedies for the purpose of judicial review.

12.3 **Hearing Before the HA.** Whenever this Covenant provides for a hearing before the HA, such hearing shall be scheduled by the HA within fourteen (14) days of the date of receipt of a written request for a hearing. At any such hearing, the Declarant or other aggrieved party may be represented by counsel and may present evidence on the issues to be determined at the hearing. An electronic record of the hearing shall be made, and the decision of the HA shall be a final decision, subject to judicial review.

12.4 **Reservation of Remedies.** There is hereby reserved to the parties hereto any and all remedies provided by law for breach of this Covenant or any of its terms. In the event the Parties resort to litigation with respect to any or all provisions of this Covenant, the prevailing party shall be awarded its damages, expenses, and costs, including reasonable attorney's fees.

12.5 **Sale Without Compliance.** In the event the Housing Unit is sold and/or conveyed without compliance with the terms of this Covenant, such sale and/or conveyance shall be wholly null and void and shall confer no title whatsoever upon the purported buyer. Each and every

conveyance of the Housing Unit, for all purposes, shall be deemed to include and incorporate by this reference the covenants herein contained, even without reference therein to this Covenant.

**12.6 Failure to Cure.** In the event a Declarant fails to cure any breach of this Covenant, each of the Beneficiaries may resort to any and all available legal or equitable actions, including but not limited to specific performance of this Covenant, a mandatory injunction requiring the sale of the Housing Unit by Declarant, and/or an injunction against future sale(s) in violation of this Covenant.

**12.7 Violation Fixes Resale Price.** In the event of a breach of any of the terms or conditions contained herein by Declarant, his or her heirs, successors or assigns, the Declarant's MSP of the Property shall, upon the date of such breach as determined by the HA, automatically cease to increase as set out in Section 7.3 and shall remain fixed until the date of cure of said breach.

**13. General Provisions**

**13.1 Enforcement of Covenant.** This Covenant shall constitute covenants running with the land and Housing Unit as a burden thereon, for the benefit of each of the Beneficiaries and/or its respective successors and assigns, as applicable, and who may enforce the covenants and compel compliance therewith. Enforcement by any appropriate legal action may include, but is not limited to specific performance injunction, reversion, damages, or eviction of noncomplying Declarants and/or Occupants.

**13.2 Equal Housing Opportunity.** Pursuant to the Fair Housing Act and public policy, the HA shall not discriminate on the basis of race, creed, color, sex, national origin, familial status, disability, sexual orientation, or gender identity in the lease, sale, use or occupancy of the Housing Unit.

**13.3 Waiver of Exemptions.** Every Declarant, by taking title to a Housing Unit, shall be deemed to have subordinated to this Covenant any and all right of homestead and any other exemption in, or with respect to, such Housing Unit under state or federal law presently existing or hereafter enacted.

**13.4 Notices.** Any notice, consent, approval, or request which is required to be given by any party hereunder shall be given by personal delivery, by mailing the same, certified mail, return receipt requested, properly addressed and with postage fully prepaid, to the address provided herein or to the address of the Declarant. The Declarant shall advise the Housing Agency of any change in address, in writing. Mailing requirements may be waived by consent of the Parties and acknowledgment of delivery by email or regular mail.

To Beneficiaries: Mayor  
City of Ouray  
320 6<sup>th</sup> Avenue  
PO Box 468  
Ouray, CO 81427  
Telephone: 970-325-7078

Rural Homes, LLC  
PO Box 4222  
Telluride, CO 81435  
Telephone: 970-728-8717

To Declarant: \_\_\_\_\_  
\_\_\_\_\_

**12.5 Severability.** Whenever possible, each provision of this Covenant and any other related document shall be interpreted in such manner as to be valid under applicable law; but if any provision of this Covenant shall be invalid or prohibited under said applicable law, such provisions shall be ineffective to the extent of such invalidity or prohibition, without invalidating the remaining provisions of this Covenant.

**12.6 Choice of Law.** This Covenant and each and every related document is to be governed and construed in accordance with the laws of the State of Colorado.

**12.7 Successors.** Except as otherwise provided herein, the provisions and covenants contained herein shall inure to and be binding upon the heirs, successors, and assigns of the parties.

**12.8 Further Actions.** Declarants and subsequent owners agree that they shall be personally liable for their participation in any of the transactions contemplated herein and that they will execute such further documents and take such further actions as may be reasonably required to carry out the provisions and intent of this Covenant or any agreement or document relating hereto or entered into in connection herewith.

**12.9 Gender and Number.** Whenever the context so requires herein, the neuter gender shall include any or all genders and vice versa and the use of the singular shall include the plural and vice versa.

**12.10 Modifications.** Any modifications of this Covenant shall be effective only when made by a duly executed instrument by the HA and Declarant, with the written consent of each of the Beneficiaries, and recorded with the Clerk and Recorder of County.

**12.11 Attorney Fees.** In the event any of the Parties resorts to litigation with respect to any of the provisions of this Covenant, the prevailing Party shall be entitled to recover damages and costs, including reasonable attorney fees.

**CITY OF OURAY**

By: \_\_\_\_\_ EXECUTED, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.  
[name], Mayor

State of Colorado                    )  
  ) ss.  
County of \_\_\_\_\_                )

The foregoing Rural Homes: For Sale, For Locals Deed Restriction and Covenant, Ouray Waterview Homes has been acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by [name], Mayor, City of Ouray

Witness my hand and official seal.  
My commission expires:

\_\_\_\_\_ Notary  
Public

\_\_\_\_\_ **HOUSING AUTHORITY**

By: \_\_\_\_\_ EXECUTED, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.  
[name], CEO

State of Colorado                    )  
  ) ss.  
County of \_\_\_\_\_                )

The foregoing \_\_\_\_\_ Rural Homes: For Sale, For Locals Deed Restriction and Covenant, Ouray Waterview Homes has been acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by [name], Chair of the Housing Authority

Witness my hand and official seal.  
My commission expires:

\_\_\_\_\_ Notary  
Public

**RURAL HOMES, LLC**

By: \_\_\_\_\_ EXECUTED, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.  
[name], Member

State of Colorado                    )  
  ) ss.  
County of \_\_\_\_\_                )

The foregoing Rural Homes: For Sale, For Locals Deed Restriction and Covenant, Ouray Waterview Homes has been acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_ [name], Member of RURAL HOMES, LLC.

Witness my hand and official seal.  
My commission expires:

\_\_\_\_\_  
Notary Public

**DECLARANT**

\_\_\_\_\_ EXECUTED, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.  
[name]

State of Colorado                    )  
  ) ss.  
County of \_\_\_\_\_                )

The foregoing Rural Homes: For Sale, For Locals Deed Restriction and Covenant, Ouray Waterview Homes has been acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_ [name].

Witness my hand and official seal.  
My commission expires:

\_\_\_\_\_  
Notary Public

**CITY OF OURAY DEVELOPMENT AGREEMENT  
OURAY HOMES, LLC**

This Development Agreement (this “Agreement”), dated as of \_\_\_\_\_, 2023 (the “Effective Date”) is made by and between CITY OF OURAY, COLORADO, a home-rule municipality under the laws of the State of Colorado (the “City”), and OURAY HOMES, LLC, a Colorado charitable limited liability company (“Ouray Homes”). The City and Ouray Homes shall individually be referred to herein as a “Party” or collectively as the “Parties.”

**WHEREAS**, Ouray Homes is the owner of the following real property: 250 & 251 Uncomprohagre Street, City of Ouray, Colorado (the “Property”); and

**WHEREAS**, Ouray Homes has prepared and submitted a preliminary plat for a planned unit development in accordance with Sections 7-7 and 7-8 of the City of Ouray Municipal Code (the “Ouray Municipal Code”) on the PROPERTY: 250 UNCOMPAHGRE STREET, SUBDIVISION: OURAY WATERVIEW SUBDIVISION LOT 2 LOT SPLIT LOT: 2A S: 25 T: 44 R: 8; AND OURAY WATERVIEW SUBDIVISION LOT 2 LOT SPLIT LOT: 2B S: 25 T: 44 R: 8 CITY OF OURAY, COLORADO (the “Preliminary Plat”, Exhibit A attached hereto); and

**WHEREAS**, Ouray Homes submitted the Preliminary Plat to the Ouray Planning Commission on May 23, 2023, and thereafter the Ouray Planning Commission recommended approval of the Preliminary Plat to the City of Ouray City Council; and

**WHEREAS**, Ouray Homes submitted the Preliminary Plat to the Ouray City Council on June 20, 2023, and thereafter the City Council approved the Preliminary Plat with Conditions of Approval found in the Preliminary Plat Staff Report; and

**WHEREAS**, Ouray Homes intends to undertake the development and construction of affordable residential dwelling units on the Property, including twenty one (21) units of workforce and/or affordable housing in Phase 1 of the two phase project, for area residents earning at or below 120% area median income (“AMI”) (the “Project”); and

**WHEREAS**, the City has determined that it is in the best interests of the City and its inhabitants to assist in the development of the Project by, among other things, providing certain financial incentives and waivers of certain provisions of the Municipal Code to Ouray Homes in order to increase the availability of workforce and affordable housing within the City.

**NOW THEREFORE**, in consideration of the promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Compliance With The City Approvals and City Acknowledgement of Approvals.** Ouray Homes agrees to comply with each of the terms and conditions of the Preliminary Plat and this Agreement and any other site-specific approvals for the Project and the applicable provisions of the Municipal Code. This Agreement shall be recorded and run with the Property. Notwithstanding the foregoing, or anything contained herein to the contrary, the standards of this Agreement are specifically agreed to and shall control over any conflicting provisions of

the Municipal Code.

2. **City DOLA Development Assistance Funds.** The City has applied for and received One Million Fifty Thousand Dollars (\$1,050,000.00) in grant funds from the Department of Local Affairs under its Innovative Affordable Housing Strategies (IHOI) grant program. The City shall administer and apply these grant funds, within the proper scope of the program towards the development of the Project, and reimbursement the grant money paid to Ouray Homes for the construction and installation of certain project infrastructure and improvements as defined by the IHOI grant.
3. **Sewer Main Easement.** The Preliminary Plat depicts the location of a sewer and water main easement (or easements) across Lots 1 through 21, Tract D, and continuing through Lots 65 through 46. The City has expressed concerns regarding future property owners constructing permanent structures over this easement. Ouray Homes shall include a plat notice on the Final Plat, which shall state: “Notice: Permanent structures, as defined by the City-approved International Building Code, are prohibited within the sewer main easement show hereon unless specifically approved by the City of Ouray Building Inspector and Public Works Department prior to installation.”
4. **Landscaping, Riverwalk Corridor Buffer, Privacy Fencing and Homeowner Sheds.** As a condition of the preliminary plat approval, Ouray Homes will construct various landscape features to enhancing the homeowner lots, open space and detention ponds as depicted in the Landscape Plan in Exhibit B. The scope of work includes:
  - a. Homeowner Lots. Ouray Homes has budgeted \$50,000 for the design and construction of landscaping of Phase 1 homeowner lots consistent with Section 7-4-D-2-h of the Municipal Code including:
    - i. Lot landscaping will include a gravel walkway from each Lot’s car parking area to the front porch, a planted flower bed planter adjacent to the porch, and native natural grass seeded for the remaining yard areas. One street tree or several low laying shrubs shall be planted per Lot, but shall not exceed more than one street tree every thirty-five (35) feet in spacing if other improvements or driveways would necessitate street trees to be planted closer together.
    - ii. Construction of privacy fences for certain homeowner lots where appropriate.
    - iii. Outdoor fencing for the home based childcare homes that meet State licensing codes will be constructed. See attached Exhibit B for fence types that will be used in construction.
  - b. Open Space, Detention Ponds and Riverwalk buffer. Ouray Homes shall budget \$30,000 and the City of Ouray shall contribute \$30,000 for a total budget of \$60,000 for the design and construction of the landscape features consistent with the Municiple Code for the open space and detention ponds including:

- i. A drip irrigation system to water trees and shrubs.
- ii. Each open space parcels will be seeded with native natural grass seed, planted with low lying shrubs, and trees consistent with the adjoining parcels.
- iii. The storm water detention pond will be seeded with native natural grass seed.

The 550 highway green space buffer section that does not have trees, will be planted with shrubs and trees consistent with the remaining buffer section.

- iv. A visual buffer between Riverwalk Corridor and adjacent homeowner properties consistent with Municipal Code Section 7-4-D-1-f-iv, will consist of a 3 foot high split rail fence wherever the intersection of the Riverwalk Corridor and adjacent Waterview property intersects and is at or near grade of the adjacent property and with a series of planted shrubs as noted in Landscape Plan.

- c. No homeowner sheds will be provided by Ouray Homes in Phase 1.

5. **City Waiver of Certain Infrastructure Improvements.** Ouray Homes is required to undertake and complete certain infrastructure improvements in accordance with the City’s Municipal Code and the City’s Design Standards. Ouray Homes is required to meet all other design standards and improvements, including but not limited to, roads, sidewalks, sidewalk curb and gutters, and stormwater, water, and wastewater systems.
6. **Fee Waiver and Tap Fee Donation.** The Project would ordinarily be required to submit fees in connection with the following: building permits, zoning, utility impact and plan review, open space park fees, among others. The City shall review and consider all reasonable requests not to exceed a total of \$487,000 for the waiver of these fees ordinarily required for such a project. The City agrees to provide a donation from the City excise tax to Ouray Homes in the amount equal to 50% of the cost of of the City’s Water Tap and Sewer Tap Fees not to exceed \$487,000.
7. **Conveyance of Open Space Parcels of Property to the City.** The Preliminary Plat depicts parcels that Ouray Homes will convey ownership to the City of Ouray for purposes of open space, expansion of the river park corridor and stormwater detention ponds for the subdivision. The parcels as noted in the Preliminary Plat, include (1) Tract A Open Space; (2) Tract B Open Space and Phase 1 Stormwater Detention Pond; (3) Tract C Open Space and Phase 2 Stormwater Detention Ponds; and, (4) Tract D Open Space buffer.
8. **Deed Restricted Housing.** Ouray Homes has agreed to designate the units within the Project Phase 1 as deed-restricted housing (“Lot” or “Lots”). All parties hereto expressly understand and acknowledge that they will mutually approve a Deed Restriction and Covenant and Guidelines that are substantially similar to the Rural Homes: for sale, for locals Deed Restriction and Covenant attached hereto as Exhibit D (“Covenant”) and the Rural Homes: For Sale, For Locals Affordable Housing Regulations and Guidelines attached hereto as Exhibit E

("Guidelines"). Said Deed Restriction and Covenant shall be a real covenant that runs with the title to the land in perpetuity and not expire and shall survive any foreclosure on the respective Lots, unless the restrictions are otherwise released or modified with the written consent of the City and all Beneficiaries.

- a. The provisions of the Covenant shall govern all conveyances and rentals of the Lots. All buyers and renters shall be required to comply with Covenant. Specifically, the potential buyer or renter shall submit a Deed Restriction Application, pursuant to the Covenant and Guidelines to the City.
- b. The City is granted and conveyed the right to enforce compliance with the Covenant and Guidelines that are applicable to the Lots. The City may assign its enforcement ability to a qualified entity or agent.
- c. The Lots shall be owned and occupied by persons who qualify with the terms and conditions of the Covenant and Guidelines which shall include, in general:
  - i. Prospective owner of a Lot shall maintain his/her primary residence and abode in Ouray County, Colorado, or provide written intent of his/her desire and intent to do so within thirty (30) days of purchasing the Lot.
  - ii. At least one member of the household shall be a qualified employee working in Ouray County or for an employer based in Ouray County.
  - iii. Household income shall not exceed 120 % Area Median Income Levels (AMI) at the time of purchase for Ouray County.
  - iv. The Lots shall be, and remain, owner occupied. Long-term and short-term rental of these Lots is prohibited unless approved by the City or its designee.
  - v. The maximum resale price of any Lots is limited to an annual price appreciation cap of 3% of the initial purchase price; there is no guarantee that Lots will be resold for a profit. The seller of a Lot is responsible for ensuring compliance with the Covenant and Guidelines and agrees submit a Notice of Intent to Sell and to consult with the City Manager, or his/her designee, regarding any qualified buyer(s) and the maximum resale price.
- d. All warranty deeds for the transfer and conveyance of a Lot will clearly indicate that the Lots are deed restricted.

## **9. Representations and Warranties.**

- a. City's Representations and Warranties. The City represents and warrants that:
  - i. Organization and Authority. The City has the full right and has obtained any and all consents required to authorize the City to enter into this Agreement, consummate the transactions contemplated in this Agreement, and perform its other obligations under

this Agreement.

ii. Authorization and Execution. This Agreement has been authorized and properly executed and constitutes the legal, valid and binding obligations of the City, enforceable against the City in accordance with its terms.

b. Ouray Homes Representations and Warranties. Ouray Homes represents and warrants that:

i. Organization and Authority. Ouray Homes has the full right and authority and has obtained any and all consents required to authorize Ouray Homes to enter into this Agreement, consummate the transactions contemplated in this Agreement, and perform its other obligations under this Agreement.

ii. Authorization and Execution. This Agreement has been authorized and properly executed and constitutes the legal, valid and binding obligations of Ouray Homes, enforceable against Ouray Homes in accordance with its terms.

iii. Survival of Representations and Warranties. The representations and warranties set forth in this Section 10 are made as of the Effective Date. Each Party will defend and indemnify, to the extent permitted by law, the other against any claim, liability, damage or expense asserted against or suffered by such other party arising out of the breach or inaccuracy of any such representation or warranty.

10. Amendment of Agreement. Except as otherwise set forth in this Agreement, this Agreement may not be amended except by mutual consent in writing of the Parties.

11. Notices. All notices, certificates or other written communications hereunder will be sufficiently given and will be deemed given when given by hand delivery, overnight delivery, mailed by certified or registered mail, postage prepaid, or dispatched by telegram or telecopy (if confirmed promptly telephonically), addressed to the following addresses or at such other address or addresses as any party thereto designates in writing to the other parties hereto:

If to City:  
City of Ouray  
PO Box 468  
320 6th Ave,  
Ouray, CO 81427

With a copy to:  
Viner Law  
Carol Viner  
1104 S. Townsend  
Montrose CO  
[cviner@vinerlaw.com](mailto:cviner@vinerlaw.com)

If to Ouray Homes:  
Ouray Homes, LLC

Paul Major  
PO Box 4222  
Telluride, CO 81435

12. **Waiver.** No failure by any Party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement, or to exercise any right or remedy consequent upon a breach of this Agreement, will constitute a waiver of any such breach or of such or any other covenant, agreement, term or condition. Any Party by giving notice to the other Parties may, but will not be required to, waive any of its rights or any conditions to any of its obligations hereunder. No waiver will affect or alter the remainder of this Agreement, but each and every covenant, agreement, term and condition of this Agreement will continue in full force and effect with respect to any other then existing or subsequent breach.
13. **Attorneys' Fees.** In any proceeding brought to enforce the provisions of this Agreement, the court shall award the prevailing Party reasonable attorneys' fees, actual court costs and other expenses incurred.
14. **City Not a Partner; Ouray Homes Not City's Agent.** Notwithstanding any language in this Agreement or any other agreement, representation or warranty to the contrary, the City will not be deemed or construed to be a business partner or joint venture of Ouray Homes, Ouray Homes will not be deemed or construed to be the agent of the City, and the City will not be responsible for any debt or liability of Ouray Homes.
15. **Applicable Law; Venue.** The laws of the State of Colorado will govern the interpretation and enforcement of this Agreement. Venue for any action arising under this Agreement or any amendment or renewal hereof shall be in the District Court of Ouray County, Colorado.
16. **Binding Effect and Assignment.** This Agreement will be binding on and inure to the benefit of the Parties, and their successors and assigns. This Agreement shall not be assigned without the prior written consent of the Parties.
17. **Further Assurances.** The Parties agree to execute such documents, and take such actions, as will be reasonably requested by the other party hereto to confirm or clarify the intent of the provisions hereof and to effectuate the agreements herein contained and the intent hereof.
18. **Severability.** If any provision, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid, such invalidity will not affect the application or validity of any other provisions, covenants or portions of this Agreement and, to that end, any provisions, covenants, agreements and portions of this Agreement and declared to be severable.
19. **Good Faith; Consent or Approval.** In performance of this Agreement or in considering any requested extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously or unreasonably withhold or delay any approval required by this Agreement. Except as otherwise provided in this Agreement, whenever consent or approval of any party is required, such consent or approval will not be unreasonably withheld, conditioned or delayed.

