**AGENDA**
**OURAY CITY COUNCIL**

**Tuesday, January 16, 2024 - 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. 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, Ouray Economic Development Committee, Beautification Committee, Tourism Advisory Committee, Main Streets 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. APPROVAL OF MINUTES - January 2, 2024 Meeting
5. CITIZENS' COMMUNICATION
6. CITY COUNCIL REPORTS/INFORMATION - Tamara Gulde, Peggy Lindsey, Michael Underwood, Josh Smith, and Ethan Funk
7. DEPARTMENT REPORTS
    a. City Administrator
    b. Director of Finance and Administration
    c. Information Technology Director
    d. Communications and Community Engagement Coordinator
8. ACTION ITEMS
    a. Ouray Housing Needs Analysis and Strategy
    b. City of Ouray Development Agreement - Ouray Homes, LLC (Waterview PUD)
    c. Ouray Waterview PUD Affordable Housing Regulations and Guidelines
    d. Deed Restriction and Covenant Agreement for Ouray Waterview Homes PUD
    e. Professional Services Agreement with PST Engineering for the CDOT Main Streets Project
    f. Annual Memorandum of Understanding (MOU) Between Ouray County and City of Ouray
    g. Ann Fellin Application for Appointment to the Tourism Advisory Committee (TAC) Event Planning/Coordination Position (Appointment to January 2026)
9. DISCUSSION ITEMS
    a. City of Ouray Housing Committee Creation Discussion per Ouray Waterview PUD Regulations and Guidelines
    b. Future Agenda Items
10. ADJOURNMENT

# Ouray City Council Regular Meeting

Tuesday, January 2, 2024 6:00 PM
Ouray Community Center, 320 6th Ave, Ouray, CO 81427

| | |
|---|---|
| Ethan Funk: | Present |
| Tamara Gulde: | Present |
| Peggy Lindsey: | Present |
| Josh Smith: | Present |
| Michael Underwood: | Present |

Also present were: City Administrator Silas Clarke, Finance and Administration Director Melissa Drake (via Zoom), Public Works Director Joe Coleman, City Resources Director Rick Noll, Police Chief Jeff Wood, Tourism and Destination Marketing Director Kailey Rhoten, 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 - Recognition of Jeff Skoloda's Service on the Planning Commission**

*Mayor Funk presented a plaque to Jeff Skoloda for his 20 years on Planning Commission.*

5. **APPROVAL OF MINUTES - December 18, 2023 Meeting**

Motion to approve minutes as presented. This motion, made by Tamara Gulde and seconded by Peggy Lindsey, Carried.
Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, Michael Underwood: Yea

6. **CITIZENS' COMMUNICATION**

*Mayor Funk opened the floor for public comment. Since there were no comments, Mayor Funk closed the floor.*

7. **CITY COUNCIL REPORTS/INFORMATION - Tamara Gulde, Peggy Lindsey, Michael Underwood, Josh Smith, and Ethan Funk**

*Councilor Gulde - The IPAT meeting is happening tomorrow night. The next OEDC meeting will be on January 11th. The "All In" Ice Fest is happening this weekend. The OIPI public meeting will be at 6pm on January 17th. Ice Fest will be Jan 18-21st. TAC meeting will be January 16th at 4:30. Attended the Ice Park Guides meeting on December 19th.*
*Councilor Lindsey - nothing to report. The next Beautification Committee meeting is tomorrow morning.*
*Councilor Underwood - nothing to report. His first OEDC meeting will be on January 11th.*
*Mayor Pro Tem Smith - nothing to report. Meeting at All Points Transit on Thursday to talk about bus graphics, stops and schedule. Reviewed RFQs submitted for CDOT's Main Street Grant, requested a proposal from one company.*

*Mayor Funk - attended Firemen's Pension Board. The board will meet again in around 3 months to look at adjusting the monthly payment.*

8. **DEPARTMENT REPORTS**

a. City Administrator

*Mr. Clarke gave an overview of his report. Chris Mosley asked if there was going to be a Zoom option for the Community Meeting. Mr. Clarke said the plan is currently not to hold the meeting on Zoom, but that could change.*

b. Police Chief

*Chief Wood read his department report. Councilor Underwood asked about the status of hiring the new officer. Chief Wood said he received two applications and has asked HR to extend the job opening to get more candidates.*

c. Fire Chief

*Report in packet.*

d. Public Works Director

*Water treatment facility building was erected and is about 95% completed. Wastewater treatment equipment is being installed in the building. The facility is on schedule to begin operating in March, getting it up to 100% operational by June. Mr. Clarke said he wants the council to tour both facilities in the near future. Mayor Funk asked how the staff training was going for operating the new wastewater plant. Mr. Coleman said there are two certified operators right now, and employees can operate the plants while reporting to the certified operators. The Utilities Operator position needs to be filled to be in the best position for operating the new plants.*

e. City Resources Director

*Mr. Noll reported that there were 37 applicants for the open Parks position, but probably only 4 truly viable candidates. The San Juan room partition has been installed, but needs some work to be operational. The contractor made a mistake with the measurements and they will resolve. There were 50 participants in the polar plunge at the Hot Springs on January 1st. Councilor Lindsey asked if the fence above the fishpond could be moved to make more room for parking along Main St.*

f. Tourism and Destination Marketing Director

*Ms. Rhoten announced the Visitors Center's new hours: 10 am - 3 pm. The new app is live on Apple and Android platforms.*

9. **CONSENT AGENDA**

- **Reappointment of Keven Schiffer to the OEDC**
- **Reappointment of Ronnie Hineline to the OEDC**
- **Reappointment of Jason Perkins to the TAC**
- **Reappointment of Glenn Boyd to the Main Streets Committee**
- **Reappointment of Trisha Johnson to the Main Streets Committee**

Motion to approve Consent Agenda. This motion, made by Peggy Lindsey and seconded by Tamara Gulde, Carried.
Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, Michael Underwood: Yea

10. **ACTION ITEMS**

a. Resolution 1, Series 2024 - Official Posting Place for 2024

Motion to approve Resolution 1, Series 2024. This motion, made by Josh Smith and seconded by Michael Underwood, Carried.
Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, Michael Underwood: Yea

b. Resolution 2, Series 2024 - Mill Levy

Motion to approve Resolution 2, Series 2024. This motion, made by Peggy Lindsey and seconded by Tamara Gulde, Carried.
Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, Michael Underwood: Yea

c. Letter of Support to Town of Ridgway for Shipping Container Public Safety Training Structure

*Mayor Funk explained that the Technical College of the Rockies is donating a container structure to Ridgway, and the letter encourages the Ridgway Town Council to approve the structure to be placed in town.*

Motion to approve the letter of support to the Town of Ridgway for the Shipping Container training structure. This motion, made by Tamara Gulde and seconded by Josh Smith, Carried.
Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, Michael Underwood: Yea

d. Consideration of Request from the Ouray Firemen's Pension Board to Increase the Budget Allocation from $25,000 to $31,582 for the City's Contribution to the Pension Fund

Motion to increase budget allocation to Firemen's Pension to $31,582. This motion, made by Peggy Lindsey and seconded by Michael Underwood, Carried.
Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, Michael Underwood: Yea

e. Representation and Attorney Fee Agreement with Viner Law

Motion to approve the Attorney Fee agreement. This motion, made by Peggy Lindsey and seconded by Josh Smith, Carried.
Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, Michael Underwood: Yea

11. **DISCUSSION ITEM - Future Agenda Items**

12. **ADJOURNMENT**

Motion to adjourn at 7:12 pm. This motion, made by Peggy Lindsey and seconded by Josh Smith, Carried.
Ethan Funk: Yea, Tamara Gulde: Yea, Peggy Lindsey: Yea, Josh Smith: Yea, Michael Underwood: 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 Tuesday, January 2, 2024. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this Tuesday, January 2, 2024.

_____

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 January 16, 2024**
**City Council Jan. 1 - 12, 2024**

**OIPI Canyon Creek Water Supply Update:**

SMPA, Peter O'Neil, and I met on site to determine the best location for the electrical power to be installed for the new pump in Canyon Creek to supply the Ice Park starting next season. An easement to SMPA from the City to run electrical in and along Box Canon road will be necessary. The City will be working very closely with the OIPI contractor to ensure the digging takes place before Box Canon opens and the road is put back in the current condition. OIPI is financially responsible for this project. It will be a huge improvement for the Ice Park to have their own water supply.

**CAST Housing Task Force:**

The CAST Housing Task Force, which I am a member of, met on January 8th, 2024 to further discuss state legislation for the year. According to Margaret Bowes, CAST Executive Director, she has been told that a great deal of correspondence has been received concerning the Short-Term Rental (STR) property tax assessment reclassification by the legislators. At this time it is not believed that the proposed bill will get out of committee. Since we are a home rule City and our voters have already adopted an excise tax on STR's, I will remain on top of this bill due to the potential burden on our property owners.

**Jacobson Land Agreement:**

I am waiting on the Boundary Line adjustment survey and once received, an application will be submitted to Ouray County for review by the BOCC.

**City's Geothermal Water Sources and Community Discussion:**

Community Discussion for all that would like to attend on January 30th at 6:00 pm concerning the City's geothermal water resources. The discussion will take place in the Community Center and everyone is invited. I will start with a short presentation on our geothermal water sources and then host at least an hour of questions and answers.

**City Audit:**

The City has received a draft audit from Blair and Associates, P.C. A presentation to Council will be scheduled very soon for review and adoption.

**Trash and Recycling Request for Proposal (RFP):**

The City sent out the Refuse and Recycling RFP on January 5, 2024 to four area providers and posted online. Bids are due on January 22, 2024. So far two providers have expressed interest in providing a bid.

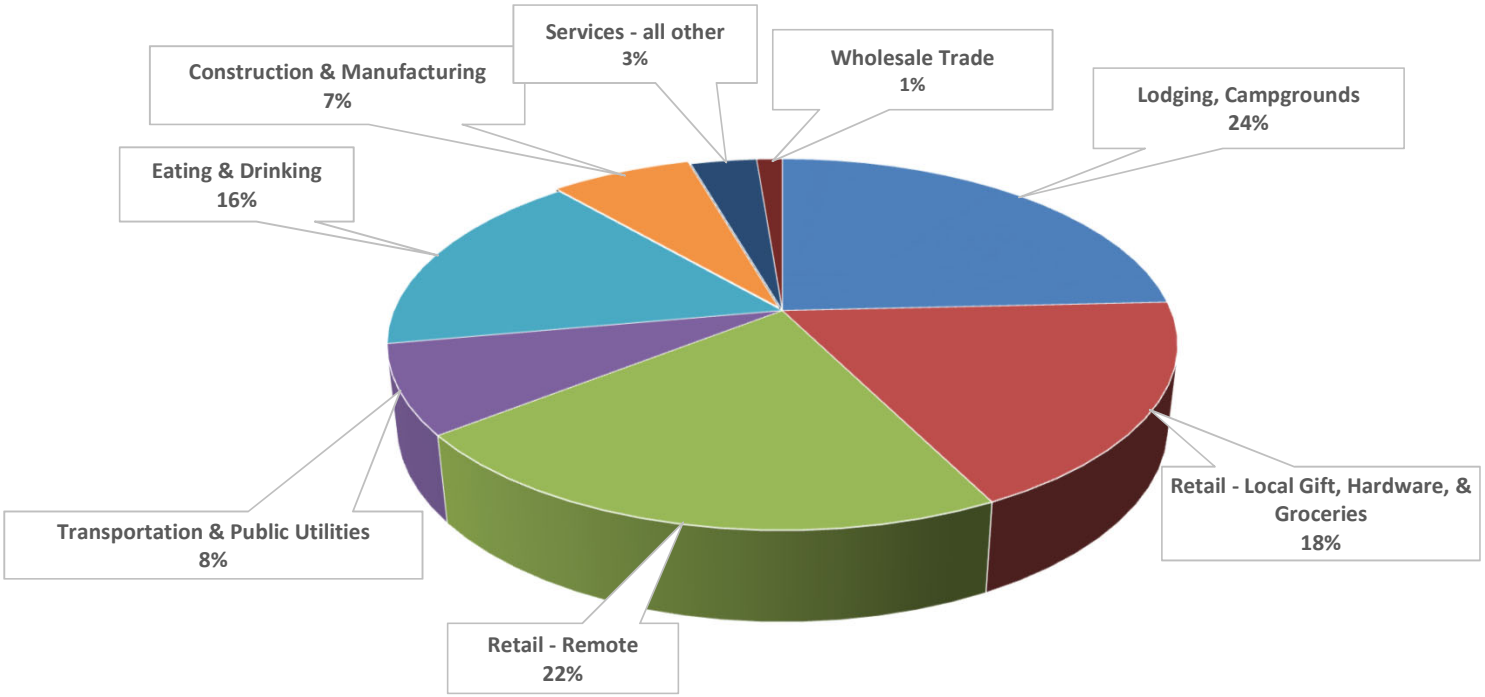
**Council Retreat: Legal Discussion & Master Parks Plan Strategic Plan:**

Council retreat is set for January 22, 2024 from 10:00 am to 2:00 pm.

**City Managers Meeting:**

Thank you to the City Manager and Assistant City Manager of Montrose for hosting a regional City Manager's meeting last week. There were over 20 City Managers in attendance and this was a great opportunity for us to discuss local issues and solutions. We are planning to hold a similar meeting three times per year, with the next taking place in Telluride in May.

# City of Ouray
# November 2023 Sales Tax Revenues by Business Category
# (received in January 2024)

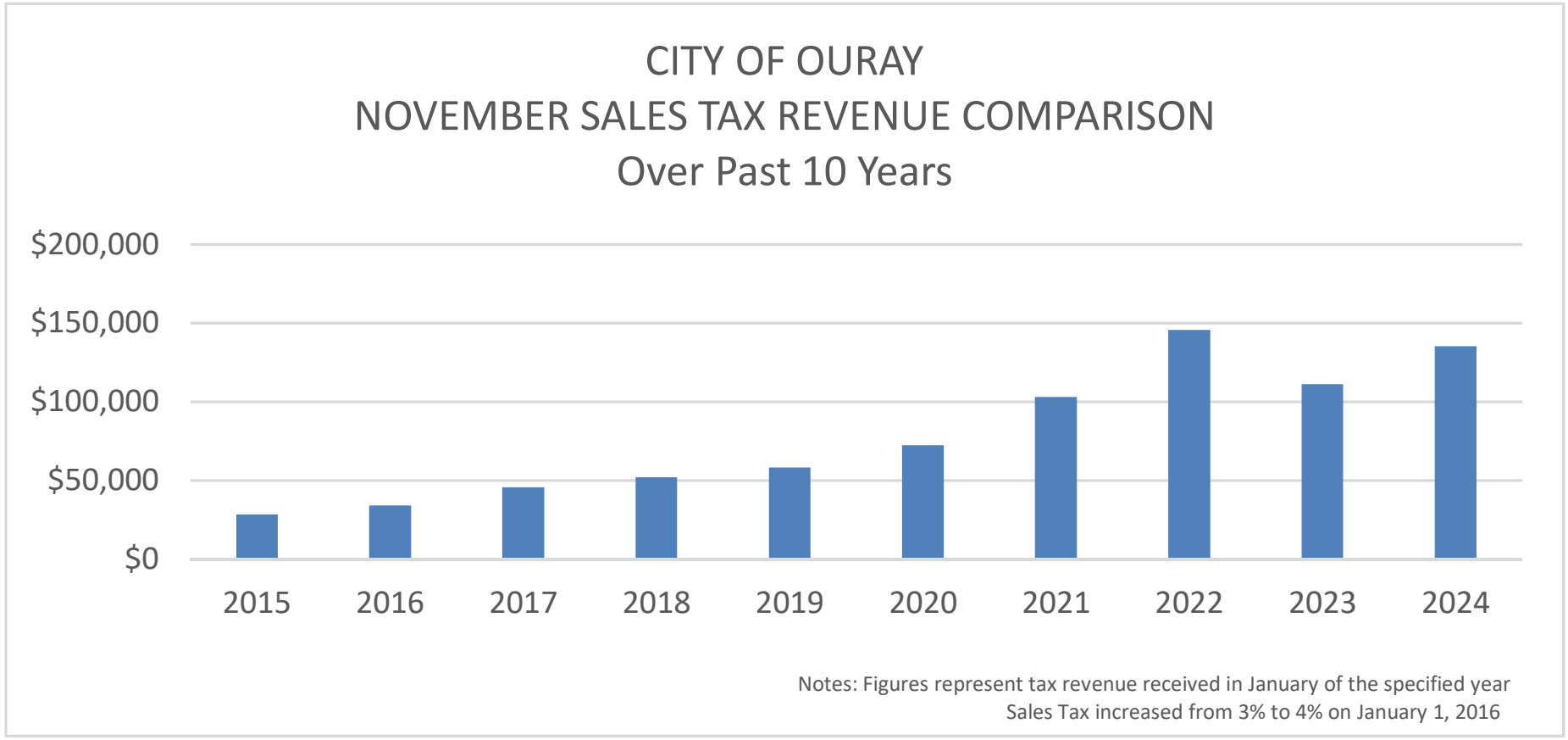


**CITY OF OURAY**

**2024 MONTHLY SALES TAX REVENUES BY BUSINESS CATEGORY**

(1) Month tax received from State of Colorado, representing sales from two months earlier (e.g. tax shown as APRIL is mostly from FEBRUARY)

| 2024 SALES TAX REVENUES BY BUSINESS CATEGORY | | | | | | | |
|---|---|---|---|---|---|---|---|
| (1) | Funds received by City in: July (mostly re: May) | | | | | | |
| Business Category | January | February | March | April | May | June | |
| | | | | | | | |
| Lodging, Campgrounds | $ 32,828.21 | | | | | | |
| Retail - Local Gift, Hardware, & Groceries | $ 24,774.67 | | | | | | |
| Retail - Remote | $ 29,570.18 | | | | | | |
| Transportation & Public Utilities | 10,498.73 | | | | | | |
| Eating & Drinking | 22,336.34 | | | | | | |
| Construction & Manufacturing | 9,316.95 | | | | | | |
| Services - all other | 4,352.93 | | | | | | |
| Wholesale Trade | 1,696.14 | | | | | | |
| | | | | | | | |
| **TOTAL** | **$ 135,374.15** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | |
| | | | | | | | |
| Business Category | July | August | September | October | November | December | Year-to-date |
| | | | | | | | |
| Lodging, Campgrounds | | | | | | | $ 32,828.21 |
| Retail - Local Gift, Hardware, & Groceries | | | | | | | $ 24,774.67 |
| Retail - Remote | | | | | | | $ 29,570.18 |
| Transportation & Public Utilities | | | | | | | 10,498.73 |
| Eating & Drinking | | | | | | | 22,336.34 |
| Construction & Manufacturing | | | | | | | 9,316.95 |
| Services - all other | | | | | | | 4,352.93 |
| Wholesale Trade | | | | | | | 1,696.14 |
| | | | | | | | |
| **TOTAL** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | $ 135,374.15 |


CITY OF OURAY
NOVEMBER SALES TAX REVENUE COMPARISON
Over Past 10 Years
$200,000
$150,000
$100,000
$50,000
$0
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Notes: Figures represent tax revenue received in January of the specified year
Sales Tax increased from 3% to 4% on January 1, 2016

**CITY OF OURAY**

**SALES TAX REVENUES BY BUSINESS CATEGORY 2015-2024**

SALES TAX REVENUES BY BUSINESS CATEGORY

| Business Category | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| Lodging,campgrnds. | $ 4,914.20 | $ 5,328.09 | $ 10,361.30 | $ 10,674.08 | $ 13,666.95 | $ 15,650.17 | $ 26,010.45 | $ 36,442.44 | $ 26,318.81 | $ 32,828.21 |
| Retail - Local Gift, Hardware, & Groceries | | | | | | 13,822.47 | 21,286.27 | $ 31,458.66 | $ 23,149.55 | $ 24,774.67 |
| Retail - Remote | | | | | | 20,761.13 | 22,394.45 | $ 37,822.36 | $ 24,538.24 | $ 29,570.18 |
| Retail - groceries,liquor, candy, hardw | 5,225.22 | 8,068.21 | 8,902.38 | 12,108.96 | 16,774.84 | | | | | |
| Retail - gift, souvenir, variety, books | 1,859.85 | 1,976.90 | 3,445.41 | 3,324.04 | 3,733.10 | | | | | |
| Trans & Pub. Util. | 5,995.98 | 5,172.03 | 6,444.27 | 6,524.03 | 6,945.48 | 4,153.41 | 8,743.59 | 10,595.57 | 11,808.23 | 10,498.73 |
| Eating & Drinking | 4,226.04 | 9,017.29 | 9,111.37 | 11,347.37 | 9,178.32 | 12,366.72 | 21,469.16 | 18,180.96 | 18,958.81 | 22,336.34 |
| Const. & Manufacturing | 3,209.37 | 3,437.62 | 4,537.74 | 5,465.10 | 6,376.27 | 4,386.21 | 651.34 | 7,699.75 | 2,164.96 | 9,316.95 |
| Services - all other | 1,617.38 | 752.02 | 1,885.85 | 2,241.56 | 992.42 | 774.99 | 1,978.85 | 1,736.77 | 2,857.90 | 4,352.93 |
| Finance, Ins. Real Estate | 1,520.64 | 598.75 | 1,101.29 | 382.25 | 595.19 | | | | | |
| Wholesale Trade | (129.12) | 32.11 | 81.66 | 153.54 | 186.47 | 683.11 | 755.57 | 1,723.78 | 1,352.95 | 1,696.14 |
| Mining | - | | | | | | | | | |
| All Other | 42.75 | - | - | | | | | | | |
| **TOTAL** | **$ 28,482.31** | **$ 34,383.02** | **$ 45,871.27** | **$ 52,220.93** | **$ 58,449.04** | **$ 72,598.21** | **$ 103,289.68** | **$ 145,660.29** | **$ 111,149.45** | **$ 135,374.15** |
| | | | | | $3,828.15 out-of-period | $8,419.61 out-of-period | $11,188.12 out-of-period | $15,524.99 out-of-period | $2,037.68 out-of-period | $4,807.32 out-of-period |

# Year to Date Sales Tax Comparison

| | | | Percentage Change from 2022 |
|---|---|---|---|
| November 2022 Activity | $ | 111,149.45 | |
| November 2023 Activity | $ | 135,374.15 | **21.79%** |
| | | | |
| Jan-Nov 2022 Activity | $ | 2,732,879.40 | |
| Jan-Nov 2023 Activity | $ | 2,903,711.73 | **6.25%** |

## Ouray Lodging Occ. Tax Collection Summary

| ROOMS | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 23 vs 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Month | | | | | | | | | | | |
| January | 4349 | 5712 | 5826 | 5113 | 5782 | 6196 | 6245 | 5936 | 7718 | 7609 | -1.41% |
| February | 3874 | 4816 | 5226 | 4509 | 5085 | 5593 | 4641 | 7189 | 7776 | 5906 | -24.05% |
| March | 2949 | 3394 | 3638 | 3499 | 4763 | 4152 | 1952 | 6993 | 6782 | 7341 | 8.24% |
| April | 1836 | 2236 | 2660 | 2411 | 3080 | 2857 | 32 | 4941 | 4172 | 3836 | -8.05% |
| May | 4149 | 5047 | 5850 | 5939 | 7396 | 7894 | 3111 | 11093 | 10002 | 9560 | -4.42% |
| June | 10718 | 12015 | 13521 | 14494 | 14578 | 15026 | 12736 | 17520 | 16180 | 17231 | 6.50% |
| July | 17248 | 19171 | 19960 | 20248 | 19802 | 19482 | 20444 | 20509 | 16551 | 19482 | 17.71% |
| August | 15198 | 16477 | 16949 | 17344 | 17613 | 18629 | 16919 | 20798 | 17825 | 18657 | 4.67% |
| September | 13377 | 15478 | 16149 | 16526 | 17743 | 18498 | 17564 | 13517 | 18930 | 17920 | -5.34% |
| October | 6450 | 7937 | 7691 | 7762 | 7462 | 9407 | 12877 | 12038 | 12080 | 12388 | 2.55% |
| November | 1936 | 2141 | 2113 | 2674 | 2856 | 3237 | 3864 | 3199 | 3196 | 3663 | 14.61% |
| December | 3696 | 3656 | 3382 | 4226 | 5038 | 4268 | 5153 | 5237 | 3998 | | |
| | | | | | | | | | | | |
| Total Rooms | 85780 | 98080 | 102965 | 104745 | 111198 | 115239 | 105538 | 128970 | 125210 | 123593 | |

| DOLLARS | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| January | $11,848 | $15,867 | $15,819 | $13,795 | $16,294 | $22,444 | $25,204 | $27,107 | $29,038 | $36,828 | 26.83% |
| February | $10,430 | $12,468 | $13,908 | $12,648 | $14,021 | $19,580 | $18,464 | $28,191 | $36,284 | $30,377 | -16.28% |
| March | $7,945 | $9,240 | $9,505 | $9,529 | $12,884 | $14,526 | $6,834 | $27,858 | $30,334 | $30,554 | 0.72% |
| April | $4,975 | $5,701 | $6,633 | $6,294 | $8,090 | $8,312 | $107 | $18,324 | $18,466 | $17,063 | -7.60% |
| May | $11,357 | $13,876 | $15,372 | $15,734 | $19,031 | $22,068 | $7,922 | $41,033 | $43,131 | $39,992 | -7.28% |
| June | $28,419 | $31,431 | $34,498 | $36,654 | $36,236 | $62,392 | $51,634 | $100,852 | $98,839 | $107,693 | 8.96% |
| July | $44,740 | $47,884 | $49,767 | $50,344 | $49,371 | $110,244 | $114,230 | $138,864 | $131,139 | $142,596 | 8.74% |
| August | $40,035 | $41,643 | $41,801 | $42,090 | $43,236 | $90,952 | $92,809 | $127,157 | $122,778 | $127,552 | 3.89% |
| September | $35,960 | $40,336 | $41,704 | $41,965 | $44,480 | $79,505 | $93,050 | $98,575 | $119,099 | $118,814 | -0.24% |
| October | $17,556 | $21,385 | $20,717 | $20,355 | $19,711 | $37,511 | $60,690 | $54,480 | $74,824 | $74,823 | 0.00% |
| November | $5,092 | $5,136 | $5,802 | $7,079 | $7,000 | $10,367 | $15,399 | $14,134 | $14,566 | $15,398 | 5.72% |
| December | $9,918 | $9,571 | $9,590 | $11,882 | $13,622 | $17,593 | $24,892 | $29,038 | $23,554 | | |
| | | | | | | | | | | | |
| Total Dollars | $228,275 | $254,538 | $265,116 | $268,369 | $283,976 | $495,494 | $511,234 | $705,613 | $742,052 | $741,690 | |

Data represents rooms and dollars for month in which lodging activity occurred.
LOT report and payment are due by 20th of following month.
"ROOMS" data includes exempt rooms.

**OURAY LODGING OCCUPANCY TRENDS**

Based on Lodging Occupation Tax Collections

| | 2021 | | | | 2022 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Avail. Rooms | Rooms Rented | Occ.% | *Exempt Rooms* | Avail. Rooms | Rooms Rented | Occ.% | *Exempt Rooms* | Avail. Rooms | Rooms Rented | Occ.% | *Exempt Rooms* |
| | + RVs, Unfurnished Cabins | | | | + RVs, Unfurnished Cabins | | | | + RVs, Unfurnished Cabins | | | |
| January | 16357 | 5936 | 36.3% | *61* | 17411 | 5237 | 30.1% | *0* | 20375 | 7609 | 37.3% | *469* |
| February | 17752 | 7189 | 40.5% | *209* | 16580 | 7776 | 46.9% | *0* | 17183 | 6062.36 | 35.3% | *386* |
| March | 18804 | 6993 | 37.2% | *364* | 17657 | 6782 | 38.4% | *7* | 19519 | 7341 | 37.6% | *341* |
| April | 16716 | 4941 | 29.6% | *191* | 16620 | 4172 | 25.1% | *31* | 18168 | 3836 | 21.1% | *0* |
| May | 20240 | 11093 | 54.8% | *213* | 21206 | 10002 | 47.2% | *57* | 21360 | 9560 | 44.8% | *110* |
| June | 21576 | 17520 | 81.2% | *88* | 20577 | 16180 | 78.6% | *13* | 21111 | 17231 | 81.6% | *122* |
| July | 22375 | 20509 | 91.7% | *121* | 20677 | 16551 | 80.0% | *432* | 21195 | 19482 | 91.9% | *499* |
| August | 23292 | 20798 | 89.3% | *215* | 21613 | 17825 | 82.5% | *53* | 21504 | 18657 | 86.8% | *481* |
| September | 19088 | 13517 | 70.8% | *209* | 21327 | 18930 | 88.8% | *47* | 20666 | 17920 | 86.7% | *413* |
| October | 17778 | 12038 | 67.7% | *95* | 20398 | 12080 | 59.2% | *10* | 20094 | 12388 | 61.7% | *261* |
| November | 13529 | 3199 | 23.6% | *54* | 15776 | 3196 | 20.3% | *260* | 16222 | 3663 | 22.6% | *254* |
| December | 17411 | 5237 | 30.1% | *12* | 17828 | 5050 | 28.3% | *4* | | | | |
| | | | | | | | | | | | | |
| Total | 224918 | 128970 | 57.3% | *1832* | 227670 | 123781 | 52.1% | *914* | 217397 | 123749.36 | 55.2% | *3336* |

Data represents rooms for month in which lodging activity occurred.
LOT report and payment are due by 20th of following month.
"Rooms Rented" columns includes exempt rooms.
"*Exempt Rooms*" columns are for memo purposes only.