20. **Counterparts.** This Agreement may be executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.
21. **No Waiver of Governmental Immunity.** No provision of this Agreement shall act or be deemed to be a waiver by the City of any provision of the Colorado Governmental Immunity Act, CRS 24-10-101, et *seq.*

IN WITNESS WHEREOF, the Parties each have caused these presents to be executed in its corporate name and with its official seal hereunto affixed and attested by its duly authorized officials; and Ouray Homes has caused these presents to be executed by its duly authorized officer, as of the date first above written.

CITY:

CITY OF OURAY, COLORADO,  
a Colorado home-rule municipality

By:

---

Name: Ethan Funk  
Title: Mayor

OURAY HOMES:

OURAY HOMES, LLC,  
a Colorado limited liability company

By:

---

Name: Paul Major  
Title: Manager

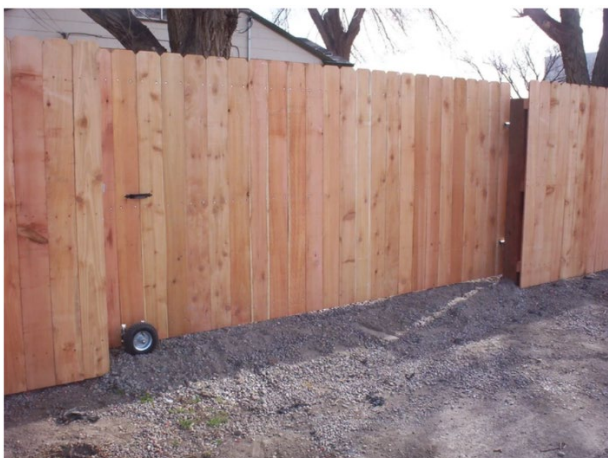
Exhibit A

Ouray Waterview Homes Subdivision Preliminary Plat

Exhibit B  
Landscape Plan

## Exhibit C - Fence Types

### 6' Privacy



### 3' Privacy



### Split Rail



Exhibit D

**DRAFT - Rural Homes Deed Restriction and Covenant Attached**

Exhibit E

**DRAFT - Rural Homes Affordable Housing Regulations and Guidelines Attached**

September 5, 2023

To: City of Ouray Mayor and Council Members

Cc: Silas, City Manager

From: Paul Major, Ouray Homes, LLC

Re: Revised Development Agreement Items

Attached for your review related to the Council September 5 meeting agenda, are the following:

1. Revised Development Agreement redline
2. Updated Landscape Plan
3. Ouray Waterview Homeownership Value Summary
  - **\$350,000 priced home**
    - \$325k mortgage amount + \$25k DPA, \$0 down
  - \$1,500 monthly mortgage payment
    - P&I, taxes, insurance, based on qualified buyers with good credit, households of 3 or more, household income of 80% AMI and below, use preferred lender mortgage products and receive State-provided down payment assistance
  - \$427,000 home value after 10 years with 2% appreciation
  - \$241,576 mortgage balance after 10 years
    - \$83,424 Principal paid and \$71,940 interest paid
  - \$71,940 income tax deductions
  - 6% decrease in household housing costs in 10 years
    - 2-3% wage increases over 10 years
    - Mortgage payment stays fixed
  - \$160,424 in home equity built upon resale
    - Principle paid and appreciation over 10 years
  - **\$232,364 total value to homeowner over 10 years**
4. Homeownership vs. renting see:  
<https://www.urban.org/urban-wire/homeownership-still-financially-better-renting>
5. Deed Restriction Covenant and Guidelines-Update. Based on the comments during the 8.29.23 worksession, the requested changes have been incorporated in the redline. A summary of the changes include:

**Guidelines:**

- 5.2.6: net asset ongoing requirement was relaxed from ISP to MSP. The initial qualification remains the same.
- 5.2.4.1 Short-term rental and less than 6-month rentals are not allowed.

- **7.3.8** Leases must be for a minimum of six (6) months with a maximum of twelve (12) months. Rentals of less than six (6) months are prohibited.
- Throughout-Ouray School District R-1 was changed to Ouray County.

#### **Appendix E: Schedule of Violations and Fines**

\*Owner shall be given 14 days from **notice of potential fines** ~~Notice of Violation~~ by HA to cure all violations prior to the assessment of fines.

#### **Covenant:**

Inserted: **1.3 Updated Covenants.** Upon each and every Transfer, the transferee shall execute the most recent Covenant that has been approved by the City of Ouray and the HA at the time of Transfer.

Rural Homes: For Sale, For Locals

AFFORDABLE HOUSING REGULATIONS AND GUIDELINES

**OURAY WATERVIEW HOMES**

Ouray County

Approved by the Colorado Attorney General and DOLA  
Adopted by the City of Ouray on [date]

## WELCOME

**GENERAL POLICY GOALS:** The general goal of the Rural Homes: For Sale, For Locals (RH) 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 Ouray ~~County School District R-1~~ boundaries, whose income and assets are below certain targeted limits, and who choose to be part of the local community. This is accomplished, for the most part, by regulating and restricting occupancy and sale of the Housing Units covered by these Affordable Housing Regulations and Guidelines (Guidelines) to “Qualified Households” as defined herein.

Qualified Households must meet specific economic means tests that may include both Household Income and Household Net Assets. Such tests of economic means are intended to promote diversity within the target community.

The Housing Units covered by these Guidelines are subject to price limitations for sale, resale and/or rental. These limitations are intended to insure affordability for the current Household and for the long-term affordability of the Housing Unit.

These Guidelines are intended to provide for clear, fair, and consistent administration of the Rural Homes: For Sale, For Locals Deed Restriction and Covenant Ouray Waterview Homes (referred to as “Covenant” or “Deed Restriction”), associated with each Housing Unit (also referred to as Unit). It is recognized that there are individual Households and Housing Units that may not fit clearly within the specific provisions of the Guidelines but still meet these general policy goals. For these cases, Exception and Appeal processes have been established (Section 11).

The Housing Authority (HA) or its designee is authorized to adopt specific policy directives as necessary to clarify and aid in the application and enforcement of the Deed Restriction. Any policy directives shall be adopted by HA at a properly noticed public meeting.

## Table of Contents

1.	Definitions	Page 4
2.	Purpose and Applicability	Page 13
3.	Household Qualification and Eligibility	Page 13
4.	Initial Household Application Process	Page 16
5.	Continuing Household Qualification and Compliance Verification	Page 16
6.	Sale and Resale of Housing Units	Page 18
7.	Rental Procedures	Page 21
8.	Deed Restriction Covenant	Page 22
9.	Lenders and Loans	Page 24
10.	Ownership Lotteries	Page 24
11.	Exceptions, Appeals and Grievances	Page 27
12.	Administrative Procedures	Page 31

### Appendices

A.	Income Eligibility Tiers & Area Median Income (AMI) Limits	Page 33
B.	Initial Sales Price & Maximum Rental Prices	Page 34
C.	Lottery Point System Criteria	Page 35
D.	Fee Schedule	Page 36
E.	Schedule of Violations and Fines	Page 37

## 1. DEFINITIONS

Definitions of terms and phrases contained within the Deed Restriction and Guidelines:

- 1.1 **ACCESSORY DWELLING UNIT (ADU)** - a building, or portion thereof, the use of which is incidental to that of the main building, and which is located on the same lot or parcel with the main building or use, and which building has a separate kitchen, separate bathroom, a separate entrance, and which is restricted by rent and occupancy requirements as described in these Guidelines.
- 1.2 **APPEAL** - is the process used when the Applicant understands and acknowledges the Covenant and Guidelines criteria and believes that after an initial determination, the criteria have been applied to him or her incorrectly.
- 1.3 **APPLICANT** - a Household that has submitted the required application either for qualification as a Buyer or a Renter or who submits a request for an Exception.
- 1.4 **AREA MEDIAN INCOME (AMI)** - a statistical number based on Household Size and Income for residents of the county in Colorado in which the Housing Unit is located and that is used in these Guidelines as a basis for the Income Eligibility Tiers applied to specific Housing Units. HA shall update the AMI once per year based upon an analysis of the best available data for County Household Incomes. Data sources and methods for this analysis are documented in Appendix A.
- 1.5 **ASSETS** - anything owned by an individual that has commercial or exchange value. Assets consist of specific property or claims against others, in contrast to obligations due others. Assets include both liquid and non-liquid assets. Liquid Assets include cash in savings, checking or other forms of bank accounts and stocks, bonds or other instruments that can readily be converted to cash. Non-liquid Assets are those items not easily converted to cash.

The most recent assessed value as provided by the applicable assessor's office will be used to determine the value of Assets, including real estate holdings, regardless of setoffs by encumbrances, costs of sale or holding, or percent of ownership interest. Assets shall include funds or property held in a living trust or any similar entity or interest, where the person has management rights or the ability to apply the assets to the payment of debts. Assets in a qualified retirement plan and intangible assets will not be included in the asset calculations for each income category. Household Net Assets equals gross Household Assets less gross Household Liabilities.

NOTE: A one-time gift of up to 30% of the Original Purchase Price used exclusively as a down payment for the purchase of a Housing Unit may be considered as a net asset, and not as Unearned Income for the purposes of initial qualification.

- 1.6 **BEDROOM** - area designed to be used for sleeping purposes that shall contain a closet, have access to a bathroom and meets applicable Building Code requirements for light, ventilation, sanitation, and egress.

1.7 **BUSINESS OWNER** - a person or entity that owns or operates a business located in and serving the County, with a local workforce working in the School District, and who has been certified by the Housing Authority to own a Housing Unit and who has agreed to the rental restrictions set forth in the Deed Restriction and these Guidelines. Note: Businesses who are in the business of residential property management, residential property rentals, mobile home park ownership or rental and/or residential property ownership may not be certified as a Business Owner.

1.8 **BUYER** - a person who is buying a Housing Unit.

1.9 **CAPITAL IMPROVEMENTS AND PERMITTED CAPITAL IMPROVEMENTS** - 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.

Permitted Capital Improvements are established for determining Maximum Sales Price as the terms are defined in Section 6.11.

1.10 **COMMERCIAL PROPERTY** - property which is used for any of the following uses as defined by the applicable Land Use Code: Commercial; Industrial; Accommodations (including Hotel, Lodge, Boarding and Rooming houses, Lock-off units, and Short-term Dwelling Units); and Agricultural Land.

1.11 **CO-SIGNER** - a joint signatory of a promissory note whose obligations are the same as those of the primary borrower. If the primary borrower does not repay the loan, the co-signer accepts responsibility for the debt. A Co-signer shall not occupy the Housing Unit unless qualified by HA.

1.12 **COUNTY** - the county in the state of Colorado in which the Housing Unit is located.

1.13 **DECLARANT** - the person or entity who is purchasing the Housing Unit and who signs the Deed Restriction and Covenant.

1.14 **DEED RESTRICTION** – a contract prepared by HA in coordination with Rural Homes (RH) and entered into between HA, RH, and the Owner or Buyer of real property identifying and burdening the conditions of use, occupancy and sale which shall not be altered by any party without the written consent of all parties, also referred to as Covenant.

1.15 **DESIGNEE** - a person or entity that is named and authorized to act in place of the person or entity granting the designation.

1.16 **DISABLED PERSON** – See Individual with a Disability.

- 1.17 DOWN PAYMENT - a cash payment made by the purchaser toward the purchase price of the Housing Unit.
- 1.18 EARNED INCOME STANDARD - total Household Earned Income must be at least 75% of the total Household Income. Unearned Income cannot exceed 25% of total Household Income. See INCOME.
- 1.19 ELDERLY - a person who is at least 65 years of age.
- 1.20 ELIGIBILITY - qualification requirements applied to a Household based on the specific Housing Unit the Household intends to occupy.
- 1.21 EMPLOYEE - a person who is self-employed or is working for another person or business and is compensated for such work on an hourly, weekly, monthly or commission basis or any combination of such compensation.
- 1.22 ESSENTIAL RESPONSE PERSONNEL - those persons required to report to their designated work location to ensure the operation of essential functions during an emergency. Qualified Essential Response Personnel are employees (on call 12 hours/day, a minimum of 8 times per month or its equivalent) of a community-based organization, in the Ouray County ~~School District R-1~~ boundaries that provides on-scene assistance and personal care to victims. Community-based organizations include but are not limited to the Fire Department, Search & Rescue, Police, Marshal, and Sheriff's Departments, Emergency Medical Services, Social Services, and Emergency Dispatch.
- 1.23 EXCEPTION, REQUEST FOR - the process used when the Applicant understands and acknowledges the Covenant and Guidelines criteria and believes that there exists a legitimate and compelling reason why the Applicant should be excused from such criteria or allowed a modification of the criteria.
- 1.24 FAIR MARKET VALUE - the price at which bona fide non-distress sales have been consummated for assets of like type, quality, and quantity in a particular market.
- 1.25 FAMILY - see Immediate Family
- 1.26 FEE SIMPLE ESTATE - the maximum possible estate that one can possess in real property, complete and absolute ownership of indefinite duration, freely transferable, and inheritable.
- 1.27 FINANCIAL STATEMENT - a statement detailing all personal assets, liabilities, and net assets (the difference between gross assets and liabilities) as of a specific date.
- 1.28 FIRST MORTGAGE - a deed of trust or mortgage that is recorded senior to any other deeds of trust or liens against a property to secure a loan used to purchase a property by a Mortgagee.
- 1.29 FREE-MARKET PROPERTY - a property that is not restricted by any Deed Restriction or covenant regarding price or terms of sale.

- 1.30 FULL-TIME EMPLOYEE - a person who works a minimum of 1,200 hours per year by working no less than eight (8) of every twelve (12) months on a rolling twelve (12) month basis AND during the qualifying eight (8) months must work at least forty (40) hours per month.
- 1.31 GOVERNMENT PERSONNEL - any Full-time Employee of a federal, state, or County agency, or any local government, including law enforcement agencies.
- 1.32 GRIEVANCE - any dispute that Seller, Buyer, Owner, or Applicant may have with HA with respect to an action or failure to act in accordance with the individual's rights, duties, welfare, or status.
- 1.33 GUEST - a person with whom a Household shares the same living quarters who has no proprietary interest including no leasehold interest in the Housing Unit, who is not on the title to the unit, who does not provide financial assistance to the Household, and whose stay is limited to less than thirty (30) days every six (6) months.
- 1.34 GUIDELINES - these Rural Homes: For Sale, For Locals Affordable Housing Regulations and Guidelines, Ouray Waterview Homes, are a set of operational regulations adopted by RH and the HA and are amended from time to time that set out definitions, standards and procedures that further define and detail the Rural Homes: For Sale, For Locals Deed Restriction and Covenant, Ouray Waterview Homes and are to be applied to specific Housing Units.
- 1.35 HEALTH CARE PERSONNEL - any Full-time Employee, who is licensed or otherwise authorized by the State of Colorado to provide health care services and who is employed as such by a nonprofit institution within the Ouray County School District R-1 boundaries.
- 1.36 HOME OCCUPATION - any business conducted principally within a dwelling unit, an enclosed garage or accessory building, which is carried on by the inhabitants of the Housing Unit. Home Occupation does not include: an individual working at home that does not routinely conduct meetings in the home; does not have routine contact with employer, employee, consultant and/or client in the home; and does not conduct traditional sales or retail activities on the premise of their workplace; and/or does not place any identifying signs on the exterior of the workplace.
- 1.37 HOUSEHOLD - one or more persons who intend to live together in a Housing Unit as a single housekeeping entity.
- 1.38 HOUSING AUTHORITY (HA) - Housing Authority will have the responsibility to administer the Deed Restriction and Guidelines, including qualifying owners, enforcement, and making any exceptions. Each RH development will be assigned a HA within that jurisdiction. As used in these Guidelines, HA may also mean staff and the Board of Directors of the Housing Authority or its designee, as the context requires.
- 1.39 HOUSING UNIT - a residential unit that is subject to the Covenant and Guidelines and any additional covenants that run with the land.
- 1.40 IMMEDIATE FAMILY - the Qualified Employee and the spouse of the Qualified Employee and their siblings, the parents and/or offspring of the Qualified Employee and

the spouse of the Qualified Employee, all of whom may be related either biologically, by marriage, by civil union and/or by legal adoption, and regardless of age. Immediate Family also includes: a minor child for whom the Qualified Employee or the spouse of the Qualified Employee becomes a legal guardian and a minor child for whom the Qualified Employee or the spouse of the Qualified Employee becomes a legal foster parent. Such children shall be treated as biological children and have the same Immediate Family status, regardless of age.

1.41 IMPROVED RESIDENTIAL PROPERTY - property that contains at least one (1) dwelling unit as defined in the applicable Land Use Code.

1.42 INCOME -

a. Earned Income -

- i. Income derived from one's own labor or through active participation on a regular, continuous, and substantial basis in a business and including retirement funds from deferred income earned from employment, Social Security benefits, alimony, and child support; and
- ii. Net income derived from a business after reasonable deductions for expenses, depreciation, taxes, and similar allowances.
- iii. For Qualified Elderly, retirement and/or pension income, regardless of origin, is considered Earned Income.

b. Household Income - combined Gross Income of all individuals in the Household.

c. Unearned Income - income derived from investments, rental property, trusts, inheritance, etc. and any other passive activity.

d. Gross Income - the total of all income from whatever source before deductions.

1.43 INCOME ELIGIBILITY TIER - the specification and limits of Household Income that applies to a particular Housing Unit.

1.44 INDIVIDUAL WITH A DISABILITY - has the same meaning as set forth in the federal "Americans with Disabilities Act of 1990", 42 U.S.C. sec. 12131, and its related amendments and implementing regulation, as amended, which currently defines a person with a disability as "Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment." (see also, Mobility Disabled Person).

1.45 INITIAL SALES PRICE - the sale price for a Housing Unit that is recorded as the Original Purchase Price [OPP] of that Housing Unit at the time the original Deed Restriction for the Housing Unit is executed and recorded in the County Clerk and Recorder's Office.

1.46 JOINT TENANCY - ownership of real estate between two or more parties who have been named in one conveyance as joint tenants. Upon the death of one tenant, surviving joint tenant(s) have the right of survivorship.

1.47 LAND CONTRIBUTOR - the entity that provided the land upon which the Rural Homes, For Sale, For Locals Project was built.

- 1.48 **LAND CONTRIBUTOR UNITS** - those deed-restricted properties that have been designated for purchase by the Land Contributor. A Land Contributor Unit is a Housing Unit.
- 1.49 **LANDLORD** - the owner of the Housing Unit, who, in an exchange for rent, leases the entire Housing Unit or a room in the Housing Unit to another individual known as the Tenant.
- 1.50 **LEASE** - a written agreement between an Owner/Landlord and a Tenant/Tenant Household that creates a Leasehold Interest.
- 1.51 **LEASEHOLD INTEREST** - a less than Fee Simple Estate that a Tenant possesses in real property.
- 1.52 **LEAVE OF ABSENCE** - an Exception from the requirement that a Qualified Household maintain the Housing Unit as its primary place of residence granted according to the Exception Procedure in Section 5.2.4.1.
- 1.53 **LIABILITIES** - the total amount owed to other persons including loans, liens, accounts payable, and other financial obligations as defined by generally accepted accounting practice.
- 1.54 **LONG-TERM RENTAL** - rental of a Housing Unit for any period of time equal to or greater than six consecutive months.
- 1.55 **LUXURY ITEMS** - are non-essential appliances, fixtures, or upgrades to a Housing Unit.
- 1.56 **MAXIMUM SALE PRICE (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.
- 1.57 **MINIMUM WORK STANDARD** - in order to meet the Minimum Work Standard, a person must work 1,200 hours per year by working physically within the Ouray School District R-1 boundaries no less than eight (8) of every twelve (12) months on a rolling twelve (12) month basis AND during the qualifying eight (8) months must work at least forty (40) hours per month.
- 1.58 **MOBILITY DISABLED PERSON** - a person who is an Individual with a Disability and who suffers from a long-term limitation in independent, purposeful physical movement of the body or of one or more extremities.
- 1.59 **MORTGAGEE** - any bank, savings and loan association, or any other institutional lender that is licensed to engage in the business of providing purchase money mortgage financing for residential real property and that is the beneficiary of a deed of trust or the mortgagee under a mortgage encumbering the Housing Unit.

- 1.60 NET WORTH - the estimated sum of the assets of the Qualified Owner and/or Qualified Occupant and/or Qualified Household less liabilities, the term is synonymous with Net Assets.
- 1.61 NOTICE OF VIOLATION - a formal written notice from the HA or its Designee to a Housing Unit Owner, Occupant, or Tenant who may be in violation of provisions of the Deed Restriction for the Housing Unit or of the provisions of the Guidelines.
- 1.62 OCCUPANT - any person who occupies the Housing Unit as his or her Primary Residence but who has no ownership interest in 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.
- 1.64 OWNER - individual(s) who has a legal right to the Housing Unit by deed, tenancy in common, joint tenancy, or tenancy in the entirety or other relationship; an individual who may have a proprietary interest in the Housing Unit, and may include any subsequent buyer, heir, devisee, transferee, grantee, or holder of title, or any portion of title, to the Housing Unit.
- 1.65 PURCHASE PRICE - all consideration paid by the Buyer to the Seller for a Housing Unit.
- 1.66 PREQUALIFICATION - a borrower's tentative written mortgage approval from a lender.
- 1.67 PRIMARY RESIDENCE - the sole and exclusive place of residence.
- 1.68 PRIORITY - the order in which Housing Units are offered to Applicant Households based on the applicable selection procedure (e.g., a lottery, waiting list). Priority is created by RH and the HA and not all Housing Units are subject to Priority.
- 1.69 PROPERTY - includes all real estate of any kind, improved or unimproved, including but not limited to land, commercial property, investment property, and residential property.
- 1.70 QUALIFICATION - the minimum standards of employment, residency and/or net assets that are applied to a Qualified Household according to the Covenant covering the Housing Unit and as defined in Sections 3 and 5.
- 1.71 QUALIFIED EMPLOYEE - an Employee who meets the Minimum Work Standard, is certified by the HA, and who maintains compliance pursuant to the Covenant and Guidelines.
- 1.72 QUALIFIED ENTITY OWNER-an Owner who is a Business Owner, Land Contributor, Local Government or Special District located in and serving the County, with a local workforce working in the School District, that has been certified as Qualified by the HA to own a Housing Unit and who has agreed to the rental restrictions set forth in the Deed Restriction and these Guidelines.

- 1.73 **QUALIFIED HOUSEHOLD** - all Owners and Occupants who meet the requirements of Sections 3 and 5 who are certified by the HA to own and/or occupy the Housing Unit according to the terms and conditions of the Deed Restriction and Guidelines and who maintain compliance pursuant to the Covenant and Guidelines.
- 1.74 **QUALIFIED OCCUPANT** - a person who meets the requirements of Sections 3 and 5 to occupy the Housing Unit, who is certified by the HA, and who maintains compliance pursuant to the Covenant and Guidelines. Entity Owners shall not be considered Qualified Occupants.
- 1.75 **QUALIFIED OWNER** - a person who meets the requirements of Sections 3 and 5 at the time that they take initial ownership interest or transfer of interest in a Housing Unit, is certified by the HA, and who maintains compliance pursuant to the Covenant and Guidelines. Entity Owners may be considered Qualified Owners subject to the Covenant and Guidelines.
- 1.76 **RIGHT OF FIRST REFUSAL**: a provision in a lease or other agreement that gives a potentially interested party the right to buy a property before the seller negotiates any other offers.
- 1.77 **SALE** - a sale is the exchange of a Housing Unit for an agreed amount of money in a single transaction in which title to the Housing Unit is transferred to a new Qualified Household.
- 1.78 **SELF-EMPLOYED** - a person who carries on a trade or business as a sole proprietor or independent contractor who is working for oneself as a freelancer rather than for an employer including part-time business or a member of a partnership that carries on a trade or business.
- 1.79 **SELLER** - a person who owns and is selling a Housing Unit.
- 1.80 **SELLER'S LISTING CHECKLIST** - the list of items required to be in good order as defined in the "Minimum Standards" required for a sale at Maximum Sale Price (Section 6.8).
- 1.81 **SELLER'S PROPERTY DISCLOSURE** - the residential form approved by the Colorado Real Estate Commission and customarily required in transactions involving the purchase and sale of residential real estate in the State of Colorado.
- 1.82 **SCHOOL DISTRICT** – the Ouray School District R-1, the school district in which the Housing Unit is located.
- 1.83 **SCHOOL DISTRICT PERSONNEL** - any Full-time Employee, including independent contractors, of the Ouray School District R-1 who provides health, educational, administrative, social, psychological, custodial, food service, transportation, law enforcement, or childcare services.
- 1.84 **SHORT-TERM RENTAL** - rental of a Housing Unit for any period of time less than thirty (30) consecutive days.

- 1.85 SPECIAL DISTRICT- is a quasi-municipal corporation and political subdivision of the State of Colorado formed to provide necessary public services that the county or municipality cannot otherwise provide. The formation and operation of a special district is governed by Title 32 of the Colorado Revised Statutes and other applicable laws.
- 1.86 TENANT - a person who has the temporary use and occupancy of real property owned by another subject to the Guidelines.
- 1.87 TOWN - the Town or City in which the Housing Unit is located.
- 1.88 TRANSFER - an act of a Party, or of the law, by which the title to the Housing Unit is wholly or partially transferred to another; including but not limited to the sale, assignment voluntary or involuntary transfer, or transfer by operation of law (whether by deed, contract of sale, gift, devise, bequest, trustee's sale, deed in lieu of foreclosure, or otherwise) of any interest in the Housing Unit, including but not limited to a fee simple interest, a joint tenancy interest, a tenancy in common, a life estate, a leasehold interest or any interest evidenced by a land contract by which possession of the Housing Unit is transferred and Owner retains title, except that, this definition does not include any transfer of an interest by the Housing Authority.
- 1.89 UNIMPROVED RESIDENTIAL PROPERTY - vacant property, which is restricted solely to residential uses, and uses accessory thereto, as defined in the applicable Land Use Code.

## **2. PURPOSE AND APPLICABILITY**

The purpose of the Guidelines is to provide a comprehensive and consistent set of provisions that apply to housing created by Rural Homes: For Sale, For Locals and the Housing Authority.

Every sale or rental of a Housing Unit shall be subject to the Deed Restriction and Guidelines in effect at the time of sale or rental. Owners and Tenants are subject to the Guidelines in effect and as amended during their ownership or lease.

Violations of these Guidelines are violations of the Deed Restriction and are subject to the penalties adopted for such violations in addition to remedies provided herein.

These Guidelines are considered regulations in order to control and enforce the applicable RH Deed Restriction and have the force and effect of law and can be enforced by the Beneficiaries and the HA or its authorized agents and/or representatives. These rules have binding effect on all individuals and courts.

## **3. HOUSEHOLD QUALIFICATION and ELIGIBILITY**

A Qualified Owner or a Qualified Household must maintain its Qualification continuously as long as it owns, rents, or occupies the Housing Unit.

**3.1 Household Initial Qualification.** Qualified Owners and Qualified Households must meet each of the following requirements for initial purchase or occupancy as described below in the following sections:

- 3.1.1** Minimum Work Standard
- 3.1.2** Earned Income Standard
- 3.1.3** Residency Standard
- 3.1.4** Property Ownership Standard
- 3.1.5** Net Assets Standard

### **3.1.1 Minimum Work Standard.**

3.1.1.1 Qualified Employee. At least one member of the Household who is an Owner shall be a Qualified Employee who must demonstrate and verify 1,200 hours of employment physically performed in the School District boundaries for a minimum of forty (40) hours per month for at least eight (8) of the previous twelve (12) months immediately prior to submission of an application or provide verifiable intent to physically perform 1,200 hours of work in the School District boundaries within twelve (12) months of application at a minimum of forty (40) hours per month for eight (8) of the next twelve (12) months.

3.1.1.2 Exemptions. Those who have been determined by HA to be Qualified Elderly or Qualified Individual with a Disability as defined below, prior to application for ownership or rental, as well as Immediate Family and Dependents of a Qualified Employee are exempt from the required employment hours.

3.1.1.2.a Qualified Individual with a Disability – Those persons with a disability may apply to be Qualified Individual with a Disability by providing a verifiable history of employment meeting the Minimum Work Standard on a rolling twelve (12) month basis for at least five (5) of the seven (7) years within the County immediately prior to application for Qualified Individual with a Disability as defined. Note: Persons with a disability who cannot meet this exemption standard may request an Exception under §11.1.3

3.1.1.2.b Qualified Elderly – Those who are 65 years or older may apply to be Qualified Elderly by providing a verifiable history of employment meeting the Minimum Work Standard on a rolling twelve (12) month basis for at least five (5) of the seven (7) years within the County, immediately prior to application for Qualified Elderly as defined.

3.1.1.3 Exception. Employees who are employed by a business located in the School District boundaries with a workforce physically located within the School District boundaries and who are required to perform tasks outside the School District boundaries, may apply for an Administrative Exception to the “physically performed” requirement, §1.1.1 above.

### **3.1.2 Earned Income Standard.**

3.1.2.1 Total Household Earned Income must be at least 75% of the total Household Income. Unearned Income cannot exceed 25% of total Household Income.

3.1.2.2 Households must qualify for the AMI standard associated with the Housing Unit and show proof of Income not to exceed the income range allowed for the Housing Unit.

3.1.2.2a For purposes of Initial Qualification under this standard for Applicants who do meet the local Minimum Work Standard, the HA shall examine historical data. Historical data is a hybrid of previous year's tax returns and current year-to-date employer payment information that creates a total income for the twelve-month period immediately prior to the application submittal. All other income received or earned in the same twelve-month period is included in the income total.

3.1.2.2.b For purposes of Initial Qualification under this standard for Applicants who do **not** meet the local Minimum Work Standard and who provide verifiable intent to work, the HA shall use prospective information and income related to the applicant's employment in the School District going forward. The start date of the “intent to work” shall begin the twelve-month period of analysis, including anticipated income from all sources.

3.1.2.3 Applicant representations of Gross Income are subject to verification and evaluation of reasonableness by HA.

3.1.2.4 The following are exempt from the Earned Income Standard:

3.1.2.4.a Those who are Qualified Individual with a Disability per the provisions of Section 3.1.1.2.a; and

3.1.2.4.b. Those who are Qualified Elderly per the provisions of Section 3.1.1.2.b.

**3.1.3 Residency Standard.** Applicants purchasing a Housing Unit are not subject to a prior residency requirement but must intend to, and in fact, occupy the Housing Unit as their sole and Primary Residence.

**3.1.4 Property Ownership Standard.**

3.1.4.1 At the time of application, a Household may own other improved or unimproved residential or commercial property, however, Applicant must enter into an Intent to Sell Agreement for all Improved Residential Property located within a one-hundred and fifty (150) mile radius from the Housing Unit. Further all Improved Residential Property must be listed for sale within seven days of taking title to the Housing Unit and sold for fair market value within one year of taking title to the Housing Unit.

3.1.4.2 Households that desire to acquire Improved Residential Property located within a one-hundred and fifty (150) mile radius from the Housing Unit after taking ownership of a Housing Unit must apply for and be granted an Exception prior to taking ownership of the additional property.

3.1.4.3 Households that desire to retain Improved Residential Property located within a one-hundred and fifty (150) mile radius from the Housing Unit after taking ownership of a Housing Unit must apply for and be granted an Exception before purchasing the Housing Unit.

**3.1.5 Net Assets Standard.**

3.1.5.1 Total Household Net Assets shall not exceed three (3) times the Original Purchase Price (“OPP”) of the Housing Unit. All Household members’ shares of business assets, including real estate, shall be included in determination of the Household Net Assets.

3.1.5.2 Disposition of Assets. Any member of a Household who has assigned, conveyed, transferred, or otherwise disposed of property or other assets within the last two (2) years without fair consideration in order to meet the net asset limitation or the property ownership limitation shall be ineligible to purchase a Housing Unit.

**3.2. Household Eligibility Criteria.**

**3.2.1 Income Eligibility Tiers.** Households must meet Income Eligibility Tiers in addition to the Household Initial Qualification criteria. Eligibility criteria may differ between units that are targeted to different Tiers, as defined in Appendix A, and as designated in the Covenant.

The existence of more than one Eligibility Tier does not guarantee that the HA will construct or otherwise make available housing in that Tier.

**3.2.2 Household Size.** The total number of people in a Household shall not be less than the following Minimum Household Sizes or exceed the Maximum Household Sizes:

Unit Type:*	Minimum Household Size:	Maximum Household Size
Studio/1 Bedroom	1 person	3 persons
2 Bedroom	1 person	4 persons
3 Bedroom	2 persons	6 persons
4 Bedroom	3 persons	8 persons

\*this chart does not guarantee houses will be built or available in all listed types.

3.2.2.a If Declarant’s Household Size falls below the minimum size required, Declarant shall rent a room to a Qualified Tenant pursuant to the Covenant and Guidelines.

**3.3 Qualified Entity Owners.** Qualified Entity Owners shall be exempt from the Initial Qualification Standards and Eligibility Criteria. Tenants of all Qualified Entity Owner Housing Units shall meet the requirements above as required by Section 7, below.

**4. INITIAL HOUSEHOLD APPLICATION PROCESS**

**4.1 Application Process.** Applications for qualification shall be made to HA. HA may request any combination of documentation reasonably related to proof of income, assets, and employment. Household shall sign a release of information so that HA may obtain such information. HA will require a sworn statement of the facts contained in the application including at least the following certifications:

**4.1.1** That the facts contained in the application are true and correct to the best of the Applicant’s knowledge; that the Applicant has been given the standard application information packet by HA; and

**4.1.2** That the Applicant, on the basis of the application presented, believes that the Household qualifies to occupy the Housing Unit in question according to the Deed Restriction, these Guidelines and all other applicable procedures, rules, and regulations.

**4.1.3** Any material misstatement of fact or deliberate fraud by the Household in connection with any information supplied to HA shall be cause for immediate expulsion from the application process and/or forced sale or vacation of the Housing Unit.

**4.1.4 Qualified Entity Owners.** Qualified Entity Owners shall have a streamlined application process which may vary among entity type.

**4.2 Homeowners Associations.** The Housing Unit is not currently subject to a homeowner's association ("HOA"). However, HOAs and related dues are authorized in Colorado under Colorado Revised Statutes §38-33.3-101 et seq. If an HOA is formed and applicable, all Owners of Housing Units are required to timely remit payment of HOA dues. It is the Household's responsibility to be aware of any HOA dues or interest charges.

## **5. CONTINUING HOUSEHOLD QUALIFICATION AND COMPLIANCE VERIFICATION**

**5.1 Maintaining Qualified Household Status.** HA requires Households, including all occupants of Housing Units, to maintain Qualified Household status on an on-going basis.

**5.1.1 Changes to Households.** Changes to Qualified Households impact ongoing qualifications and may jeopardize qualification, such as a pending separation or divorce, the death of a Household member, or departure of a Household member, and the addition of Immediate Family members. All changes to the Household shall be reported to HA within thirty (30) days of said change. HA will make every effort to maintain stable housing for Households in transition but shall require the Household to come into compliance within a reasonable period prior to issuing a Notice of Violation.

**5.1.2 Compliance Checks.** In order to verify compliance with Deed Restrictions and the Guidelines, HA will conduct regular Compliance Checks and may initiate them to investigate complaints or reports of non-compliance. Any on-site Housing Unit inspection is subject to a twenty-four (24) hour notice requirement.

**5.1.3 Verification of Qualification.** HA shall require Households to verify that they remain a Qualified Household within twenty-one (21) days of a written notice of Compliance Check or a penalty will be assessed (see Appendix E). A sworn statement of the facts required for maintaining Qualified Status shall be required as detailed in Section 4 for initial Compliance Check submissions.

**5.2 Qualified Household Continuing Requirements.** Verification of the following shall be required:

**5.2.1 Continuing Minimum Work Standard.**

5.2.1.1 At least one member of the Household must be a Qualified Employee who meets the Minimum Work Standards.

5.2.1.2 Qualified Elderly, Qualified Individual with a Disability and Immediate Family of Qualified Employees are exempt from the continuing Minimum Work Standard.

**5.2.2 Continuing Earned Income Standard.**

5.2.2.1 Household shall meet the Earned Income Standard, Section 3.1.2.1.

**5.2.3 Continuing Net Income Standard.**

5.2.3.1 Household Net Income shall not be considered for ongoing qualification for Owners.

5.2.3.2 Tenant Households shall continue to meet the Earned Income Eligibility Tier as designated by Appendix A.

**5.2.4 Continuing Residency Standard.** Qualified Households shall occupy the Housing Unit for at least eight (8) of every twelve (12) months on a rolling twelve (12) month basis.

5.2.4.1 Leave of Absence. In the event a Household wishes to not occupy the unit for more than four (4) months, the Household may apply to HA for a Leave of Absence for a term not to exceed two (2) years. The Household must provide clear and convincing evidence showing both a bona fide reason for leaving and a commitment to re-occupy the Housing Unit. HA shall condition the granting of the Leave of Absence on the Household offering the Housing Unit for rent to a Qualified Household, during the period of the requested leave. HA may include conditions on the Leave of Absence, as it deems necessary. Applications for a Leave of Absence shall be made to HA according to the Exceptions Procedure in Section 11.1. Short-term rental and rental terms of six months or less of Housing Units is otherwise prohibited.

**5.2.5 Ownership of Improved Residential Property.** Household is prohibited from ownership of other Improved Residential Property located within a one-hundred and fifty (150) mile radius from the Housing Unit unless the HA approves an Exception, see Section 11.1.

**5.2.6 Household Net Assets.** Household Net Assets shall not exceed three (3) times the ~~Initial~~ Maximum Sales Price of the Unit.

**5.2.7 Household Size.** Minimum and Maximum Household Size are on-going requirements. See Section 3.2.2, above.

**5.3 Qualified Entity Owners.** Qualified Entity Owners shall be subject to verification of Qualification of Entity Status. Tenants of all Qualified Entity Owner Housing Units shall meet all continuing requirements of the Covenant and Guidelines. Failure to do either or both is a material breach of the Covenant.

## **6. SALE AND RESALE OF HOUSING UNITS**

The initial sale of all Housing Units shall be in accordance with applicable lottery, wait list or other selection procedures as determined by the HA.

### **6.1 Notification Required.**

**6.1.1** Written notice to HA shall be required for any pending change in financing or ownership of a Housing Unit. Failure to timely notify HA is considered a serious breach of the Deed Restriction and violation of the Guidelines and shall be subject to a Notification Required Penalty (see Appendix E) for each day the failure to notify persists.

**6.1.2** Notice of Intent to Sell a Housing Unit must be given at least sixty (60) days prior to the sale of the unit on notice forms available from HA.

**6.1.3** Notice of transfer of any interest in a Housing Unit must be given at least thirty (30) days prior to the transfer and will require the execution of a new Deed Restriction.

**6.1.4** Notice of refinancing of a Housing Unit must be given at least thirty (30) days prior to closing of the loan.

**6.2 Consult with HA.** Sellers are advised to consult with HA prior to offering a Housing Unit for sale, in order to obtain the most current information about applicable Guidelines and processes, and to verify the Maximum Sale Price and other applicable provisions of the Deed Restriction concerning the Sale.

**6.3 Independent Legal Counsel.** All Sellers and Buyers of Housing Units are advised to consult independent legal counsel regarding the examination of title and all contracts, agreements, and title documents. The retention of such counsel, or related services, shall be at Buyer's and Seller's own expense.

**6.4 Title Company.** HA advises Buyers to use a local title company and escrow agent with experience in closings of Housing Units to close the sale transaction. The title documents involved in the closing of Housing Units are unique and technical. Mistakes in the closing documents are easily made and difficult to correct. Seller shall authorize HA to review the conveyance documents prior to closing.

**6.5 Sales Fee.** After the initial sale, at the closing of the sale, the Buyer, will pay to HA a fee equal to 1% of the sales price. HA may instruct the title company to pay such fees out of the funds held in escrow at closing. The sales fee is waived for the sale from the developer to the first purchaser. HA may also waive the fee, or a portion thereof, in its sole discretion, to promote affordable housing. Fees due to HA shall be paid regardless of any action or services that the Buyer or Seller may undertake or acquire.