# 2023 Lodging Occupation Tax, By Business Category

| AVAILABLE ROOMS | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | |
| Hotel, Motel | 12,801 | 10,598 | 12,345 | 12,187 | 12,740 | 12,411 | 12,148 | 12,365 | 11,699 | 12,082 | 9,865 | | 131,241 |
| Bed and Breakfast | 1,072 | 996 | 719 | 616 | 890 | 1,080 | 1,236 | 1,234 | 1,079 | 1,085 | 717 | | 10,724 |
| House, Townhouse, Condo (1) | 3,929 | 3,265 | 3,882 | 2,875 | 3,142 | 3,180 | 3,223 | 3,317 | 3,448 | 3,379 | 3,150 | | 36,790 |
| RV Space, Unfurnished Cabin | 2,573 | 2,324 | 2,573 | 2,490 | 4,588 | 4,440 | 4,588 | 4,588 | 4,440 | 3,548 | 2,490 | | 38,642 |
| | | | | | | | | | | | | | |
| **Total Rooms** | 20,375 | 17,183 | 19,519 | 18,168 | 21,360 | 21,111 | 21,195 | 21,504 | 20,666 | 20,094 | 16,222 | - | 217,397 |
| | | | | | | | | | | | | Prior YTD | 203,640 |

.

| ROOMS RENTED | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | |
| Hotel, Motel | 5,130 | 4,327 | 5,379 | 2,923 | 5,589 | 10,505 | 11,580 | 11,118 | 10,611 | 8,035 | 2,562 | | 77,759 |
| Bed and Breakfast | 413 | 235 | 226 | 116 | 237 | 720 | 1,037 | 990 | 926 | 607 | 116 | | 5,623 |
| House, Townhouse, Condo (1) | 1,171 | 845 | 1,015 | 247 | 648 | 1,852 | 2,299 | 2,109 | 2,135 | 1,429 | 525 | | 14,275 |
| RV Space, Unfurnished Cabin | 895 | 655 | 721 | 550 | 3,086 | 4,154 | 4,566 | 4,440 | 4,248 | 2,317 | 460 | | 26,092 |
| | | | | | | | | | | | | | |
| **Total Rooms** | 7,609 | 6,062 | 7,341 | 3,836 | 9,560 | 17,231 | 19,482 | 18,657 | 17,920 | 12,388 | 3,663 | - | 123,749 |
| | | | | | | | | | | | | Prior YTD | 114,758 |

| DOLLARS | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | - |
| Hotel, Motel | $ 24,080.77 | $ 21,586.54 | $ 21,327.32 | $ 14,082.17 | $ 30,243.51 | $ 71,899.41 | $ 93,295.59 | $ 86,236.42 | $ 78,491.47 | $ 52,899.06 | $ 11,146.86 | | $ 505,289.12 |
| Bed and Breakfast | $ 2,078.19 | $ 1,506.37 | $ 1,231.12 | $ 540.46 | $ 1,445.62 | $ 5,287.90 | $ 8,708.79 | $ 8,151.07 | $ 7,988.00 | $ 4,393.54 | $ 615.89 | | $ 41,946.95 |
| House, Townhouse, Condo (1) | $ 9,520.90 | $ 6,630.79 | $ 6,889.70 | $ 1,537.72 | $ 5,052.90 | $ 21,322.57 | $ 29,744.64 | $ 23,183.87 | $ 23,342.15 | $ 12,817.13 | $ 3,099.00 | | $ 143,141.37 |
| RV Space, Unfurnished Cabin | $ 1,147.90 | $ 652.97 | $ 1,105.79 | $ 903.05 | $ 3,249.55 | $ 9,183.11 | $ 10,847.11 | $ 9,981.09 | $ 8,992.57 | $ 4,712.96 | $ 536.67 | | $ 51,312.77 |
| | | | | | | | | | | | | | |
| **Total Dollars** | $ 36,827.76 | $ 30,376.67 | $ 30,553.93 | $ 17,063.40 | $ 39,991.58 | $ 107,692.99 | $ 142,596.13 | $ 127,552.45 | $ 118,814.19 | $ 74,822.69 | $ 15,398.42 | $ - | $ 741,690.21 |
| | | | | | | | | | | | | Prior YTD | 700,206.15 |

(1) For a property that is marketed as a stand-alone short-term rental, for which there are no hotel/motel ammenities offered.
Data represents rooms for month in which lodging activity occurred.
LOT report and payment are due by 20th of following month.
"Rooms Rented" columns includes exempt rooms.

| Activity Month | 2022 | 2023 | % Change from 2022 | YTD % Change |
|---|---|---|---|---|
| January | $ 27,661.19 | $ 37,085.48 | 34.1% | 34.1% |
| February | $ 32,883.88 | $ 27,662.57 | -15.9% | 6.9% |
| March | $ 28,220.99 | $ 23,074.54 | -18.2% | -1.1% |
| April | $ 7,217.41 | $ 6,674.51 | -7.5% | -2% |
| May | $ 23,933.67 | $ 21,653.38 | -9.5% | -3% |
| June | $ 72,625.26 | $ 84,017.25 | 15.7% | 4% |
| July | $ 109,220.30 | $ 128,885.01 | 18.0% | 9% |
| August | $ 90,863.82 | $ 98,893.03 | 8.8% | 9% |
| September | $ 83,065.86 | $ 91,323.31 | 9.9% | 9% |
| October | $ 41,028.93 | $ 55,622.15 | 35.6% | 11% |
| November | $ 9,274.82 | $ 13,037.45 | 40.6% | 12% |
| December | $ 29,333.34 | | | |
| **Grand Total** | **$ 555,329.49** | **$ 587,928.69** | | |

| Revenue by Fund | 2022 | YTD 2023 | Cumulative |
|---|---|---|---|
| **Affordable/Attainable Housing** | $ 277,664.74 | $ 293,964.34 | **$ 571,629.09** |
| **Water Capital Improvements** | $ 138,832.37 | $ 146,982.17 | **$ 285,814.54** |
| **Sewer Capital Improvements** | $ 138,832.37 | $ 146,982.17 | **$ 285,814.54** |
| **Cumulative Total Raised** | | | **$ 1,143,258.18** |

| Affordable Housing Revenue and Expenses | 2022 | YTD 2023 | Cumulative |
|---|---|---|---|
| **Total Raised** | $ 277,664.74 | $ 293,964.34 | **$ 571,629.09** |
| **Total Spent** | $ (110,000.00) | $ (61,747.19) | **$ (171,747.19)** |
| **Total Remaining** | $ 167,664.74 | $ 232,217.15 | **$ 399,881.90** |

| | |
|---|---|
| **Average 2023 YTD Income Reported Per Property** | **$ 36,791.55** |
| **Average 2023 YTD Excise Tax Paid Per Property** | **$ 5,518.73** |

| Check Date | Payee | Amount | Description |
|---|---|---|---|
| 4/20/2022 | Home Trust of Ouray County | $ 10,000.00 | 2022 Operating funds |
| 1/4/2023 | Home Trust of Ouray County | $ 100,000.00 | 734 4th St |
| 2/1/2023 | Home Trust of Ouray County | $ 20,000.00 | 2023 Operating funds |
| 4/26/2023 | Economic & Planning Systems Inc | $ 3,847.50 | Housing needs analysis |
| 5/24/2023 | Economic & Planning Systems Inc | $ 3,505.00 | Housing needs analysis |
| 6/7/2023 | Buckhorn Engineering | $ 3,426.25 | Cascade Park Geohazard Assessment |
| 7/5/2023 | Economic & Planning Systems Inc | $ 1,557.50 | Housing needs analysis |
| 8/2/2023 | Economic & Planning Systems Inc | $ 7,692.50 | Housing needs analysis |
| 9/6/2023 | Buckhorn Engineering | $ 6,293.75 | Cascade Park Geohazard Assessment |
| 9/27/2023 | Economic & Planning Systems Inc | $ 4,237.50 | Housing needs analysis |
| 11/1/2023 | Economic & Planning Systems Inc | $ 1,930.00 | Housing needs analysis |
| 11/29/2023 | Economic & Planning Systems Inc | $ 9,257.19 | Housing needs analysis |

## City of Ouray Hot Springs Pool and Fitness Center - Visitor and Revenue Trends

**(Source: Point of Sale Software)**

| VISITORS | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | % change from 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| January | 7,496 | 9,160 | 9,287 | 36 | 9,392 | 8,553 | 8,149 | 4,961 | 5,258 | 6,871 | 30.68% |
| February | 6,177 | 7,158 | 9,095 | 13 | 7,342 | 5,970 | 7,836 | 4,824 | 6,660 | 5,599 | -15.93% |
| March | 7,832 | 10,045 | 10,087 | 58 | 10,468 | 9,118 | 3,638 | 7,697 | 8,621 | 7,148 | -17.09% |
| April | 4,277 | 5,691 | 6,195 | 16 | 7,048 | 5,481 | - | 7,104 | 5,249 | 4,693 | -10.59% |
| May | 10,040 | 11,798 | 12,065 | 2,984 | 13,346 | 11,397 | - | 11,580 | 9,549 | 10,602 | 11.03% |
| June | 18,294 | 20,970 | 22,404 | 18,175 | 24,764 | 24,525 | 1,540 | 25,977 | 20,156 | 23,206 | 15.13% |
| July | 29,009 | 32,485 | 36,116 | 37,483 | 35,943 | 36,986 | 6,416 | 30,994 | 26,286 | 32,117 | 22.18% |
| August | 21,625 | 22,377 | 22,353 | 25,486 | 23,936 | 23,274 | 12,622 | 22,179 | 19,101 | 21,170 | 10.83% |
| September | 10,617 | 14,334 | 9,258 | 16,065 | 16,397 | 14,833 | 11,946 | 13,612 | 14,652 | 15,634 | 6.70% |
| October | 6,473 | 7,360 | 62 | 9,834 | 8,771 | 9,596 | 10,699 | 9,368 | 10,135 | 11,035 | 8.88% |
| November | 6,576 | 6,878 | 49 | 7,077 | 7,043 | 6,920 | 4,644 | 6,782 | 5,354 | 6,326 | 18.15% |
| December | 7,158 | 7,646 | 47 | 10,753 | 9,046 | 8,174 | 4,439 | 6,317 | 6,510 | 8,152 | 25.22% |
| **TOTAL YEAR** | **135,574** | **155,902** | **137,018** | **127,980** | **173,496** | **164,827** | **71,929** | **151,395** | **137,531** | **152,553** | |

| REVENUE | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | % change from 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| January | $ 70,853.78 | $ 84,848.13 | $ 85,983.09 | $ 2,189.00 | $ 89,885.46 | $ 95,701.53 | $ 99,306.81 | $ 66,989.85 | $ 63,150.43 | $ 96,783.56 | 53.26% |
| February | $ 58,070.40 | $ 62,350.28 | $ 78,569.69 | $ 724.00 | $ 70,970.13 | $ 65,918.59 | $ 97,215.12 | $ 61,086.55 | $ 85,924.20 | $ 112,926.04 | 31.43% |
| March | $ 73,228.30 | $ 92,289.88 | $ 84,745.80 | $ 1,012.00 | $ 102,232.15 | $ 108,526.39 | $ 47,810.30 | $ 106,419.45 | $ 126,759.01 | $ 120,467.93 | -4.96% |
| April | $ 35,578.60 | $ 50,940.75 | $ 52,112.54 | $ 2,234.00 | $ 72,957.12 | $ 62,025.47 | $ - | $ 98,819.49 | $ 152,003.71 | $ 133,097.92 | -12.44% |
| May | $ 90,214.50 | $ 109,383.77 | $ 108,047.29 | $ 123,474.60 | $ 155,881.40 | $ 138,237.34 | $ - | $ 162,720.12 | $ 143,279.82 | $ 208,335.74 | 45.40% |
| June | $ 175,517.27 | $ 186,061.57 | $ 211,853.56 | $ 166,974.02 | $ 317,542.31 | $ 311,093.17 | $ 19,273.04 | $ 352,538.72 | $ 321,377.13 | $ 469,321.85 | 46.03% |
| July | $ 278,448.14 | $ 300,620.51 | $ 332,026.16 | $ 479,802.39 | $ 455,519.84 | $ 474,330.32 | $ 74,169.01 | $ 428,489.09 | $ 452,460.99 | $ 646,348.28 | 42.85% |
| August | $ 196,542.94 | $ 194,321.61 | $ 198,465.34 | $ 326,151.96 | $ 308,882.04 | $ 295,953.46 | $ 165,977.58 | $ 312,872.14 | $ 316,183.52 | $ 419,353.80 | 32.63% |
| September | $ 93,619.70 | $ 127,909.15 | $ 80,149.87 | $ 184,807.92 | $ 200,777.07 | $ 188,131.33 | $ 158,666.78 | $ 186,412.51 | $ 238,796.90 | $ 283,459.93 | 18.70% |
| October | $ 56,515.76 | $ 63,216.05 | $ 2,737.00 | $ 82,537.92 | $ 99,235.68 | $ 120,843.43 | $ 145,302.53 | $ 131,806.01 | $ 170,555.12 | $ 211,284.83 | 23.88% |
| November | $ 55,891.66 | $ 54,218.80 | $ 1,796.25 | $ 62,435.74 | $ 84,885.49 | $ 83,976.37 | $ 58,403.16 | $ 88,639.21 | $ 84,930.60 | $ 107,867.28 | 27.01% |
| December | $ 73,048.24 | $ 74,421.59 | $ 1,957.00 | $ 112,212.40 | $ 111,645.98 | $ 105,050.32 | $ 60,304.81 | $ 79,891.78 | $ 94,844.99 | $ 156,882.10 | 65.41% |
| **TOTAL YEAR** | **$ 1,257,529.29** | **$ 1,400,582.09** | **$ 1,238,443.59** | **$ 1,544,555.95** | **$ 2,070,414.67** | **$ 2,049,787.72** | **$ 926,429.14** | **$ 2,076,684.92** | **$ 2,250,266.42** | **$ 2,966,129.26** | |

# CITY OF OURAY VISITOR CENTER - REVENUE TRENDS

## REVENUES

| | 2022 | | 2023 | | | Incr./Decr. | 23 vs. 22 |
|---|---|---|---|---|---|---|---|
| | **Concessions** | **Non-Profit** | **Concessions** | **Non-Profit** | **OHV** | | |
| January | | | $ 228.95 | $ 53.00 | | $ 281.95 | |
| February | | | $ 150.89 | $ 85.95 | | $ 236.84 | |
| March | | | $ 395.38 | $ 4.00 | | $ 399.38 | |
| April | | | $ 403.25 | $ 2.00 | $ 50.50 | $ 455.75 | |
| May | | | $ 1,098.28 | $ 611.60 | $ 126.25 | $ 1,836.13 | |
| June | | | $ 1,627.77 | $ 690.75 | $ 202.00 | $ 2,520.52 | |
| July | $ 910.80 | $ 215.00 | $ 2,517.75 | $ 664.60 | $ 782.75 | $ 2,839.30 | 252% |
| August | $ 1,281.05 | $ 684.85 | $ 2,669.69 | $ 648.85 | $ 378.75 | $ 1,731.39 | 88% |
| September | $ 1,814.71 | $ 676.95 | $ 2,834.91 | $ 698.00 | $ 75.75 | $ 1,117.00 | 45% |
| October | $ 1,383.05 | $ 275.00 | $ 1,096.11 | $ 253.00 | $ 227.25 | $ (81.69) | -5% |
| November | $ 380.36 | $ 121.00 | $ 354.94 | $ 40.00 | $ - | $ (106.42) | -21% |
| December | $ 516.45 | $ 79.00 | $ 233.25 | $ - | $ - | $ (362.20) | -61% |
| **TOTAL $** | **$ 6,286.42** | **$2,051.80** | **$ 13,611.17** | **$ 3,751.75** | **$ 1,843.25** | **$10,867.95** | |
| | | $ 8,338.22 | | | $ 19,206.17 | | |
| percent of sales earning profit | | 75% | | | 71% | | |

Dec 2023 - Jan 2024 IT Highlights

- Cellular MiFi devices for PD were replaced with 5G units under an end of year promotion without cost for the devices.
- Standardized City Email Signatures created by Autumn were pushed out to all email accounts. John Moore made a program to produce details of the signature from standard City of Ouray templates and leveraged the Google API to send to each user. New AI was used to assist with the code.
- Project contracts were started with Peak Alarm for cloud cameras at the Ouray Hot Springs, cloud replacement of on-site system Access Control at the Gym and first installation of Access Control for doors at City Hall.
- A meeting was held with the Audio/Video Integrator to start a quote for the Massard Community Center room.
- Joe Coleman coordinated a visit to the waste water treatment plant to look at data needs. Worked with Joe C, the project foreman and the electrician to determine where data drops will be placed by electrician. Also started coordination with the fiber vendor to install fiber at the wastewater treatment plant.
- A contract was requested to migrate to the online version of the city's financial software. The vendor's security is robust for hosting this type of data.
- Security monthly updates were completed along with network and security systems updates.
- Serious rated security vulnerabilities for city websites were corrected and the latest report shows only medium, non-critical errors. All websites show zero critical or urgent vulnerabilities. Review and response to the findings is ongoing.

Standard Email Signature Template example:

CITY OF OURAY COLORADO

*Sign up for Monthly Digital Newsletters*
*Open Records Request*
*Criminal Justice Records Request*

**Autumn Bailey**
Communications and Community Engagement Coordinator

Public Information Officer

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City of Ouray
P.O. Box 468 | 320 6th Ave.
Ouray, CO 81427

# CCEC Report

Friday, 1.12.2024

—

## A huge thank you to all participating businesses in Ouray Yule!

## Committee Updates

### Main Street Committee

1. The Main Street Managers Community Conversation was held on December 27. Each manager had an opportunity to share what their main street was doing or ask questions of other main street managers.
2. The Main Street Committee met on January 8 for a Special Meeting. This was to review and approve a grading rubric to be used for the Community Business Preservation Program grant opportunity submissions.
3. Attended Tiny Town Talk on January 9. A presentation by GOCO was provided to discuss their different grant opportunities and answer questions.
4. Attended Ouray Main Street Managers Meeting with DOLA representatives in preparation for our DOLA Annual Visit. This included discussing answers received from a survey that had been shared with the Main Street Committee Members. This survey was used for a presentation regarding new program standards and where we have strengths and challenges. You can view this presentation HERE.
5. The Main Street Committee met on January 10 for their Regular Meeting. This included reviewing and scoring submissions for the Community Business Preservation Program grant opportunity. There will be a total of six businesses included in the submission to OEDIT. They are Mojo's Coffee, The Artisan Bakery and Cafe, Goldbelt Bar & Grill, The Wright Opera House, Ouray County Historical Society, and Ouray Grocery. This grant application is due to OEDIT by January 19, 2024, and must be submitted by the supporting municipality. Our DOLA representatives also joined us; Traci Stouffel, Larry Lucas, and Gayle Langley who presented new program standards and where we have strengths and challenges. You can view this

presentation HERE. The committee discussed using this information in reviewing and updating the Work Plan and possibly the Strategic Plan at the March 13th Regular Meeting.

### Ouray Economic Development Committee

1. The Ouray Economic Development Committee (OEDC) met on January 11th. They discussed the upcoming mini-grant cycle. It will open January 22. Flyers and information to come. This will be on our website, social media, in the newsletters, emailed to registered businesses, in the newspaper, and handed out around town.

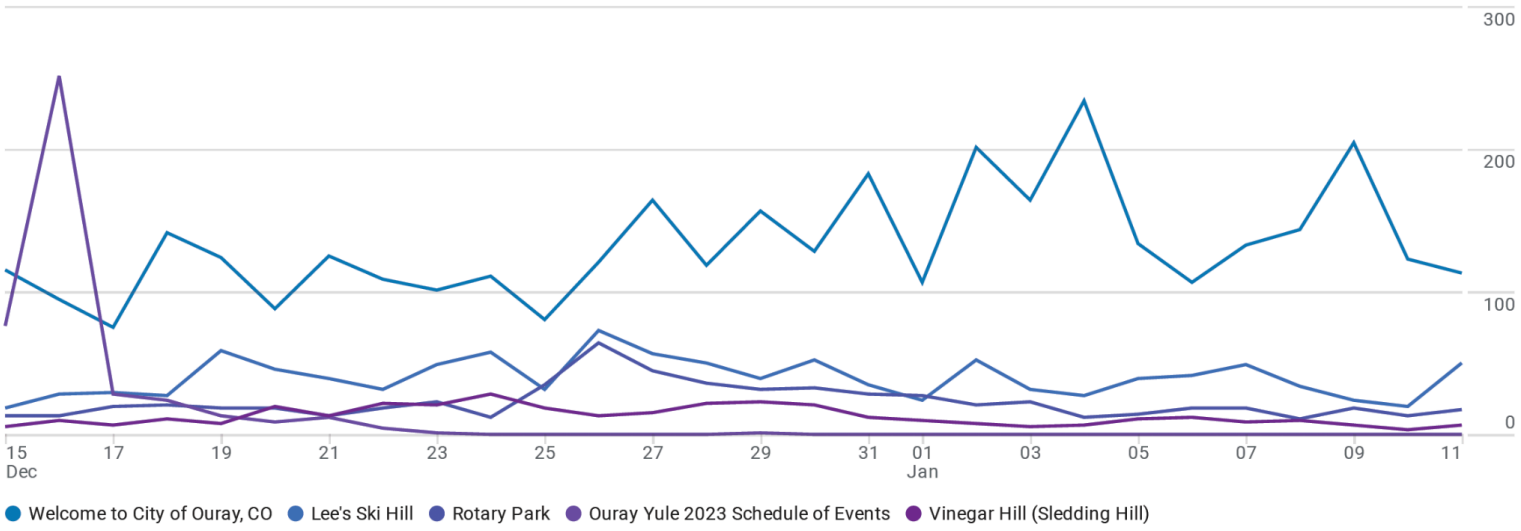
## City Updates

### Website

1. Calendar events are updated daily and are viewable on the homepage of our new website.
2. A new Snow Removal Assistance page has been added.
3. The Business Resources page was updated to include links to the OEDIT and DOLA pages where grant opportunities are housed.
4. A new online payment for business registrations has been added to the Business Registration page.
5. A new online portal for turning water on or off has been added to the Water page.
6. Work continues to be done on pages that need updating. Thank you to everyone for their assistance and patience in this process!

# City of Ouray Website - Last 28 days

Views by Page title and screen class over time




| | Page title and screen class | Views | Users | Views per user | Average engagement time | Event count (All events) |
|---|---|---|---|---|---|---|
| | | **8,444** 100% of total | **4,452** 100% of total | **1.90** Avg 0% | **45s** Avg 0% | **27,782** 100% of total |
| 1 | Welcome to City of Ouray, CO | 3,699 | 2,145 | 1.72 | 37s | 12,456 |
| 2 | Lee's Ski Hill | 1,113 | 868 | 1.28 | 37s | 3,883 |
| 3 | Rotary Park | 637 | 418 | 1.52 | 42s | 2,073 |
| 4 | Ouray Yule 2023 Schedule of Events | 419 | 289 | 1.45 | 41s | 1,332 |
| 5 | Vinegar Hill (Sledding Hill) | 355 | 264 | 1.34 | 42s | 1,116 |
| 6 | Cascade Falls Park (Waterfall) | 231 | 190 | 1.22 | 36s | 880 |
| 7 | Employment Opportunities | 231 | 171 | 1.35 | 45s | 720 |
| 8 | City Council | 201 | 109 | 1.84 | 24s | 568 |
| 9 | Staff Directory | 145 | 110 | 1.32 | 55s | 413 |
| 10 | Public Records & Documents | 142 | 88 | 1.61 | 18s | 391 |

**Final Draft Report**

# Ouray Housing Needs Analysis and Strategy

*The Economics of Land Use*

**Prepared for:**
City of Ouray, Colorado

**Prepared by:**
Economic & Planning Systems, Inc.

January 12, 2024

EPS #223142

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# Table of Contents


1. Introduction ..... 1

2. Data Summary ..... 3

3. Employer Survey ..... 33

4. Housing Goals and Strategy Analysis ..... 41

   Strategy Framework ..... 41
   Housing Goals ..... 42
   Land Resources ..... 46
   Financial Resources ..... 48
   Partnerships ..... 49

5. Action Plan ..... 50

# List of Tables


Table 1. Population Growth, 2010-2021 ..... 4
Table 2. Household Growth, 2010-2021 ..... 6
Table 3. Average Household Size, 2010-2021 ..... 6
Table 4. Ouray County Income by Source, 2010-2021 ..... 9
Table 5. Ouray County Proprietors, 2010-2021 ..... 19
Table 6. Price Per Square Foot Increase, 2014-2022 ..... 24
Table 7. Price Per Square Foot, 2014-2019 and 2019-2022 ..... 25
Table 8. Affordability Gap, For-Sale Housing 2014-2022 ..... 25
Table 9. Income Needed to Afford Median-Priced Homes, 2013-2023 ..... 26
Table 10. Online Rental Tracking ..... 28
Table 11. Rental Survey – Units by Type and Average Rent ..... 29
Table 12. Rental Survey – Average Rents and Affordability ..... 32
Table 13. Employer Survey – Employees to House ..... 38
Table 14. Regional Affordable Housing Pipeline ..... 43
Table 15. Affordability by AMI and Household Size ..... 45
Table 16. Undeveloped Land by Zoning District (City Staff Analysis, June 2022) ..... 46

# List of Figures


Figure 1. Housing Goals Summary ..... 2
Figure 2. Population by Age 2010-2022, City of Ouray ..... 5
Figure 3. Households by Income, 2012-2022 ..... 7
Figure 4. Household Income by Tenure, City of Ouray 2022 ..... 8
Figure 5. Households by AMI, City of Ouray 2012-2022 ..... 10
Figure 6. Owner Households by AMI, 2012-2022 ..... 11
Figure 7. Renter Households by AMI, City of Ouray 2012-2022 ..... 12
Figure 8. City of Ouray Housing Units by Type, 2021 ..... 13
Figure 9. Housing Inventory by Type, City of Ouray 2010-2021 ..... 14
Figure 10. Housing Occupancy and Vacancy, 2010-2022 ..... 15
Figure 11. Housing Tenure, 2010-2022 ..... 16
Figure 12. Jobs Held by Residents, City of Ouray and Ouray County, 2023 ..... 17
Figure 13. Jobs Located in the City of Ouray and Ouray County, 2023 ..... 18
Figure 14. City of Ouray Commuting, 2021 ..... 20
Figure 15. Building Permits (Units) by Type, 2013 – March 2023 ..... 21
Figure 16. Home Sales by Type, 2013-2023 ..... 22
Figure 17. Sale Price Per Square Foot, City of Ouray, 2014-2022 ..... 23
Figure 18. Average Sale Price per Square Foot, 2013 – August 2023 ..... 24
Figure 19. Households Able to Afford the Median-Priced Home by Tenure, City of Ouray 2014-2022 ..... 27
Figure 20. Rental Units by Bedrooms, City of Ouray 2023 ..... 29
Figure 21. Rental Rates by Unit Type, City of Ouray 2023 ..... 30
Figure 22. Rental Unit Advertising ..... 31
Figure 23. Employer Survey – Time in Business ..... 33
Figure 24. Employer Survey – How Housing Impacts Hiring and Retention ..... 35
Figure 25. Employer Survey – How Employees Adjust to Housing Challenges ..... 36
Figure 26. Employer Survey – Current Assistance Provided ..... 37
Figure 27. Employer Survey – Housing Interest by Unit Type ..... 39
Figure 28. Employer Survey – Interest in Housing by Type (10/10 interest in a housing project) ..... 40
Figure 29. Housing Strategy Framework ..... 41
Figure 30. Housing Goals Summary ..... 44
Figure 31. Ouray Undeveloped Land Map (City Staff Analysis), July 2022 (Draft) ..... 47

# 1. Introduction

The City of Ouray is located in a region with significant housing challenges. The housing pressure has been present for decades and in the recent past, generally during the COVID-19 pandemic, home costs escalated significantly, making the recognized housing needs that much more acute. Recently, the City has benefited from two housing projects that are in the development pipeline. In addition, there have been steps taken to create a housing fund based on short-term rental fees and taxes, creating resources for housing solutions. In addition, there has been discussion of looking at vacant land as a resource for affordable housing. All of these steps have increased the focus of the City on its housing opportunities, with questions about how to channel the City's resources.

The purpose of this report is to help the City direct its resources as it strives to create the best possible set of solutions with a limited amount of land and funding. Key points that are addressed include:

- A data-driven basis that quantifies the nature of the current need.
- A breakdown of a regional housing target for the county, with a delineation of Ouray's proportional share.
- A basis for a future public private partnership (P3) between the City and local employers, based on a detailed delineation of interest and need.
- A specific Action Plan at the end of the report provides clarity on what steps should be taken to advance the City's commitment to affordable housing.

This report is presented in four chapters following this Introduction:

- Data Summary
- Employer Survey
- Housing Goals and Strategy Analysis
- Action Plan

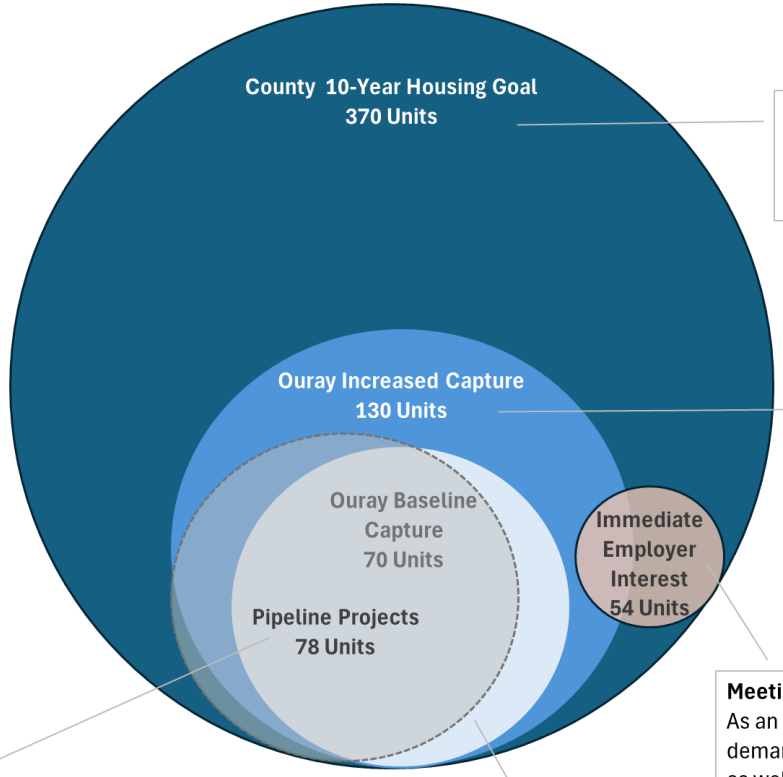
An overview of County housing targets, and the proportional share for the City of Ouray is provided on the following page in **Figure 1**. Based on previous reports done for the region by the State of Colorado and the Telluride Foundation, the recognized target for the county is 370 units over 10 years, generally framing action during planning horizon from 2021 through 2031. Ouray's portion of the 370 unit goal is 130 units based on the proportion of jobs located within the city. This target will be partially filled by the 78 affordable units currently in the development pipeline (65 ownership and 13 rental). This accounts for approximately 60 percent of the target, leaving another 40 percent to be built during the planning horizon. The balance of this study is framed to assist the City as it determines how to best fulfill the portion of the remaining target.

**Figure 1. Housing Goals Summary**

**What Type of Housing?**
Currently, 1/3 of households in Ouray rent their homes and 2/3 own.

The Waterview Homes project will address immediate needs for ownership housing. Beyond that, most short- and mid-term demand will be for rental housing.

Additional ownership housing may be desired by employers, to purchase and subsequently rent to their employees.




**Baseline Housing Needs**
Based on the Telluride Foundation and Region 10 studies, the County's 10-year housing goal is 370 new units.

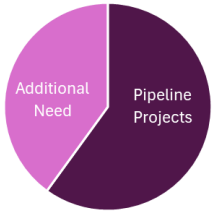
**Changing the Paradigm Scenario**
The City currently has 35% of jobs in the County. If the City looks to capture 35% of the 10-year housing need, 130 new units would be needed.

**Meeting Current Employer Interest**
As an overlapping factor, employers indicated demand for up to 54 housing units immediately, as well as 56 unfilled positions.