**6.6 Beneficiaries with the Right to Acquire Ownership.** Upon Owner's Notice of Intent to Sell, or upon exercise of Notice of Election to Require Sale as defined in the Covenant, Section

10.3, or if an Owner receives any offer to purchase or tenders any offer of sale for the Housing Unit either of the Beneficiaries, or their successors, shall be notified within five (5) days of such event and have the Right of First Refusal to purchase the Housing Unit for the Maximum Sale Price or at the offered sales price outlined in the Covenant, Section 7.3.

**6.7 Resale Options.** Sellers of Housing Units have the following options for advertisement and marketing of their units:

**6.7.1** Seller may advertise, market, and sell a Unit directly, or list the Unit with a real estate broker licensed to do business in the State of Colorado provided that:

6.7.1.1 The Buyer meets the Qualified Household requirements of Section 3;  
and

6.7.1.2 In all events the HA will assist the Seller as it is able.

**6.8 Maximum Sales Price.**

**6.8.1 Maximum Sale Price as Only Exchange of Value.** The Maximum Sale Price of the Housing Unit shall be calculated according to its Deed Restriction. In no case shall any Housing Unit be sold for more than the Maximum Sale Price. The contracted sale price shall be the only exchange of value between parties to any sale of the Housing Unit. Both Buyer and Seller must execute a sworn statement affirming that the contracted sale price is the only exchange of value in the sale. Any exchange of value outside the contract sale price shall invalidate the sale in addition to being a violation of applicable provisions of Colorado law that provide for additional civil and criminal remedies.

**6.8.2 Minimum Standards for Maximum Sale Price.** The Owner, Buyer and HA should work together in addressing repairs necessary to bring a Housing Unit to Minimum Standards for Maximum Sale Price. Owners and Buyers shall use the following checklist of Minimum Standards for a sale at Maximum Sale Price (Seller's Listing Checklist), including but not limited to:

- Clean, odor-free interior;
- Carpets steam-cleaned within seven (7) days of closing;
- Surface scratches, marks, holes in doors, floors, walls, woodwork, cabinets, counter tops, other than normal wear and tear, repaired;
- Walls in good repair and paint-ready;
- Windows and window locks in good repair;
- Broken windowpanes replaced;
- Window screens in place and in good repair;
- Doors and door locks in good repair; keys for all locks must be delivered at closing;
- Light fixtures, outlets, switches secure and in working order;
- Plumbing in good repair with no leaks;
- Tile grout in good repair and clean;
- Roof in good repair with no leaks (if home is a single-family) including an expected remaining life of ten years; and

- Safety hazards resolved.

## **6.9 Mitigation of Repairs.**

**6.9.1** HA shall conduct a walk-through of the Housing Unit for purposes of verifying the Seller's Listing Checklist and identifying necessary repairs pursuant to Section 6.8. The Seller shall make identified repairs to bring the unit to Minimum Standards for Maximum Sale Price prior to closing.

**6.9.2** If a unit does not meet the Minimum Standards, HA may, at its discretion, require:

- 6.9.2.1 That the cost of necessary repairs be deducted from the closing sale price; or
- 6.9.2.2 That a credit be required from the Seller to the Buyer; or
- 6.9.2.3 That the Seller places into escrow the funds necessary to ensure satisfactory repairs, the balance of which, after necessary repairs, shall be returned to the Seller.

**6.9.3** Buyer is strongly encouraged to hire, at its own expense, a licensed inspector to conduct a thorough inspection of the Housing Unit.

## **6.10. Disclosure of Relevant Contracts and Information.**

**6.10.1** Both Buyer and Seller of any Housing Unit must sign a release of information allowing HA to obtain copies of all documents relevant to the sale and must disclose all relevant information known to them. All financial information shall remain confidential except as noted in Section 12.1.

**6.10.2** Relevant documents include but are not limited to:

- 6.10.2.1 The sales contract for the Housing Unit;
- 6.10.2.2 The Buyer's application for financing and related documentation; and
- 6.10.2.3 Title and escrow documents related to the sale.

**6.10.3** Sellers must inform Buyers of any proposed or pending increases in homeowner association dues, as well as any proposed or pending assessments, if any.

**6.11 Permitted Capital Improvements.** Permitted Capital Improvements, as defined in Section 1.9 provide a long-term upgrade or improvement to the Housing Unit. Permitted Capital Improvements shall NOT include luxury items, upgrades for esthetic or personal preference, landscaping, or cost associated with ordinary repair, replacement, and maintenance.

Ordinary Repair and Maintenance including roof repair and replacement, siding repair and replacement, driveway repair and replacement, and other similar maintenance cost are not considered Capital Improvements. Labor costs provided by the Owner may be authorized for up to 50% of the Permitted Capital Improvements upon approval by the HA.

It is the Owner's responsibility to secure any approval necessary from the Housing Unit's homeowners association and HA prior to undertaking any Capital Improvements.

**6.11.1 ADUs and Capital Improvements.** The new construction of an ADU, where permissible, will not be included in the Capital Improvement calculation for the Housing Unit. It will, however, impact the MSP based on criteria established by the HA.

## 7. RENTAL PROCEDURES

There are two types of Rental Procedures. One for the rental of the entire Housing Unit and one for a partial rental.

### 7.1 Entire Housing Unit.

**7.1.1 Owner Occupied Units:** Owners of Housing Units may, in some instances, be permitted to rent their entire Housing Unit. Households interested in renting the entire Housing Unit shall apply to and be qualified by the HA under the standards delineated in Section 3. HOUSEHOLD QUALIFICATION, ELIGIBILITY AND PRIORITY.

**7.1.2 Qualified Entity Owner Units:** Qualified Entity Owners are required to rent their Housing Units and all applicants interested in renting the Housing Unit shall apply to and be qualified by the HA under the standards delineated in Section 3. HOUSEHOLD QUALIFICATION, ELIGIBILITY AND PRIORITY. Qualified Entity Owners must fulfill the Minimum Household Size and not exceed the Maximum Household Size (Section 3.2.2 Chart). Qualified Entity Owners may rent to unrelated/non-Household applicants and treat each as a separate Household for purposes of qualification as described in 7.2 Room Rental, below.

**7.1.3** All other rules and regulations apply to Qualified Entity Owners Housing Units.

**7.2 Room Rental.** For purposes of qualification for room rental in an Owner-occupied Unit, each room rental shall be considered independently, and Tenant Household's income and assets shall not be included in the Owner's Household for income and asset qualification purposes. However, rental income shall be considered Unearned Income for the Owner/Landlord.

Tenant Household requirements for room rentals:

**7.2.1** At least one member of the Tenant Household, who is not part of the Immediate Family of the Owner, must be a Qualified Employee; and

**7.2.2** Tenant Households shall meet the Minimum Work, Earned Income, Residency, Property Ownership and Net Assets Standards; and

**7.2.3** Tenant household Income Eligibility shall be determined by the Housing Unit's Income Eligibility Tier (see Appendix A) at time of initial tenancy.

**7.3 General Provisions for all Rentals.** In this section, Tenant refers to Households that rent an entire Unit and Tenant Households renting a room in a Unit.

**7.3.1** Tenant shall meet the Income Eligibility Criteria designated by the Housing Unit's Income Eligibility Tier (see Appendix A).

**7.3.2** Maximum Rental Rate per Housing Unit is set by the HA and shall not exceed the rental rate for the same number of bedrooms designated by the Housing Unit's Income Eligibility Tier (see Appendix A).

**7.3.3** Maximum Rental Rate per room is set by the HA and shall not exceed studio/one-bedroom rental rate designated by the Housing Unit's Income Eligibility Tier (see Appendix A).

**7.3.4** Tenant Qualification shall be certified by HA prior to tenancy and/or the signing of a Lease.

**7.3.5** Tenant Qualification shall be recertified by HA yearly at Lease renewal and any time there is a change in Household/Tenant Household.

**7.3.6** Landlords must obtain proof of qualification from Tenant prior to occupancy.

**7.3.7** Rental of Housing Units must be memorialized by a written Lease.

**7.3.8** Leases must be for a minimum of six (6) months with a maximum of twelve (12) months. Rentals of less than six (6) months are prohibited.

**7.3.9** Landlords shall provide a copy of the fully executed Lease with Tenant to HA within seven (7) days of its execution.

**7.3.10** Executed copies of Leases shall be on file with HA at all times during the period in which rental of the Housing Unit is required or has been approved.

**7.3.11** A sublease to a Qualified Employee is allowed upon approval of the Owner and of HA.

## **8. DEED RESTRICTION COVENANT**

**8.1** **Deed Restriction Applied with Each Transfer.** A Deed Restriction shall be applied prior to or concurrent with each Sale or Transfer of a Housing Unit. Original executed and recorded documents will be maintained by HA. Provisions herein further defining the Deed Restriction are a summary of significant policies and should not be considered the complete authority. Sellers and Buyers are advised to consult the Deed Restriction for the Housing Unit for complete specific language, which is the final authority for that Housing Unit.

### **8.2** **Specifications of the Deed Restriction.**

**8.2.1** **The Original Purchase Price ("OPP").** Each Housing Unit Sale generates a new OPP and necessitates execution of a new Deed Restriction.

**8.2.1** **The designated Income Eligibility Tier for the Housing Unit.**

**8.2.3 The method of calculation of the allowed Maximum Sale Price (“MSP”).**

MSP shall be the OPP specified in the Deed Restriction plus an increase in price of three percent (3%) per year from the date of purchase to the date of Owner’s Notice of Intent to Sell (compounded annually and prorated at the rate of .25 percent per each whole month of any part of a year);

PLUS, the costs of any public improvements for which assessments were imposed by a government entity since the recording date of the Deed Restriction; PLUS, the costs of Permitted Capital Improvements, not to exceed ten percent (10%) of the OPP, provided that:

8.2.3.1 Improvements are pre-approved by HA prior to commencement of any work or installation to be considered in the calculation of the MSP.

8.2.3.2 Proof of homeowner’s association approval, if any, must be provided to HA prior to commencement of work.

8.2.3.3 Improvements must be properly permitted and inspected by the Town or County Building Official, if applicable.

8.2.3.4 LESS the Depreciation on Permitted Capital Improvements; PLUS, any other reasonable costs allowed by HA pursuant to Guidelines in effect on the date of Owner’s Notice of Intent to Sell.

**8.3 Home Occupations.** The Housing Unit may be used in a Home Occupation if:

**8.3.1** Home Occupation complies with applicable land use regulations;

**8.3.2** HOA approval of the specific Home Occupation, if applicable;

**8.3.3** The business holds a current business license, if applicable; and

**8.3.4** The business holds current sales and excise tax licenses, if applicable.

**8.4 No Guarantee of MSP.** Neither HA nor the Beneficiaries make any guarantees of the owner’s ability to sell the housing unit for its MSP or rent the housing unit for its maximum rental rate.

**8.5 Violation of Deed Restriction.** Violation of any of the covenants, conditions and terms of the Deed Restriction shall also be a violation of these Guidelines whether or not a corollary provision exists.

**8.6 Deed Restriction Binding.** The Deed Restriction shall be binding on all Owners, successors and assigns including any holder of a deed in lieu of foreclosure.

**8.7 Recording of Deed Restriction.** The Deed Restriction and any amendments thereto must be recorded in the property records of the County. The original executed and recorded documents must be delivered to HA.

**8.8 Deed Restrictions may not be transferred off the Housing Unit.**

**8.9 All Deed Restrictions must be prepared by HA.** No modification or amendment to the Deed Restriction shall be effective unless agreed to in writing by HA and other Parties.

## **9. LENDERS AND LOANS**

**9.1 Purpose.** RH intends to meet the following goals in the facilitation of individual mortgage financing for Housing Units:

**9.1.1** Protect the public investment and regulatory integrity of RH in the short and long term;

**9.1.2** Minimize financial and other risks to HA and RH by prohibiting excessive debt or other obligations from being secured by Housing Units;

**9.1.3** Minimize the chance that Owners will create a financial risk for HA through creation of debt or other secured obligations against their Housing Unit; and

**9.1.4** Increase the potential financing opportunities for Applicants and Owners.

**9.2 Lenders and Mortgages.** Borrowers are restricted to either conventional or government guaranteed mortgages with a fixed rate from commercial banking and lending institutions authorized to engage in mortgage lending practices in the State of Colorado. All other mortgages will require an Exception from HA prior to purchase of a Housing Unit.

**9.3 Total Debt.** Prior to and continuing after closing on a Housing Unit, Owners shall not incur debt, judgments, liens, or other obligations secured by the Housing Unit and in no event shall any obligation secured by the Housing Unit exceed the total Original Purchase Price of the unit. This limitation shall apply also to any refinance of existing debt secured by the Housing Unit. Owners must notify HA prior to finalizing any refinancing of the Housing Unit. Failure to notify HA shall be subject to a penalty (see Appendix E).

**9.4 Co-Borrower or Co-Signor.** Co-borrowers or Co-signors who are not part of the Qualified Household must apply and be approved through the Exception Procedure (Section 11). Approved Co-borrowers and Co-signors shall be required to sign a separate agreement to sell the Housing Unit in the event the Qualified Owner becomes an Unqualified Owner, is in default under its Deed Restriction or the Guidelines or is otherwise required to sell the Housing Unit. Such Co-signors and co-borrowers shall not occupy the Housing Unit unless qualified by HA.

## **10. OWNERSHIP LOTTERIES**

The purpose of these Lotteries is to create a fair and orderly process for offering Units for sale to qualifying Households and give purchase priority to those identified in the Lottery Point System Criteria, Appendix C.

**10.1 Ownership Lottery Procedure.**

**10.1.1** HA shall establish a procedure for ownership lotteries for initial sales of RH as subject to these Guidelines and may establish ownership lotteries for subsequent sales as necessary.

**10.1.2** HA shall open an ownership lottery as follows:

10.1.2.1 Notice of the date, time, and location at which applications will be taken shall be published as a Legal Notice in a newspaper of general circulation in the region. Such notice shall be published at least twenty-one (21) days prior to the close of the application period, which application period shall be a minimum of fourteen (14) days.

10.1.2.2 Application and information materials shall be available at the time of publication of the Legal Notice at locations and web sites announced in the Notice.

**10.1.3 Lottery Application Process and Applicant Responsibilities.**

10.1.3.1 Complete lottery application.

10.1.3.2 Households interested in purchasing a Housing Unit must submit an application to the HA, or its designee. All members of a Household over eighteen years of age must submit the required information necessary to determine qualification and eligibility.

10.1.3.3 A Household must submit a letter from a mortgage lender, stating the Household's ability to pre-qualify for a mortgage.

10.1.3.4 In order to participate in a lottery, Households must sign the sworn statement described in Section 4.

10.1.3.5 If a Household cannot sign the sworn statement, or if a Household does not provide HA with information required to process the application, then it will not be eligible to be entered into the lottery.

10.1.3.6 HA shall rely on the sworn statement of the Applicant as to the completeness and accuracy of the application for the purpose of determining eligibility to participate in a lottery.

**10.2 Lottery Order.**

**10.2.1** HA shall only accept lottery applications during the time period specified in the Legal Notice. Mailed applications shall be considered received in the proper time period if postmarked at least two (2) days prior to the last day of the application period and received within two (2) business days after the application period closes. HA shall not be responsible for delays in the delivery of mail beyond two (2) business days after the

application period closes. Incomplete applications shall not be processed for qualification.

**10.2.2** The lottery shall be executed in two rounds; First Round for all Applicants who qualify without an Exception and Second Round for all Applicants who have requested and received an Exception(s).

**10.2.3** All Applicants deemed Qualified Households shall automatically qualify for entry in the lottery and placed in First Round. Any household lacking one or more of the Qualification and Eligibility Criteria will be placed on a separate list for unqualified Applicants (as further explained in Section 10.3.3.6) and placed in Second Round.

10.2.2.1 Exception requests submitted pursuant to Section 9.2 (Lending) shall not preclude Applicant from classification as a Qualified Household for purposes of the Lottery.

**10.2.4** Qualified Applicants shall qualify for additional entries in the lottery according to the criteria as outlined in Appendix C or according to criteria established by RH.

**10.2.5** The Lottery Point System Criteria may be modified as necessary by HA.

**10.3 Lotteries are subject to the following guidelines:**

**10.3.1** A lottery must be conducted in a duly noticed public meeting of the HA.

**10.3.2** An independent County resident with no direct stake in the lottery outcome shall be invited to draw the Applicant names.

**10.3.3** Once an Applicant's name is drawn, any further instances of that Applicant's name drawn are recorded but ignored in establishing the order of Applicants.

**10.3.4** The results of the lottery shall be posted and certified by the resident drawing the names as soon as practically possible after the drawing.

**10.3.5** The order in which Applicant names are drawn in the lottery shall determine the order in which Applicants are contacted to purchase the Housing Units offered in the lottery and for which they qualify (except for handicapped-accessible units as noted in Section 10.3.3.7).

**10.3.6** These procedures will also be followed to establish the order of the unqualified Applicants. Unqualified Applicants will not be offered a Unit until all Qualified Applicants have been offered a Unit to purchase based on their preference, AMI designation and availability of Units. In addition, prior to being offered a Unit, the unqualified Applicant must have been provided an Exception per Section 11.1. These Applicants shall be placed in an "unqualified pool" for the Second Round lottery and shall be selected following the Qualified Applicants according to Sections 10.3.1- 10.3.5, above.

**10.3.7** First priority for ADA handicapped accessible units shall be given to Mobility Disabled Households that submit a lottery application based on the lottery order of all Mobility Disabled Households. If there are no Mobility Disabled Households that submit a lottery application for an available handicapped accessible Unit, the Unit will be available for purchase based on the lottery order by all lottery Applicants who are Qualified Households.

**10.3.8** Any material misstatement of fact or deliberate fraud by the Household in connection with any information supplied by the Household to the HA shall be cause for disqualification from lottery, fined pursuant to the Schedule of Violations and Fines and the Household will be prohibited from reapplying for any future ownership lottery for one year.

## **11. EXCEPTIONS, APPEALS AND GRIEVANCES.**

All applications for Exceptions and Appeals and all Grievances shall be reviewed on a case-by-case basis as provided for as follows.

### **11.1. Request for Exception.**

**11.1.1** Request must be presented in writing to HA on forms available from HA, and must include a fully completed Request for Exception Form, including:

11.1.1.1 The particular ground(s) upon which the Exception is based; and

11.1.1.2 The action or remedy requested; and

11.1.1.3 The name, mailing and electronic addresses and telephone number of the exception Applicant and similar information of exception Applicant's representative, if any; and

11.1.1.4 Proof of notification of the Exception request to the Housing Unit's homeowner's association, if applicable; and,

11.1.1.5 Exception fee (see Appendix E).

**11.1.2 Process.** All requests for Exceptions will be reviewed by HA for completeness and handled administratively ("Administrative Exceptions") or forwarded to the HA Board for consideration at a public hearing.

11.1.2.1 Prior to consideration, HA shall prepare a written report analyzing the impact of the Exception on the Housing Program. HA shall distribute a copy of the report to the Applicant requesting the Exception and shall make the report available to the public.

**11.1.3 Standards for Review of Exception Applications.** Exception Applicants desiring an Exception must demonstrate, and the HA must find:

11.1.3.1 That the Exception meets the general RH policy goals; and

11.1.3.2 That the Exception meets one or more of the following review standards:

11.1.3.2.a Promotes greater affordability through decreasing the long-term operating and maintenance costs of the Housing Unit in question; enabling the Exception Applicant to take advantage of a financing opportunity that would not be available without the Exception; and/or, protecting the long-term affordability of the Housing Unit through a price control or other similar means.

11.1.3.2.b Promotes or recognizes the long-term commitment of the Exception Applicant to residency, employment, and community involvement within the County in which the Housing Unit is located or provides housing for a critical community need.

11.1.3.2.c Provides increased livability or durability in materials, finishes, fixtures or appliances or useful increased square footage (which shall not include “luxuries”).