Meeting this interest should be viewed as nested within the baseline County needs.

**Pipeline Projects**
There are currently 78 affordable units in the development pipeline in the City (65 ownership units in the Waterview Homes development and 13 rental units in the Oak Street development).

If/when all of these units are built, they will help meet the baseline capture needs; additional units would be needed to achieve higher housing goals. These 78 units account for 60% of the "Increased Capture" goal of 130 units, leaving an additional 52 units (40%) to be constructed within the 10-year timeframe.




**Status Quo Scenario**
The City currently has 19% of households in the County. If the status quo remains and the City captures 19% of the 10-year housing need, 70 new units would be needed.

# 2. Data Summary

This chapter documents housing market conditions and overall housing need in Ouray. This assessment is intended to provide City-level data to inform the assessment of housing needs and opportunities. Data are provided for economic and demographic indicators, including population, households, housing characteristics, and employment, as well as market conditions and housing affordability.

Key findings from this analysis include:

- **Slow population growth**: The city population has decreased an average of 1 percent (9 residents) annually since 2010, despite overall growth in the county.
- **An aging population**: Since 2010 there has been an increase in residents aged 60 to 80, and a decrease in those under 20 and ages 30 to 50. This population shift has housing implications both currently and into the future.
- **Housing characteristics in the city are typical of resort communities**: The City's housing inventory has increased despite its population decreasing. This, alongside a vacancy rate of 44 percent reflecting the strong presence of second homeownership, is characteristic of a mountain resort community throughout the Rocky Mountain West.
- **There is a strong reliance on an external labor force:** According to 2021 estimates, approximately 90 percent of people who work in Ouray live outside the city. Nearly 24 percent of workers are estimated to live between 10 and 24 miles away, while 30 percent live 35 to 50 miles away.
- **The City's economy has seen a reduction in seasonality, with a shift to year-round visitation:** The City has seen an increase in winter visitation and shorter shoulder seasons, which has changed employment needs. While employment and visitation used to be focused in the summer months, needs are now year-round and the City needs housing inventory to accommodate the employees to support that visitation.
- **Significant increase in home costs, and limited rental inventory:** Home prices have increased significantly since 2019, making homeownership increasingly unattainable for local residents and employees. Additionally, there is limited rental inventory and what does exist is often advertised informally, making it difficult for those not already connected to the community to access. New development is significantly constrained by geography (the canyon limiting developable space, and geological hazards such as rockfall on parcels that do exist), further exacerbating these housing challenges.

## Economic and Demographic Indicators

Population, housing, and employment trends provide context to the changes Ouray has experienced since 2010. These trends are used to understand and contextualize current housing need, and inform estimates of housing needs in the future.

### *Population Growth*

**The City of Ouray has experienced different growth trends than the county and other regional communities. The City has seen a population decline since 2010, while the overall population in Ouray County has grown.**

The City had a population of 903 in 2021, a decrease of 100 people since 2010. Over this time period Ridgway grew by 357 residents, accounting for over half of Ouray County's growth.

As shown in **Table 1**, Ouray County overall has been growing faster than other communities in the region. The county's population grew at 1.2 percent annually between 2010 and 2021, compared to 0.9 percent annual growth in San Miguel County and 0.4 percent annual growth in Montrose County. Over this period, Ouray was the only community to lose population.

**Table 1. Population Growth, 2010-2021**

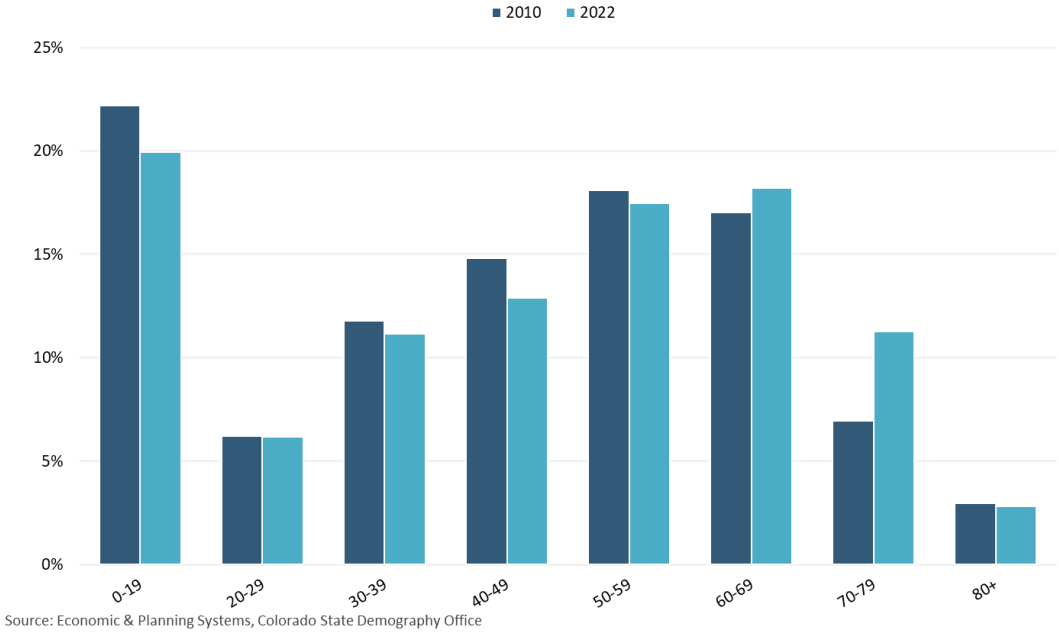
| Total Population | 2010 | 2015 | 2021 | 2010-2021 Total | 2010-2021 Ann. # | 2010-2021 Ann. % |
|---|---|---|---|---|---|---|
| **Ouray County** | **4,446** | **4,550** | **5,046** | **600** | **55** | **1.2%** |
| Ouray | 1,003 | 928 | 903 | -100 | -9 | -1.0% |
| Ridgway | 925 | 1,002 | 1,282 | 357 | 32 | 3.0% |
| **San Miguel County** | **7,356** | **7,825** | **8,076** | **720** | **65** | **0.9%** |
| Telluride | 2,319 | 2,559 | 2,608 | 289 | 26 | 1.1% |
| **Montrose County** | **41,188** | **41,457** | **43,178** | **1,990** | **181** | **0.4%** |
| Montrose | 19,179 | 20,090 | 20,664 | 1,485 | 135 | 0.7% |
| Olathe | 1,838 | 1,817 | 2,006 | 168 | 15 | 0.8% |

Source: Economic & Planning Systems, DOLA State Demography Office

**The population of Ouray has aged since 2010, with growth primarily in the 60- to 80-year-old demographic.**

As shown in **Figure 2**, between 2010 and 2022 there was a decrease in the population of all age groups under 60. Aging populations are a national trend, with significant housing implications including need for downsizing and independent and assisted living facilities. The decrease in the population of core workforce and families also has housing implications, both for housing that currently exists (that there may be decreased demand for) and what may need to be built (if this population needs to be attracted).

**Figure 2. Population by Age 2010-2022, City of Ouray**




Source: Economic & Planning Systems, Colorado State Demography Office

### *Household Growth*

**Households in the City of Ouray have also decreased since 2010, at a slightly lower rate than population.**

Ouray lost 30 households between 2010 and 2021, an annual loss of 0.6 percent (compared to 1.0 percent annual population decline). Most other communities in the region saw increases in households as Ouray saw a decline (with the exception of Olathe) In some communities households grew at a faster pace than population, indicating a shift towards smaller households.

**Table 2. Household Growth, 2010-2021**

| Total Households | 2010 | 2015 | 2021 | 2010-2021 Total | 2010-2021 Ann. # | 2010-2021 Ann. % |
|---|---|---|---|---|---|---|
| **Ouray County** | **670** | **698** | **788** | **119** | **11** | **1.5%** |
| Ouray | 458 | 432 | 428 | -30 | -3 | -0.6% |
| Ridgway | 404 | 447 | 585 | 181 | 16 | 3.4% |
| **San Miguel County** | **502** | **564** | **582** | **81** | **7** | **1.4%** |
| Telluride | 1,115 | 1,190 | 1,207 | 93 | 8 | 0.7% |
| **Montrose County** | **2,939** | **3,343** | **3,540** | **601** | **55** | **1.7%** |
| Montrose | 7,903 | 8,445 | 9,017 | 1,114 | 101 | 1.2% |
| Olathe | 562 | 577 | 553 | -9 | -1 | -0.1% |

Source: Economic & Planning Systems, DOLA State Demography Office

**Average household size in Ouray has decreased since 2010, a trend seen in almost all peer communities.**

The average household size in the city in 2021 was 2.11 persons per household, down from 2.19 in 2010. Apart from Telluride, which saw an increase from 2.08 in 2010 to 2.16 in 2021, all other communities saw average household size decrease over this time, as shown in **Table 3**. Household sizes often influence housing demand, as the size of a household is a factor in desired unit sizes.

**Table 3. Average Household Size, 2010-2021**

| Average Household Size | 2010 | 2015 | 2021 |
|---|---|---|---|
| **Ouray County** | **2.21** | **2.17** | **2.13** |
| Ouray | 2.19 | 2.15 | 2.11 |
| Ridgway | 2.29 | 2.24 | 2.19 |
| **San Miguel County** | **2.44** | **2.27** | **2.31** |
| Telluride | 2.08 | 2.15 | 2.16 |
| **Montrose County** | **2.77** | **2.44** | **2.40** |
| Montrose | 2.37 | 2.32 | 2.26 |
| Olathe | 3.15 | 3.02 | 3.01 |

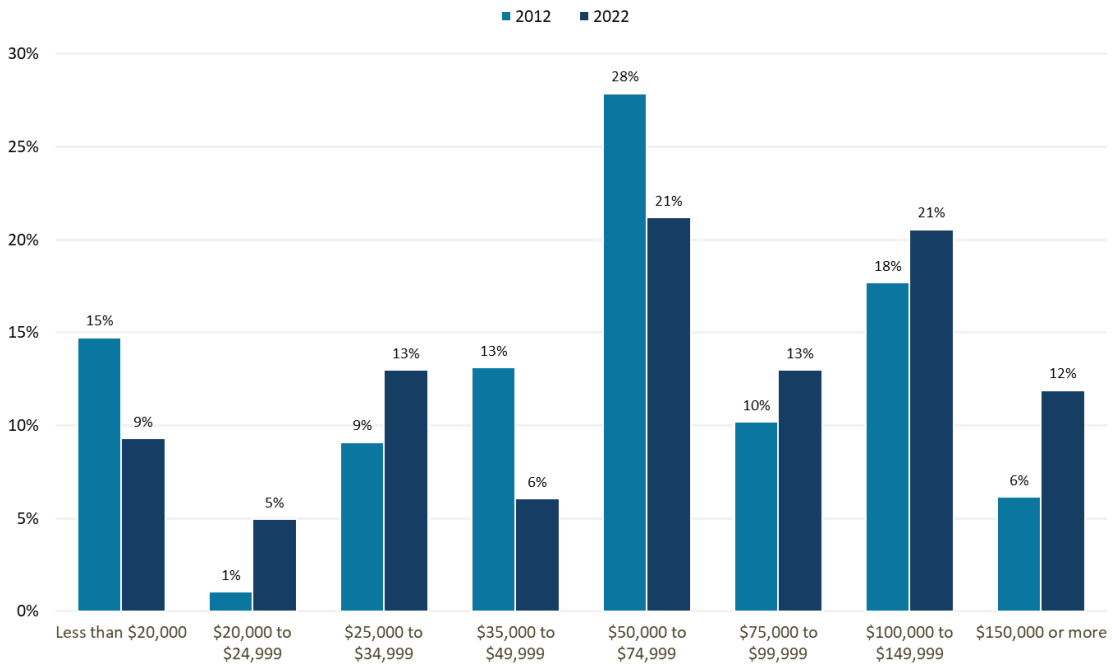
Source: Economic & Planning Systems, DOLA State Demography Office

### *Household Income*

**The median household income in the City of Ouray has not significantly increased over the past decade, despite shifts in household income distribution.**

The median household income in Ouray in 2022 was $68,750, a small increase from 2012 when the median income was $63,867. As shown in **Figure 3**, income distribution has changed over this time despite little change in the median. Among households earning less than $35,000 per year there has been an upward trend over the past decade, with fewer households earning less than $20,000 and more earning between $20,000 and $35,000. There are fewer households in the middle of the income distribution; in 2012, 41 percent of households earned between $35,000 and $75,000, while in 2022 27 percent of households fell into this category. There has also been growth at the high end of the income spectrum, with 46 percent of households earning over $75,000 compared to 34 percent in 2012.

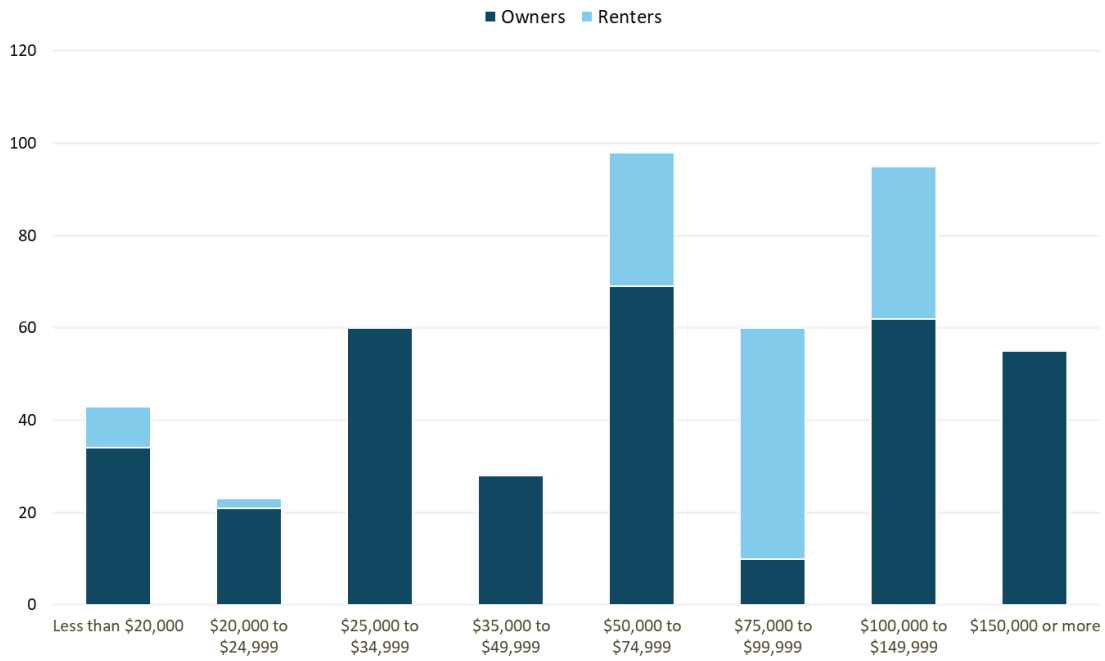
**Figure 3. Households by Income, 2012-2022**




Source: US Census; Economic & Planning Systems

Income distribution varies by tenure, as shown in **Figure 4**. Nearly all households earning less than $50,000 per year own their homes. This indicates that many of these homeowners have likely lived in the city for a long time and have low housing costs (either because they purchased their home for less than costs today, and/or they have paid off the home and no longer have mortgage costs). Nearly all renters in the city earn between $50,000 and $150,000.

**Figure 4. Household Income by Tenure, City of Ouray 2022**




Source: US Census; Economic & Planning Systems

**Among residents in the county, the share of income from government transfers has increased since 2010, while the share of income from wages and salaries has decreased. The share of household income from investments has remained stable.**

Personal income typically comes from three main sources: wages and salary (employment income); dividends, interest, and rent (investment income); and government transfers (income from benefits programs). As shown in **Table 4**, between 2010 and 2021 the share of personal income in Ouray County (this data is not available at the local level) from wage and salary employment decreased from 51 percent to 48 percent, while at the same time the share of income from transfer receipts increased from 15 percent to 18 percent.

This analysis of income by source helps characterize population changes. In general, an increase in the share of income from transfer receipts aligns with an aging population (decrease in wages and increase in receipt of social security). The flat share of income from investments (at 34 percent of personal income) indicates and there are not many people with external, non-employment incomes moving into the community full time (although these residents may be in the area for part of the year, and not captured in this dataset).

**Table 4. Ouray County Income by Source, 2010-2021**

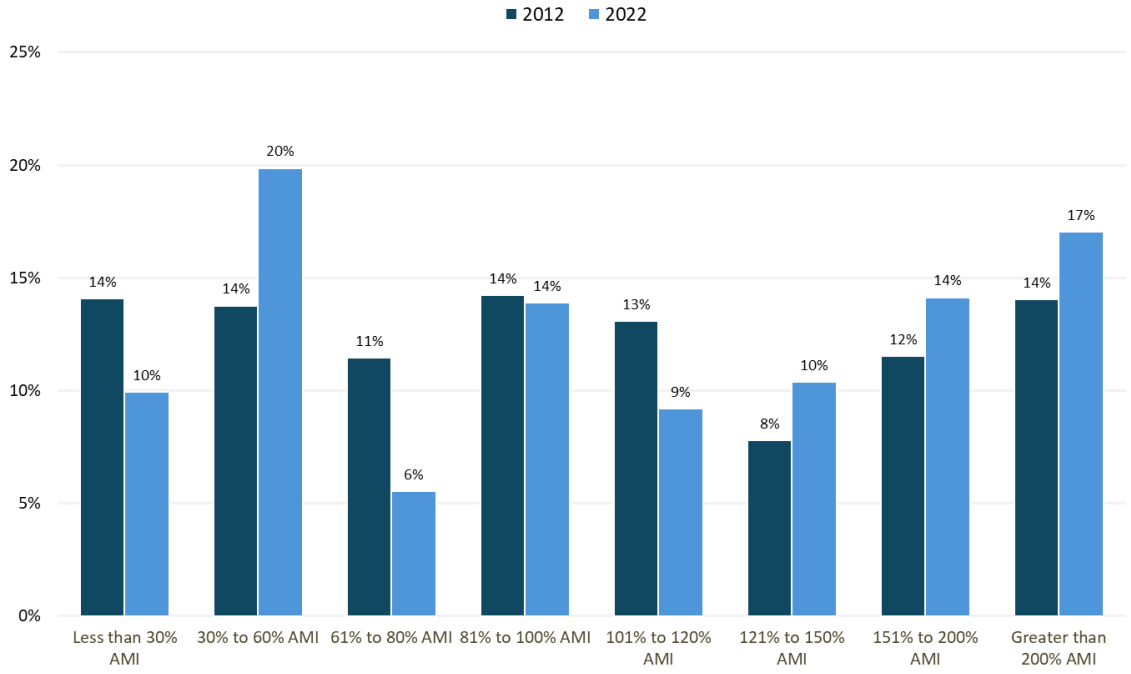
| Income Source | 2010 | 2015 | 2021 |
|---|---|---|---|
| **Percent of Personal Income** | | | |
| Wage & Salary | 51% | 50% | 48% |
| Investment Income | 34% | 36% | 34% |
| Transfer Receipts | 15% | 14% | 18% |
| **Total** | **100%** | **100%** | **100%** |

Source: BEA; Economic & Planning Systems

**There have been shifts in the lower and upper ends of income distribution by Area Median Income (AMI) over the past decade, with stability in the 80-100% AMI category.**

In addition to income, it is helpful to consider households by Area Median Income (AMI) distribution, as this is the most common metric for measuring housing affordability (and often setting rents/prices and qualifying households for affordable housing programs). As shown in **Figure 5**, the percentage of households in the 80 to 100% AMI category has held steady between 2012 and 2022 while the distribution among other categories has changed. There has been an increase in the percent of households earning between 30 and 60% AMI, along with increases in households earning over 120 percent of AMI, while the share of households earning less than 30% AMI, 60 to 80 percent, and 100 to 120 percent have decreased.

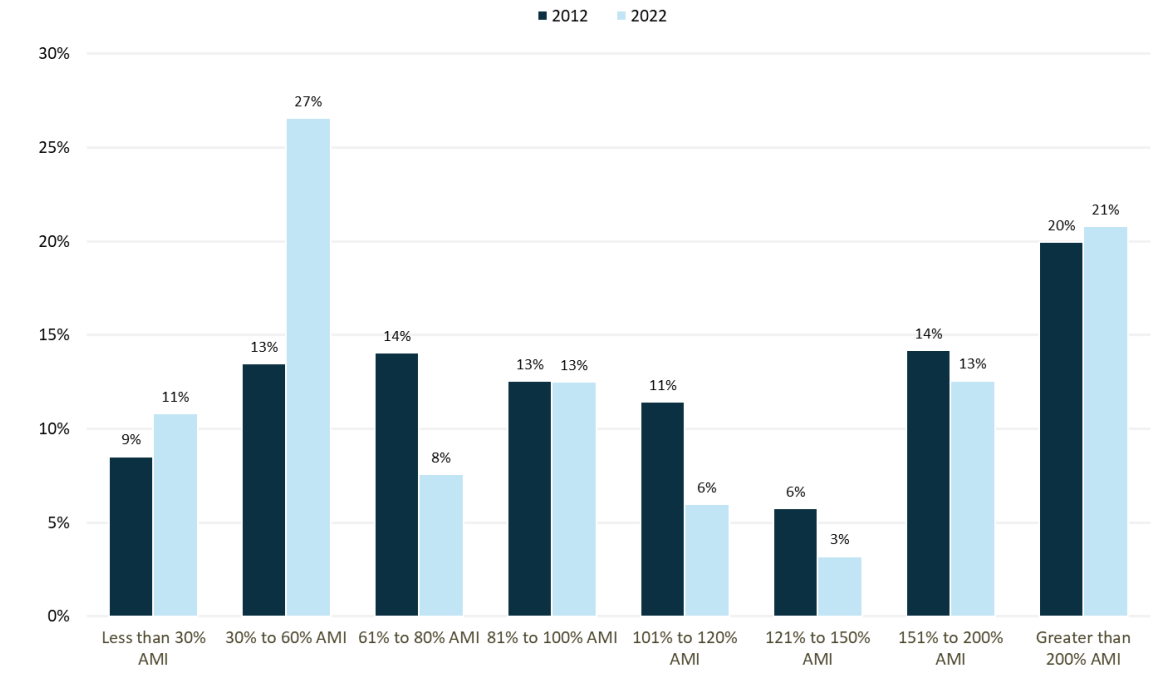
**Figure 5. Households by AMI, City of Ouray 2012-2022**




Source: US Census; Economic & Planning Systems

This distribution varies by tenure. As shown in **Figure 6**, between 2012 and 2022 there was a large increase in the share of owner households earning between 30 and 60% AMI, and decreases in the share earning 60-80% AMI and 100 to 120%.

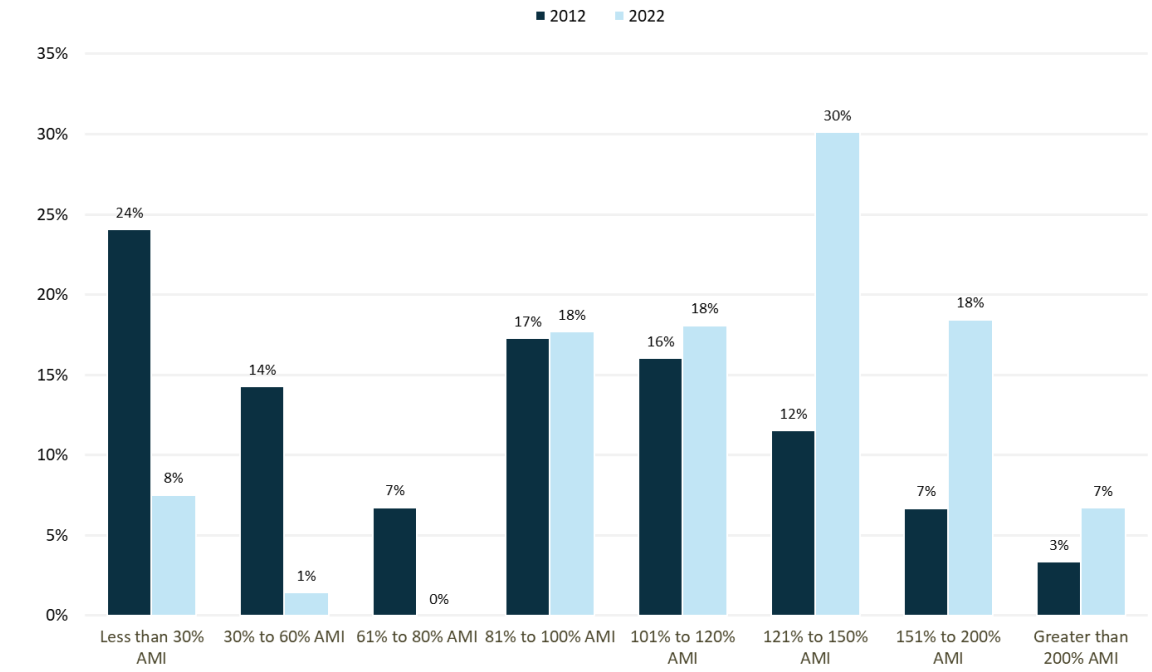
**Figure 6. Owner Households by AMI, 2012-2022**




Source: US Census; Economic & Planning Systems

There were different trends among renter households, as shown in **Figure 7**. Between 2012 and 2022 there was a significant shift of renters to higher income categories. In 2012, 45 percent of renters earned less than 80% AMI; by 2022 only 9 percent of renters fell into this category. While the share of renters earning between 80 and 120% AMI has remained relatively stable, in 2022 55 percent of renters earned over 120% AMI, compared to only 22 percent in 2012. The data reflect an increasing pressure on the housing inventory, and in this case, specifically the rental housing inventory. Notwithstanding the historic supply of 'naturally occurring' affordable housing (i.e., smaller, older rental units), the trend data shows a distribution of incomes that are substantially higher. Thus, the inventory is supporting higher income households and suggest that the lower income households have left the community as they have sought out less expensive options.

**Figure 7. Renter Households by AMI, City of Ouray 2012-2022**



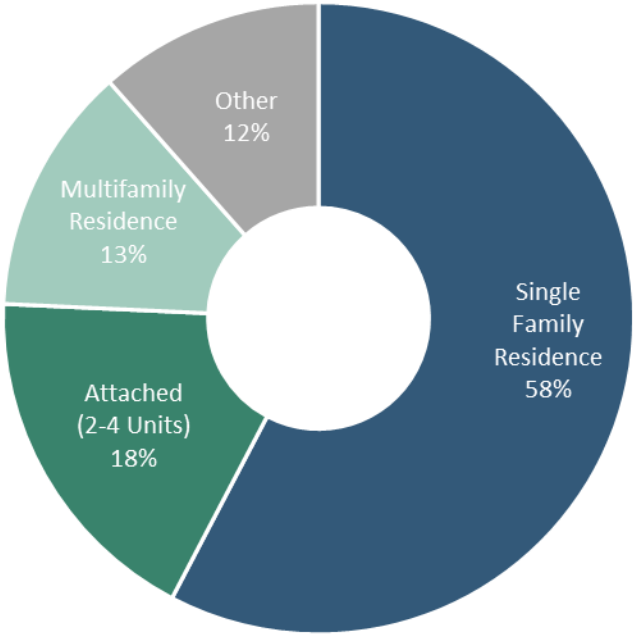

Source: US Census; Economic & Planning Systems

### *Housing Occupancy and Tenure*

**Housing in the city is primarily single family detached homes, with some attached (2-4 unit) and multifamily inventory as well.**

As shown in **Figure 8**, single family detached homes comprise 58 percent of the housing inventory in Ouray. Attached homes (2-4 units) comprise 18 percent of the inventory, while multifamily units account for 13 percent. Other units, primarily mobile homes, are 12 percent of housing in inventory in the city.

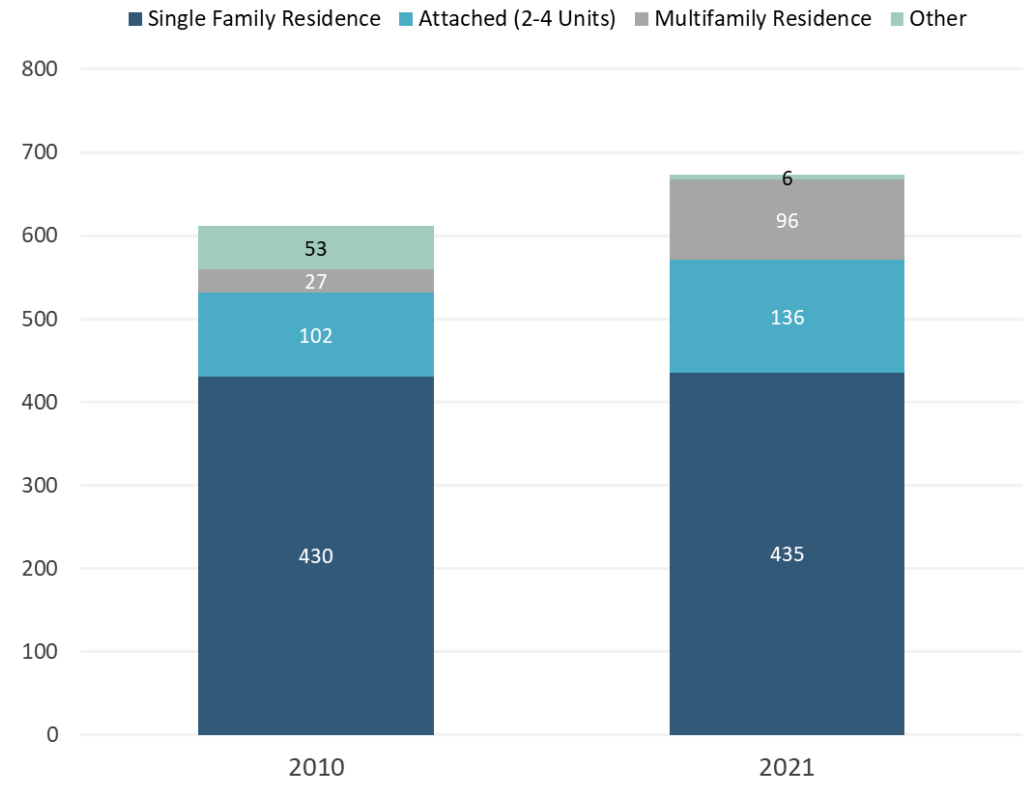
**Figure 8. City of Ouray Housing Units by Type, 2021**



**Housing inventory in the city has increased since 2010, despite a decline in both population and households.**

Between 2010 and 2021 the City's housing inventory grew by a total of 61 housing units (net increase, accounting for both construction and demolition). As shown in **Figure 9**, growth was primarily in attached (2-4 units) and multifamily homes. Only five new single-family residences were added over this time, while the inventory of other homes (primarily mobile homes) declined from 53 to six units. While the housing inventory grew, population and households within the city declined, indicating that most housing development taking place within the city is not being occupied by year-round residents.