11.1.3.2.d Creates living space for an additional member of the Household while maintaining the Income Tier for the Housing Unit

11.1.3.2.e Enables a Household to own and occupy a Housing Unit more suitable to the Household’s needs; or

11.1.3.2.f. Enables the Household to respond to life circumstances that arise beyond the reasonable control of the Household (such as need to care for an Elderly or Household member who is Individual with a Disability).

**11.1.4 Exceptions shall not be granted:**

11.1.4.1 To Applicants who have been issued a Notice of Violation and who remain in violation of provisions of applicable Deed Restriction or of the Guidelines.

11.1.4.2 To an Unqualified Household to purchase a Housing Unit if there is a Qualified Household that can purchase the same Housing Unit. However, if the Owner has shown a bona fide advertisement effort which shall be no less than forty-five (45) days in duration and no Qualified Household presents itself, an Exception may be considered for the Unqualified Household.

11.1.4.3 To increase the total debt against the Housing Unit in excess of the OPP.

11.1.4.4 To Households whose Net Assets exceed three times the Maximum Sales Price of the Housing Unit.

11.1.4.5 To Households whose income is in excess of 120% AMI.

## **11.2. Appeal Procedure.**

**11.2.1 Appeal Form & Process:** Any Appeal must be presented in writing to HA on forms available from HA and within twenty-one (21) days of the decision or determination being appealed.

### **11.2.2 Appeals must include:**

11.2.2.1 Verification that appellant has fully completed the application process; and

11.2.2.2 The particular ground(s) upon which the Appeal is based; and

11.2.2.3 The action or remedy requested; and

11.2.2.4 The name, address, telephone number of the appellant and similar information of appellant's representative, if any; and

11.2.2.5 Proof of notification of the Appeal request to the Housing Unit's homeowner's association, if applicable; and

11.2.2.6 Appeal fee (see Appendix E).

### **11.2.3 Process.**

11.2.3.1 Time Deadlines: All Appeals will be reviewed by HA for completeness and forwarded to the HA Board within twenty-one (21) days from receipt of complete Appeal packet. The HA Board shall address the Appeal at the next scheduled board meeting.

#### **11.2.3.2 Rights of Parties.**

11.2.3.2.a The appellant shall be afforded a fair hearing before the HA, providing the basic safeguards of due process, including notice and an opportunity to be heard in a timely, reasonable manner.

11.2.3.2.b The HA Board may continue the hearing to a future date.

11.2.3.2.c The appellant and HA shall have the opportunity to examine all documents, records and regulations of HA that are relevant to the hearing.

11.2.3.2.d Appellant shall be responsible for all photocopying expenses.

11.2.3.2.e Any document not made available after written request may not be relied upon at the hearing. Appellant has the right to be represented by counsel.

11.2.3.2.f If the appellant fails to appear at the hearing, the HA Board may make a determination to postpone the hearing or make a determination based upon the evidence submitted.

11.2.2.3 Hearing Process.

11.2.2.3.a The hearing shall be conducted by a designated member of the HA Board, the “Hearing Officer”.

11.2.2.3.b The hearing shall be recorded.

11.2.2.3.c Oral or documentary evidence may be received without strict compliance with the Colorado Rules of Evidence.

11.2.2.3.d The right to cross-examine shall be at the discretion of the Hearing Officer and may be regulated by the Hearing Officer as it deems necessary for a fair hearing.

11.2.2.3.e Based on the hearing, the HA will provide a written decision with findings for a final determination.

11.2.2.4 Binding Determination. The final determination of the HA Board shall be binding, and HA shall take all actions necessary to carry out the decision.

### 11.3 Grievance Procedure.

#### 11.3.1 Any grievance must be presented in writing to HA and include:

11.3.1.1 The particular ground(s) upon which the grievance is based;

11.3.1.2 The action or remedy requested;

11.3.1.3 The name, address, telephone number of the complainant and similar information of complainant’s representative, if any; and

11.3.1.4 Grievance fee (see Appendix E).

### **11.3.2 Process.**

11.3.2.1 The HA Board shall address the grievance at the next scheduled board meeting.

11.3.2.2 The complainant shall be afforded a fair hearing providing the basic safeguards of due process, including notice and an opportunity to be heard in a timely, reasonable manner.

11.3.2.3 HA Board may continue the hearing to a future date.

11.3.2.4 The complainant and HA shall have the opportunity to examine all documents, records and regulations of HA that are relevant to the hearing.

11.3.2.5 Complainant shall be responsible for all photocopying expenses.

11.3.2.6 Any document not made available after written request may not be relied upon at the hearing.

11.3.2.7 Complainant has the right to be represented by counsel.

11.3.2.8 If the complainant fails to appear at the hearing, the HA Board may make a determination to postpone the hearing or make a determination based upon the evidence submitted.

### **11.3.3 Hearing.**

11.3.3.1 The hearing shall be conducted by a designated member of the HA Board, the "Hearing Officer".

11.3.3.2 The hearing shall be recorded. Oral or documentary evidence may be received without strict compliance with the Colorado Rules of Evidence.

11.3.3.3 The right to cross-examine shall be at the discretion of the Hearing Officer and may be regulated by the Hearing Officer as it deems necessary for a fair hearing.

11.3.3.4 Based on the records of the hearing, the HA Board will provide a written decision with findings to support the final determination.

**11.3.4 Binding Determination.** The final determination of the HA Board shall be binding, and HA shall take all actions necessary to carry out the decision.

## **12. ADMINISTRATIVE PROCEDURES**

**12.1. Confidentiality.** All personal and financial information provided to HA will be kept strictly confidential, except as follows:

**12.1.1** Signed contracts between the Applicant or Household and HA or RH, including but not limited to Contracts to Purchase a Housing Unit, Deed Restrictions, any document to be recorded with the sale of the Housing Unit along with the Deed Restriction, and any document that would customarily be a matter of public record in the property records of the applicable jurisdiction;

**12.1.2** The names and lottery positions of all persons who have participated in any ownership lottery held per Section 10;

**12.1.3** Any other information that a court of competent jurisdiction orders must be released under the Freedom of Information Act or the Colorado Open Records Act;

**12.1.4** Personal and private information necessary for an independent audit of HA records, provided such person or entity provides authorization;

**12.1.5** Personal and private information to the extent HA determines the information is necessary for its deliberation of a request for an Exception or for consideration during a violation hearing;

**12.1.6** HA may require third-party verification for all self-employed Applicants at initial qualification and during compliance checks; and

**12.1.7** HA may employ outside accounting expertise to evaluate the reasonability of an Applicant's or Household's representations of Income and Assets. The expense for outside services shall be borne by the Applicant or Household.

**12.2** **Fair Housing Standards.** HA shall administer this policy in compliance with all applicable fair housing standards, including but not limited to the Fair Housing Act. These standards prohibit discrimination in housing on the basis of age, race, color, religion, sex, or sexual identity, familial status, national origin, and handicapped or disabled status. In addition to any remedies available in the applicable law, any dispute between an Applicant and HA regarding these standards may be filed as a Grievance (see Section 11.3).

**12.3** **Reasonable Accommodation.** HA shall administer this policy in compliance with all reasonable accommodation standards, including but not limited to the Americans with Disabilities Act. Persons requiring reasonable accommodation for their disability shall give HA at least 48-hours' notice of such need so that appropriate arrangements can be made (for example: providing sign language services for a hearing-impaired person).

**12.4** **Assignment of Administrative Responsibilities.** HA shall have the right to contract with any qualified person or entity for the purpose of administering these Guidelines. The contract for administration shall provide for oversight by the HA, including access to applicable records and the ability to conduct an independent audit of administrative procedures.

**12.5** **Administrative Exceptions.**

**12.5.1** HA may grant Administrative Exceptions subject to the following conditions:

12.5.1.1 All Administrative Exception approvals shall be noticed on the Consent Calendar at the next HA regular meeting immediately following approval; and

12.5.1.2 Administrative Exceptions shall be granted in a fair and consistent manner at the discretion of the HA.

**12.5.2** Administrative Exceptions are limited to the following requests:

12.5.2.1 Extension of time to meet compliance for a Household that has a medical event impacting their ability to work.

12.5.2.2 Extension of time to meet compliance for a Household that has a family emergency impacting their ability fulfill the qualification requirements.

12.5.2.3 Use of a co-borrower or Co-signor for unconventional lending after legal review of documents to be recorded.

12.5.2.4 Permission to own other Improved Residential Property, within a 150-mile radius, when the other property consists of a cabin-like structure outside of a town or municipal boundary, with limited seasonal access and limited amenities, also referred to as a “cow camp” or “hunter’s camp”.

**DISCLAIMER:** Beneficiaries expressly disclaim any and all warranties, express or implied, including without limitation fitness for a particular purpose with respect to the provision of Housing Units. Beneficiaries do not represent, warrant, or promise to construct, finance, or otherwise produce, in whole or in part, any Housing Units pursuant to these guidelines or under any other programs. No Applicant may rely upon any promise implied or expressed that Housing Units shall be constructed, financed, or otherwise produced, in whole or in part, by the Beneficiaries. In no event shall the Beneficiaries be liable to any Applicant for any direct, indirect, incidental, punitive, or consequential damage of any kind whatsoever, including without limitation lost profits, lost sales, lost business, lost opportunity, lost information, lost or wasted time. None of the information contained in these Guidelines constitutes an offer to sell or the solicitation of an offer to buy a Housing Unit.

## Appendix A: Income Eligibility Tiers & Area Median Income and Income Limits

Area Median Income is currently determined by using the figures published by US Department of Housing and Urban Development (“HUD”) for each county in Colorado and adopted by Colorado Housing and Finance Authority (“CHFA”). They are published at: [www.chfainfo.com/arh/asset/rent-income-limits](http://www.chfainfo.com/arh/asset/rent-income-limits)

HA shall update the schedule below after CHFA adopts the most recent HUD figures.

Based on this procedure, the Area Median Incomes for County as of 2022 are:

Table 1. County Area Median Income (AMI\*) Eligibility

	Household Size					
	1 person	2 persons	3 persons	4 persons	5 persons	6 persons
100% Area Median Income	\$62,100	\$70,900	\$79,800	\$88,600	\$95,700	\$102,800

\*This is the AMI calculation pursuant to the Housing Guidelines.

Qualification is based on Household size, NOT unit size. The following table provides a guide for determining Household Income Eligibility. See Section 3.2.2 for Minimum Household Size requirements.

Household Size	1 Person	2 Persons	3 Persons	4 Persons
60% AMI	\$37,260	\$42,540	\$47,880	\$53,160
80% AMI	\$49,680	\$56,720	\$63,840	\$70,880
100% AMI	\$62,100	\$70,900	\$79,800	\$88,600
120% AMI	\$74,520	\$85,080	\$95,760	\$106,320

### Income Eligibility Tiers

- Tier 1 Income – Household Income shall not exceed sixty percent (60%) of AMI for County.
- Tier 2 Income – Household Income shall not exceed eighty percent (80%) of AMI for County.
- Tier 3 Income – Household income shall not exceed one hundred percent (100%) of AMI for County.
- Tier 4 Income- Household income shall not exceed one hundred and twenty percent (120%) of AMI for County.
- Sale prices for units are based on Tier affordability targets for County, as adjusted for the number of bedrooms per unit, and can be found in Appendix B.

## **Appendix B: Initial Sale Prices and Maximum Rental Prices**

[Ouray Waterview Homes should have a chart] [see Pinion Park Norwood for example]

[once the OWH Project housing details are finalized, we can populate a chart. We need to determine unit size by bedroom, unit tier designation and sales price.]

### **Initial Sale Price Standards**

Initial Sale Prices shall be calculated by Beneficiaries to ensure affordability by the target Tier group both now and in the future.

### **Rental Prices**

## Appendix C: Lottery Point System Criteria

### 1. INITIAL LOTTERY ENTRY:

Completed lottery applications shall be processed for qualification of a Household. All lottery Applicants certified as Qualified Households shall be eligible for one (1) entry into the lottery.

### 2. ADDITIONAL LOTTERY ENTRIES:

In an effort to weight Applicants based on criteria deemed to further the intent of RH, points toward additional lottery entries are given to Households meeting the criteria outlined below.

**2.1** One (1) additional entry is awarded to Households that have a member who is employed as one or more of the following types of employment, as further defined herein:

- 2.1.1 School District Personnel;
- 2.1.2 Health Care Personnel;
- 2.1.3 Government Personnel: and/or
- 2.1.4 Essential Response Personnel.

**2.2** The maximum number of entries allowed is two (2).

**2.3** Individual Household members may have different point rankings. The Household shall be evaluated for eligibility for this additional entry in the lottery based on the individual with the greatest number of points.

### 3. UNQUALIFIED APPLICANTS:

**3.1** All lottery Applicants who did not qualify but have been provided an Exception per Section 11.1. or given a standard exception by the Lottery Administrator shall be eligible for one (1) entry in the Second Round lottery.

**3.2** All lottery Applicants who did not qualify but have been provided an Exception per Section 11.1. and currently live in the Ouray ~~County School District R-1~~ County boundaries shall be eligible for three (3) entries in the Second Round lottery.

**3.3** All lottery Applicants who did not qualify but have been provided an Exception per Section 11.1. and currently work a minimum of twenty (20) hours per week physically in the Ouray ~~County School District R-1~~ County boundaries shall be eligible for three (3) entries in the Second Round lottery.

**3.4** All lottery Applicants who did not qualify but have been provided an Exception per Section 11.1. and currently live in the Ouray ~~County School District R-1~~ County boundaries and work a minimum of twenty (20) hours per week physically in the Ouray ~~County School District R-1~~ County boundaries shall be eligible for five (5) entries in the Second Round lottery.

**3.5** Certified Entity Owner Applicants shall be eligible for three (3) entries in the lottery, except that all Entity Owner Applicants who did not qualify with a Local Work Force but have been provided an Exception per Section 11.1 shall be eligible for one (1) entry in the Second Round lottery.

**3.6** The maximum number of entries allowed in the Second Round lottery is five (5).

## **Appendix D: Fee Schedule**

### **Fees:**

Application Fee        \$25.00

Appeal Fee             \$25.00

Exception Fee         \$25.00

Grievance Fee         \$50.00

Inspection Fee        \$100.00

Sales Fee              Buyer will pay HA a fee equal to 1% of the sales price. HA may instruct the title company to pay such fees out of the funds held in escrow at closing.

## Appendix E: Schedule of Violations and Fines

	Violation	Fine per day	Maximum Fine
1	Failure to submit accurate and all documentation required to establish continued compliance by original deadline set by HA.	\$20.00	\$140.00
2	Failure to submit accurate and all documentation required to establish continued compliance by second deadline set by HA.	\$25.00	\$350.00
3	Failure to submit accurate and all documentation required to establish continued compliance by third deadline set by HA.	\$30.00	\$1,000.00
4	Failure to maintain eligibility (generally).	\$20.00	\$5,000.00
5	Failure to occupy unit as sole and exclusive place of residence.	\$20.00	\$5,000.00
6	Failure to work full-time as required by Deed Restriction and/or Guidelines.	\$20.00	\$2,000.00
7	Purchasing and/or owning other Improved Residential Property within a 150-mile radius and without an exception while owning a RH Housing Unit.	\$20.00	\$2,000.00
8	Rental of all or part of a unit in violation of the Deed Restriction, Guidelines, and/or the County LUC.	\$25.00	\$5,000.00
9	Non-approved use of Unit for other than residential purposes.	\$100.00	\$5,000.00
10	Non-approved use of Unit as income-producing property.	\$100.00	\$5,000.00
11	Creating an additional dwelling unit as defined in the County LUC without HA permission.	\$100.00	\$5,000.00
12	Failure to obtain approved Leave of Absence (LOA).	\$20.00	\$2,000.00
13	Submitting false/inaccurate information (per offense).	-	\$750.00
14	All other violations not specifically named.	\$20.00	\$2,000.00

\*Owner shall be given 14 days from **notice of potential fines** Notice of Violation by HA to cure all violations prior to the assessment of fines.

\*Violation and Fine Schedule will be reviewed and updated every five years or sooner as determined by HA

**RURAL HOMES: FOR SALE, FOR LOCALS**  
**DEED RESTRICTION and COVENANT**  
**OURAY WATERVIEW HOMES**

**Ouray County**  
**Affordable Housing Ownership, Occupancy and Resale**

THIS DEED RESTRICTION AND COVENANT (“Covenant”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_ (“Effective Date”) by [insert Name of Purchaser], (“Declarant”) for the benefit of and enforceable by Ouray Homes, LLC, a Colorado Limited Liability Company, (the Grantor), and each the City of Ouray, a municipal corporation, and Rural Homes, LLC, their successors or assigns (together, the “Beneficiaries”). The Declarant and Beneficiaries are sometimes referred to herein individually as “Party” and collectively as the “Parties.”

Property Subject to Deed Restriction. The following real property (the “Housing Unit”) is hereby made subject to these Covenants:

(insert lot legal here)  
**County of Ouray**  
**State of Colorado.**

Commonly known as (insert street address here)  
This Housing Unit has a maximum AMI of \_\_\_\_\_%.  
This Housing Unit has \_\_\_\_\_# bedrooms and \_\_\_\_\_# bathrooms.  
The Original Purchase Price: \_\_\_\_\_.

**RECITALS**

**WHEREAS**, the Declarant is the Owner of the Housing Unit; and

**WHEREAS**, the Declarant on behalf of itself, its heirs, executors, administrators, representatives, successors, and assigns, desires to comply with the Deed Restriction and Covenant and **the Rural Homes: For Sale, For Locals Project – OURAY WATERVIEW HOMES AFFORDABLE HOUSING REGULATIONS AND GUIDELINES (“Guidelines”)** by restricting the use of the Housing Unit as **hereinafter described; and**

**WHEREAS**, under this Covenant the Declarant and Beneficiaries intend, declare, and agree that the regulatory and restrictive covenants set forth herein governing the use of the Housing Unit described and provided for herein shall be and are hereby covenants running with the land and are intended to be and shall be binding upon the Declarant and Beneficiaries; and

**WHEREAS**, this Covenant is intended to provide housing and help keep it affordable for residents who make a living primarily from physically working in the Ouray School District R-1 boundary and their families who chose to be part of the greater Ouray community; and

**WHEREAS**, Declarant understands that this property has been subsidized by the government and charitable organizations and acknowledges that it has received adequate and valuable consideration in exchange for the imposition of this Covenant upon the Housing Unit.

## COVENANT

NOW, THEREFORE, in consideration of the foregoing Recitals, which are hereby incorporated in this Covenant as substantive provisions, the mutual covenants, restrictions, and equitable servitudes stated herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby represent and agree as follows:

1. **Covenant Runs with the Land.** This Covenant shall constitute covenants running with title to the Housing Unit, for benefit of, and enforceable by, each of the Beneficiaries, and their successors and assigns, and this Covenant shall bind the Beneficiaries and all subsequent Owners and Occupants of the Housing Unit. Each Owner and Occupant, upon acceptance of a deed or lease to the Housing Unit, shall be personally obligated hereunder for the full and complete performance and observance of all covenants, conditions, and restrictions contained herein during the Declarant's period of ownership or Occupant's tenancy, as may be appropriate. Each and every Transfer or lease of the Housing Unit, for all purposes, shall be deemed to include and incorporate by this reference, the covenants contained in this Covenant, even without reference to this Covenant in any document of conveyance. The Beneficiaries shall hold their interest as tenants in common, except that no Beneficiary may sell, transfer or assign their interest in the Covenant without the express written permission of the other(s), and no Beneficiary shall agree to relieve any Owner or Qualified Occupant of their obligations under the Covenant without the express written consent of the other(s). If one of the Beneficiaries ceases to exist, that Beneficiary's interest in the Covenant shall be deemed to be assigned to the remaining Beneficiary(s).

**1.1 Term.** The "Term" of this Covenant shall commence on the Effective Date and shall continue until \_\_\_\_\_ ("Expiration Date"). Said term of one hundred (100) years shall reset upon each and every Transfer.

**1.2 Administration and Enforcement.** This Covenant shall be administered by the City of Ouray or its duly authorized Designee acting as the housing authority administrator ("HA"). This Covenant shall be enforceable by the HA, its duly authorized Designee, or the Beneficiaries, by any appropriate legal or equitable action, including but not limited to specific performance, injunction, abatement or eviction of non-complying Housing Unit Owner(s) or Occupant(s), or such other remedies and penalties as may be specified in this Covenant, including but not limited to the Schedule of Violations and Fines found in the Guidelines.