**Figure 9. Housing Inventory by Type, City of Ouray 2010-2021**

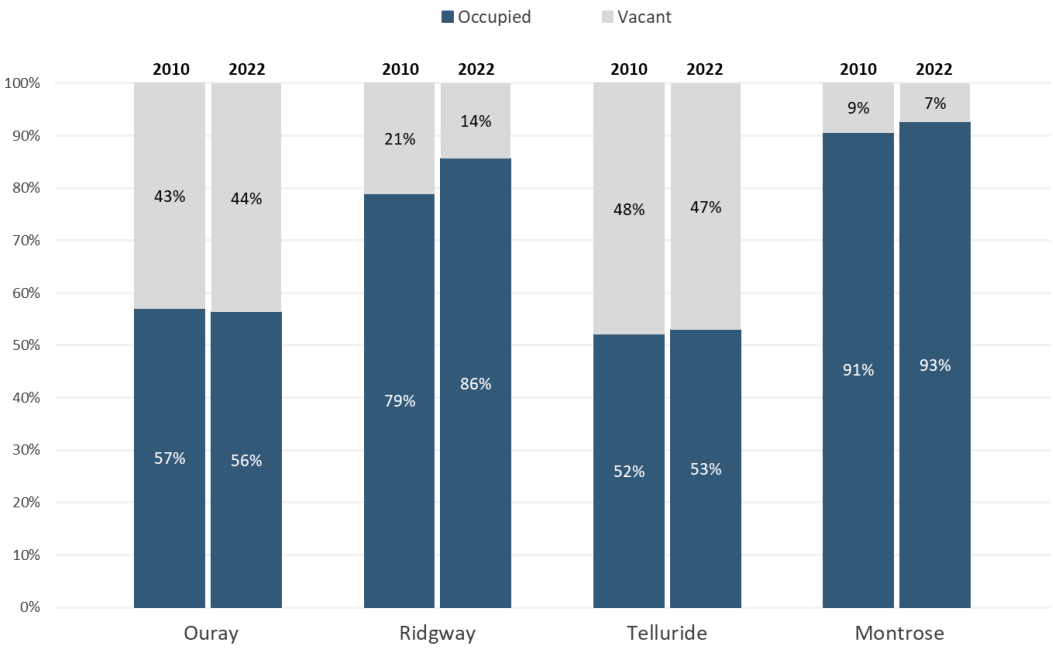



Source: Economic & Planning Systems, Colorado State Demography Office

**Ouray has a higher vacancy rate than Ridgway and Montrose; the City's vacancy is similar to Telluride, and characteristic of a second home community.**

As shown in **Figure 10**, Telluride has the highest vacancy rate of peer communities at 47 percent. Vacancy in Ouray was estimated at 44 percent in 2022, closer to the rate in Telluride than that of Ridgway (14 percent) and Montrose (7 percent). A consistently high vacancy rate can help explain the growth in housing without population growth, as new housing units are utilized as second homes and so growth in these units does not relate to growth or decline in the year-round population.

**Figure 10. Housing Occupancy and Vacancy, 2010-2022**

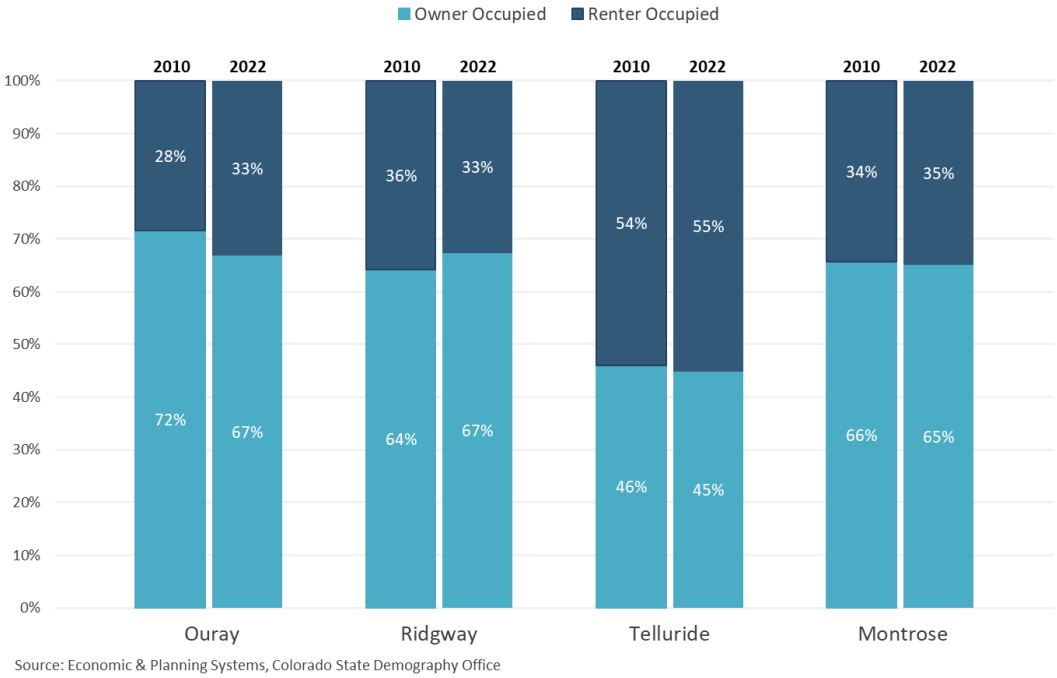



Source: Economic & Planning Systems, Colorado State Demography Office

**One-third of households in Ouray rent their homes, similar to Ridgway and Montrose.**

The split between owners and renters in Ouray is similar to other Ouray County communities, as shown in **Figure 11**. In Ouray, 33 percent of residents rent their homes, an increase from 28 percent in 2010. This is the same renter percentage as Ridgway – although since 2010 Ridgway has experienced a decrease in the proportion of renters, likely due to new for-sale housing developments being built. In Montrose, 35 percent of residents rent their homes, a similar share as 2010. Telluride, a resort town, has a much higher proportion of renters at 55 percent.

**Figure 11. Housing Tenure, 2010-2022**




Source: Economic & Planning Systems, Colorado State Demography Office

### *Employment*

Employment is a key driver of housing needs in Ouray. As the city has shifted from a primarily summer-season economy to a year-round destination, employment needs – and thus housing needs – have also changed. Approximately 35 percent of jobs within the county are located in the city, a share that has remained relatively consistent over time.

The nature of local employment is analyzed below using three data sets:

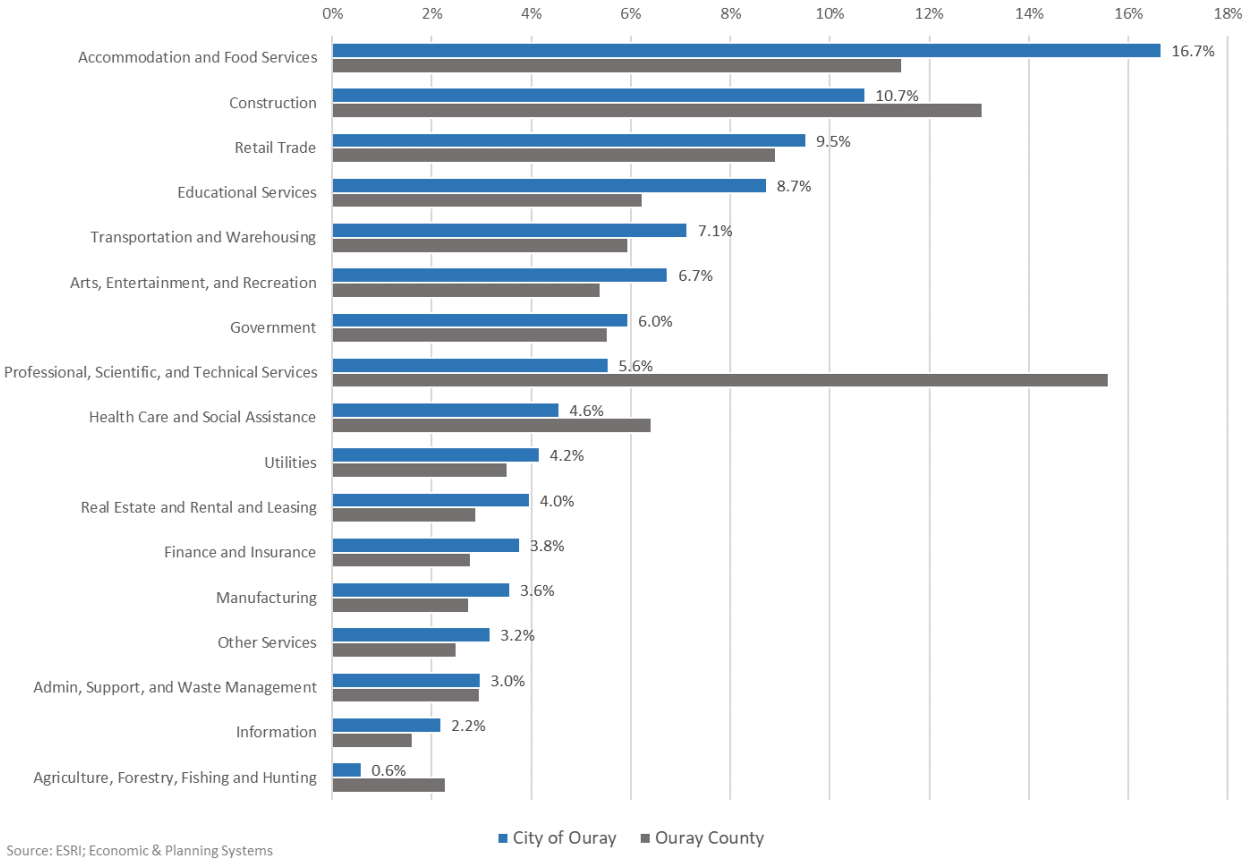
- Jobs held by Ouray residents
- Employment Based Within Ouray
- Proprietors

## Jobs held by Ouray Residents

Ouray residents work in a variety of sectors. The top employment sectors are Accommodation and Food Services (17 percent of residents work in this industry), Construction (11 percent of residents), Retail (nearly 10 percent of residents), and Education (9 percent). As shown in the Commuting section below, most residents work outside of the city, so this is a different distribution than the employment located within the city.

This is also a different distribution than the county overall, as shown in **Figure 12**. The primary employment sector for county residents (including residents of Ouray) is Professional, Scientific and Technical services, which accounts for 16 percent of resident employment (but only 6 percent of city residents work in this industry).

**Figure 12. Jobs Held by Residents, City of Ouray and Ouray County, 2023**



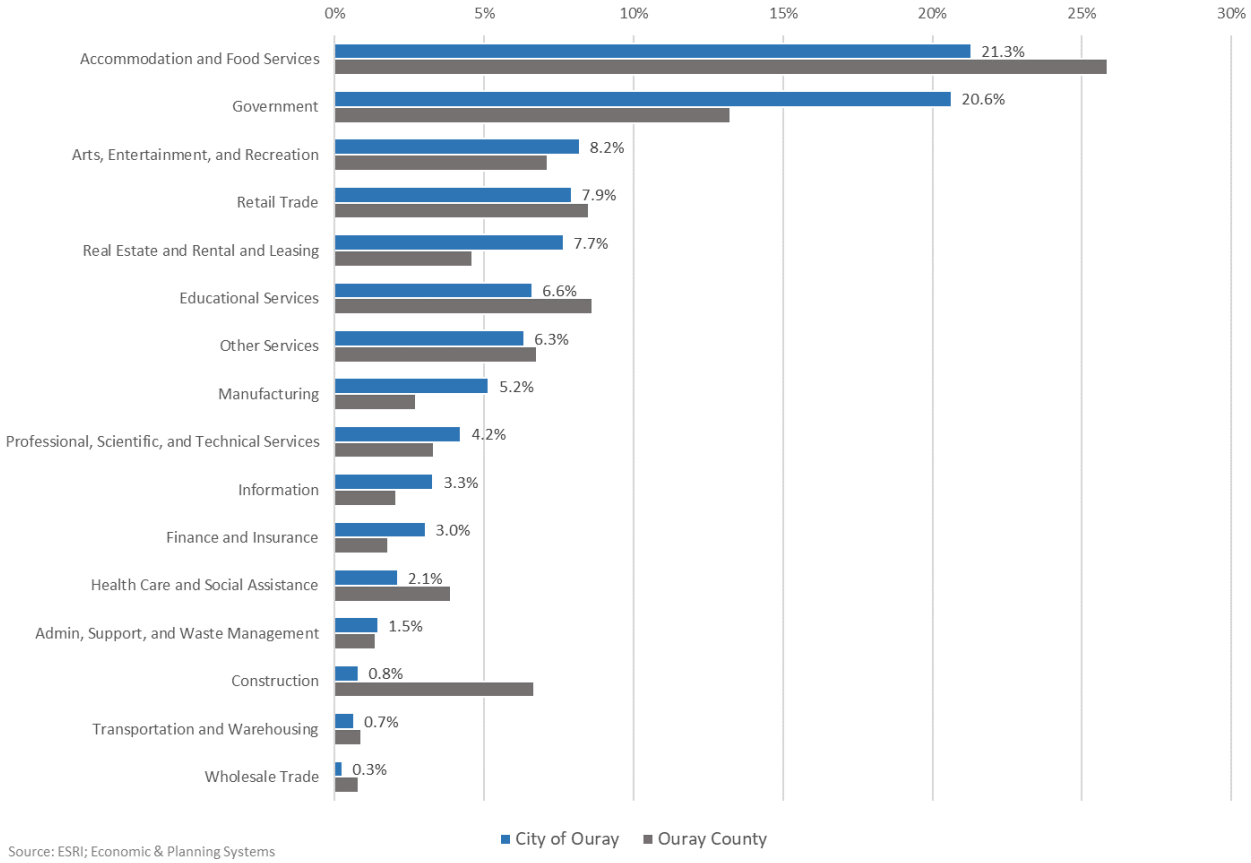

Source: ESRI; Economic & Planning Systems

## Employment Based within Ouray

Most jobs in the city are reflective of the tourism economy, with employment in Accommodation & Food Services, Arts Entertainment & Recreation, Retail, and Real Estate. Government is also a major employer, accounting for 21 percent of local jobs.

In comparison to the types of jobs residents work in, nearly half the jobs in the city are in Accommodation and Food Services and Government, as shown in **Figure 13**. Jobs in the city are oriented towards and second homeowner economy, with other major employment industries including Arts, Entertainment & Recreation, Retail, and Real Estate.

**Figure 13. Jobs Located in the City of Ouray and Ouray County, 2023**




Source: ESRI; Economic & Planning Systems

## Proprietors

Ouray County has a large proportion of proprietors, or people who work for themselves. The share of proprietorship has decreased slightly since 2010, while the share of wage and salary employment has increased. In addition to traditional employment, where an employee works for a wage or salary, there is also employment through proprietorship (owning a business). As shown in **Table 5**, in 2021 employment in Ouray County was nearly 47 percent proprietors and 53 percent wage and salary employees (this data is not available below the county level). This split is generally typical of mountain communities, with higher proprietorship rates than larger cities or front range communities.

Proprietorship has grown at a slower rate than wage and salary employment since 2010, increasing by 2.3 percent annually (compared to 3.3 percent annual growth for wage and salary). The share of proprietors in the county has also declined since 2010, from 49 percent of total employment to 47 percent, while the share of wage and salary employment has increased (from 51 percent to 53 percent).

As it relates to housing needs, proprietors often run solo businesses and do not have the same housing needs for employees as larger businesses. At the same time, recognizing that nearly half of employment is proprietorship, there needs to be housing available for those business owners to come and open a business and maintain it as their housing needs change.

**Table 5. Ouray County Proprietors, 2010-2021**

| Employment Type | 2010 | 2015 | 2021 |
|---|---|---|---|
| Proprietors | 49.3% | 47.8% | 46.8% |
| Wage & Salary | 50.7% | 52.2% | 53.2% |
| **Total** | **100.0%** | **100.0%** | **100.0%** |

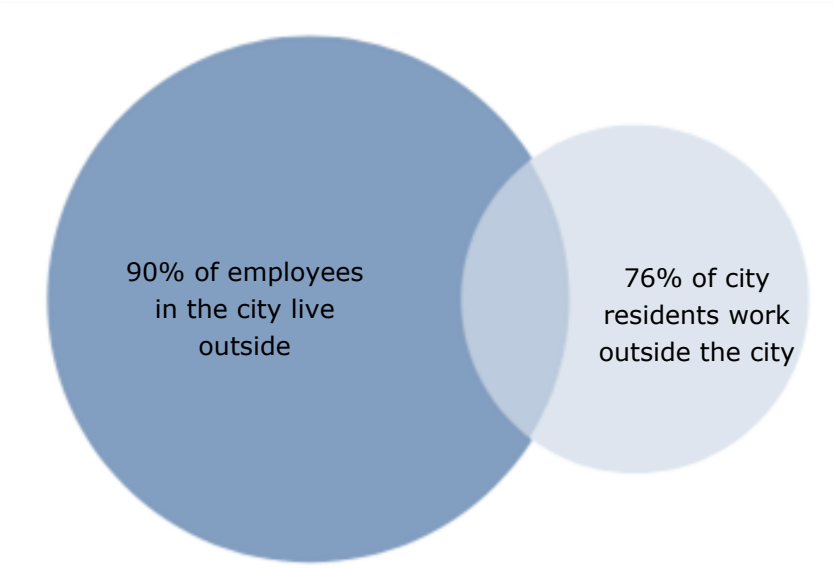
Source: BEA; Economic & Planning Systems

### *Commuting*

The City of Ouray relies heavily on an external labor force. As shown in **Figure 14**, according to 2021 estimates from the U.S. Census (Longitudinal Employer-Household Dynamics program), nearly 90 percent of employees in the city live outside of the city, while over three-quarters of city residents work outside of the city. Nearly 24 percent of employees commute between 10 and 24 miles, while almost 30 percent commute 25 to 50 miles.

The most common location for employees to commute from is Montrose, where 17 percent of employees live. Another 13 percent live in Ridgway, 10 percent are Ouray residents, and the remainder live across other locations.

**Figure 14. City of Ouray Commuting, 2021**



## Market Conditions and Housing Needs

This section outlines recent and planned development and evaluates market conditions of for-sale and rental housing. An affordability analysis is also outlined to evaluate the housing needs of Ouray residents and workers.

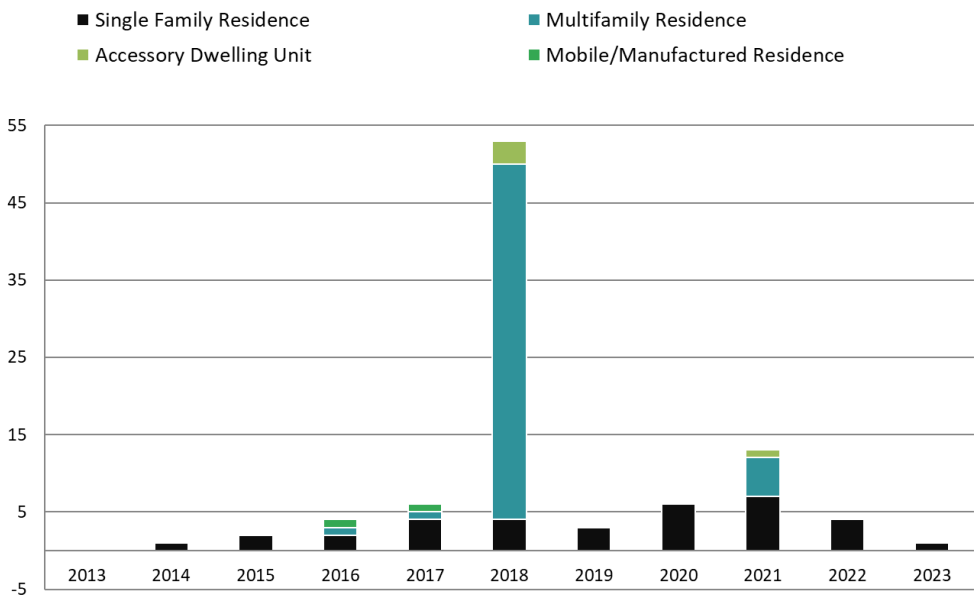
### *Residential Development*

**There were 93 housing units built in Ouray between 2013 and March 2023. Most of these new units were multifamily housing (including townhomes).**

Of the 93 units, 53 (or 57 percent) were multifamily residences. Single family homes accounted for 37 percent of units, while accessory dwelling units (ADUs) were 4 percent and mobile/manufactured homes were 2 percent (with permits only in 2016 and 2017).

As shown in **Figure 15**, most new development occurred in 2018, when 53 units were permitted (including 46 multifamily residences). Outside of 2018, there were an average of 5 units permitted annually.

**Figure 15. Building Permits (Units) by Type, 2013 – March 2023**




Source: City of Ouray; Economic & Planning Systems

**As of spring 2023, there were 19 projects totaling 102 housing units in the planning/development pipeline.**

These include single family detached homes, townhomes, and two affordable projects: 65 units of affordable ownership in the Waterview PUD being developed by Rural Homes LLC, and 13 affordable rental units being developed by Home Trust of Ouray County.

In addition to these projects currently in the pipeline, the City intends to develop housing on the City-owned Cascade Falls site. This is further discussed in **Chapter 5**.

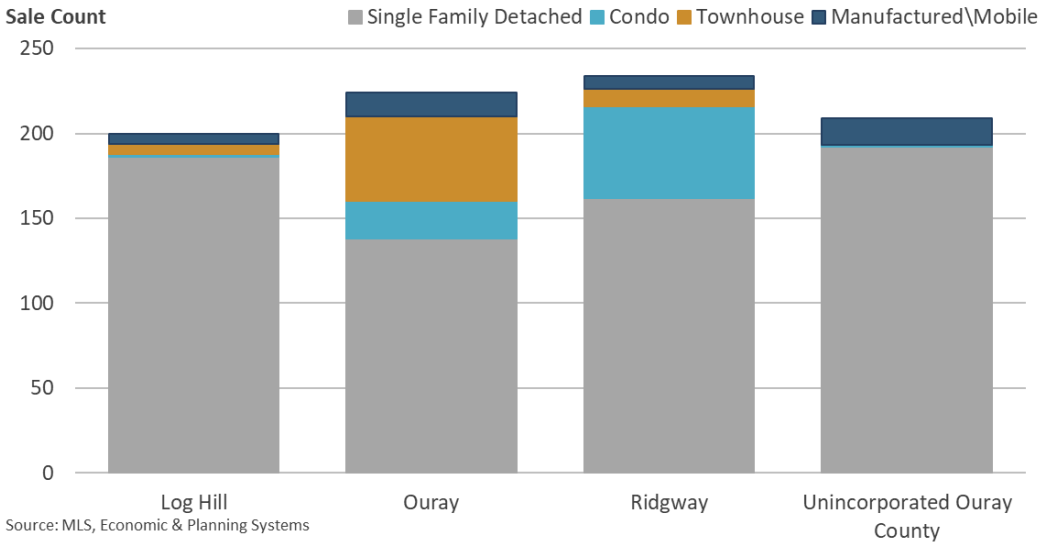
### *Home Sales*

The cost of purchasing a home is a key indicator of the housing market. To evaluate trends in homeownership in Ouray, local and regional home sales were evaluated over a 10 year period, looking at units by location and type to analyze broad market trends and changes in affordability for local residents. Four locations were considered: the City of Ouray, Ridgway, Log Hill, and unincorporated Ouray County.

**Sales volume from 2013 through August 2023 was similar across the four areas, but the types of homes sold in Ouray and Ridgway differ from those sold in Log Hill and the unincorporated county.**

As shown in **Figure 16**, all of these areas had between 200 and 250 home sales over the period of 2013 to August 2023. In all communities, sales were primarily single family detached homes, however these comprised a larger portion of sales in Log Hill (93% of sales) and the unincorporated county (91%) than in Ridgway (69%) and Ouray (61%). Ouray had more townhome sales than other communities, with 50 townhomes sold over this time (accounting for 22 percent of all sales in the city), while Ridgway had more condo sales, with 54 units accounting for 23 percent of sales in the town.

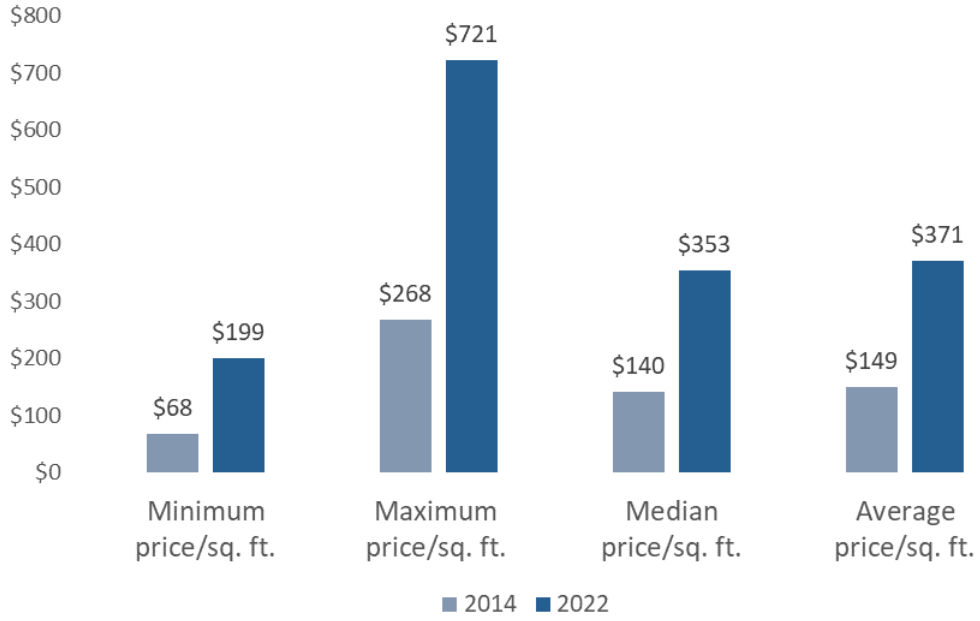
**Figure 16. Home Sales by Type, 2013-2023**



**Price per square foot in the City of Ouray has more than doubled since 2014.**

Data for condo, single family detached, and townhome sales is summarized in **Figure 17** and illustrates a large increase between 2014 and 2022. As shown, the median and average price per square foot increased by a factor of about 2.5 over this time period, while the minimum price per square foot nearly tripled. The median and average prices were similar in both 2014 and 2022, indicating that while overall prices have increased significantly, the distribution of prices has not changed (there are not more very expensive homes selling now than there were in 2014, and there is a relatively even distribution of homes across the price spectrum).

**Figure 17. Sale Price Per Square Foot, City of Ouray, 2014-2022**




**Within the region, costs are highest in Ridgway, but all communities have experienced similar growth trends in home prices.**

Ridgway has the highest per square foot costs, at $446, while Ouray has the lowest, at $366. Over the last decade, all areas have seen increases in price per square foot of between $214 and $284, or 10 to 13 percent annually, as shown in **Table 6**.

**Table 6. Price Per Square Foot Increase, 2014-2022**

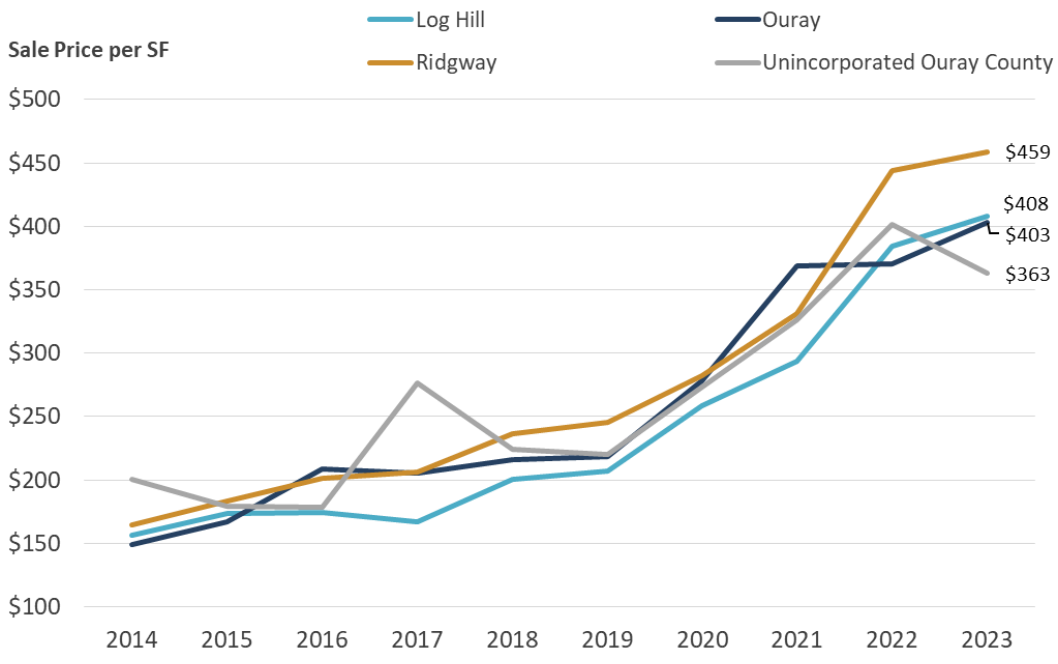
| Average Price Per Sq. Ft. (all home types) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2014-2022 Total Change | 2014-2022 Ann. # | 2014-2022 Ann. % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ouray County | $159 | $172 | $185 | $202 | $217 | $218 | $266 | $324 | $405 | $246 | $31 | 12% |
| Ouray | $143 | $160 | $186 | $205 | $197 | $218 | $258 | $369 | $366 | $223 | $28 | 12% |
| Ridgway | $163 | $179 | $199 | $204 | $236 | $241 | $282 | $321 | $446 | $284 | $35 | 13% |
| Log Hill | $143 | $173 | $171 | $166 | $211 | $207 | $259 | $294 | $384 | $241 | $30 | 13% |
| Unincorporated County | $185 | $174 | $176 | $256 | $222 | $217 | $265 | $318 | $399 | $214 | $27 | 10% |

Source: MLS; Economic & Planning Systems

**Prices in all communities have increased at a faster pace since 2019.**

As shown in **Figure 18**, the growth rate in sale price per square foot has increased since 2019. Prior to 2019, average price per square foot had only exceeded $250 once (in the unincorporated county in 2017), and had not broken $300. As of August 2023, the average price per square foot ranged from $363 in the unincorporated county to $459 in Ridgway, and has been above $300 in most communities since 2021.

**Figure 18. Average Sale Price per Square Foot, 2013 – August 2023**




Source: MLS, Economic & Planning Systems

This escalation since 2019 is further shown in **Table 7**. Between 2014 and 2019, average sales price per square foot grew by 3 percent annually in the unincorporated county, and between 8 and 9 percent annually in other areas (7 percent overall in the county). From 2019 through 2022 growth rates increased dramatically. Ouray had the lowest average annual growth, at 19 percent per year. All other areas saw per-square-foot sales prices increase by 23 percent per year.

**Table 7. Price Per Square Foot, 2014-2019 and 2019-2022**

| Average Price Per Sq. Ft. (all home types) | 2014 | 2019 | 2022 | 2014-2019 Total Change | 2014-2019 Ann. # | 2014-2019 Ann. % | 2019-2022 Total Change | 2019-2022 Ann. # | 2019-2022 Ann. % |
|---|---|---|---|---|---|---|---|---|---|
| Ouray County | $159 | $218 | $405 | $60 | $12 | 7% | $186 | $62 | 23% |
| Ouray | $143 | $218 | $366 | $75 | $15 | 9% | $148 | $49 | 19% |
| Ridgway | $163 | $241 | $446 | $79 | $16 | 8% | $205 | $68 | 23% |
| Log Hill | $143 | $207 | $384 | $64 | $13 | 8% | $177 | $59 | 23% |
| Unincorporated County | $185 | $217 | $399 | $31 | $6 | 3% | $182 | $61 | 23% |

Source: MLS; Economic & Planning Systems

**Escalating home prices have put ownership increasingly out of reach for local residents. The affordability gap (the difference between what a household can afford and what homes cost) for a household earning the median income increased by over $400,000 between 2014 and 2022.**

Data on home sales and affordability for single family detached homes, condos, and townhomes is shown in **Table 8**. As shown, between 2014 and 2022 the affordability gap between what a 2-person household earning the median income could afford and the median-priced home grew from $37,100 to $517,700. Between 2015 and 2019 the gap averaged $117,100; from 2020 to 2022 that increased to $332,700.

Data for January to August 2023 is not included in the table, as there were only five sales over that period. However, those sales show a reduced affordability gap from 2022, with a median sale price of $485,000 and an affordability gap of $223,900.

**Table 8. Affordability Gap, For-Sale Housing 2014-2022**

| For-Sale Housing Affordability Gap Ouray, Colorado | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2014-2022 Total | 2014-2022 Ann. # | 2014-2022 Ann. % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Median Household Income (2-person) | $57,300 | $60,200 | $59,300 | $58,700 | $63,500 | $62,900 | $61,100 | $63,400 | $70,900 | $13,600 | $1,700 | 3% |
| Affordable Unit Price | $199,900 | $204,900 | $202,300 | $197,600 | $223,100 | $218,600 | $205,200 | $204,300 | $219,800 | $19,900 | $2,488 | 1% |
| Median Sale Price (all types) | $237,000 | $335,000 | $316,000 | $335,000 | $315,000 | $331,000 | $379,950 | $510,000 | $737,500 | $500,500 | $62,563 | 15% |
| *# of sales* | 19 | 21 | 19 | 25 | 21 | 27 | 28 | 24 | 16 | | | |
| **Affordability Gap** | -$37,100 | -$130,100 | -$113,700 | -$137,400 | -$91,900 | -$112,400 | -$174,750 | -$305,700 | -$517,700 | ($480,600) | ($60,075) | 39% |

Source: Economic & Planning Systems, MLS, Census Bureau

**The income needed to afford the median-priced home in Ouray has increased over time, with significant increases during COVID-19.**

Another way of looking at affordability is examining how much a household needs to earn to afford a home. As shown in **Table 9**, in 2014 a 2-person household needed to earn 111 percent of the median income to afford the median-priced home in Ouray. That increased over time (with some fluctuation), and by 2022 a household would need to earn 247% AMI to afford the median priced home. As shown and described previously, prices through August 2023 have come down slightly; the median priced home through this time period required a household to earn 160% AMI.

**Table 9. Income Needed to Afford Median-Priced Homes, 2013-2023**

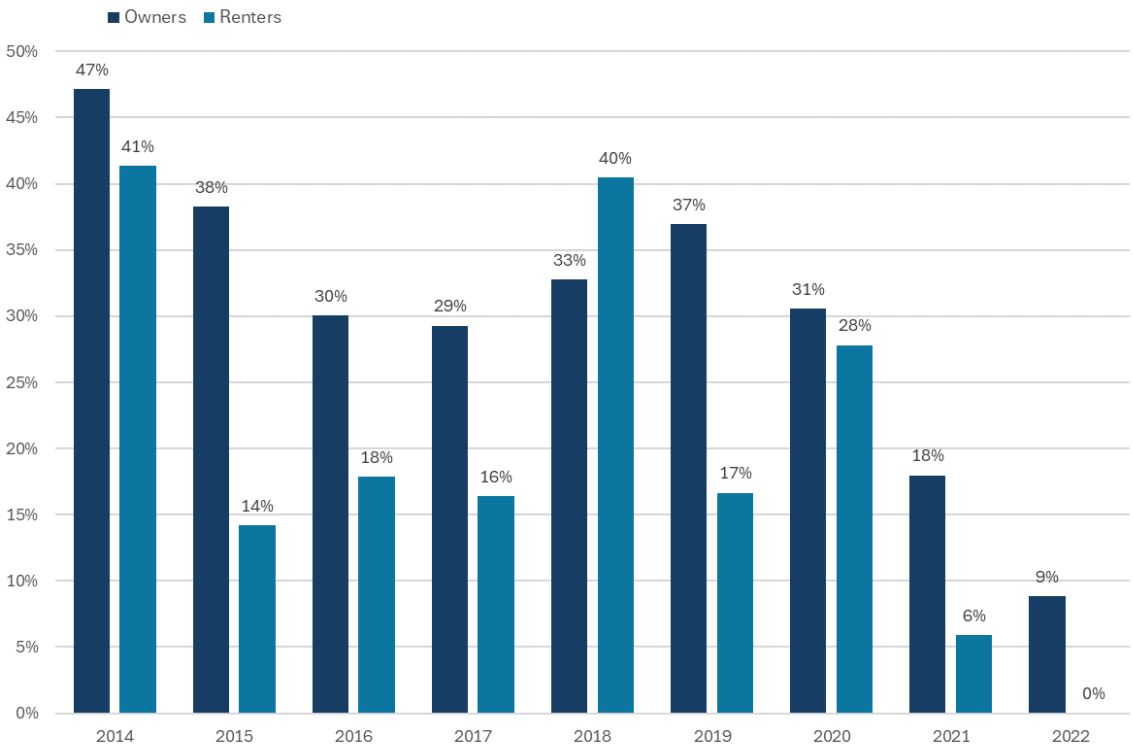
| Median For-Sale Housing Income Needed | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| Median Sale Price | $237,000 | $335,000 | $316,000 | $335,000 | $315,000 | $331,000 | $379,950 | $510,000 | $737,500 | $485,000 |
| Number of Sales | 19 | 21 | 19 | 25 | 21 | 27 | 28 | 24 | 16 | 5 |
| Income Needed | $63,532 | $85,391 | $81,153 | $85,391 | $80,930 | $84,499 | $95,418 | $124,427 | $175,173 | $118,850 |
| *% AMI (2-person household)* | *111%* | *142%* | *137%* | *145%* | *127%* | *134%* | *156%* | *196%* | *247%* | *160%* |

Source: MLS; CHFA; Economic & Planning Systems

**The number of homes affordable to local households has declined since 2014, particularly for local renters.**

The availability of homes to local households has diminished over time, as shown in **Figure 19**. In 2014, 47 percent of owners and 41 percent of renters could afford a median-priced home in the city. By 2022, only 9 percent of owners could afford this, while the median-priced home was not affordable to any renter households in the city. When local homes are affordable to local homeowners, it enables them to move within the city – whether to increase their space (and free up a smaller home for another household), or to downsize and ensure they can stay in the community longer. When local renters are able to afford homes, it allows them to move into homeownership and stay in their community, putting down roots and building wealth. As these options diminish, it is more likely that existing residents will either take on more than they can afford to stay in the community, or move to find housing that is more affordable.

**Figure 19. Households Able to Afford the Median-Priced Home by Tenure, City of Ouray 2014-2022**



### *Rental Market Trends*

Rental data is difficult to collect, and so multiple methods were used throughout this study to track the rental market.

**Online rental listings do not accurately capture the local rental market.**

As a first step, rental listing were tracked on public websites and local Facebook groups across a period of four months. These listings are summarized in **Table 10**. Ouray had fewer listings posted than neighboring communities, and the average listed rent per square foot for the city was the second highest among the four communities tracked (second to Telluride). While overall rental rates were similar between Ouray and Ridgway, units in Ouray were typically smaller (in both square footage and number of bedrooms), and several listings advertised private rooms in homes rather than entire units.

**Table 10. Online Rental Tracking**

| Location | Listings Tracked | Average Rent | Average Rent per Sq. Ft. |
|---|---|---|---|
| Ouray | 11 | $2,084 | $2.49 |
| Ridgway | 21 | $2,058 | $2.01 |
| Montrose | 62 | $1,687 | $1.22 |
| Telluride | 24 | $4,265 | $3.96 |

Source: Economic & Planning Systems, Zillow, Craigslist, Facebook

The online tracking did not capture the scale of the local market, as the market is mostly informal. To account for this, a survey was distributed to local property owners and landlords to understand the scope of inventory and cost of rental units available in the city. The survey asked about number of units, bedroom counts, type of housing (e.g. market rate, subsidized, employee housing), rental rates, and method(s) of advertising.

The survey captured 85 rentals, reported by 16 respondents. As shown in **Table 11**, units are primarily considered market rate (unit types were self-defined and self-reported). Average rents ranged from $900 per unit for affordable units to nearly $1,400 for market rate units.

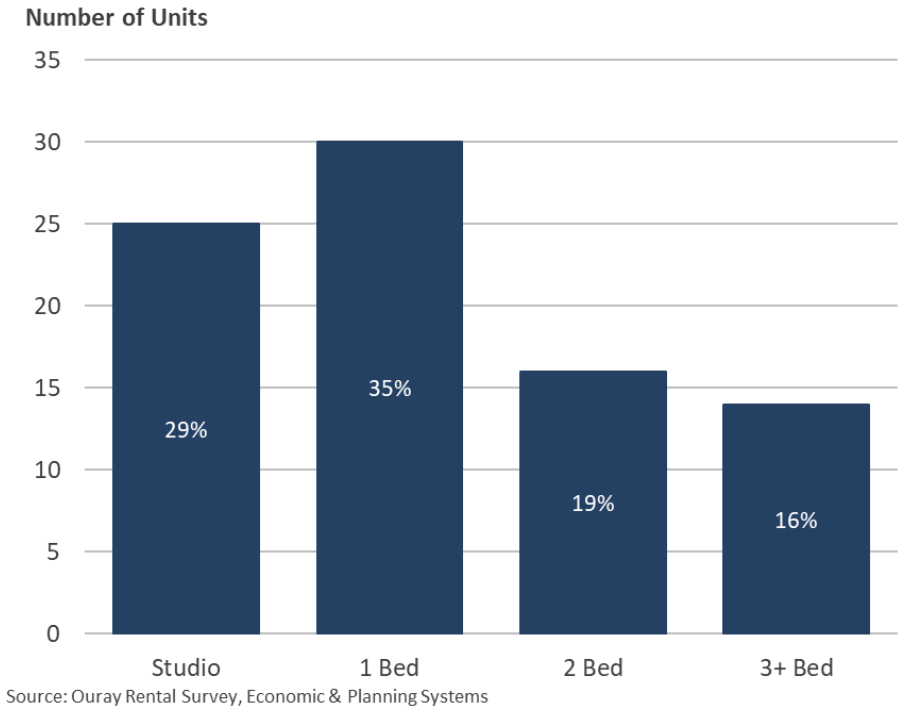
**Table 11. Rental Survey – Units by Type and Average Rent**

| Rental Unit Type | Count of Units | % of Total | Average Rental Rate |
|---|---|---|---|
| Affordable Housing | 4 | 5% | $900 |
| Employee Housing | 6 | 7% | $1,050 |
| Market Rate Housing | 75 | 88% | $1,394 |

Source: Ouray Rental Survey, Economic & Planning Systems

Units reported through the survey were primarily 1-bedroom and studio units, which together accounted for 64 percent of units (29 percent studios, 35 percent 1-bedrooom). As shown in **Figure 20**, 19 percent of units were 2-bedrooms, and 16 percent had 3 bedrooms or more.

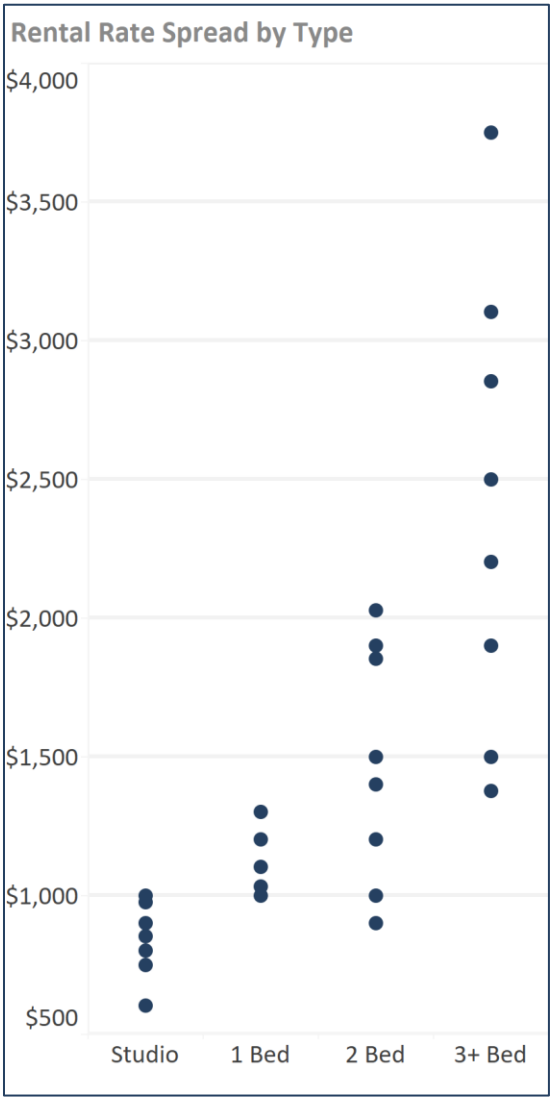
**Figure 20. Rental Units by Bedrooms, City of Ouray 2023**




Source: Ouray Rental Survey, Economic & Planning Systems

Average rents for these units ranged from $868 for a studio to $2,616 for a 3+ bedroom. As shown in **Figure 21**, rental rates are generally clustered for studio ($500 - $1,000) and 1-bedroom units ($1,000 - $1,300), and start to see a wider range for 2-bedroom and larger units.

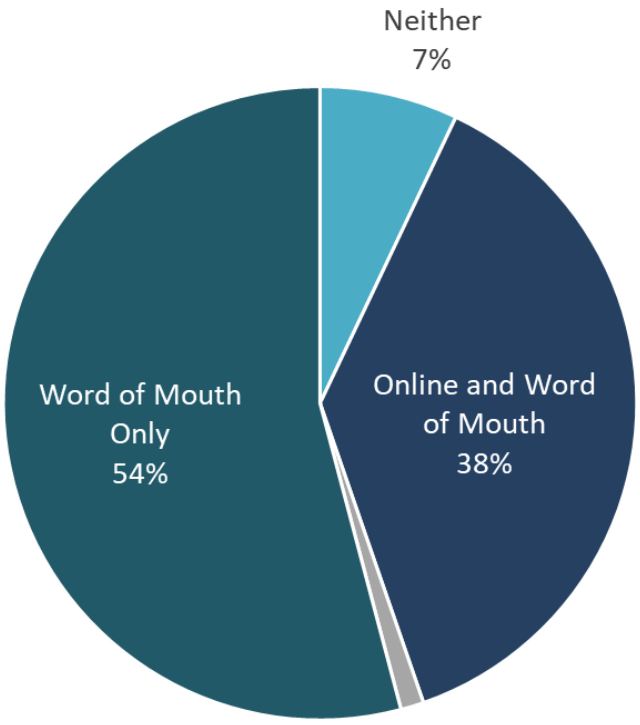
**Figure 21. Rental Rates by Unit Type, City of Ouray 2023**



**Most units are advertised through word-of-mouth marketing, making it difficult for those not already connected in the community to find this housing.**

Survey respondents were asked how they advertise their rental units. Over 90 percent of respondents use word-of-mouth marketing, either on its own or in combination with online marketing. As shown in **Figure 22**, 54 percent of respondents use word-of-mouth only, while 38 percent use that in combination with online, 1 percent do online marketing only, and 7 percent do not advertise (these units were reserved for employees of the business owners). This creates an additional challenge for renters looking for housing in the city, as there is not a clear place to find rental listings.

**Figure 22. Rental Unit Advertising**




Source: Ouray Rental Survey, Economic & Planning Systems

**Survey data indicates that rental units are not unaffordable, particularly for smaller units/smaller households.**

As shown in **Table 12**, the average rents reported for studio, 1-bedroom, and 2-bedroom units are affordable to households making less than 80% AMI. Affordability only exceeds 100% AMI for 3+ bedroom units; this indicates that rental affordability challenges may be more prevalent for families or larger households. As shown through the survey, costs of units are not necessarily out of reach for local residents, but the informal market and lack of advertising means these units are hard to find, particularly for those not currently living in the area.

**Table 12. Rental Survey – Average Rents and Affordability**

| Unit Type | Average Rent | Income Needed to Afford | Percent AMI |
|---|---|---|---|
| Studio | $868 | $34,720 | 53% (1 person hh) |
| 1 Bedroom | $1,165 | $46,600 | 71% (1 person hh) |
| 2 Bedroom | $1,325 | $53,000 | 71% (2 person hh) |
| 3+ Bedroom | $2,616 | $104,640 | 125% (3 person hh) |

Source: City of Ouray; Economic & Planning Systems

### *Short Term Rentals*

Many communities across Colorado are experiencing impacts of short term rentals (STRs) on their housing inventory. The City currently has 110 active STR licenses, with a cap of 120 available licenses, limiting STRs to a maximum of 16 percent of housing units. STRs are not permitted in the R-1 Zone District (except for legal nonconforming uses) or in accessory dwelling units (ADUs), which minimizes the impact on local housing availability. There are currently only 4 licensed STRs within the R-1 District.

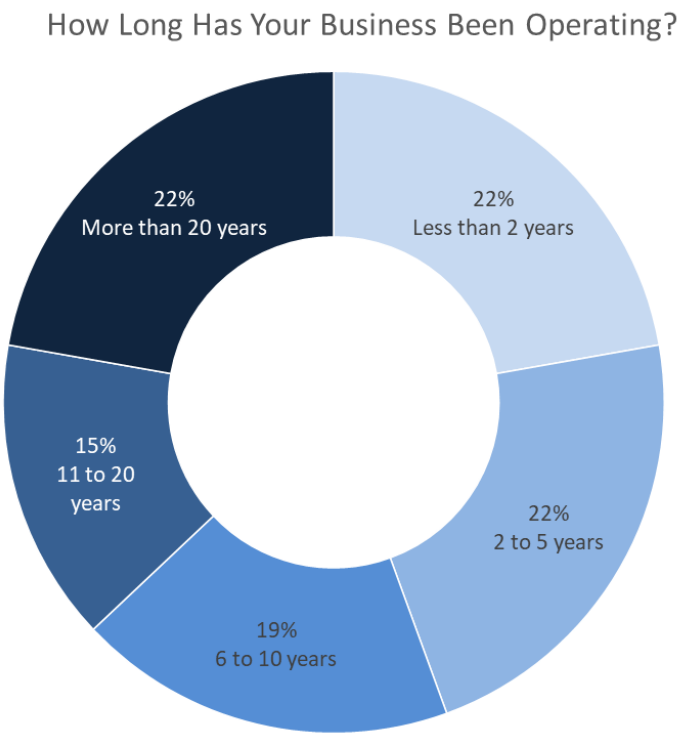
In addition to licensing and geographic restrictions, the City imposes a voter-approved 15 percent excise tax on short term rentals, generating revenue for local affordable housing programs. The tax has generated between $500,000 and $600,000 annually, with 50 percent of revenue dedicated to affordable/attainable housing.

# 3. Employer Survey

In addition to the data analysis outlined in the previous chapter, a survey was distributed to local employers to determine specific challenges they face related to housing and the resources they are willing to contribute to solutions. There were 23 respondents to the survey, representing 33 business (8 respondents operate multiple businesses) and 242 jobs (12 percent of overall county employment).

Among respondents there was a diversity of business age, as shown in **Figure 23**, with nearly even distribution among age categories. There was also a diversity of business size, with an average of 13.4 employees (full time and part time) among respondents. Business sizes ranged from 1 or 2 employees to over 50.

**Figure 23. Employer Survey – Time in Business**



## Employer Challenges

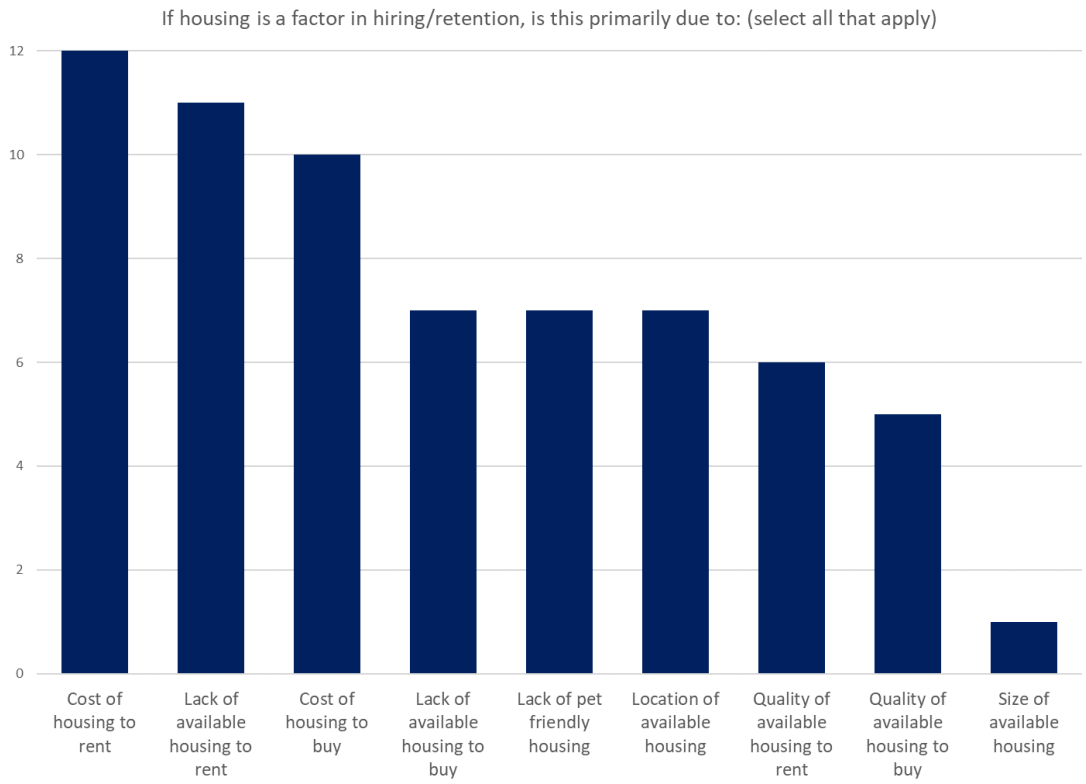
Employer challenges were determined through questions about unfilled positions, employees holding multiple jobs, seasonal employment, and business/economic changes.

- **Unfilled Positions:** Employers reported a total of 56 unfilled positions – 13 full time and 43 part time. If all these jobs were filled, it would represent a 23 percent increase in employment.
- **Multiple Jobholders:** Over half of respondents (57 percent) reported that they are aware of their employees working multiple jobs. When asked to estimate the percentage of employees working multiple jobs, responses ranged from 5 percent to 100 percent of employees at a business.
- **Seasonal Employment:** Fifty-five percent of respondents indicated that they hire seasonal employees. Seasonal employment is more prevalent in summer than winter.
- **Business/Economic Changes:** Employers reported that they have needed to increase their workforce because of additional customers and/or more business, but have faced challenges in increasing their staffing due to labor shortages and hiring challenges.

## Housing Challenges

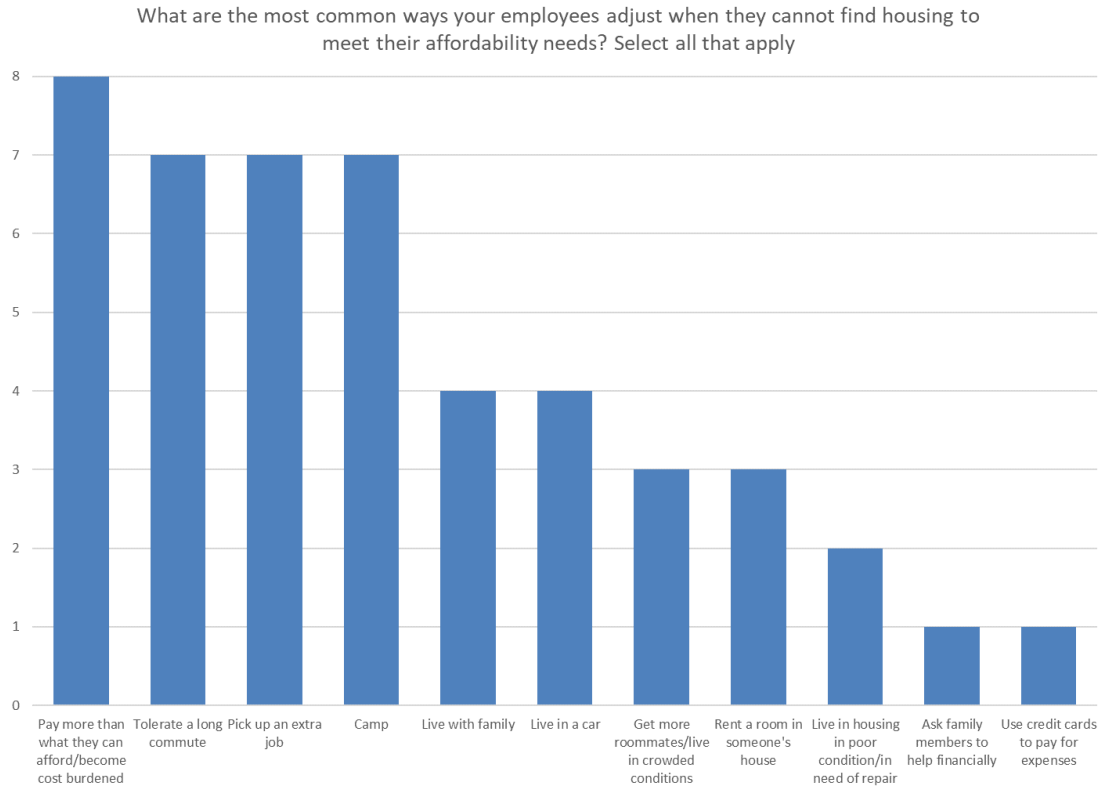
Employers were asked how housing factors into hiring and retention challenges. As shown in **Figure 24**, the most common responses were the cost of rental housing, the lack of available rental housing, and the cost of ownership housing.

**Figure 24. Employer Survey – How Housing Impacts Hiring and Retention**



Employers were asked how employees adjust to these challenges, when they cannot find housing to meet their affordability needs. As shown in **Figure 25**, the most common responses were to spend more than they can afford, tolerate a long commute, pick up an additional job, and camp.

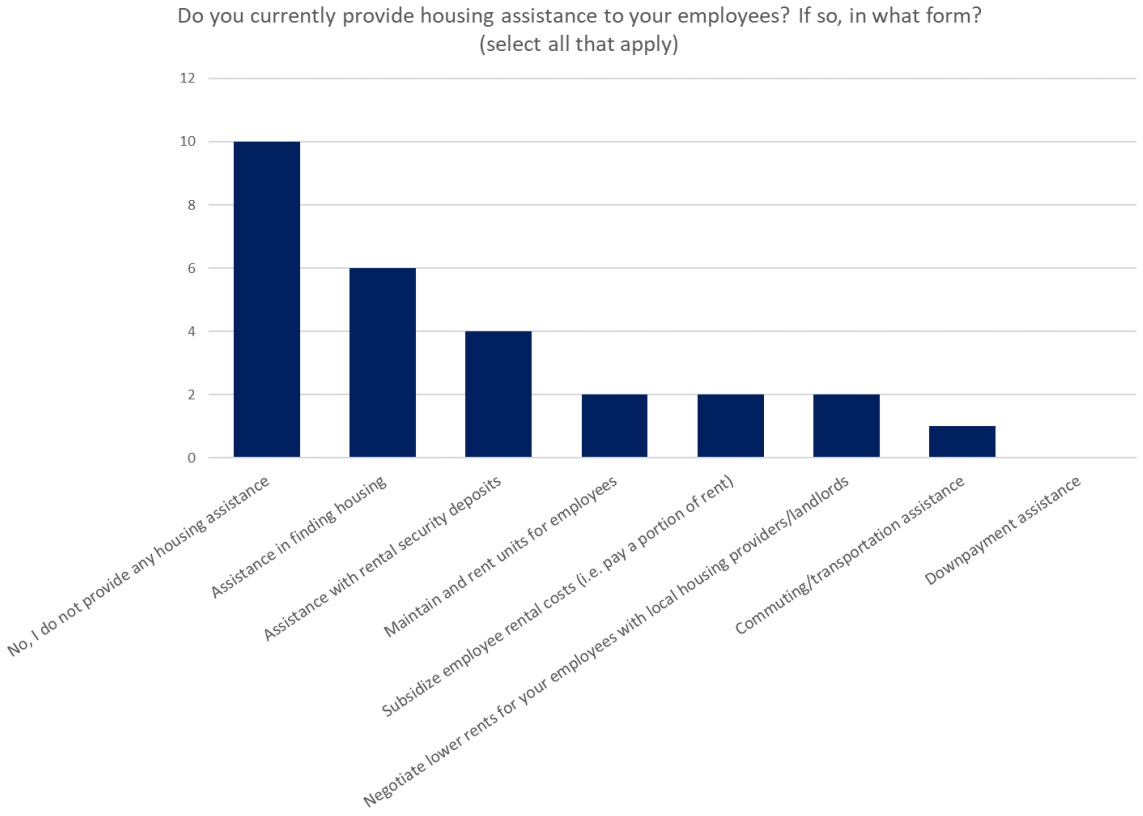
**Figure 25. Employer Survey – How Employees Adjust to Housing Challenges**



## Current Employer Strategies

Ten employers (43 percent of respondents) do not currently provide housing assistance for their employees. As shown in **Figure 26**, of employers who are providing assistance, the most common methods are assistance in finding housing (6 employers) and assistance with rental security deposits (4 employers). Additional types of assistance include maintaining and renting units for employees, subsidizing employee rental costs, negotiating lower rents with local housing providers/landlords, and providing commuting/transportation assistance.

**Figure 26. Employer Survey – Current Assistance Provided**



## Employer Interest in Housing Solutions

A key goal of the employer survey was to gauge interest from employers in participating in housing solutions. Employers were asked to rate their interest in participating if the City or another entity considered constructing a housing project and making units available to employers to purchase or master lease. Nearly 40 percent of respondents rated their interest a 5/10 or higher, with 5 employers indicating a 10/10 interest, 1 indicating an 8/10 interest, and 3 indicating 5/10 interest. There was relatively equal interest in master leasing and purchasing units.