**1.3 Updated Covenants.** Upon each and every Transfer, the transferee shall execute the most recent Covenant that has been approved by the City of Ouray and the HA at the time of Transfer.

**1.4 Replacement of Prior Agreement.** If applicable, this Covenant shall supersede and replace in its entirety that certain Deed Restriction and Covenant recorded in the official records of the \_\_\_\_\_ County Clerk and Recorder ("Official Records") on [RECORDING DATE] at Reception No. [RECORDING #].

2. **Definitions.** The Parties acknowledge and agree to the definitions in the **Rural Homes: For Sale,**

**For Locals Project – OURAY WATERVIEW HOMES AFFORDABLE HOUSING REGULATIONS AND GUIDELINES** (“Guidelines”) and further agree that each definition: (a) forms a portion of the basis of this Covenant; and (b) is incorporated in this Covenant. As used in this Covenant, Guidelines shall mean the most current Guidelines in effect at the time of closing on a sale or transfer of the Housing Unit or at the commencement date of a lease or other occupation agreement, as same may be amended from time to time, or its successor document.

**3. Ownership, Use, Occupancy, Rentals, and Qualification.**

**3.1 Ownership.** The ownership of the Housing Unit is hereby, and shall henceforth be, limited exclusively to Qualified Owner(s) as defined in the Guidelines. In the event that the Housing Unit is owned without compliance with this Covenant, the HA shall have the remedies set forth herein, including but not limited to the rights under Section 11.

**3.2 Use and Occupancy.** The use and occupancy of Housing Unit is hereby, and shall henceforth be, limited exclusively to Qualified Owners or Qualified Occupant(s), and their Immediate Families.

3.2.1 Home Occupation. The Housing Unit may be used in conjunction with a Home Occupation by the Qualified Household or Qualified Occupants residing in the Housing Unit subject to the provisions of the Guidelines and local land use restrictions.

3.2.2 Guests are exempt from qualification requirements.

**3.3 Initial Qualification.**

3.3.0 Qualified Entity Owners: Land Contributors, Business Owners, Local Governments, and Special Districts are exempt from the Initial Qualifications in 3.3.1 but shall comply with all Occupancy Qualification and Rental Standards required by the Covenant and Guidelines.

3.3.1 Qualified Owner: To be eligible to purchase the Housing Unit, at least one member of the Household who is an Owner must be a Qualified Employee and meet Section 3.3.1.a, below, and all Household members must meet Section 3.3.1 b- f ., below, and as further defined in the Guidelines:

3.3.1.a Meet the Minimum Work Standard physically in the Ouray School District R-1 boundary for the twelve (12) months prior to purchase or provide evidence to the HA that Applicant will meet the Minimum Work Standard physically in the Ouray School District R-1, boundary for the twelve (12) months following the purchase; and

3.3.1.b Must meet the Earned Income Standard or has provided evidence to the HA that Applicant will meet the Earned Income Standard within the next twelve (12) months following the purchase; and

3.3.1.c Must not own any interest in other Improved Residential Property(s) located within a one-hundred and fifty (150) mile radius from the Housing Unit.

3.3.1.d Must not have a Net Worth that exceeds three (3) times the Initial Sales Price of the Housing Unit; and

- 3.3.1.e Must meet the income restrictions applicable to the Housing Unit based on the Area Median Income (AMI) percentage limit and the Housing Unit designation in the legal description, and as set forth in the Guidelines to be recorded at time of sale; and
  - 3.3.1.f Shall occupy the Housing Unit as their sole and exclusive primary residence.
  - 3.3.1.g Qualified Entity Owners may own no more than three (2) Housing Units at one time, unless negotiated otherwise in the original development agreement, and make them available via sale or long-term rental to Qualified Occupants pursuant to this Covenant without the Qualified Entity Owner itself meeting the above-listed requirements. Qualified Entity Owner shall not occupy or use the Unit for such Owner's own use or leave the Housing Unit vacant for more than three months in any twelve (12) month period. Any occupancy of a Unit pursuant to Section 3.4. shall meet all Household Size requirements.
  - 3.3.1.h Businesses who are in the business of residential property management, residential property rentals, mobile home park ownership or rental and/or residential property ownership may not be certified as a Business Owner.
  - 3.3.1.i A reasonable accommodation and exception may be requested from HA for any of these qualifications.
- 3.3.2 Qualified Occupant: To be eligible to rent the entire Housing Unit or a room in a Housing Unit, the Qualified Occupant:
- 3.3.2.a Shall meet the above-listed requirements of Section 3.3.1a-f.
  - 3.3.2.b A reasonable accommodation and exception may be requested from the HA for any of these qualifications.

**3.4 Rental of Property.** Short-term rental of the Housing Unit is prohibited. Long-term rentals may be approved as follows:

- 3.4.1 Qualified Entity Owner Units: Long-term rental is allowed subject to the provisions of the Guidelines and the terms and provisions of this Covenant. Units, owned by the Qualified Entity Owner may be rented to Qualified Occupants for a term of no less than six (6) months. All rentals must comply with the current Guidelines.
- 3.4.2 All other Housing Units: Owner may not, except with prior written approval of the HA, and subject to the HA's conditions of approval, rent an entire Housing Unit for any period of time. If approved, a rental shall be for no less than one (1) month. All rentals must comply with the current Guidelines.
- 3.4.3 Roommates: The Qualified Owner may share occupancy of a Housing Unit with non-owners on a rental basis provided Qualified Owner continues to occupy Housing Unit as his/her sole and primary residence and meets the obligations contained in this Covenant. A roommate must be certified as a Qualified Tenant Household. Short-term rentals of any kind are strictly prohibited.
- 3.4.4 Copy of Lease: The Housing Unit Owner shall provide to the HA a fully executed copy of the Lease or other occupancy agreement no later than seven (7) days after it is fully executed.

3.4.5 **No Indemnification or Waiver of Immunity:** Nothing herein shall be construed to require any of the Beneficiaries to protect or indemnify the Owner against any losses attributable to a rental including, but not limited to, non-payment of rent or damages to a Housing Unit; nor to require any of the Beneficiaries to obtain a Qualified Occupant for the Owner in the event that none is found by the Owner. In addition, nothing herein shall be construed as a waiver by any of the Beneficiaries' governmental immunity, if applicable, provided by the Colorado Governmental Immunity Act or other applicable law.

**3.5 Continued Qualification Compliance.** All Qualified Owners and Qualified Occupants, including multiple owners, must maintain compliance with all applicable requirements and shall maintain Qualified Household status on an on-going basis. Failure of any Owner or Occupant to do so shall constitute a violation. Any Owner or Occupant of a Housing Unit is required to comply with annual or biennial deed restriction monitoring certifying to the HA that they are in compliance with the requirements of this Covenant.

3.5.1 **Continuing Compliance Standards to maintain Qualified Household status:**

3.5.1.a At least one member of the Household must be a Qualified Employee who meets the Minimum Work Standards physically within the Ouray School District R-1 boundary.

3.5.1.b The Qualified Household shall meet the Earned Income Standard.

3.5.1.c The Qualified Household shall occupy the Housing Unit as their Primary Residence at all times during the ownership or rental of a Housing Unit and for at least eight (8) of every twelve (12) months on a rolling twelve (12) month basis.

3.5.1.d Household Net Worth shall not exceed three (3) times the Initial Sales Price of the Housing Unit:

3.5.1.e Household Net Income shall no longer be considered for continuing qualification for Owners.

3.5.1.f Tenant Household's Net Income will be considered for Tenant's continuing qualification and Tenant must continue to meet the AMI tier standard for the Housing Unit.

3.5.1.g Household is prohibited from ownership of other Improved Residential Property located within a one-hundred fifty (150) mile radius from the Housing Unit, see Section 5, and as further described in the Guidelines.

**4. Restriction on Debt.** Declarant shall not incur any debt or promissory note secured by a deed of trust or other security instrument that encumbers the Housing Unit in excess of the Original Purchase Price.

**5. Ownership Interest in Other Residential Property.** At the time of application, a Household may own other improved or unimproved residential or commercial property, however, all Improved Residential Property located within a one-hundred and fifty (150) mile radius from the Housing Unit must be listed immediately for sale and sold for fair market value within one year of taking title to the Housing Unit. In the event said other Improved Residential Property has not been sold by the Owner within twelve (12) months of its listing as required hereunder, then the Owner shall immediately list the Housing Unit for sale, pursuant to Section 7.1. a Qualified Entity Owner, qualified under Section 3.3.1 g-i, is exempt from this restriction.

6. **Income and Household Size Restrictions.** The applicable Income Eligibility Tier, which defines household income and household size restrictions, in compliance with this Covenant and as set forth in the Guidelines, Appendix A, will apply to Declarant, Qualified Occupants and future purchasers. If Declarant's Household size falls below the minimum required, Declarant shall rent a room to a Qualified Tenant pursuant to §3.4, above.
7. **Transfer of Property:** Transfers of the Housing Unit are subject to this section unless excepted under Section 7.2, below.
- 7.1 **Requirements.** Declarant may sell the Housing Unit to a Qualified Owner, pursuant to the Guidelines, to the terms and provisions of this Covenant, and to the following:
- 7.1.1 **Notice of Intent to Sell:** Declarant or Owner must deliver a written notice of its intent to sell the Housing Unit ("Notice of Intent to Sell") to the Beneficiaries prior to offering the Housing Unit for sale.
- 7.1.2 **Right of First Refusal:** The Right of First Refusal to purchase shall first be provided to Beneficiaries pursuant to the Guidelines and Section 7.4, below.
- 7.1.3 **Qualification of Prospective Buyer:** In order to proceed to the closing of the sale of the Housing Unit ("Closing"), HA must have first certified in writing that the prospective buyer is a Qualified Owner pursuant to the Guidelines and to the terms and provisions of this Covenant.
- 7.1.4 **Void Transfer:** In the event the Housing Unit is sold and/or transferred without compliance with this Covenant, such sale and/or transfer shall be wholly null and void and shall confer no title whatsoever upon the purported buyer.
- 7.1.5 **Date of Notice:** For purposes of this Covenant, "date of Owner's Notice of Intent to Sell" shall be the date on which written Notice of Intent to Sell is delivered to the HA.
- 7.1.6 **Administration Fees:** At the time of purchase, Declarant must pay any Covenant administration fees due according to the Guidelines. Such fees shall be paid by Declarant to the HA out of Declarant's proceeds of the sale of the Housing Unit and may not be added to the price of the Housing Unit.
- 7.1.7 **HA Made Whole:** No transfer of a Housing Unit shall occur unless and until each and every encumbrance, debt or liability owed by the Owner to any of the Beneficiaries is fully satisfied, such as fees and violation fines.
- 7.2 **Transfer Exception.** If reviewed and approved in writing by the HA prior to transfer, the following occurrences are exceptions to the definition of Transfer, provided that the new Owner, other than an estate, shall use the Housing Unit as their principal residence:
- 7.2.1 A transfer resulting from the death of a Qualified Owner where the transfer is to the spouse or domestic partner or co-owner, who is also a Qualified Owner.
- 7.2.2 A transfer resulting from the death of an Owner through a bequest or by intestate succession to a child of Qualified Owner who is certified as a Qualified Owner.

7.2.3 A transfer resulting from a decree of dissolution of marriage or legal separation or from a settlement incidental to such a decree by which a transfer is made to a spouse who is also a Qualified Owner.

**7.3 Maximum Sale Price.** The Original Purchase Price (“OPP”) of the Housing Unit shall be the basis for calculating the Maximum Sale Price (“MSP”) in accordance with this Covenant and the Guidelines in effect at the time of listing the Housing Unit for re-sale.

7.3.1 The Housing Unit shall meet the Minimum Resale Standards, defined in Section 7.3.4, below, to sell at MSP.

7.3.2 The MSP of a Housing Unit shall be limited to be no more than the following calculation:

The MSP may not exceed the sum of: (i) the OPP paid by the Owner for the Housing Unit, plus: (ii) an increase of three percent (3%) of such OPP per year compounded annually (prorated at the rate of 0.25 percent for each whole month, but not compounded annually) from the date of the Owner's purchase of the Housing Unit to the date of the Owner's Notice of Intent to Sell the Housing Unit; plus (iii) an amount equal to any special improvement district assessments, if applicable and not transferable, paid by the Seller during the Seller's ownership of the Housing Unit; (iv) the cost of Permitted Capital Improvements made to the Housing Unit by the Owner as set forth in Section 7.3.3, less the amount required to bring the Housing Unit up to the Minimum Resale Standards, if any.

7.3.3 Permitted Capital Improvements: The amount of Permitted Capital Improvements allowed to be added to the MSP shall not exceed ten per cent (10%) of the original purchase price provided that:

7.3.3.a Improvements are pre-approved by HA prior to commencement of any work or installation; and

7.3.3.a.1 Proof of homeowners’ association, if any, approval is provided to HA prior to commencement of work.

7.3.3.a.2 Improvements are properly permitted and inspected by the local Building Official, if applicable.

7.3.3.b Improvements are documented by Declarant and submitted to HA within three months of completion.

7.3.3.c The depreciation of Permitted Capital Improvements calculated from the schedule in the Marshall Swift Residential Handbook or any other approved handbook in effect at the time of calculation of MSP, shall be subtracted from the cost of the improvement; and

7.3.3.d Any other reasonable costs allowed by HA pursuant to the Guidelines in effect on the date of Owner’s Notice of Intent to Sell may be added to the MSP.

7.3.3.e The 10% limitation on Permitted Capital Improvements shall reset every ten (10) years of continued ownership of the Housing Unit.

7.3.4 Minimum Resale Standards: Pursuant to the Guidelines, Section 6.8.2, each

Owner shall be responsible for ensuring that at the Transfer of his or her Housing Unit, the same is clean, the appliances are in working order, and that there are no health or safety violations regarding the Housing Unit. Seller's Property Disclosure form and Seller's Listing Checklist shall be completed and submitted prior to listing a unit for sale.

7.3.4.a If a Housing Unit does not meet Minimum Resale Standards, HA may, at its discretion, require that the cost of necessary repairs be deducted from the closing sale price, or that Seller place into escrow the funds necessary to ensure satisfactory repairs. Any escrow balance remaining after necessary repairs are satisfactorily made shall be returned to Seller.

7.3.5 Assumption of Costs: No Declarant shall permit any prospective purchaser to assume any or all of the Declarant's closing costs. No Declarant shall accept anything of value from a prospective purchaser except for the MSP before, during or after closing of the transfer of the Housing Unit.

7.3.6 Caveat: Nothing in this Covenant represents or guarantees that the Housing Unit will be re-sold at an amount equal to the MSP. Depending upon conditions affecting the real estate market, the Housing Unit may be re-sold for less than the MSP.

**7.4 Beneficiaries Right to Acquire Ownership**. The initial Owner and each subsequent Owner shall not transfer any Housing Unit without first offering the same to each of the Beneficiaries for purchase. Each of the Beneficiaries shall have a right to purchase the Housing Unit as follows:

7.4.1 Upon Owner's Notice of Intent to Sell as set forth in Section 7.1.1, or upon exercise of Notice of Election to Require Sale as defined in Section 10.3, or if an Owner receives any offer to purchase or tenders any offer of sale for the Housing Unit, either of the Beneficiaries, or their successors, shall have the Right of First Refusal to purchase ("ROFR") the Housing Unit for the offered sales price or MSP. This ROFR shall be triggered at each submittal of a Notice of Intent to Sell.

7.4.2 Each of the Beneficiaries shall exercise its ROFR by executing a written and binding commitment to purchase ("Notice of Purchase") the Housing Unit to Owner and the other Beneficiaries within thirty (30) days after each of the Beneficiaries receives written Notice of Intent to Sell by Owner. A Party exercising the ROFR shall deposit a non-refundable deposit of 5% of the MSP in escrow for the benefit of the Seller contemporaneously with the exercise of said right. The commitment to buy shall set a closing date within sixty (60) days of delivery of Notice of Purchase.

7.4.3 Each of the Beneficiaries shall have the right to inspect the Housing Unit prior to exercising its ROFR.

7.4.4 In the event more than one Beneficiary wishes to exercise the ROFR, the priority shall first go to the Land Contributor, then to the HA, and then to the Rural Homes, LLC or their successors in interest, if applicable.

7.4.5 In the event the Beneficiaries do not execute a written and binding commitment to purchase the Unit within said thirty (30) day period, this ROFR shall expire.

7.4.6 The ROFR shall be in full force and effect from the date of initial sale in perpetuity. Any sale or attempted transfer of the Housing Unit effected without first giving each

of the Beneficiaries the right of first refusal described above shall be wholly null and void and shall confer no title whatsoever upon the purported buyer.

8. **No Creation of Additional Unit.** In no event shall Declarant create an additional “Dwelling Unit” as defined in the applicable Land Use Code, in or as part of the Housing Unit unless authorized by the HA in writing and allowed by the zone district and subject to all local building and planning codes and permissions.
9. **No Alteration of Housing Unit.** The Housing Unit shall not be altered, demolished, partially demolished, released from these covenants, or relocated, unless and except in compliance with the Guidelines and the applicable Land Use Code provisions in effect at the time of the application for alteration, demolition, release, or relocation.
10. **Foreclosure**
  - 10.1 **Default.** It shall be a breach of this Covenant for Declarant to default in the payments or other obligations due or to be performed under a promissory note secured by deed of trust encumbering a Housing Unit. The Declarant hereby agrees to notify the Beneficiaries, in writing, of any notification Declarant receives from a lender, or its assigns, of past due payments or default in payment or other obligations due or to be performed under a promissory note secured by a deed of trust, as described herein, within five (5) calendar days of Declarant's notification from lender, or its assigns, of said default or past due payments.
  - 10.2 **Right to Cure Default.**
    - 10.2.1 Upon receipt of notice as provided herein, each of the Beneficiaries shall have the right, in its sole discretion, to cure the default or any portion thereof (“Curing Party”). In such event, the Declarant shall be personally liable to the Curing Party for past due payments made by the Curing Party, together with interest thereon at the rate specified in the promissory note secured by the deed of trust, plus one (1) percent, and all actual expenses the Curing Party incurred in curing the default.
    - 10.2.2 In the event the Declarant does not repay the Curing Party within sixty (60) days of notice that the Curing Party has cured the Declarant’s default, the Declarant agrees that the Curing Party shall be entitled to a lien against the Housing Unit to secure payment of such amounts. Such a lien may be evidenced by a notice of lien setting the amounts due and rate of interest accruing thereon, and such notice of lien may be recorded in the real property records of Town, until such lien is paid and discharged. The Curing Party shall have the additional right to bring an action to foreclose on the Housing Unit for the payment of the lien set forth in Section 12.6.
  - 10.3 **Right to Require Sale.**
    - 10.3.1 Upon default of Declarant, each of the Beneficiaries shall have the right to require Declarant to sell the Housing Unit to avoid the commencement of any adverse proceedings against the Housing Unit by providing Declarant written notice of HA’s decision to exercise such right (“Notice of Election to Require Sale”).
    - 10.3.2 Upon receipt of a Notice of Election to Require Sale by any Qualified Holders, as defined in C.R.S. § 38-38-100.3(20), or mortgage brokers licensed by the Colorado Division of Real Estate pursuant to C.R.S. § 12-61-901 et. seq., Declarant shall

immediately offer the Housing Unit for sale according to the provisions of Section 7.

**10.4 Non-Qualified Owner in Event of Foreclosure.** In the event of a foreclosure on a promissory note secured by a first deed of trust on the Housing Unit or the acceptance by the holder of such note and deed of trust (“Holder”) is issued a public trustee’s deed for the Housing Unit or records a deed in lieu of foreclosure for the Housing Unit, this Covenant shall remain in full force and effect and Holder shall be considered a non-Qualified Owner.

**11. Obligation to Maintain Homeowner’s Insurance.** Deed-restricted housing with public and private subsidies means that the cost to build homes is greater than the sales price. Owners shall obtain full replacement cost coverage through an insurance provider licensed with and compliant with the Colorado Department of Regulatory Agencies which will repair or replace the home in the event of damage or destruction.

**11.1** Request for Insurance Coverage Certificate. Owner may be required to verify compliance with §11, above at any time and is required to respond within seven (7) days.