Employers were asked how many employees they would be interested in housing in a development. As shown in **Table 13**, there was significant interest in both year-round and summer seasonal housing, with moderate interest in winter seasonal housing. If all of these employers participated in a housing project, there would be demand for 29 year-round, 25 summer seasonal, and 7 winter seasonal employees.

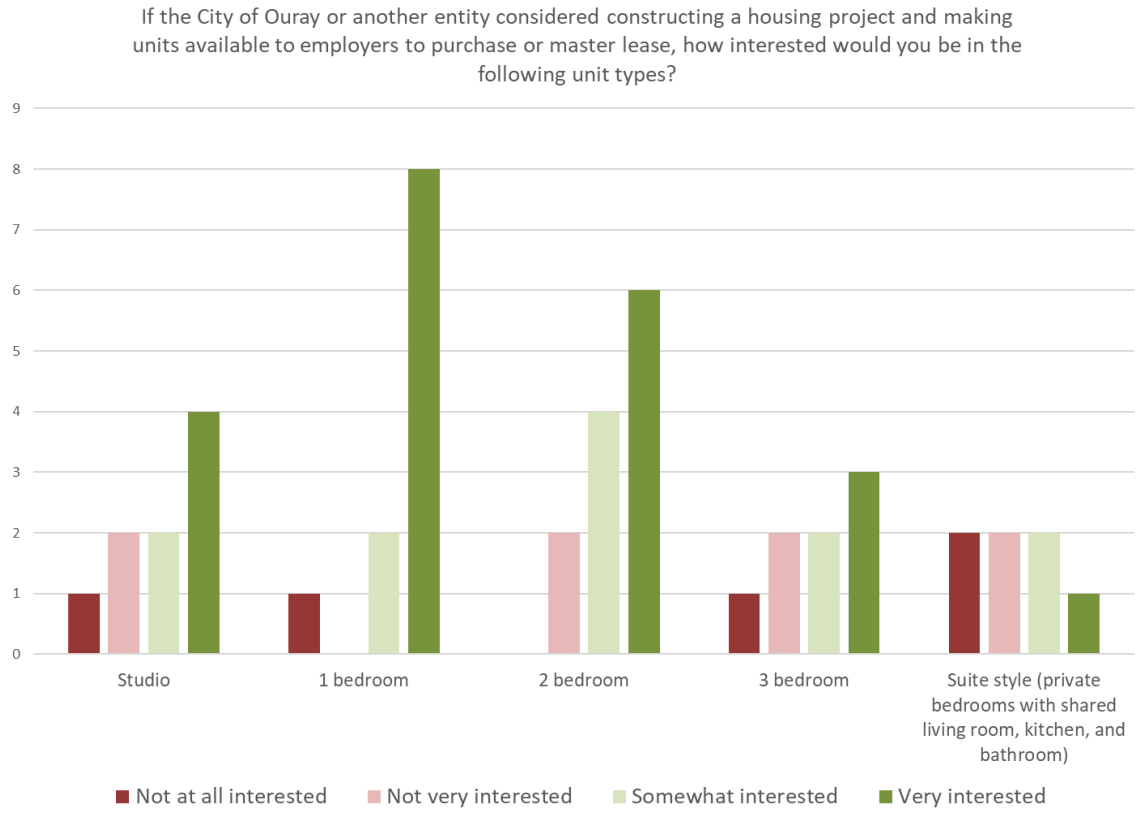
**Table 13. Employer Survey – Employees to House**

| Interest in Housing | Year Round | Summer Seasonal | Winter Seasonal | Total |
|---|---|---|---|---|
| 10/10 Interest | 22 | 20 | 6 | 48 |
| 8/10 Interest | 3 | 1 | 1 | 5 |
| 5/10 Interest | 4 | 4 | | 8 |
| **Total** | **29** | **25** | **7** | **61** |

Source: Economic & Planning Systems

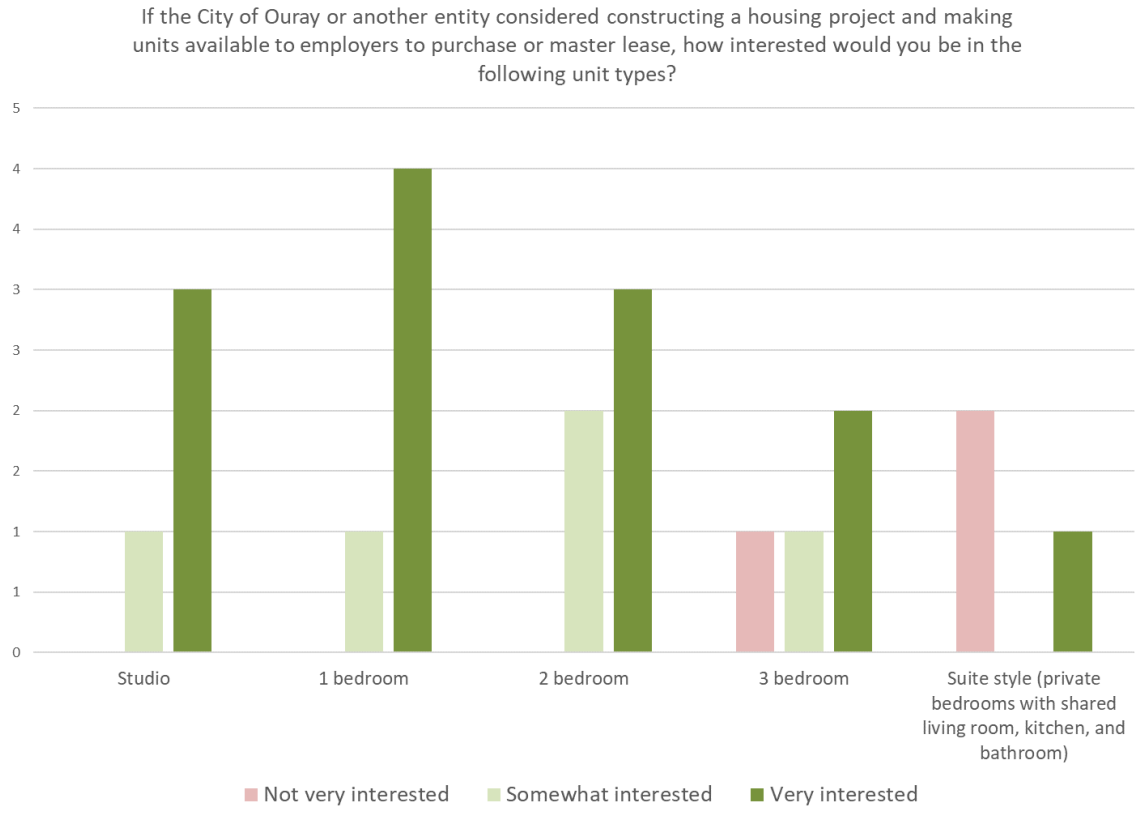
In addition to the number of employees that can potentially be housed, employers were asked about the type of housing that was of most interest. Among employers who expressed any interest in housing, there was most significant interest in 1- and 2-bedroom units, as shown in **Figure 27**.

**Figure 27. Employer Survey – Housing Interest by Unit Type**



When considering only those employers who rated their interest a 10/10, interest is highest in studio, 1-, and 2-bedroom units, as shown in **Figure 28**.

**Figure 28. Employer Survey – Interest in Housing by Type (10/10 interest in a housing project)**




Employer needs comprise a significant portion of local housing demand. Understanding these needs helps to frame up goals and strategies for the City, discussed in the next chapter.

# 4. Housing Goals and Strategy Analysis

This chapter outlines housing goals for the City of Ouray, and a strategy framework that can be used to achieve those goals. The next chapter provides a more detailed action plan to implement strategies.

## Strategy Framework

The strategy framework is outlined in **Figure 29** below, and includes five elements:

- **Housing goals and strategies** outline development and preservation targets for the City, for both rental and ownership housing at various income levels.
- **Land resources** identifies areas in the city where there is land available for housing and ways to maintain that resource for future development.
- **Financial resources** looks at existing City resources that can be used for housing, potential new funding sources to consider to support housing objectives, and uses for housing funds.
- **Partnerships** considers opportunities to partner with local organizations doing housing work to enhance resources and help achieve outcomes faster.
- **Prioritization** evaluates key priorities for the City. This is further outlined in the action plan, which considers how to phase strategies over the short- and mid/long-term.

**Figure 29. Housing Strategy Framework**



# Housing Goals

Housing goals for Ouray address both short term and long term needs, based on existing gaps, needs met by projects underway, and future trends (e.g., aging population).

## Housing Needs

Housing needs are based on the 2021 Telluride Foundation/Rural Homes Project Housing Market Study and the 2022 Region 10 Workforce Housing Study. Additional consideration is given to the needs documented by local employers through the employer housing survey.

The Telluride Foundation/Rural Homes and Region 10 studies both provided housing needs at the county level. The Telluride Foundation study focused on ownership housing needs in communities throughout the county, estimating that there are over 100 units needed throughout the county at 60-80% AMI targets. The demand for rental housing was discussed qualitatively in that assessment, and not quantified. The Region 10 study focused on workforce housing needs, providing conservative estimates of both "catch-up" and "keep-up" components of demand. This study estimated a need for 270 units of workforce housing in the county through 2032. Combined, these reports indicate a need for 370 units countywide over the next 10 years.

## Development Capacity

In addition to housing needs, it is important to consider the housing capacity of the city. The City's 2018 Wastewater Treatment Master Plan provided buildout capacity for the City to inform the capacity of the treatment facility. This can be considered the upper limit of housing capacity in the city. As noted in the Wastewater Treatment Plan, the expected buildout capacity of the city was based on the 2018 Community Development Master Plan that evaluated land use, zoning, and water supply limitations to determine buildout projections for the city. Based on this analysis, there were 800 unbuilt units in the city, consisting primarily of condos, apartments, and townhomes (549 unbuilt units), as well as single family homes (136 unbuilt units) and accessory dwelling units (115 unbuilt). Based on this analysis, physical capacity will not be a constraint for the City to meet housing targets.

## Regional Affordable Housing Pipeline

Regional organizations are currently in the process of developing over 100 units of affordable housing throughout the region, as shown in **Table 14**. Nearly 80 of these units are planned to be in Ouray, not including the Cascade Falls project (discussed separately in this report). These units are accounted for in the housing targets outlined below.

**Table 14. Regional Affordable Housing Pipeline**

| Name | Units | Location | Tenure |
|---|---|---|---|
| Waterview Homes | 65 | Ouray | Ownership |
| Oak Street | 13 | Ouray | Rental |
| Cascade Falls | Unknown | Ouray | Unknown |
| 660 Sherman | 14 | Ridgway | Rental |
| Habitat Triplex | 3 | Ridgway | Ownership |
| Wetterhorn Homes | 14 | Ridgway | Ownership |
| **Total** | **109** | | |
| *Ouray* | *78 units* | | |
| *Ridgway* | *31 units* | | |

Source: City of Ouray; Economic & Planning Systems

After accounting for pipeline units, housing targets for the City are focused on rental housing, as well as for-sale housing targeted to employers looking to participate in housing solutions.

## Housing Targets

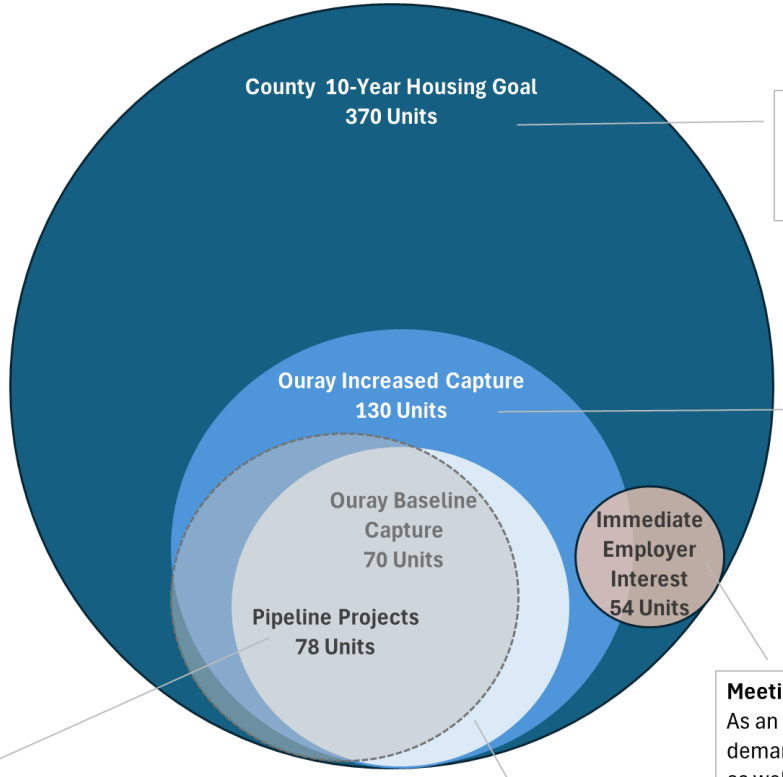
Housing targets will depend on how much county growth is captured in the city. As noted above, the goal outlined by the Telluride Foundation and Region 10 reports is 370 units over 10 years, generally framing action during planning horizon from 2021 through 2031. As shown in **Figure 30**, Ouray's portion of the 370 unit goal for the county is 130 units based on the proportion of jobs located within the city. This target will be partially filled by the 78 affordable units currently in the development pipeline (65 ownership and 13 rental). This accounts for approximately 60 percent of the target, leaving another 40 percent to be built during the planning horizon.

**Figure 30. Housing Goals Summary**

**What Type of Housing?**
Currently, 1/3 of households in Ouray rent their homes and 2/3 own.

The Waterview Homes project will address immediate needs for ownership housing. Beyond that, most short- and mid-term demand will be for rental housing.

Additional ownership housing may be desired by employers, to purchase and subsequently rent to their employees.




**Baseline Housing Needs**
Based on the Telluride Foundation and Region 10 studies, the County's 10-year housing goal is 370 new units.

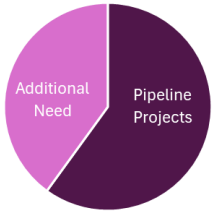
**Changing the Paradigm Scenario**
The City currently has 35% of jobs in the County. If the City looks to capture 35% of the 10-year housing need, 130 new units would be needed.

**Meeting Current Employer Interest**
As an overlapping factor, employers indicated demand for up to 54 housing units immediately, as well as 56 unfilled positions.

Meeting this interest should be viewed as nested within the baseline County needs.

**Pipeline Projects**
There are currently 78 affordable units in the development pipeline in the City (65 ownership units in the Waterview Homes development and 13 rental units in the Oak Street development).

If/when all of these units are built, they will help meet the baseline capture needs; additional units would be needed to achieve higher housing goals. These 78 units account for 60% of the "Increased Capture" goal of 130 units, leaving an additional 52 units (40%) to be constructed within the 10-year timeframe.




**Status Quo Scenario**
The City currently has 19% of households in the County. If the status quo remains and the City captures 19% of the 10-year housing need, 70 new units would be needed.

### *Tenure*

Over the past 10 years, the city has seen a significant change in the composition of the renter community. While the rental stock has traditionally offered 'naturally affordable units' (i.e., those units that are rented at generally affordable rates due to being smaller and older), the past decade saw a shift in the composition of renters. Today, the renter community represents higher household incomes. The pressure on lower income households has likely displaced them. Of the 462 households in the community, approximately 33 percent are renters (roughly 153). There was a 36 percent contraction in this group earning less than 80% of AMI (roughly 55 households). It is recommended that the City focus on replacing these units, and commit to increasing affordable rental inventory by approximately 55 units over the 10-year planning horizon.

### *Housing Typologies and Tenure*

The City needs both affordable ownership and rental housing. The 65 ownership homes in the Waterview Homes project will address a majority of needs for ownership housing. The 13 units of rental housing slated for the infill project account for a portion of the 55 total rental units needed. To reach the target of 130, the remaining 10 units could be realized in small increments based on the recommendations to modify the City's entitlement processes (see Action Plan below). The specific tenure of this small balance should be determined based on the nature of the project and negotiations with the developer at time of approval.

### *Affordable Price Targets*

The definition of affordability of provided below in **Table 15**. The data quantifies the ceiling for rents and purchase prices, based on income and the number of people within the household.

**Table 15. Affordability by AMI and Household Size**

| Description | 1 Person Household | | | 2 Person Household | | | 3 Person Household | | |
|---|---|---|---|---|---|---|---|---|---|
| | Income | Monthly Rent | Purchase Price | Income | Monthly Rent | Purchase Price | Income | Monthly Rent | Purchase Price |
| 60% AMI | $39,120 | $978 | $127,600 | $44,700 | $1,118 | $152,500 | $50,280 | $1,257 | $177,600 |
| 80% AMI | $52,160 | $1,304 | $186,000 | $59,600 | $1,490 | $219,400 | $67,040 | $1,676 | $252,700 |
| 100% AMI | $65,200 | $1,630 | $244,500 | $74,500 | $1,863 | $286,200 | $83,800 | $2,095 | $327,900 |
| 120% AMI | $78,240 | $1,956 | $302,900 | $89,400 | $2,235 | $352,900 | $100,560 | $2,514 | $402,900 |
| 150% AMI | $97,800 | $2,445 | $390,600 | $111,750 | $2,794 | $453,200 | $125,700 | $3,143 | $515,700 |

Source: Economic & Planning Systems

### *Proposition 123 Housing Funds*

Ouray is classified as a Rural Resort community for Prop 123 funding, meaning that the funding can be used to serve households with higher incomes. The City's baseline is 98 units; this needs to be increased by 3 percent each year for three years, for a total of a 9 percent increase. This means the City needs to add 10 new units; this goal can be achieved within the Cascade Falls development.

# Land Resources

Land is often the most expensive component of housing developments, and land availability is a particular challenge in mountain communities. The City of Ouray is in a good position, as there is still undeveloped land within the city (and in the surrounding area, if annexation is desired) and the City owns land that can be utilized for housing development.

## Undeveloped Land

As shown in Row D of **Table 16**, a 2022 City analysis showed capacity for over 900 additional dwelling units in the city (based on undeveloped land at currently allowed densities). This analysis is caveated by the fact that the parcels analyzed include those subject to considerable geologic hazards that would reduce the site capacity for housing. Together with the buildout capacity analysis from the Wastewater Treatment Master Plan, analyses indicate that there is capacity for an additional 800-900 housing units in the city.

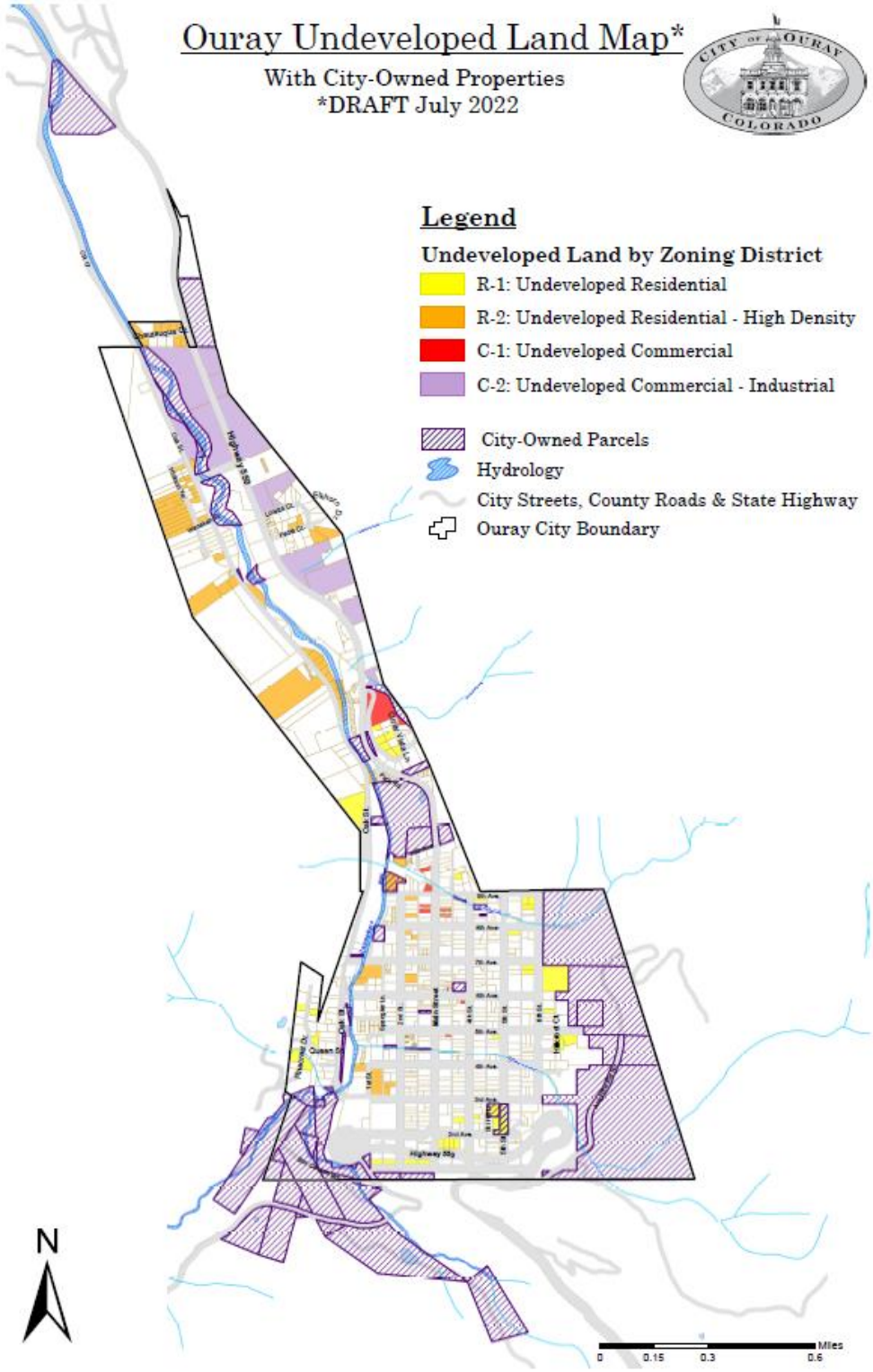
**Table 16. Undeveloped Land by Zoning District (City Staff Analysis, June 2022)**

| Item | Variable | ZONING DISTRICT | | | | |
|---|---|---|---|---|---|---|
| | | C-1 | C-2 | R-1 | R-2 | All Zones |
| A | Total Lot Area Calculated *(Sq. Ft.)* | 137,006 | 1,466,141 | 675,690 | 1,100,766 | **3,379,603** |
| B | Total Lot Area Calculated *(Acres)* | 3.15 | 33.66 | 15.51 | 25.27 | **77.59** |
| C | Total Lots Possible *(conforming to Zone)* | 36 | 206 | 93 | 149 | **463** |
| D | Total Dwelling Units Possible *(conforming to Density)* | *N/A* | 413 | 193 | 310 | **916** |
| E | Percent Share of Total Dwelling Units Possible | *N/A* | 45% | 21% | 34% | **100%** |
| F | Total Lodging Units Possible *(conforming to Density)* | *N/A* | 1239 | *Use Not Allowed* | 930 | **2,170** |
| G | Percent Share of Total Lodging Units Possible | *N/A* | 57% | *Use Not Allowed* | 43% | **100%** |

## City-Owned Land

In addition to the overall amount of developable land in Ouray, the City owns land that can be used for housing. This ownership provides one avenue of incentive or contribution the City can make to housing projects. As shown in **Figure 31**, based on location and site characteristics (e.g., topography, rockfall hazards) not all of this land is suitable development, and not all of it is suitable for housing. In addition to land the City currently owns, the City may choose to purchase additional land as it becomes available and dedicate it to housing uses (this is discussed further in **Chapter 5**).

**Figure 31. Ouray Undeveloped Land Map (City Staff Analysis), July 2022 (Draft)**



### Land Use and Zoning

Beyond the land itself, land use and zoning regulations can help or hinder the feasibility of affordable housing development. These regulations may also help to incentivize private landowners to make housing affordable without specific programs. The City recently updated its land use code to support a broader diversity of housing typologies; additional changes may be made in consultation with landowners and developers to determine if there are additional opportunities for or barriers to affordable housing (for example, minimum density in certain areas or density bonuses in exchange for affordable housing).

## Financial Resources

In addition to land, financial resources are key to getting new housing developed and supporting housing programs. Funding may be internal (from City sources/ budgets) or external (from state, federal, or other sources). There are two key financial considerations – sources of funds (where the money comes from), and uses of funds (how the money is used).

### Sources of Funds

The City's main source of funding for housing is STR excise tax revenue. Half of this revenue is dedicated to affordable housing; this is currently approximately $250,000 per year (and limited by TABOR to $312,550). In addition to this tax revenue, recent federal and state funding allocations have made a significant amount of money available through grant programs for affordable housing in Colorado.

This funding is generally sufficient for current needs and immediate priorities. As additional housing opportunities arise, new funding sources may be considered in the future.

### Uses of Funds

Just as important as having funding is having a plan for that funding. Uses of funds will depend on the level of revenue, whether it is used in a pay-as-you-go fashion or used as bond repayment revenue, and the opportunities available for the funding. In general, funds can be used for projects (development) or programs.

**Project** uses may include property acquisition, development subsidy to a developer, or direct funding for projects where the City is the developer. Financial support for projects may be particularly impactful, as construction costs are higher in Ouray than other areas of the state, and the City competes with higher market areas (Telluride, Mountain Village) for limited construction capacity.

**Program** uses may include buy-downs (subsidizing purchase prices in exchange for deed restrictions), rental assistance, or contribution to downpayment assistance programs. This may also include financial support for employer-driven strategies within the city.

# Partnerships

Partnerships between the public, private, and nonprofit sectors can work to advance housing outcomes faster than any one entity or sector can accomplish on its own. This can create opportunities for the City to leverage its resources and diversify the options available (through strategies the City would not be able to do independently).

City resources can be contributed to partnerships in a number of ways, primarily through land or funding:

**Land** can be donated (if the City owns it) or purchased and transferred to private or nonprofit developers for workforce/affordable housing projects. Given that land is a significant portion of development costs, the contribution from the City can help a project achieve affordability goals by reducing overall project costs.

**Funding** can be used in many ways. For developments planned by nonprofit or private developers, the City can contribute gap closure funding to make an affordable housing project feasible. For existing housing, or for new for-sale development, the City can provide funding for buy-downs (in exchange for deed restrictions) and/or incentives to deed restrict the property. The City can also contribute to downpayment assistance programs (new or add to existing), other programs, or financially assist employers with housing strategies.

# 5. Action Plan

This chapter presents specific recommendations for the City to pursue, using a multifaceted approach. It includes Goals, Actions, and Implementation Considerations to guide the City as it moves forward.

## Strategy: Form Partnerships to Construct Projects

### Goal: Support existing projects underway that increase the inventory of affordable housing.

Recognizing the importance of partnerships, the City should look to support the current efforts to build new ownership and rental product.

- Action: Evaluate proposals to ensure each meets City development standards and support with in-kind services and/or direct financial support.
- Action: Evaluate absorption rates and recommend phasing as appropriate.

### Goal: Define Development Program and Begin Cascade Falls Project

The Cascade Falls site is a major development opportunity for the City. Based on the preliminary engineering report, it appears there is likely 1.5 acres of land outside environmental hazards that can be developed for housing on the site. Based on a reasonable assumption for multifamily density of 25 dwelling units per acre, there may be capacity for between 25 and 38 units on this site.

- Action: Based on needs expressed by employers, focus project on rental units, with approximately 80 percent concentrated in 2-bedroom units, and the balance in 1-bedroom/studio units.
- Action: Retain land planners, civil engineers, and architects to define a project of this magnitude that can be constructed in two phases to mitigate risk.
- Action: Frame up the project ownership and financing, based on opportunities listed below.
- Action: Define deed restrictions commensurate with degree of subsidy provided.
- Action: Map out strategy to secure Proposition 123 funding and ensure gap closure dollars can be integrated with other financing terms.

### Goal: Create a Land Bank

Land banks are government entities or nonprofit organizations that aim to convert vacant, abandoned, or tax delinquent properties into productive use. Housing development is often a primary goal of land banks. A land bank can be used for land the City already owns, and the City can also purchase land and place it in the land bank. When the time is right for development, land can be sold or otherwise provided to a developer to develop rental and/or for sale affordable housing. Any revenue from the sale of a land bank asset can be used to purchase more land bank properties. Land banks may be funded through dedicated affordable housing funds, the General Fund, or other funding sources.

- Action: Evaluate which City-owned parcels to put in land bank.
- Action: Develop policy for Council to consider future acquisitions.
- Action: Develop land disposition strategy and policy for parcels that do not represent a reasonable solution to affordable housing needs.

## Strategy: Engage the Business Community to form Housing Solutions

### Goal: Provide Opportunities for Employer Partnerships for Housing

As noted in **Chapter 3**, multiple local employers are very interested in partnering on housing projects that can benefit their employees. Offer the opportunity to buy-in to the Timber Falls project, in which the employers are able to benefit from the value of the land in exchange for the investment of private capital.

- Action: Building on recent survey results, open conversations with the employer community to identify those interested in participating in the new build.
- Action: Assess feasibility by establishing a working set of assumptions for sources and uses of funds. Estimate cost of construction from design team inputs and compare to revenues based on state funds, land value, and equity sources from employers.
- Action: Based on discussions with interested employers, define investment thresholds, initial valuation, long-term investment returns, and annual cash flow commitments to ensure viability.
- Action: Specify deed restriction to be placed on units.

### Goal: Create a Centralized Local's Resource Page

A key finding of this study is that affordable housing may be present (particularly rental housing), but there is no centralized listing location and no way for those who aren't "in the know" to find out about these units. A centralized webpage where property owners can list available units can aid both those currently living in Ouray looking for housing, as well as those looking to move to the city who are in search of reliable housing advertisement.

- Action: Set up webpage for housing listings
- Action: Connect with local property owners to list available units
- Action: Explore option of allowing for local job postings on the site as well

## Strategy: Leverage Ouray's Market Position to Expand Housing Inventory

### Goal: Modify Land Development Code to accommodate interest from prospective developers and investors, ensuring that affordable housing needs are incorporated into redevelopment plans

- Action: Evaluate development code to ensure appropriate development types and densities are allowed (and potentially incentivized) to encourage development of affordable/workforce housing.
- Action: Seek ways to incent large scale redevelopment in specific areas, and identify housing commitments to be required of developers.
- Action: Recognize the building market pressure in Ouray and prepare for a greater number of small scale redevelopment (including scrapes of single family homes). Establish demolition permitting process and identify replacement provisions.
- Action: Ensure land development code includes housing requirements for all types of redevelopment, providing a fee-in-lieu option in the form of a linkage program for both commercial and residential projects.

### Goal: Evaluate opportunities to annex property and/or expand city boundaries to incorporate land suitable for affordable/workforce housing.

- Action: Expand boundaries to bring in new lands that can be serviced by City utilities and represent unique solutions for land supply.

**Goal: Recognize the importance of the steps taken thus far to establish dedicated funding sources for affordable housing, and seek to expand as appropriate.**

- Action: The City's STR tax revenue provides a steady stream of funding for housing. As noted in the Financial Resources section, a plan for use of funding is important; outlining priorities for these funds (e.g., Cascade Falls, support of other projects, program support) will help in determining if/when additional funding sources are needed.
- Action: As noted above, the STR tax revenue is one funding source for housing in the city; depending on what strategies are pursued, there may be a need for additional funding sources. As a last step in this prioritization, the City should consider and evaluate additional funding sources to support housing projects and programs moving forward.

**CITY OF OURAY DEVELOPMENT AGREEMENT**
**OURAY HOMES, LLC**

This Development Agreement (this "Agreement"), dated as of _____, 2024 (the "Effective Date") is made by and between CITY OF OURAY, COLORADO, a home-rule municipality under the laws of the State of Colorado (City), and OURAY HOMES, LLC, a Colorado charitable limited liability company (Ouray Homes). The City and Ouray Homes may be referred to as a "Party" or collectively as the "Parties";

And concerning real property know as ("Property")

## DEFINITIONS

Unless otherwise provided for herein, all capitalized but undefined terms used in this Agreement shall have the meanings set forth in the City of Ouray Land Use and Development Code (**OLUC**)[1]. In addition, the Parties acknowledge and agree to the following definitions form a portion of the basis of this Agreement.

A. **Application** means the various land use applications, including plans, drawings, specification, narratives, reports, studies and other materials prepared by Owner and submitted to the City concerning the development of the Project on the Property, inclusive of: (1) Planned Unit Development (Sketch, Preliminary and Final PUD Plan) (**PUD**) pursuant to Section 7-8 of the OLUC; and (2) a Site Development Permit pursuant to Section 7-4 of the OLUC.

B. **City Approvals** shall mean those certain land use entitlement approvals concerning the Property and the Project that have been granted by the City, including, without limitation, approvals for the Applications, the Sketch PUD, the Preliminary PUD, the Final PUD, and the Site Development Permit.

C. **Final PUD Plans** shall mean the final plans, drawings and specifications for the Property and Project that were approved by the Planning Commission and the City Council, as reflected in the City Council Approval Ordinance, which plans, drawings and specifications consist of each of the documents listed and described on attached **Exhibit A**.

D. **OLUC** shall mean the City of Ouray Land Use and Development Code adopted by the City, as amended prior to November 16, 2023.

E. **Project** shall mean the development of a 3.913 acre portion of a vacant parcel located in the C-2 Commercial Industrial (north of Skyrocket) as set forth on the Final PUD Plans, to

[1] A new OLUC was recently adopted. This Development Agreement and Project are governed by the OLUC adopted prior to November 16, 2023, and not the new version.

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include new construction of twenty-one (21) units of workforce and/or affordable residential dwelling units in Phase 1 of the two-phase project, for area residents earning at or below 120% area median income (AMI), and consisting of single-family, duplexes and triplexes with two in-unit childcare facilities on the south portion of the Property which borders the Biota building (industrial use). This project and development agreement is only applicable to phase one consisting of this phase one.[2]

## RECITALS

**WHEREAS** Ouray Homes is the owner of the following real property: 250 & 251 Uncomprograhgre Street, City of Ouray, Colorado (the "Property).

**WHEREAS**, following the Application submittal process and after City review, Ouray Homes has submitted the Final 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 Final Plat-", Exhibit A attached hereto).

**WHEREAS** the Sketch Plan was presented to Planning Commission at the January 10, 2023, meeting and approved on March 31, 2023, at a properly noticed meeting.

**WHEREAS** the Preliminary Plat and the accompanying documents were carefully considered at the Ouray Planning Commission on May 23, 2023, and referred to City Council with a recommendation of approval, at that properly noticed meeting.

**WHEREAS** Ouray City Council considered the Preliminary Plat on June 20, 2023, and thereafter approved the Preliminary Plat with conditions of approval contained in the preliminary plat staff report, waived open space fees and granted the requested variances, City Council also set forth certain other conditions and items to determine, including, fencing and landscape plan to create a buffer between the Riverwalk Trail and adjacent properties, shed size and privacy fences, open parks space ownership, further discussion of landscape budget, and to agree on final deed restriction provisions.

**WHEREAS** property owners abutting Phase Two of the Project to the North requested and were provided certain mitigations to negative impacts for the adjoining properties, being a larger footprint on Lots to the North, housing placement further to the south on the most northern Lots and placing single family residences on the most northern Lots.

[2] Ouray Homes application and sketch plan includes a concept of 65 dwelling units constructed in two phases. Ouray Homes shall obtain City approvals for a final plat and a new development agreement governing phase two, prior to issuing an occupancy permit for any phase two units constructed on the northern portion of the Property. The substantive provision of the Phase Two Development Agreement shall be substantially similar to the provisions set forth in this agreement.

CITY DRAFT

**WHEREAS** the City Council determined that it is in the best interests of the City and its inhabitants to encourage the private development of the Project by, among other things, cooperating in obtaining grants to assist Ouray Homes, with the shared goal to increase the availability of workforce and affordable housing within the City of Ouray and including certain mitigation of negative impacts of adjoining properties.

**NOW THEREFORE**, in consideration of the material provisions above and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

1. **City DOLA Development Assistance Funds**. The City agreed to apply for and has received, and to serve as the fiscal agent of 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 for the development of the Project, with the grant money being paid to Ouray Homes for the construction and installation of certain project infrastructure and improvements as defined by the IHOI grant.

2. **Agreement for Phase One Only**. The approvals herein only apply to Lot 2B, Phase One and for twenty-one units, also known as the Project. The Final Plat shall reflect the same through an appropriate plat notice and clear delineation of the Project which is Phase One.

3. **Utility, Ditch, and Trail Easements.** The Final Plat shall clearly depict all utility easements around the perimeter of the property, and across Lots 1 through 21, Tract D, as well as all ditch easements, as shown on the preliminary plat, along with the addition of a north corridor river trail access easement, all of which shall be dedicated to the City. Ouray Homes shall include a plat notice on the Final Plat, which shall state in bold: "NOTICE: PERMANENT OR TEMPORARY STRUCTURES, INCLUDING FENCES AND SHEDS ARE PROHIBITED WITHIN ANY EASEMENT SHOW HEREON UNLESS APPROVED IN WRITING BY THE CITY OF OURAY BUILDING INSPECTOR AND PUBLIC WORKS DEPARTMENT PRIOR TO INSTALLATION.

4. **Property Boundary and Easements**. As a condition of Final Plat approval, Ouray Homes shall represent and warrant that there are no real property boundary and/or easements disputes concerning the Property.

5. **Landscaping.** Ouray Homes will submit a complete Landscape Plan to the City Council for approval not to be unreasonably withheld, no later than July 30, 2024, for implementing the items contained in this Paragraph 4. The scope of plan shall include:

    a. Homeowner Lots. Ouray Homes shall pay fifty-thousand dollars ($50,000.00) towards the total cost of lot landscaping design and implementation for the Project and shall provide:

        1. 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

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native natural grass seeded for the remaining yard areas. One street tree or several low-lying shrubs shall be planted per Lot but shall not exceed more than one street tree every thirty-five (35) feet in space if other improvements or driveways would necessitate street trees to be planted closer together.

2. Construction of 6' privacy fences for separation of duplex and tri-plex back yard area, sufficient to screen the adjoining party-wall neighbor and provide backyard privacy for each unit.

3. Outdoor fencing for the home-based childcare homes that meet State licensing codes will be constructed.

4. To the extent the money set aside by Ouray Homes is not used, this money shall be applied to the landscape implementation contained in subsection b below and shall be in addition to the contributions set forth therein.

b. Open Space, Detention Ponds, and Riverwalk Buffer. Ouray Homes shall pay thirty-thousand dollars ($30,000.00) and the City of Ouray shall pay thirty-thousand dollars ($30,000.00) towards the total budget of sixty-thousand dollars ($60,000.00) for the design and construction of the open space, detention ponds and riverwalk buffer, including:

1. A drip irrigation system to water trees and shrubs.

2. Open space seeded with native natural grass seed, planted with low lying shrubs, and trees consistent with the adjoining parcels.

3. Storm water detention pond seeded with native natural grass seed.

4. The 550 Highway green space section be planted with shrubs and trees.

5. Installation of a visual buffer between Riverwalk Corridor and adjacent homeowner properties consisting of a 3-foot-high split rail fence wherever the Riverwalk Corridor and adjacent Waterview property intersects, and a steep drop off of a grade of more than 5' along the entire length with a series of planted shrubs, as noted in approved Landscape Plan.

6. The trail to the river shall be wide enough and contain sufficient gravel, grading, and compaction such that foot and bicycle traffic can pass safely, and the surface will last over time.

6. **Infrastructure Improvements.** Ouray Homes shall meet all design standards and improvements, for roads, sidewalks, sidewalk curb and gutters, and stormwater, water, and wastewater systems. Ouray Homes is responsible for the installation and expense of all improvements.

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7. **Tap Fee Contribution.** The City shall contribute to Ouray Homes a sum not to exceed one-hundred and fifty thousand dollars ($150,000.00) towards the payment to the City by Ouray Homes of twenty-one (21) Water Tap and twenty-one (21) Sewer Tap Fees.

8. **Dedication of Open Space on Property to the City.** The Final Plat shall contain dedication language to convey ownership to the City of Ouray for purposes of open space land use requirements for Tract A -Open Space, .65 Acres, Tract B – Open Space, .14 acres, Tract D - Stormwater Detention Pond, and the north corridor river trail access.

9. **Garages**. Garages for the units shall be constructed as depicted on the preliminary plat.

10. **Accessory Dwelling Units (ADUs)**. Without city approval, no ADU shall be allowed, and a plat notice on the Final Plat shall state that no ADUs can be constructed without city approval.

11. **Bond**. Prior to any permits being issued a performance bond in accordance with Ouray Municipal Code, Section 13-3-F-6, shall be submitted to the City.

12. **Deed Restricted Housing**. The Final Plat shall contain a plat notice referencing that each unit owner is subject to a deed restriction and covenant agreement as depicted in Exhibit D (Deed Restrictions and Covenants) and recorded with each unit purchased and Affordable Housing Regulations and Guidelines as depicted in Exhibit E (Guidelines). Said deed restriction shall be a 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 as provided for in the recorded deed restriction and covenant for each Lot. Additionally, the parties agree as follows:

    a. The City is responsible for enforcement of the Deed Restrictions and Covenants and Guidelines. The City may assign its enforcement ability to any qualified entity or agent who shall manage enforcement of all applicable deed restrictions and covenants.

    b. The Lots shall be owned and occupied by persons who qualify with the terms and conditions of the deed restrictions and covenants which shall include, in general:

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i. At least one 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 prior to 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 rental of these Lots is prohibited unless approved by the City or its designee. At no time shall any unit be leased as a short-term rental.

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 Deed Restrictions Covenant and Guidelines and agrees submit a Notice of Intent to Sell and to consult with the City Administrator, or authorized designee, regarding any qualified buyer(s) and the maximum resale price.

c. All warranty deeds for the transfer and conveyance of a Lot will clearly indicate that the Lots are deed restricted along with proper reference to the restrictions and be in bold and a larger font.

13. **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. Any notice given hereunder may also be delivered by email.

If to City:
City Administrator
City of Ouray
PO Box 468
320 6th Ave,
Ouray, CO 81427
administrator@cityofouray.com

If to Ouray Homes:
Paul Major
Ouray Homes, LLC
PO Box 4222
Telluride, CO 81435
paul@ruralhomesproject.co

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14. **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 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.

15. **Recording**. This Agreement will be recorded in the Ouray County Clerk and Recorder's office.

16. **Default, Notice, and Cure.** In all instances under this Agreement, at such time as a Party (**Claiming Party**) claims that any other Party (**Responding Party**) has violated or breached any of the terms, conditions or provisions of this Agreement (**Default**), the Claiming Party shall promptly prepare and deliver to the Responding Party a written notice (N**otice of Default**) claiming or asserting that the Claiming Party is in default under a term or provision of this Agreement, which notice shall clearly state and describe: (a) each section(s) of the Agreement which the Responding Party has allegedly violated, (b) a summary of the facts and circumstances being relied upon to establish the alleged violation, (c) the specific steps (**Cure Events**) that must be undertaken to come into compliance with the Governing Documents, and (d) the reasonable timeframe, not less than ten days for a monetary default and not less than thirty days for a non-monetary default (unless emergency circumstances require a shorter response time), within which time the alleged violation should be cured (**Cure Completion Date**).

17. **Remedies for Breach or Default**. In the event Owner should fail to perform or adhere to its obligations as set forth herein, or fail to meet specified performance timelines, the City shall have the following remedies against the Owner, or its successors and assigns, which remedies are cumulative and non-exclusive and which may be exercised after the provision of written notice stating that Owner is in breach, the specific steps required to cure the breach and a reasonable timeframe within which to cure the breach:

    a. Specific performance;
    b. Injunctive relief, both mandatory and or prohibitory;
    c. Withdrawal or cancellation of PUD approval;
    d. Injunction prohibiting the transfer or sale of any lot or unit created under the PUD approval;
    e. Denial, withholding, or cancellation of any building permit, certificate of occupancy or any other authorization authorizing or implementing the development of the Property and/or any structure or improvement to be constructed on the Property; or
    f. The City shall have enforcement powers for violations of this Agreement as if they are violations of the OLUC, any other municipal code provision, or state or federal law, including the power to assess fines and penalties thereon.

18. **Governing Law, Costs, and Expenses**. This Agreement shall be construed under and governed by the laws of Colorado, with venue in Ouray County, Colorado. In addition to the

CITY DRAFT

remedies of the City pursuant to paragraph 14, a Party may pursue all available remedies under applicable law, including, without limitation, injunctive relief, and specific performance. All the rights and remedies of the Parties under this Agreement shall be cumulative. In any action to enforce or construe the terms of this Agreement, the prevailing Party shall recover all legal and related court costs, including all reasonable attorneys' fees and expert witness fees, costs, and expenses.

19. **Indemnity**. Except as otherwise set forth herein, the Owner shall defend and hold the City harmless from and against any and all claims, demands, liabilities, actions, costs, damages, and attorney's fees that may arise out of or result directly or indirectly from the Owner's actions or omissions in connection with this Agreement, including but not limited to Owner's improper design or construction of the Public Improvements required thereunder, or Owner's failure to construct or complete the same.

20. **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.

21. **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.

22. **Amendments**. Amendments to the provisions of this Agreement shall be received and acted upon in accordance with applicable City procedures and the requirement for findings under the Planned Unit Development Act of 1972 at C.R.S. 24-67-106(3)(b) and applicable law, unless such amendment is determined to be minor in nature which may be acted on the Community Development Coordinator in consultation with the City Administrator.

23. **Parties Representations**. In entering into this Agreement, the Parties acknowledge and agree and represent and warrant to each other as follows: (a) that they will perform their duties and obligations in a commercially reasonable and good faith manner and that this commitment is being relied upon by each other Party; (b) that parties will promptly provide a response to a notice when required, the response will be provided within the timeframe established and if no timeframe is stated, it shall be deemed to be 30 days and the failure to timely provide a response shall be deemed to be an approval; (c) that the Party is a duly qualified and existing entity, capable of doing business in the state of Colorado; and (d) that the Party has actual and express authority to execute this Agreement, has taken all actions necessary to obtain such authorization, the Agreement constitutes a binding obligation of the Party and the person signing below is duly authorized and empowered to execute this Agreement.

24. **Further Assurances**. The Parties agree to execute such documents, and take such actions, as will be 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.

CITY DRAFT

25. **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.

26. **Counterparts**. This Agreement may be executed in several counterparts, each of which will be an original and all of which will constitute the same instrument.

27. **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

Attest:

_____
Melissa M. Drake
Title: Clerk

OURAY HOMES:

OURAY HOMES, LLC,
a Colorado limited liability company

By:

_____
Name: Paul Major
Title: Manager

CITY DRAFT

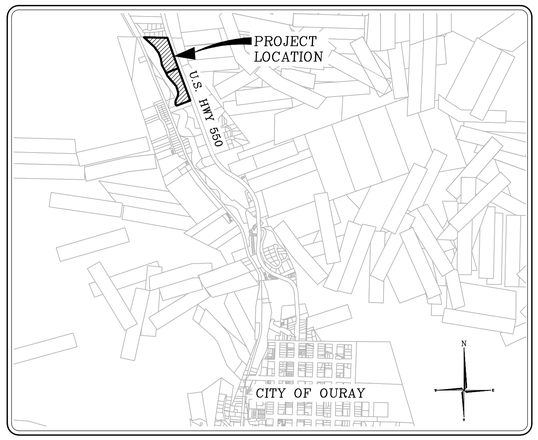
Exhibit A

Ouray Waterview Homes Subdivision Preliminary Plat

CITY DRAFT

# WATERVIEW AFFORDABLE HOUSING SUBDIVISION OF LOT 2A & 2B OF OURAY WATERVIEW SUBDIVISION LOT 2 LOT SPLIT

LOCATED IN THE CITY OF OURAY, COLORADO




VICINITY MAP

SCALE : 1" = 1500'
CITY OF OURAY, COLORADO

## GENERAL DEDICATIONS:

1. TRACT A, TRACT B, TRACT E AND TRACT H, as shown hereon, are hereby dedicated to the City of Ouray as open space.
2. TRACT C AND TRACT J, as shown hereon, are hereby dedicated to the City of Ouray for purpose of public right of way.
3. TRACT D AND TRACT F, as shown hereon, are hereby dedicated to the City of Ouray for the purpose of ingress and egress, installation, operation, maintenance, reconstruction, replacement, improvement and removal of stormwater detention facilities.
4. TRACT G (EMERGENCY ACCESS), as shown hereon, is hereby dedicated to the City of Ouray for the purpose of emergency ingress and egress.
5. The fifteen (15) foot wide utility easement, as shown hereon, is hereby dedicated to all public utilities, and City of Ouray approved private utilities, for the purpose of ingress and egress, installation, operation, maintenance, reconstruction, replacement, improvement and removal of underground electric distribution lines, telecommunications facilities, cable TV, gas lines, water lines and sewer lines, together with their related equipment.
6. The fifteen (15) foot wide pedestrian access easement, as shown hereon, is hereby dedicated to the City of Ouray for the purpose of pedestrian ingress and egress.

## PLAT NOTES:

1. Lots and Tracts within this subdivision are subject to the Covenants, Conditions and Restrictions as recorded in the Office of Ouray County, Clerk and Recorder under Reception No._____.

## CERTIFICATE OF SURVEYOR:

I hereby state that this survey and plat were prepared from field notes of an actual survey performed by me or under my direct responsibility, supervision and checking, and from documents recorded in the Office of the Ouray County, Colorado, Clerk and Recorder, and that, in my professional opinion, they are true and correct to the best of my knowledge, belief and information based on the standards of care of Professional Land Surveyors practicing in the State of Colorado. This survey is not a guaranty or warranty, either expressed or implied.

PRELIMINARY FOR REVIEW

Robert Goff, Jr., P.L.S. Date
Colorado Registration No. 38007

## TITLE COMPANY'S CERTIFICATE

I, _____, a _____ representing _____, certify that I have examined title to the described land dedication to the City of Ouray, Colorado, and that the parties executing the dedication are the owners thereof in fee simple, and the dedicated land is free and clear of all liens and encumbrances except as provided for in title committment number_____dated _____.

_____
Name

_____
Title

Executed this _____ day of _____, 2023

## CERTIFICATE OF OWNERS
## KNOW ALL MEN BY THESE PRESENTS:

That Ouray Homes, LLC. whose address is P.O. Box 4222, Telluride, Colorado, 81434, being the legal and record owner of LOTS 2A and 2B of the OURAY WATERVIEW SUBDIVISION LOT 2 LOT SPLIT, as recorded in the Office of the Ouray County, Colorado, Clerk and Recorder under Reception Number 211406;

Has caused the same to be subdivided and replatted under the name WATERVIEW AFFORDABLE HOUSING SUBDIVISION OF LOT 2A & 2B OF OURAY WATERVIEW SUBDIVISION LOT 2 LOT SPLIT.

## THIS PLAT IS HEREBY EXECUTED BY THE FOLLOWING PARTIES:

OURAY HOMES, LLC.

By _____
Paul Major, Manager

STATE OF :
SS:
COUNTY OF :

The foregoing instrument was acknowledged before me by Paul Major, Manager, Ouray Homes, LLC. on this _____ day of _____ 2023, for the aforementioned purposes.

_____ _____
My Commission Expires Notary Public

## ATTORNEY'S CERTIFICATE

I, _____, an attorney at law duly licensed to practice before the courts of record of Colorado, do hereby certify that I have examined the title to all land herein platted and that title to such lands in the dedicators and owners, and that the property dedicated hereon has been dedicated free and clear of all liens and encumbrances, except as follows:

Dated this _____ day of _____, 2023

By:_____
Attorney at Law

## APPROVAL OF PLANNING COMMISSION:

Approved by the City of Ouray Planning Commission this _____ day of _____ A.D., 20___.

_____
Chairperson

## APPROVAL OF CITY COUNCIL:

Approved by the Ouray City Council this _____ day of _____ A.D., 20___.

_____
Mayor

## LAND USE TABLE

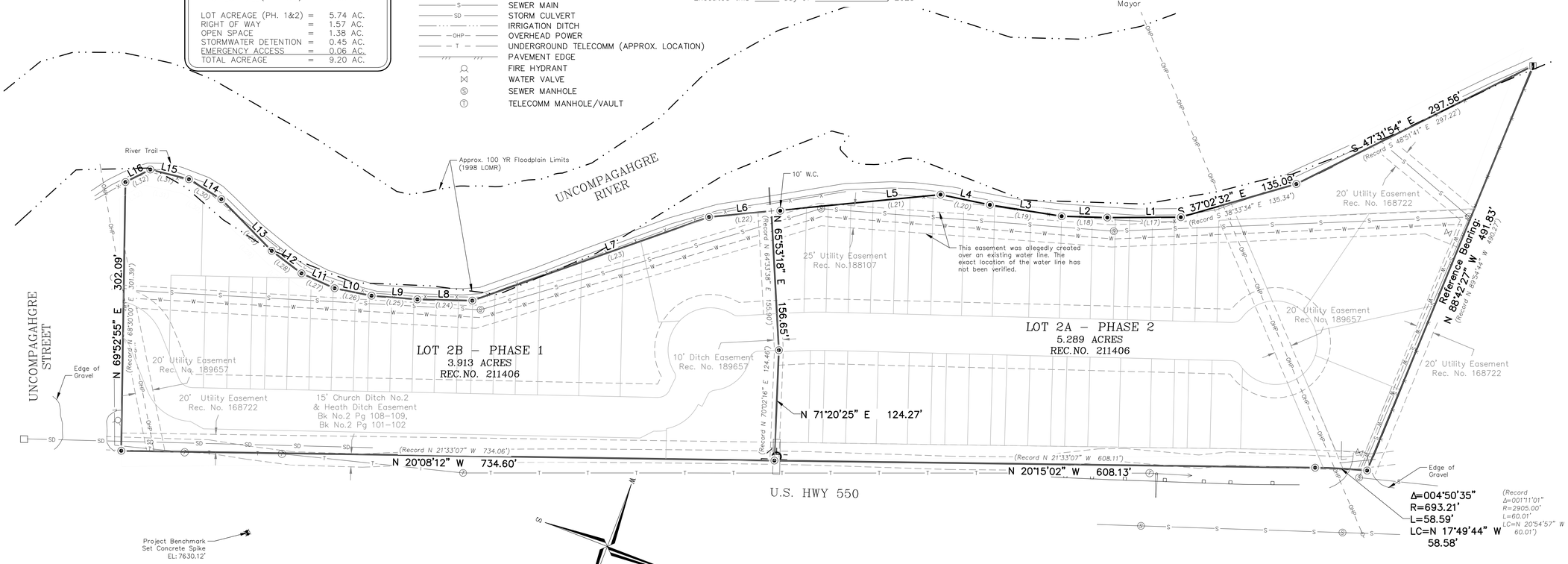
| | | |
|---|---|---|
| # RESIDENTIAL LOTS | | |
| PHASE 1 | = | 22 LOTS |
| PHASE 2 | = | 43 LOTS |
| TOTAL | = | 65 LOTS |
| AVG. LOT SIZE(PH. 1&2) | = | 0.09 AC. |
| LOT ACREAGE (PH. 1&2) | = | 5.74 AC. |
| RIGHT OF WAY | = | 1.57 AC. |
| OPEN SPACE | = | 1.38 AC. |
| STORMWATER DETENTION | = | 0.45 AC. |
| EMERGENCY ACCESS | = | 0.06 AC. |
| TOTAL ACREAGE | = | 9.20 AC. |

## LEGEND

- WATER MAIN
- SEWER MAIN
- STORM CULVERT
- IRRIGATION DITCH
- OVERHEAD POWER
- UNDERGROUND TELECOMM (APPROX. LOCATION)
- PAVEMENT EDGE
- FIRE HYDRANT
- WATER VALVE
- SEWER MANHOLE
- TELECOMM MANHOLE/VAULT

| LINE TABLE (Measured) | | |
|---|---|---|
| LINE | BEARING | LENGTH |
| L1 | S 21°13'26" E | 82.66' |
| L2 | S 19°21'34" E | 51.36' |
| L3 | S 12°02'10" E | 81.76' |
| L4 | S 09°17'05" E | 56.63' |
| L5 | S 26°31'41" E | 191.18' |
| L6 | S 26°31'41" E | 70.43' |
| L7 | S 40°26'50" E | 282.29' |
| L8 | S 19°40'08" E | 61.84' |
| L9 | S 16°28'18" E | 51.69' |
| L10 | S 09°30'25" E | 42.39' |
| L11 | S 03°14'35" W | 40.85' |
| L12 | S 16°05'14" W | 41.95' |
| L13 | S 24°42'22" W | 81.04' |
| L14 | S 10°39'07" W | 42.85' |
| L15 | S 06°55'10" E | 44.78' |
| L16 | S 47°43'14" E | 31.39' |

| LINE TABLE (Record RN 211406) | | |
|---|---|---|
| LINE | BEARING | LENGTH |
| (L17) | S 22°39'59" E | 82.71' |
| (L18) | S 20°42'17" E | 51.32' |
| (L19) | S 13°19'50" E | 81.90' |
| (L20) | S 10°44'19" E | 56.48' |
| (L21) | S 27°54'14" E | 191.35' |
| (L22) | S 27°54'14" E | 70.30' |
| (L23) | S 41°47'36" E | 282.57' |
| (L24) | S 21°03'43" E | 61.53' |
| (L25) | S 17°54'59" E | 52.32' |
| (L26) | S 10°43'03" E | 41.78' |
| (L27) | S 01°43'43" W | 40.66' |
| (L28) | S 14°50'16" W | 42.16' |
| (L29) | S 23°21'17" W | 81.17' |
| (L30) | S 09°21'24" W | 42.88' |
| (L31) | S 08°16'18" E | 44.77' |
| (L32) | S 49°46'10" E | 31.49' |




Units shown hereon = U.S. Survey Feet

Bearings are based on the north line of LOT 2A, OURAY WATERVIEW SUBDIVISION LOT 2 LOT SPLIT, Rec. No. 211406. The ends of said line having been monumented as shown hereon. (Assumed reference bearing = N 88°42'27" W)

## DESCRIPTION OF MONUMENTS

- Set 5/8" x 24" rebar with a 1-1/2" aluminum cap stamped PLS 38007
- Found 5/8" rebar with a 2" aluminum cap stamped PLS 31160
- Found 5/8" rebar with a 1-1/2" aluminum cap stamped PLS 10738
- Position for Corner - Monument Not Found or Set

*STATE OF COLORADO )*
*SS*
*OURAY COUNTY )*
*I hereby state that this instrument was filed for record at ____O'clock __M _____ 20___ and duly filed.*
*Reception Number _____ Fee$ _____*
*_____, Recorder*
*By _____ Deputy*

**NOTICE:**
According to the laws of the State of Colorado, any legal action based upon any defect in this survey must commence within three years after such defect was first discovered. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon.