**11.2** Failure to maintain adequate Homeowner’s Insurance shall be considered a material breach of this Covenant.

**12. Default/Breach**

**12.1 Right to Inspect.** In the event the HA has or the Beneficiaries have reasonable cause to believe a Declarant is violating the provisions of this Covenant, that entity, through its authorized representatives, may inspect the Housing Unit between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday, after providing the Declarant with no less than twenty-four (24) hours written notice; Declarant has the right to be present.

**12.2 Notice of Violation.** The HA shall send a Notice of Violation (“NOV”) to the Declarant detailing the nature of the violation and allowing the Declarant fourteen (14) days to determine the merits of the allegations, or to correct the violation. The NOV shall advise the alleged violator of the fines associated with each alleged violation as required by the Schedule of Violations and Fines, Appendix E of the Guidelines, and any additional opportunity to cure before the fines or consequences escalate. In the event the Declarant disagrees with the allegation of violation of the Covenant or the Guidelines, the Declarant may request, in writing, a hearing before the HA or its designated hearing officer, who shall have absolute discretion to determine the appropriate action to be taken to either remedy the violation or to require Declarant to sell the Housing Unit. If the Declarant does not request a hearing and the violation is not cured within the fourteen-day period, the Declarant and/or Occupant shall be considered in violation of this Covenant, and fines shall continue to accrue until the violation is cured or the maximum fine has been reached. Failure to request a hearing shall constitute the failure to exhaust administrative remedies for the purpose of judicial review.

**12.3 Hearing Before the HA.** Whenever this Covenant provides for a hearing before the HA, such hearing shall be scheduled by the HA within fourteen (14) days of the date of receipt of a written request for a hearing. At any such hearing, the Declarant or other aggrieved party may be represented by counsel and may present evidence on the issues to be determined at the hearing. An electronic record of the hearing shall be made, and the decision of the HA shall be a final decision, subject to judicial review.

- 12.4 **Reservation of Remedies.** There is hereby reserved to the parties hereto any and all remedies provided by law for breach of this Covenant or any of its terms. In the event the Parties resort to litigation with respect to any or all provisions of this Covenant, the prevailing party shall be awarded its damages, expenses, and costs, including reasonable attorney's fees.
- 12.5 **Sale Without Compliance.** In the event the Housing Unit is sold and/or conveyed without compliance with the terms of this Covenant, such sale and/or conveyance shall be wholly null and void and shall confer no title whatsoever upon the purported buyer. Each and every conveyance of the Housing Unit, for all purposes, shall be deemed to include and incorporate by this reference the covenants herein contained, even without reference therein to this Covenant.
- 12.6 **Failure to Cure.** In the event a Declarant fails to cure any breach of this Covenant, each of the Beneficiaries may resort to any and all available legal or equitable actions, including but not limited to specific performance of this Covenant, a mandatory injunction requiring the sale of the Housing Unit by Declarant, and/or an injunction against future sale(s) in violation of this Covenant.
- 12.7 **Violation Fixes Resale Price.** In the event of a breach of any of the terms or conditions contained herein by Declarant, his or her heirs, successors or assigns, the Declarant's MSP of the Property shall, upon the date of such breach as determined by the HA, automatically cease to increase as set out in Section 7.3 and shall remain fixed until the date of cure of said breach.

### 13. **General Provisions**

- 13.1 **Enforcement of Covenant.** This Covenant shall constitute covenants running with the land and Housing Unit as a burden thereon, for the benefit of each of the Beneficiaries and/or its respective successors and assigns, as applicable, and who may enforce the covenants and compel compliance therewith. Enforcement by any appropriate legal action may include, but is not limited to specific performance injunction, reversion, damages, or eviction of noncomplying Declarants and/or Occupants.
- 13.2 **Equal Housing Opportunity.** Pursuant to the Fair Housing Act and public policy, the HA shall not discriminate on the basis of race, creed, color, sex, national origin, familial status, disability, sexual orientation, or gender identity in the lease, sale, use or occupancy of the Housing Unit.
- 13.3 **Waiver of Exemptions.** Every Declarant, by taking title to a Housing Unit, shall be deemed to have subordinated to this Covenant any and all right of homestead and any other exemption in, or with respect to, such Housing Unit under state or federal law presently existing or hereafter enacted.
- 13.4 **Notices.** Any notice, consent, approval, or request which is required to be given by any party hereunder shall be given by personal delivery, by mailing the same, certified mail, return receipt requested, properly addressed and with postage fully prepaid, to the address provided herein or to the address of the Declarant. The Declarant shall advise the Housing Agency of any change in address, in writing. Mailing requirements may be waived by consent of the Parties and acknowledgment of delivery by email or regular mail.

To Beneficiaries: Mayor  
City of Ouray  
320 6<sup>th</sup> Avenue  
PO Box 468  
Ouray, CO 81427  
Telephone: 970-325-7078

Rural Homes, LLC  
PO Box 4222  
Telluride, CO 81435  
Telephone: 970-728-8717

To Declarant: \_\_\_\_\_  
\_\_\_\_\_

**12.5 Severability.** Whenever possible, each provision of this Covenant and any other related document shall be interpreted in such manner as to be valid under applicable law; but if any provision of this Covenant shall be invalid or prohibited under said applicable law, such provisions shall be ineffective to the extent of such invalidity or prohibition, without invalidating the remaining provisions of this Covenant.

**12.6 Choice of Law.** This Covenant and each and every related document is to be governed and construed in accordance with the laws of the State of Colorado.

**12.7 Successors.** Except as otherwise provided herein, the provisions and covenants contained herein shall inure to and be binding upon the heirs, successors, and assigns of the parties.

**12.8 Further Actions.** Declarants and subsequent owners agree that they shall be personally liable for their participation in any of the transactions contemplated herein and that they will execute such further documents and take such further actions as may be reasonably required to carry out the provisions and intent of this Covenant or any agreement or document relating hereto or entered into in connection herewith.

**12.9 Gender and Number.** Whenever the context so requires herein, the neuter gender shall include any or all genders and vice versa and the use of the singular shall include the plural and vice versa.

**12.10 Modifications.** Any modifications of this Covenant shall be effective only when made by a duly executed instrument by the HA and Declarant, with the written consent of each of the Beneficiaries, and recorded with the Clerk and Recorder of County.

**12.11 Attorney Fees.** In the event any of the Parties resorts to litigation with respect to any of the provisions of this Covenant, the prevailing Party shall be entitled to recover damages and costs, including reasonable attorney fees.



**CITY OF OURAY**

By: \_\_\_\_\_ EXECUTED, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.  
[name], Mayor

State of Colorado                    )  
  ) ss.  
County of \_\_\_\_\_                )

The foregoing Rural Homes: For Sale, For Locals Deed Restriction and Covenant, Ouray Waterview Homes has been acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by [name], Mayor, City of Ouray

Witness my hand and official seal.  
My commission expires:

\_\_\_\_\_ Notary  
Public

\_\_\_\_\_ **HOUSING AUTHORITY**

By: \_\_\_\_\_ EXECUTED, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.  
[name], CEO

State of Colorado                    )  
  ) ss.  
County of \_\_\_\_\_                )

The foregoing \_\_\_\_\_ Rural Homes: For Sale, For Locals Deed Restriction and Covenant, Ouray Waterview Homes has been acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by [name], Chair of the Housing Authority

Witness my hand and official seal.  
My commission expires:

\_\_\_\_\_ Notary  
Public

**RURAL HOMES, LLC**

By: \_\_\_\_\_ EXECUTED, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.  
[name], Member

State of Colorado                    )  
  ) ss.  
County of \_\_\_\_\_                )

The foregoing Rural Homes: For Sale, For Locals Deed Restriction and Covenant, Ouray Waterview Homes has been acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_[name], Member of RURAL HOMES, LLC.

Witness my hand and official seal.  
My commission expires:

\_\_\_\_\_  
Notary Public

**DECLARANT**

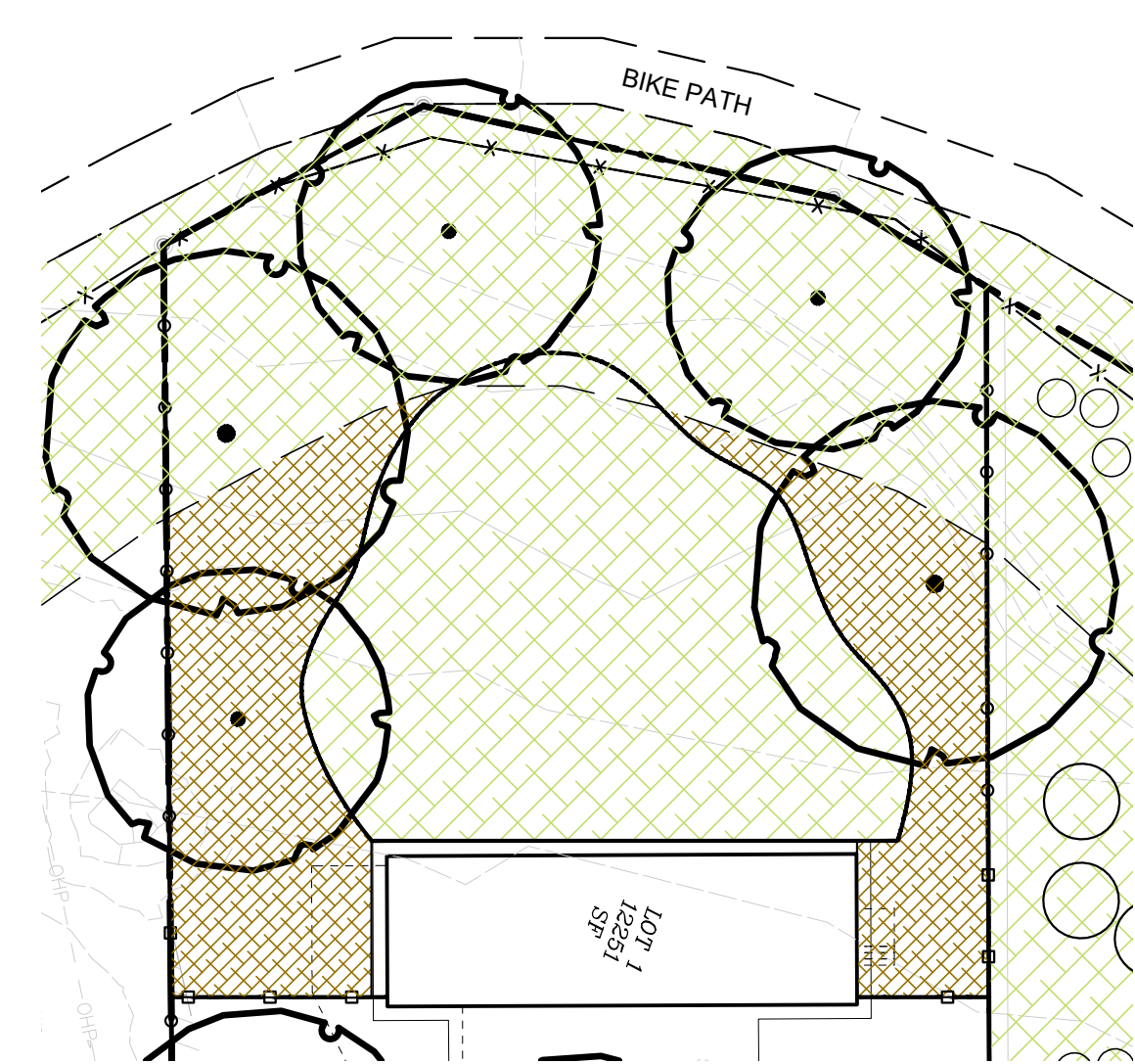
\_\_\_\_\_ EXECUTED, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.  
[name]

State of Colorado                    )  
  ) ss.  
County of \_\_\_\_\_                )

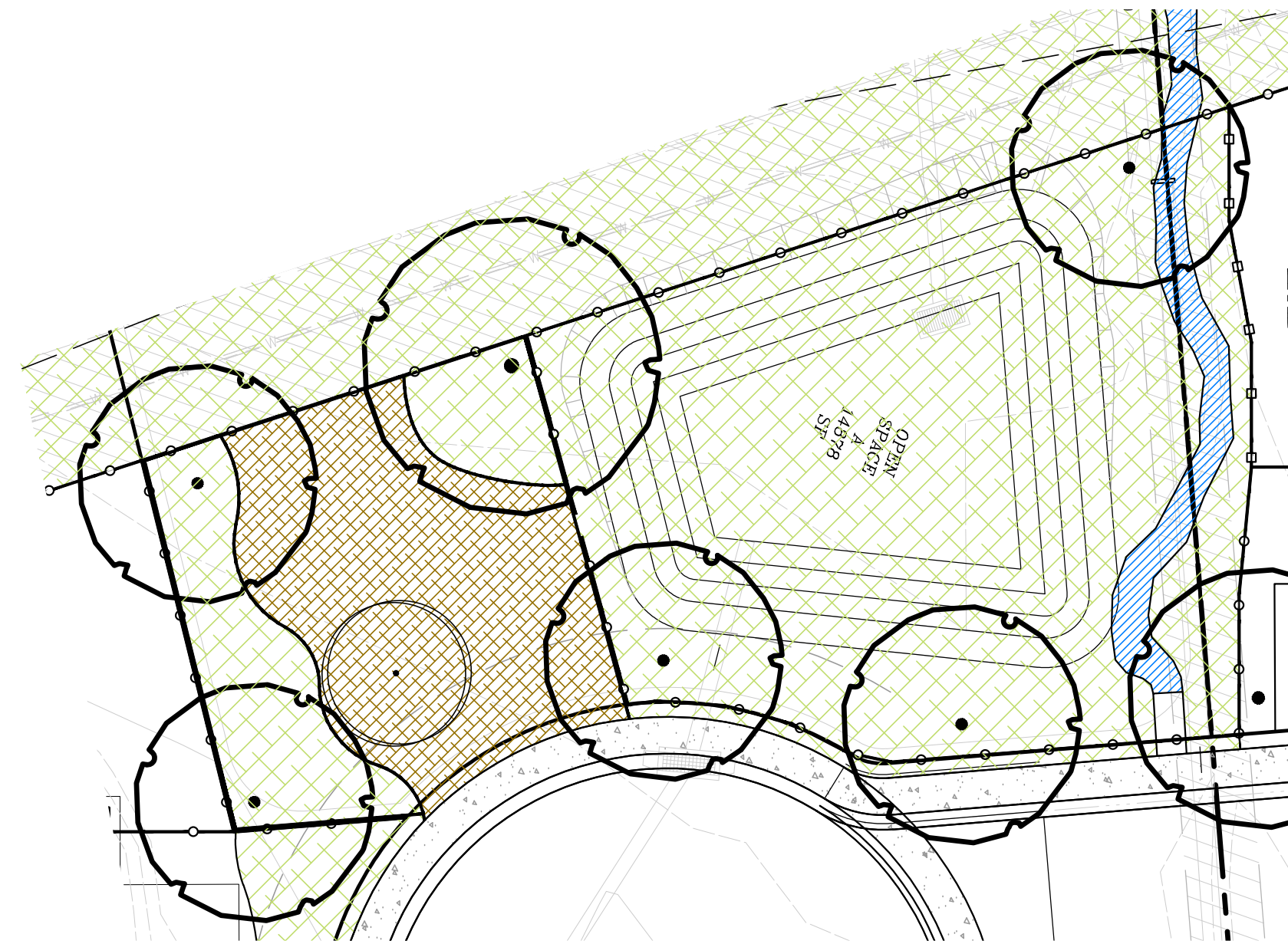
The foregoing Rural Homes: For Sale, For Locals Deed Restriction and Covenant, Ouray Waterview Homes has been acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_[name].

Witness my hand and official seal.  
My commission expires:

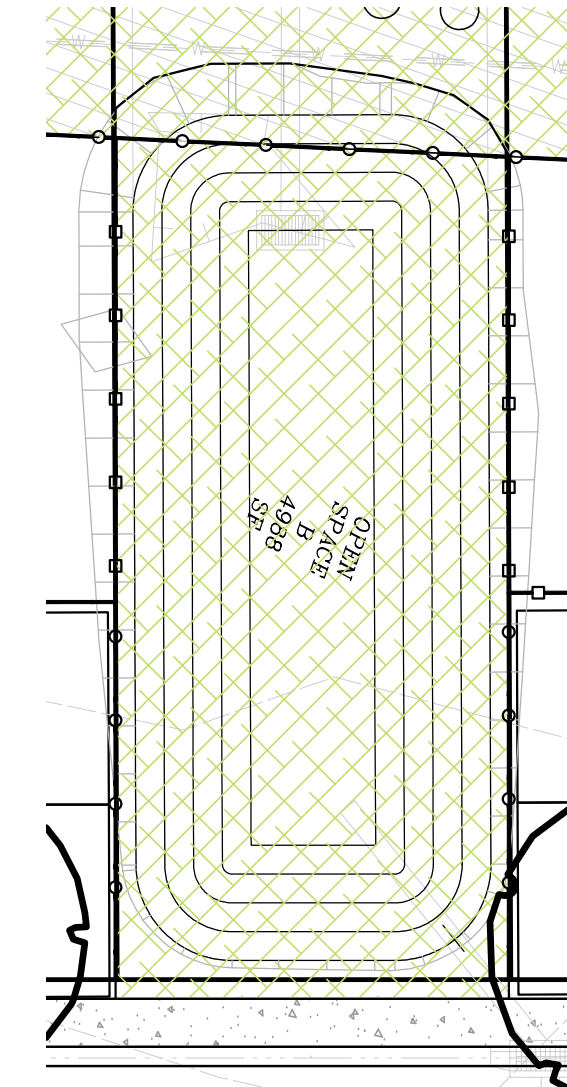
\_\_\_\_\_  
Notary Public



**A** Lot 1 Play Area  
1" = 20'



**B** Open Space A Play Area  
1" = 20'



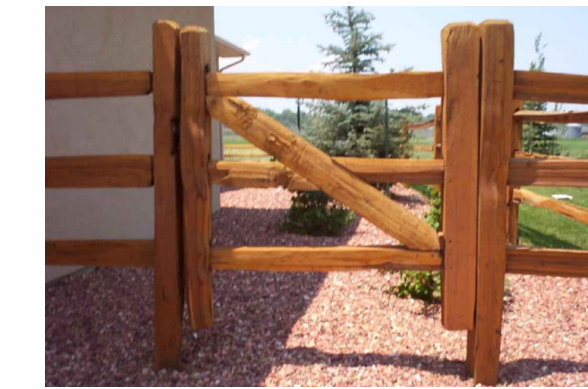
**C** Open Space B Play Area  
1" = 20'



Fence 1 - 6' Privacy



Fence 2 - 3' Picket



Fence 3 - 3' Split Rail



Rock Mtn. Juniper



Red-Twig Dogwood



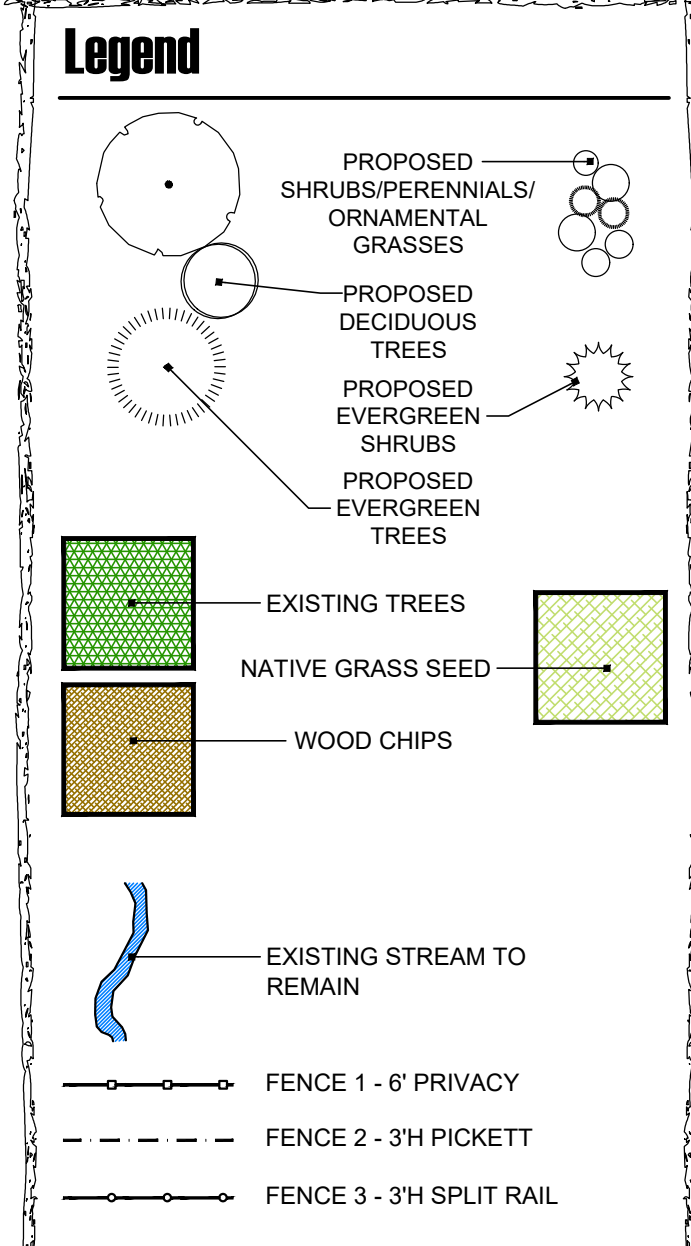
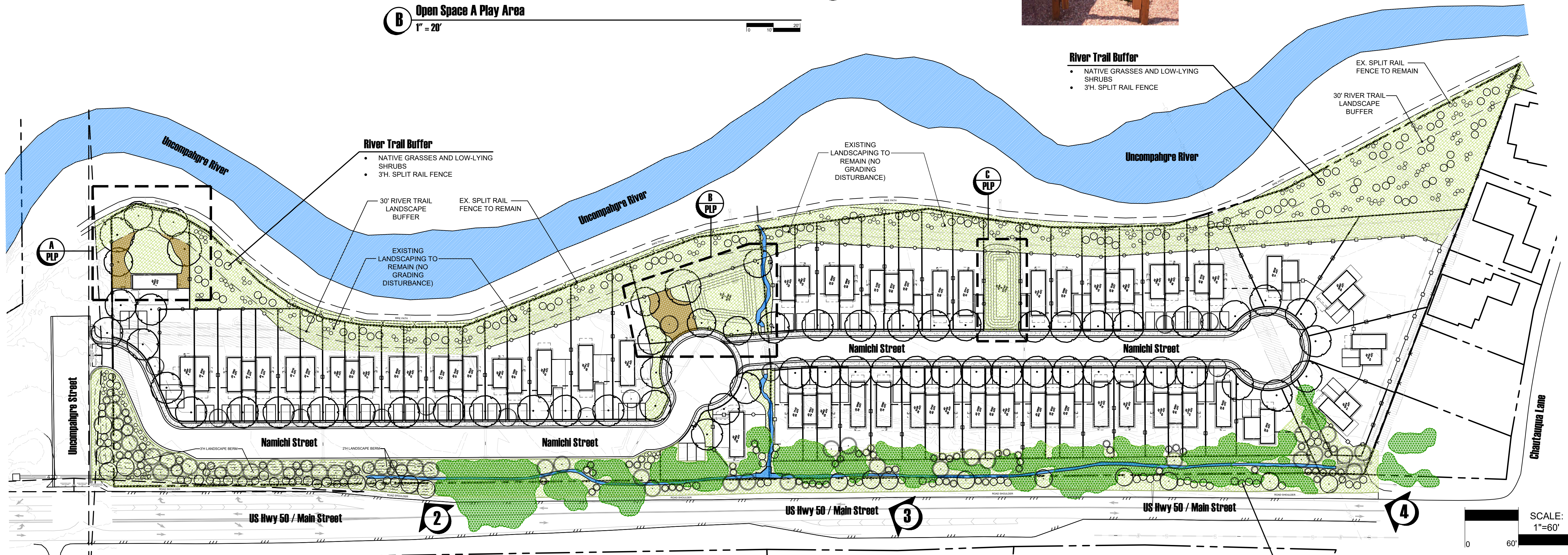
Serviceberry

Project Name:  
**Ouray Waterview**  
Ouray, Colorado

Client:  
Paul Major  
Ouray Homes, LLC  
PO Box 4222  
Telluride, CO 81435  
970-209-2880  
paul@ourayhomesproject.co

Landscape Architect:  
**NVISION DESIGN STUDIO, INC.**  
677 25 Road Grand Junction, CO 81505  
Phone: 970.210.2155 Email: rb@nviz.biz  
Web: www.nviz.biz  
Landscape Architecture | Visual Simulation | Graphic Design

Registration:  
**Robert A. Breeden**  
LA 462  
0351008  
STATE OF COLORADO  
LICENSED LANDSCAPE ARCHITECT



SCALE:  
1"=60'

**General Landscape Notes:**

- LOT LANDSCAPING WILL INCLUDE A GRAVEL WALKWAY FROM EACH LOT'S CAR PARKING AREA TO THE FRONT PORCH, A FLOWER BED PLANTER ADJACENT TO THE PORCH, AND NATIVE NATURAL GRASS SEED FOR THE REMAINING YARD AREAS.
- ONE STREET TREE OR SEVERAL LOW LAYING SHRUBS SHALL BE PLANTED PER LOT, BUT SHALL NOT EXCEED MORE THAN ONE STREET TREE EVERY THIRTY-FIVE (35) FEET IN SPACING IF OTHER IMPROVEMENTS OR DRIVEWAYS WOULD NECESSITATE STREET TREES TO BE PLANTED CLOSER TOGETHER.
- CONSTRUCTION OF PRIVACY FENCES FOR CERTAIN HOMEOWNER LOTS WHERE APPROPRIATE WILL BE INSTALLED. OUTDOOR FENCING FOR THE HOME BASED CHILD CARE HOMES THAT MEET STATE LICENSING CODES WILL BE CONSTRUCTED.
- DRIP IRRIGATION TO THE TREES AND SHRUBS FOR THE PROJECT WILL BE FROM AN UNDERGROUND PRESSURIZED SYSTEM FROM THE DOMESTIC WATER SUPPLY AND SHALL BE OPERATED BY AN ELECTRONIC SMART CONTROLLER.
- EACH OPEN SPACE PARCEL WILL BE SEED WITH NATIVE GRASS SEED, PLANTED WITH LOW-LYING SHRUBS AND TREES CONSISTENT WITH THE ADJOINING PARCELS AND THE MUNICIPAL CODE.
- THE STORM WATER DETENTION POND WILL BE SEED WITH NATIVE NATURAL GRASS SEED.
- RIVERWALK CORRIDOR AND ADJACENT HOMEOWNER PROPERTIES CONSISTENT WILL CONSIST OF A 3-FOOT HIGH SPLIT RAIL FENCE WHEREVER THE INTERSECTION OF THE RIVERWALK CORRIDOR AND ADJACENT WATERVIEW PROPERTY INTERSECTS AND IS AT OR NEAR GRADE OF THE ADJACENT PROPERTY. THESE AREAS SHALL BE PLANTED WITH A SERIES OF SHRUBS AND NATIVE GRASSES AS NOTED ON THE LANDSCAPE PLAN.

**Landscape Buffer:**

MUCH OF THE EXISTING LANDSCAPE ALONG THE HIGHWAY IS IN HEALTHY CONDITION AND PROVIDES AN EXCELLENT BASIS FOR BUFFERING THE VISUAL IMPACTS OF THE DEVELOPMENT. SOME DEAD TREES AND SHRUBS DO EXIST AND WILL BE REMOVED AS PART OF THE INITIAL LANDSCAPE TREATMENT. WHERE VOIDS ARE CREATED FROM THIS DEAD WOOD REMOVAL, NEW PLANTS WILL BE ADDED. THE PROPOSED LANDSCAPE PLAN IS TO SUPPLEMENT THE EXISTING PLANT MATERIAL WITH NEW PLANTS THAT WILL ACHIEVE AN EFFECTIVE LANDSCAPE BUFFER. THE FOLLOWING EXISTING PLANT SPECIES HAVE BEEN OBSERVED AND ALL HEALTHY PLANTS SHALL REMAIN UNDISTURBED:

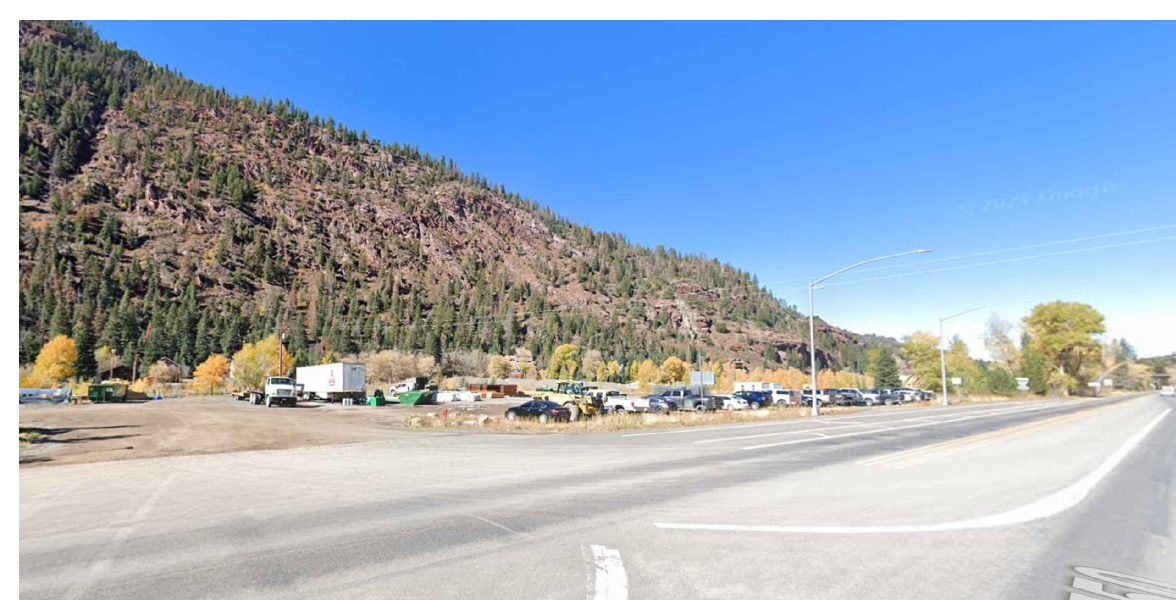
COMMON NAME	BOTANICAL NAME
WILLOW	SALIX
OAK	QUERCUS
BIRCH	BETULA
COTTONWOOD	POPULUS
PINE	PINUS
MAPLE	ACER
BLACKBERRY/	RUBUS
DEWBERRY	RUBUS
RASPBERRY	RUBUS
SPRUCE	PICEA
FIR	ABIES
SERVICEBERRY	AMELANCHIER
JERSEY TEA	CEANOTHUS
DOGWOOD	CORNUS
JUNIPER	JUNIPERUS
RED CEDAR	SAMBUCUS
ELDERBERRY	

ACCEPTANCE BLOCK  
THE CITY OF OURAY REVIEW CONSTITUTES GENERAL COMPLIANCE WITH THE CITY DEVELOPMENT STANDARDS SUBJECT TO THEIR PLANS BEING REVIEWED, BIDDING AND GATED BY THE PROFESSIONAL OF RECORD. REVIEW BY THE CITY DOES NOT CONSTITUTE APPROVAL OF THE PLAN DESIGN. THE CITY NEITHER ACCEPTS NOR ASSUMES ANY LIABILITY FOR ERRORS OR OMISSIONS. ERRORS IN THE DESIGN OR CALCULATIONS REMAIN THE RESPONSIBILITY OF THE PROFESSIONAL OF RECORD. CONSTRUCTION MUST COMMENCE WITHIN ONE YEAR FROM THE DATE OF PLAN SIGNATURE.

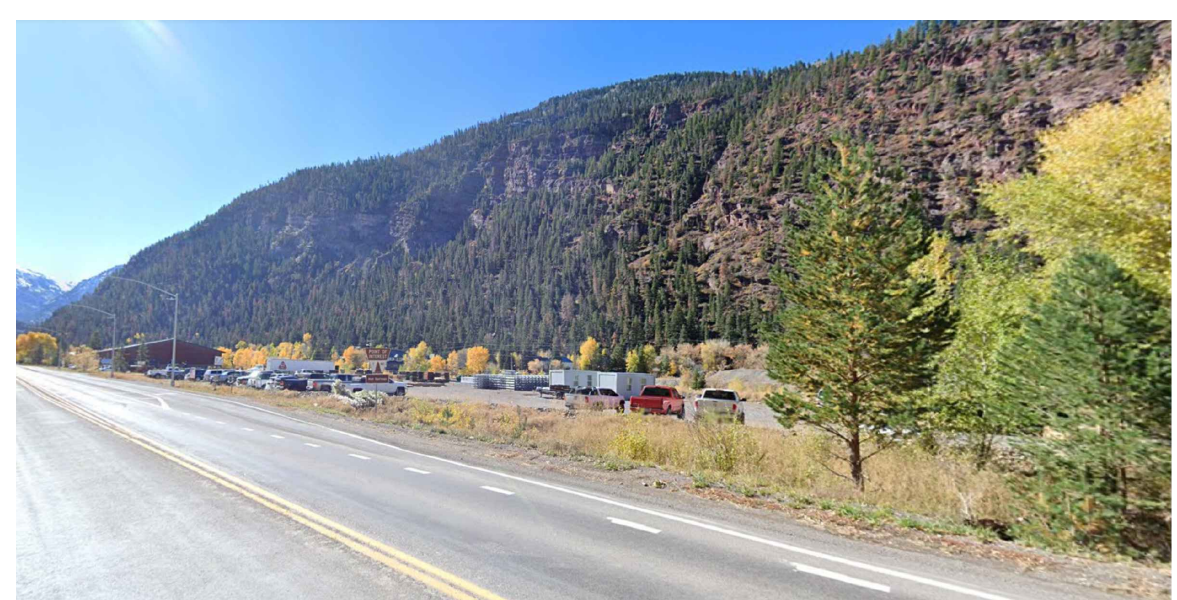
CITY PLANNER \_\_\_\_\_ DATE \_\_\_\_\_

Sheet Title:  
**Preliminary Landscape Plan**

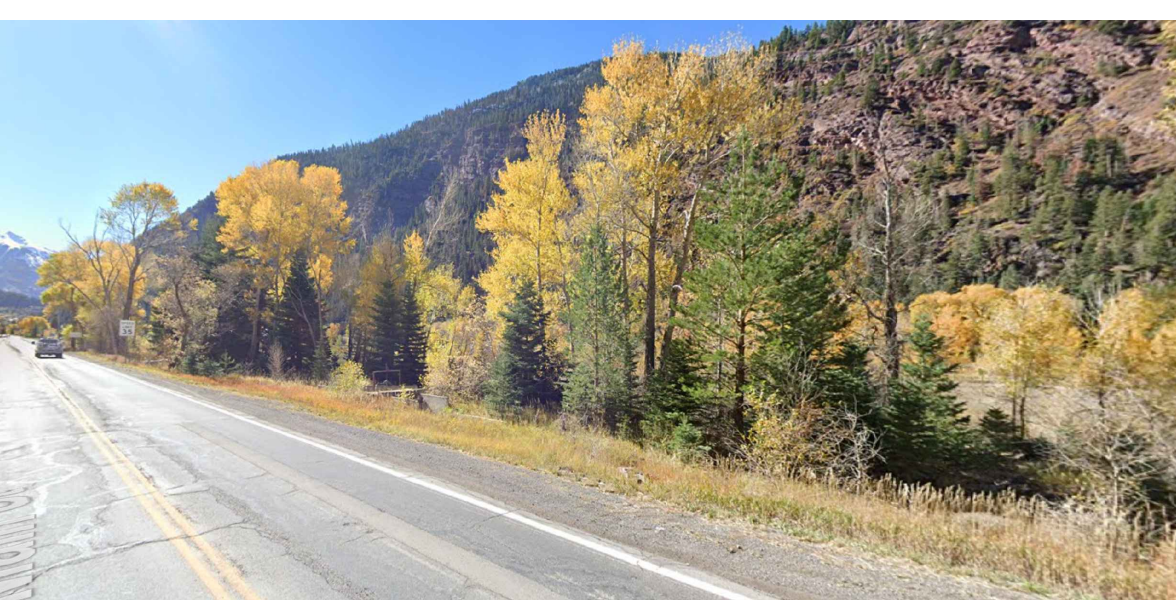
Project: Ouray Waterview  
Date: September 5, 2023  
Scale: 1" = 60'



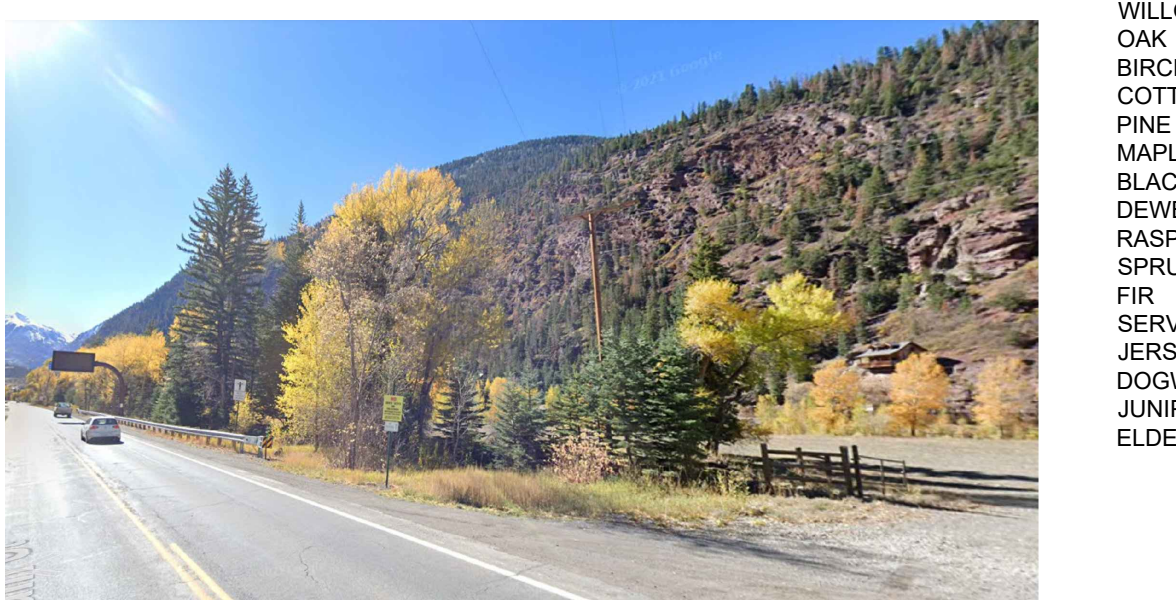
**1** View 1 - Existing Condition



**2** View 2 - Existing Condition



**3** View 3 - Existing Condition



**4** View 4 - Existing Condition

**Preliminary**  
Not For Construction

COPYRIGHT NOTICE: This drawing is an instrument of service and is the property of Nvision Design Studio, Inc. No reproduction of this sheet in whole or part, for this or any other project, shall be done without authorization from Nvision Design Studio, Inc.

## Future Agenda Items/Work Sessions

- Adoption of Final FEMA Flood Insurance Rate Map
- Land Use and Sign Codes Work Session
- Affordable Housing EQR Utility Offset Program
- Housing Committee Formation for Rural Homes, LLC (Deed Restriction Exceptions) – On Agenda with Future Development Agreement
- Adopt Updated Zoning Map (Overlay District) with Land Use Code Update
- Alcohol at the pool (Delayed Until Alternative Heat Source Report Decision)
- (Non-Land Use) Code Revisions
- Additional Fee & Fine Schedules
- Workforce & Attainable Housing
- Alcohol – Entertainment/Consumption District on Main Street (In discussions)
- Water Conservation Incentive
- OIPI Water Use Agreement
- Dark Sky Ordinance
- Huckstering Permit Re-examine Permit and Fees
- Parking Study by Engineer - Add to 2024 Budget
- Short-Term Parking Signs Resolution (Staff Creating List)