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DURANGO, COLORADO 81302
970.247.1705


WATERVIEW AFFORDABLE HOUSING SUBDIVISION PLAT

CITY OF OURAY, COLORADO

SHEET 1 OF 3

| PREPARED BY: | RA | CHECKED BY: | RT |
|---|---|---|---|
| PROJECT NO. | 21-116 | SCALE: | AS SHOWN |
| DATE: | 5/9/2023 | | |

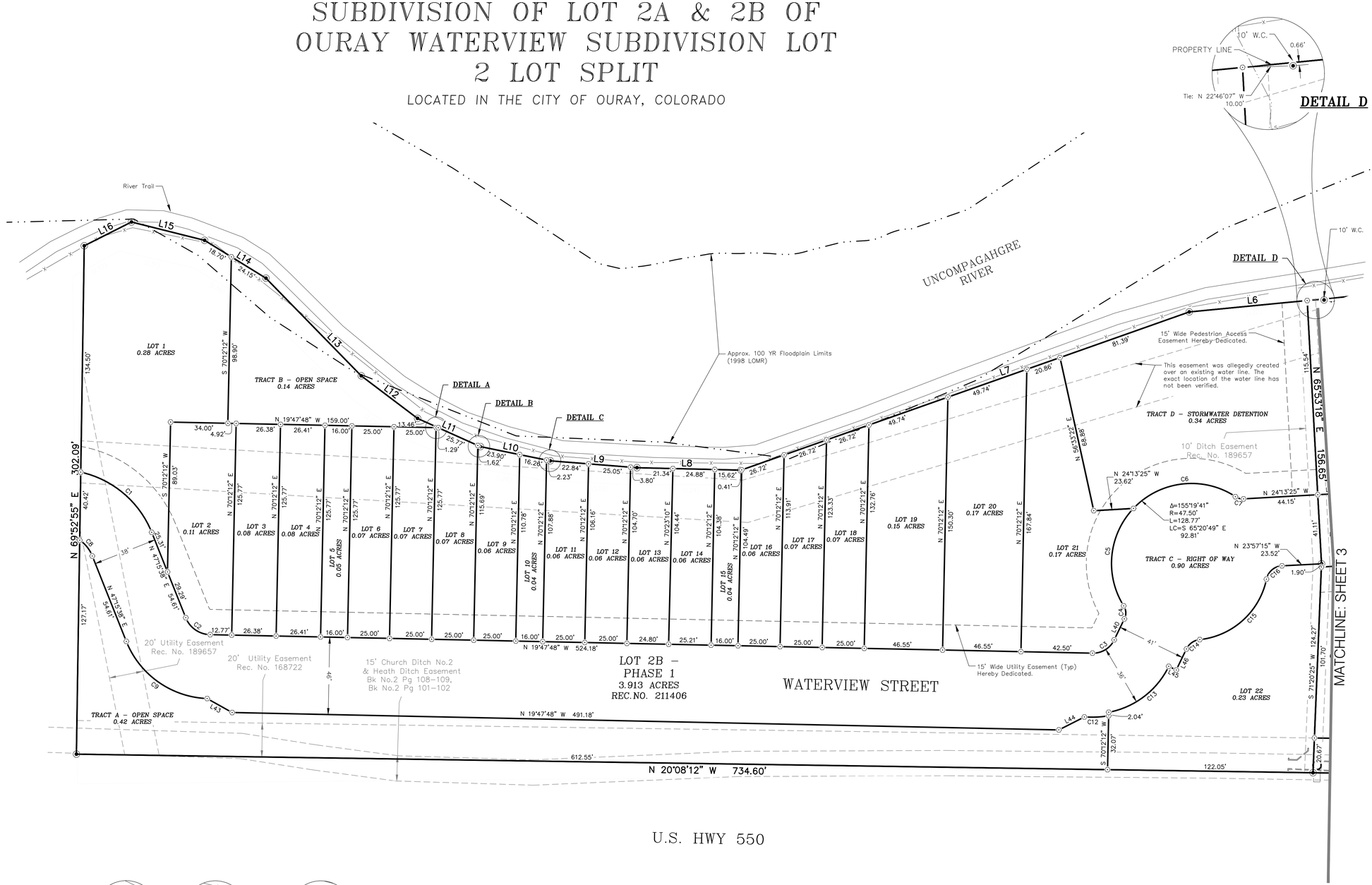

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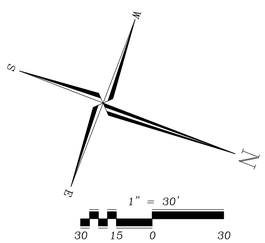
# WATERVIEW AFFORDABLE HOUSING
# SUBDIVISION OF LOT 2A & 2B OF
# OURAY WATERVIEW SUBDIVISION LOT
# 2 LOT SPLIT

LOCATED IN THE CITY OF OURAY, COLORADO

| LINE TABLE | | |
|---|---|---|
| LINE | BEARING | LENGTH |
| L6 | S 26°31'41" E | 70.43' |
| L7 | S 40°26'50" E | 282.29' |
| L8 | S 19°40'08" E | 61.84' |
| L9 | S 16°28'18" E | 51.69' |
| L10 | S 09°30'25" E | 42.39' |
| L11 | S 03°14'35" W | 40.85' |
| L12 | S 16°05'14" W | 41.95' |
| L13 | S 24°42'22" W | 81.04' |
| L14 | S 10°39'07" W | 42.85' |
| L15 | S 06°55'10" E | 44.78' |
| L16 | S 47°43'14" E | 31.39' |
| L40 | N 85°07'12" W | 13.88' |
| L43 | N 08°16'33" E | 17.02' |
| L44 | N 47°52'09" W | 17.00' |
| L45 | N 04°52'48" E | 5.00' |
| L46 | N 85°07'12" W | 13.88' |

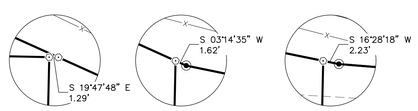
| CURVE TABLE | | | | | |
|---|---|---|---|---|---|
| CURVE | DELTA | RADIUS | LENGTH | CHORD | LENGTH |
| C1 | 55°28'06" | 59.39 | 57.50 | S 19°19'29" W | 55.28' |
| C2 | 67°03'26" | 16.00 | 18.73 | N 13°43'55" E | 17.68' |
| C3 | 65°19'24" | 14.00 | 15.96 | N 52°27'30" W | 15.11' |
| C4 | 57°53'28" | 8.00 | 8.08 | S 65°56'04" W | 7.74' |
| C5 | 75°31'30" | 47.50 | 62.61 | N 74°45'06" E | 58.18' |
| C6 | 79°48'11" | 47.50 | 66.16 | N 27°35'04" W | 60.94' |
| C7 | 36°32'27" | 8.00 | 5.10 | N 5°57'11" W | 5.02' |
| C8 | 33°17'29" | 21.00 | 12.20 | N 30°36'54" E | 12.03' |
| C9 | 65°58'38" | 54.00 | 62.18 | N 14°16'20" E | 58.80' |
| C12 | 11°31'53" | 52.00 | 10.47 | N 25°33'44" W | 10.45' |
| C13 | 53°19'27" | 50.00 | 46.53 | N 58°27'28" W | 44.87' |
| C14 | 57°53'28" | 10.00 | 10.10 | S 56°10'28" E | 9.68' |
| C15 | 71°56'48" | 45.50 | 57.13 | N 63°12'08" W | 53.45' |
| C16 | 74°57'07" | 10.00 | 13.08 | S 61°41'58" E | 12.17' |




Units shown hereon = U.S. Survey Feet

Bearings are based on the north line of LOT 2A, OURAY WATERVIEW SUBDIVISION LOT 2 LOT SPLIT, Rec. No. 211406. The ends of said line having been monumented as shown hereon. (Assumed reference bearing = N 88°42'27" W)




DETAIL A DETAIL B DETAIL C

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WATERVIEW AFFORDABLE HOUSING SUBDIVISION PHASE 1 PLAT

CITY OF OURAY, COLORADO

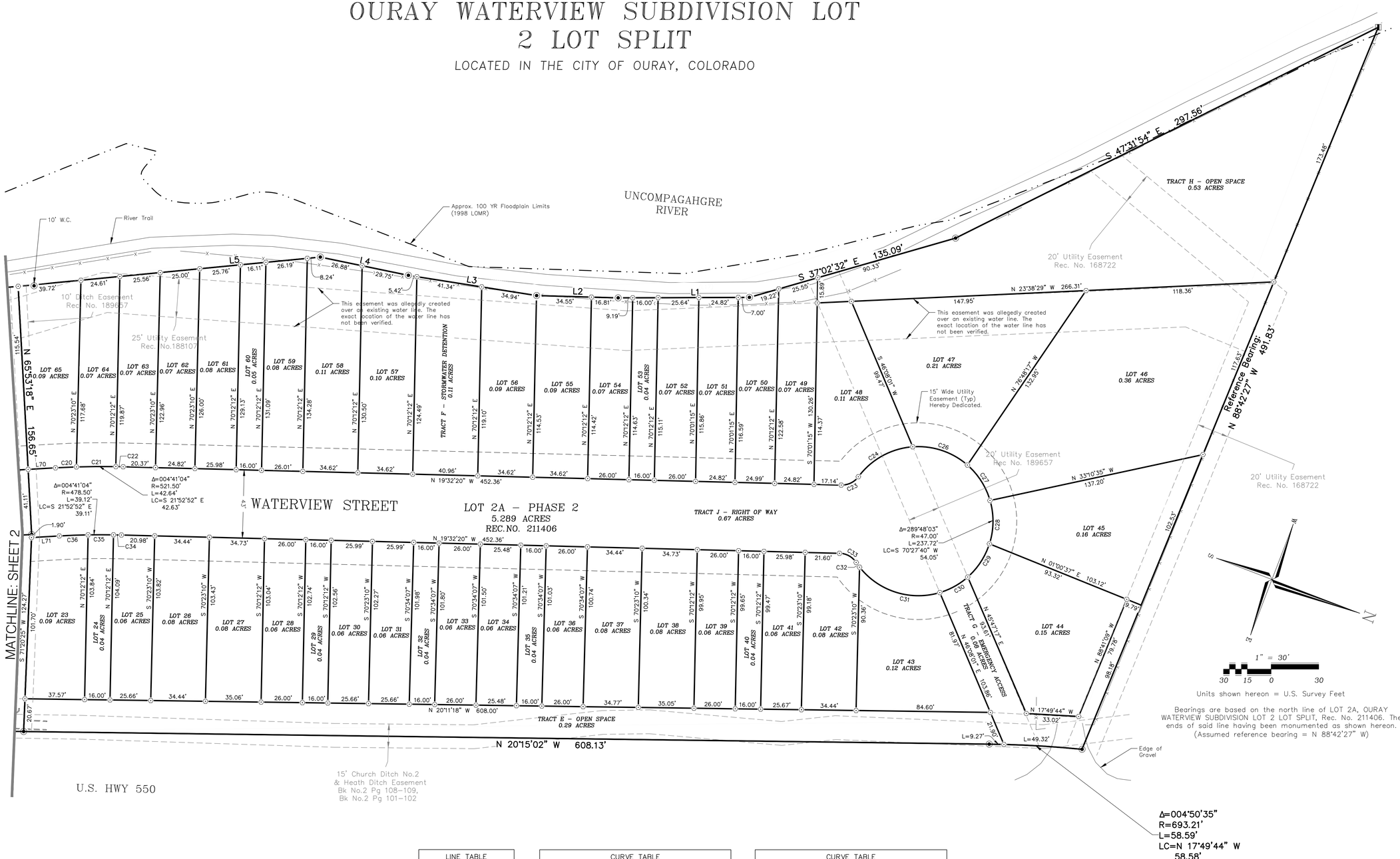
SHEET 2 OF 3

| | | | |
|---|---|---|---|
| PREPARED BY: | RA | CHECKED BY: | RT |
| PROJECT NO. | 21-116 | SCALE: AS SHOWN | DATE: 5/9/2023 |

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# WATERVIEW AFFORDABLE HOUSING
# SUBDIVISION OF LOT 2A & 2B OF
# OURAY WATERVIEW SUBDIVISION LOT
# 2 LOT SPLIT

LOCATED IN THE CITY OF OURAY, COLORADO




Bearings are based on the north line of LOT 2A, OURAY WATERVIEW SUBDIVISION LOT 2 LOT SPLIT, Rec. No. 211406. The ends of said line having been monumented as shown hereon. (Assumed reference bearing = N 88°42'27" W)

| LINE TABLE | | |
|---|---|---|
| LINE | BEARING | LENGTH |
| L1 | S 21°13'26" E | 82.66' |
| L2 | S 19°21'34" E | 51.36' |
| L3 | S 12°02'10" E | 81.76' |
| L4 | S 09°17'05" E | 56.63' |
| L5 | S 26°31'41" E | 191.18' |
| L70 | N 24°13'25" W | 17.26' |
| L71 | N 24°13'25" W | 17.52' |

| CURVE TABLE | | | | | |
|---|---|---|---|---|---|
| CURVE | DELTA | RADIUS | LENGTH | CHORD | LENGTH |
| C20 | 1°26'58" | 521.50 | 13.19 | S 23°29'56" E | 23.39' |
| C21 | 2°43'39" | 521.50 | 24.82 | S 21°24'37" E | 24.82' |
| C22 | 0°30'28" | 521.50 | 4.62 | S 19°47'34" E | 19.86' |
| C23 | 54°54'01" | 13.00 | 12.46 | N 46°59'21" W | 11.99' |
| C24 | 49°11'49" | 47.00 | 40.36 | S 49°50'27" E | 39.13' |
| C26 | 45°25'15" | 47.00 | 37.26 | S 2°31'55" E | 36.29' |
| C27 | 32°44'35" | 47.00 | 26.86 | S 36°33'00" W | 26.50' |
| C28 | 33°45'07" | 47.00 | 27.69 | S 69°47'52" W | 27.29' |
| C29 | 30°49'07" | 47.00 | 25.28 | N 77°55'01" W | 24.98' |

| CURVE TABLE | | | | | |
|---|---|---|---|---|---|
| CURVE | DELTA | RADIUS | LENGTH | CHORD | LENGTH |
| C30 | 24°44'11" | 47.00 | 20.29 | N 50°08'22" W | 20.13' |
| C31 | 68°40'36" | 47.00 | 56.34 | N 3°25'59" W | 53.02' |
| C32 | 4°27'21" | 47.00 | 3.66 | N 33°08'00" E | 3.65' |
| C33 | 55°28'55" | 12.87 | 12.47 | S 7°54'40" W | 11.99' |
| C34 | 0°35'58" | 478.50 | 5.01 | S 19°50'19" E | 5.01' |
| C35 | 1°54'59" | 478.50 | 16.00 | S 21°05'47" E | 16.00' |
| C36 | 2°10'08" | 478.50 | 18.11 | S 23°08'21" E | 18.11' |


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WATERVIEW AFFORDABLE HOUSING SUBDIVISION PHASE 2 PLAT

CITY OF OURAY, COLORADO

SHEET 3 OF 3

PREPARED BY: RA | CHECKED BY: RT

PROJECT NO. 21-116 | SCALE: AS SHOWN | DATE: 5/9/2023


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Exhibit B

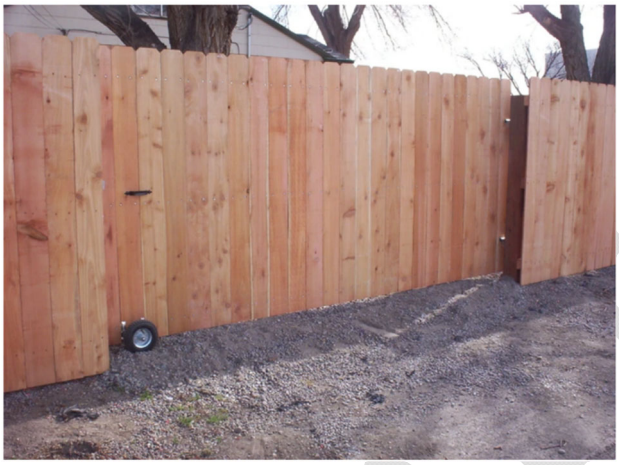
Landscape Plan

To Be Completed No Later Than June 30, 2024

CITY DRAFT

Exhibit C - Fence Types

6’ Privacy



3’ Privacy




Split Rail



DRAFT

Exhibit D

**DRAFT -** Rural Homes Deed Restriction and Covenant Attached

CITY DRAFT

Page to be Replaced

Document will be discussed and added upon separate Council action on agenda.

Exhibit E

**DRAFT -** Rural Homes Affordable Housing Regulations and Guidelines Attached

CITY DRAFT

Page to be Replaced

Document will be discussed and added upon separate Council action on agenda.

# OURAY WATERVIEW HOMES
# AFFORDABLE HOUSING REGULATIONS AND GUIDELINES

Approved by the Colorado Attorney General and DOLA
and Adopted by the City of Ouray on [DATE]

## WELCOME

Rural Homes, LLC, ("RH") is a Colorado not for profit limited liability corporation whose mission is to empower rural communities by creating a replicable model and equitable process for the development, sale and occupancy of the highest quality homes which remain affordable for working low- to moderate- income local residents, thereby improving people's health and well-being and the community's economic resilience.

GENERAL POLICY GOALS: The general goal of the Ouray Waterview Homes PUD neighborhood is to provide high quality homes that will remain affordable for working residents and their families who make a living primarily from employment located within Ouray County whose income and assets are below certain targeted limits, and who choose to be part of the local community. This is accomplished by regulating and restricting occupancy and sale of the Housing Units covered by these Ouray Waterview Homes 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 Deed Restriction and Covenant Agreement (referred to as "Covenant" or "Deed Restriction"), recorded with each Housing Unit (also referred to as Unit) purchase or Transfer. 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 City of Ouray Housing Committee hereafter referred to as Committee, is authorized to adopt specific policy directives as necessary to clarify and aid in the application and enforcement of the Deed Restriction and amend these guidelines as necessary. Any policy directives shall be adopted by Committee 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 detached (separate or disconnected from) subordinate building or structure, the use of which is incidental to that of the principal building or primary dwelling, and which is located on the same lot or parcel with the principal building or dwelling.

1.2 ADMINISTRATOR – Person or entity that may be hired by the City of Ouray to administer or enforce the Deed Restriction Covenant and Guidelines.

1.3 APPEAL - the process used when an Applicant believes after final decision of the Administrator concerning the application of the Deed Restriction and Covenant for a Housing Unit, that the criteria has been applied to him or her incorrectly.

1.4 APPLICANT - a Household that submits the required application either for qualification as a Buyer or a Renter who submits a request for an Exception.

1.5 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. The Committee shall update the AMI once per year based upon an analysis of the best available data for Ouray County Household Incomes. Data sources and methods for this analysis are documented in Appendix A.

1.6 ASSETS - anything owned by an individual that has economic, 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 Ouray County assessor's office will be used to determine the value any real estate holdings, regardless of setoffs by encumbrances, liens or mortgages, 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, including but not limited to, a patent, brand, trademark, or copyright, 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 a net asset, and not as Unearned Income for the purposes of initial qualification.

1.7 BEDROOM - an area designed to be used for sleeping purposes that shall contain a closet, access to a bathroom and meets applicable Building Code requirements for light, ventilation,

sanitation, and egress.

1.8 BUSINESS OWNER - a person or entity that owns or operates a business located in and serving Ouray County, with a local workforce working in the County who has been certified by the Committee or Beneficiaries to own a Housing Unit and who has agreed to the rental restrictions set forth in the Covenant 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.

1.9 BUYER - a person or entity who is buying a Housing Unit.

1.10 CAPITAL IMPROVEMENTS AND PERMITTED CAPITAL IMPROVEMENTS - 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 the Committee 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.

1.11 CITY OF OURAY HOUSING COMMITTEE ("Committee") – the governing body appointed by the City of Ouray Council who shall administer and enforce the Deed Restriction and Covenant and Guidelines, including qualifying owners, enforcement, and making any exceptions.

1.12 COMMERCIAL PROPERTY - real property which is used for any of the following uses: Commercial; Industrial; Lodging Business and Short-term Rental as defined in the Ouray Land Use Code; and Agricultural Land.

1.13 CO-SIGNER - a joint signatory on 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 the Committee.

1.14 COUNTY – Ouray County, Colorado.

1.15 DECLARANT - the person or entity who is purchasing the Housing Unit and who executes the Deed Restriction and Covenant upon purchase or Transfer.

1.16 DEED RESTRICTION - a restrictive covenant prepared by Committee in coordination with RH and entered into between Committee, RH, and the Declarant 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.

1.17 DESIGNEE - a person or entity that may be authorized to act by the City of Ouray.

1.18 DISABLED PERSON – see Individual with a Disability.

1.19 DOWN PAYMENT - the cash payment made by the purchaser toward the purchase price of the Housing Unit.

1.20 EARNED INCOME STANDARD - the total Household Earned Income which must be at least 75% of the total Household Income. Unearned Income cannot exceed 25% of total Household Income. See INCOME for more information.

1.21 ELDERLY - a person who is at least 65 years of age.

1.22 ELIGIBILITY – the qualification requirements applied to a Household based on the specific Housing Unit the Household intends to occupy.

1.23 EMPLOYEE - a person who is self-employed or is working for another person or entity and is compensated for such work on an hourly, weekly, monthly or commission basis or any combination of such compensation.

1.24 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, within the Ouray County boundaries that provide 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.

1.25 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.

1.26 FAIR MARKET VALUE - the price at which bona fide, non-distress sale has been consummated for assets of like type, quality, and quantity in a particular market.

1.27 FAMILY – see Immediate Family.

1.28 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.

1.29 FINANCIAL STATEME – a document detailing all personal assets, liabilities, and net assets (the difference between the value of the gross assets minus its liabilities) as of a certain date.

1.30 FIRST MORTGAGE - a deed of trust or mortgage that is recorded which is generally senior to any other deeds of trust or liens against a property, except for tax liens, primary or initially used to secure a loan for the purchase of real property by a Declarant.

1.31 FREE-MARKET PROPERTY - a property that is not restricted by any Deed Restriction or covenant regarding price or terms of sale.

1.32 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.

1.33 GOVERNMENT PERSONNEL - any Full-time Employees of a federal, state, or County agency, or any local government, including law enforcement agencies.

1.34 GRIEVANCE - any dispute that Seller, Buyer, Owner, or Applicant may have with Committee with respect to an action or failure to act in accordance with the individual's rights, duties, welfare, or status. Unfavorable decisions regarding exemptions and Exceptions are not grievances.

1.35 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 during a rolling 12-month period.

1.36 GUIDELINES -these Ouray Waterview Homes Affordable Housing Regulations and Guidelines, containing the operational regulations adopted by RH and the Committee, as amended from time to time, that setting forth the definitions, standards and procedures that further define and detail the Ouray Waterview Homes Covenant and are applied to specific Housing Units therein.

1.37 HEALTH CARE PERSONNEL - any Full-time Employees, 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 Ouray County.

1.38 HOME OCCUPATION –any commercial use within a dwelling unit, an enclosed garage, or accessory building that is carried on by the inhabitants of the property and that complies with the Ouray Land Use Code, as amended from time to time.

1.39 HOUSEHOLD - one or more persons who live together, or intend to live together, in a Housing Unit as a single housekeeping entity.

1.40 HOUSING UNIT - a residential unit that is subject to the Covenant and Guidelines and any additional covenants that run with the land.

1.41 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, or by legal adoption, regardless of age. Immediate Family also includes: a minor child for whom the Qualified Employee or the spouse of the Qualified Employee is the biological

parent, legal guardian or legal representative over. Such children shall be treated as minor children of Qualified Employee or the spouse of the Qualified Employee and have the same Immediate Family status, regardless of age.

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

1.43 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.

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

1.45 INDIVIDUAL WITH A DISABILITY- has the same meaning as set forth in the federal "Americans with Disabilities Act of 1990", 42 U.S.C. § 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 Mobility Disabled Person for more information.

1.46 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 Ouray County Clerk and Recorder's Office.

1.47 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, the surviving joint tenant(s) have rights of survivorship.

1.48.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.

1.49 LEASE - a written agreement between an Owner/Landlord and a Tenant/Tenant Household that creates a Leasehold Interest.

1.50 LEASEHOLD INTEREST - a less than Fee Simple Estate that a Tenant possesses in real property.

1.51 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.

1.52 LIABILITIES - the total amount owed to other persons including loans, liens, accounts payable, and other financial obligations as defined by generally accepted accounting practice.

1.53 LONG-TERM RENTAL -the rental of a Housing Unit for any period equal to or greater than six consecutive months.

1.54 LUXURY ITEMS - non-essential appliances, fixtures, or upgrades to a Housing Unit.

1.55 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 Section 8.2.3 and according to the Covenant covering the Housing Unit.

1.56 MINIMUM WORK STANDARD - work by a person for no less than 1,200 hours per year by working physically within the Ouray County 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.

1.57 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.

1.58 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.

1.59 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.

1.60 NOTICE OF VIOLATION – a formal written notice from the Committee 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 and/or of the provisions of the Guidelines.

1.61 OCCUPANT - any person who occupies the Housing Unit as his or her Primary Residence but who has no ownership interest in the Housing Unit.

1.62 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 Ouray County Clerk and Recorder’s Office.

1.63 OURAY LAND USE CODE (“OLUC”) – a section of the primary municipal code that has

been promulgated by the City of Ouray, Colorado.

1.64 OWNER - an 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 Committee 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, Local Government, School District, or Special District located in and serving Ouray County, with a local workforce working in the School District, who has been certified as Qualified by the Committee 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 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, 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, 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 -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 or entity 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 and/or the Ridgway R-2 School District.

1.83 SCHOOL DISTRICT PERSONNEL - any Full-time Employee, including independent contractors of the School District, who provides health, educational, administrative, social, psychological, custodial, food service, transportation, law enforcement, or childcare services.

1.84 SHORT-TERM RENTAL - the use of a Housing Unit, or any part thereof, for remuneration, for less than sixty (60) consecutive calendar 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 as a Long-Term Rental of a Housing Unit owned by another subject to these Guidelines.

1.87 TRANSFER - the act of an Owner, 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, beneficiary 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 Committee or RH.

1.88 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 RH and the Committee.

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 at the time of sale and purchase 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 to control and enforce the applicable Deed Restriction and have the force and effect of law and can be enforced by the Committee or its authorized agents and/or representatives or RH. 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 so 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 within the Ouray County 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 Ouray county 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 Committee 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.

3.1.1.2.c Exception - Employees who are employed by a business operating within in the Ouray County boundaries with a workforce physically located within the County and who may be required to perform tasks outside the County boundaries, may apply for an Administrative Exception to the "physically performed" requirement, §11.1.3.

**3.1.2 <u>Earned Income Standard</u>.**

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.

3.1.2.2.a For purposes of Initial Qualification under this standard for Applicants who do meet the local Minimum Work Standard, the Committee 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 Committee 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 Committee.

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 Committee 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.

## 4. INITIAL HOUSEHOLD APPLICATION PROCESS

**4.1 Application Process.** Applications for qualification shall be made to Committee. Committee may request any combination of documentation reasonably related to proof of income, assets, and employment. Household shall sign a release of information so that Committee may obtain such information. Committee 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 Committee; 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 Committee 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.** Committee 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 Committee within thirty (30) days of said change. Committee 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, Committee 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**. Committee 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 Committee 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. Committee 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. Committee may include conditions on the Leave of Absence, as it deems necessary. Applications for a Leave of Absence shall be made to Committee according to the Exceptions Procedure in Section 11.1. Short-term rental and rental terms of six months or less of Housing Units are 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 Committee approves an Exception, see Section 11.1.

**5.2.6 Household Net Assets**. Household Net Assets shall not exceed three (3) times the 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.

**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 Committee.

**6.1 Notification Required.**

**6.1.1** Written notice to Committee shall be required for any pending change in financing or ownership of a Housing Unit. Failure to timely notify Committee 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 Committee.

**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** Committee**.** Sellers are advised to consult with Committee 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**. Committee 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 Committee 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 Committee a fee equal to 1% of the sales price. Committee 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. Committee may also waive the fee, or a portion thereof, in its sole discretion, to promote affordable housing. Fees due to Committee 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 (ROFR) to purchase the Housing Unit for the Maximum Sale Price or at the offered sales price outlined in the Covenant, Section 7.3.

6.6.1 Sale between Owner and an Immediate Family Member shall be excluded from the Beneficiaries' ROFR in 6.6, above.

**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 Committee 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 Committee 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** Committee 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, Committee 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 Committee 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 Committee.

It is the Owner's responsibility to secure any approval necessary from the Housing Unit's homeowners association and Committee 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 Committee.

## 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 Committee 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 Committee 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 Committee 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 Committee 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 Committee prior to tenancy and/or the signing of a Lease.

**7.3.5** Tenant Qualification shall be recertified by Committee 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) consecutive months and for 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 Committee within seven (7) days of its execution.

**7.3.10** Executed copies of Leases shall be on file with Committee 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 Committee.

## 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 Committee. 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 Committee 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 Committee 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 Committee 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 Committee 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 Committee.

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

**8.9** **All Deed Restrictions must be prepared by** Committee. No modification or amendment to the Deed Restriction shall be effective unless agreed to in writing by Committee 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 Committee 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 Committee 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 Committee 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 Committee prior to finalizing any refinancing of the Housing Unit. Failure to notify Committee 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-signers 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-signers and co-borrowers shall not occupy the Housing Unit unless qualified by Committee.

## 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** Committee 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** Committee 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 Committee 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 Committee with information required to process the application, then it will not be eligible to be entered into the lottery.

10.1.3.6 Committee 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** Committee 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. Committee 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 Committee.

## 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 Committee.

**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 Committee 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 Committee on forms available from Committee, 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 Exception fee payment (see Appendix E).

**11.1.2 Process.** All requests for Exceptions will be reviewed by Committee for completeness and handled administratively ("Administrative Exceptions").

11.1.2.1 Prior to consideration, Committee shall prepare a written report analyzing the impact of the Exception on the Housing Program. Committee 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 <u>Standards for Review of Exception Applications</u>**. Applicants desiring an Exception must demonstrate, and the Committee 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 <u>Exceptions shall not be granted</u>**:

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 from a final decision by the Administrator must be presented in writing to Committee on forms available from Committee and no later than twenty-one (21) days after the date of the decision or determination that is being appealed.

**11.2.2 Appeals must include**:

11.2.2.1 Verification that appellant has fully completed the application process;

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

11.2.2.3 The action or remedy requested;

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 Appeal fee payment (see Appendix E).

**11.2.3 Process**.

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

11.2.3.2 Rights of Parties.

11.2.3.2.a The appellant shall be afforded a fair hearing before the Committee, 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 Committee may continue the hearing to a future date.

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

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

11.2.3.2.e If the appellant fails to appear at the hearing, without providing twenty-four (24) hour notice to the Committee, the Committee shall 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 Committee, 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 Based on the hearing, the Committee will provide a written decision with findings for a final determination within twenty-one (21) days after the completion of the hearing.

11.2.2.4 Binding Determination. The final determination of the Committee shall be binding, and Committee 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 Committee 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 Committee shall address the grievance at the next regularly scheduled Committee 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 Committee may continue the hearing to a future date.

11.3.2.4 The complainant and Committee shall have the opportunity to examine all documents, records and regulations of Committee 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 Committee 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 Committee, 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 Committee will provide a written decision with findings to support the final determination.

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

## 12. ADMINISTRATIVE PROCEDURES

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

**12.1.1** Signed contracts between the Applicant or Household and Committee 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 Committee records, provided such person or entity provides authorization;

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

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

**12.1.7** Committee 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**. Committee 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 based on 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 Committee regarding these standards may be filed as a Grievance (see Section 11.3).

**12.3 Reasonable Accommodation**. Committee 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 Committee 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**. Committee 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 Committee, including access to applicable records and the ability to conduct an independent audit of administrative procedures.

**12.5 Administrative Exceptions.**

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

12.5.1.1 All Administrative Exception approvals shall be approved at the next Committee regular meeting immediately following approval; and

12.5.1.2 Administrative Exceptions shall be granted in a fair and consistent manner by Administrator with approval by the Committee.

**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**: RH and Committee expressly disclaim all warranties, express or implied, including without limitation fitness for a particular purpose with respect to the provision of Housing Units. RH and Committee 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 RH and Committee. In no event shall the RH and Committee 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

Committee 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

TBD once the Ouray Waterview Homes details are finalized, and the determination of unit size by bedroom, unit tier designation and sales price has been made which will include Initial Sale Price Standards, Initial Sale Prices shall be calculated by RH to ensure affordability by the target Tier group both now and in the future and 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 within the Ouray 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 within the Ouray 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 within the Ouray County boundaries and work a minimum of twenty (20) hours per week physically within the Ouray 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 and 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 | $50.00 |
| Exception Fee | $50.00 |
| Grievance Fee | $50.00 |
| Inspection Fee | $100.00 |
| Sales Fee | Buyer will pay Committee a fee equal to 1% of the sales price. Committee may instruct the title company to pay such fees out of the funds held in escrow at closing. |

This Appendix D may be amended from time to time by Committee.

**Appendix E: Schedule of Violations and Fines***

The City of Ouray declares that violations of these Ouray Waterview Homes Affordable Housing Regulations and Guidelines is unlawful, and violations are subject to the following fines which may be amended from time to time. Every day any violation shall continue, shall constitute a separate offense.

| | Violation | Fine per day | Maximum Fine |
|---|---|---|---|
| 1 | Failure to submit accurate and all documentation required to establish continued compliance by original deadline set by Committee. | $20.00 | $140.00 |
| 2 | Failure to submit accurate and all documentation required to establish continued compliance by second deadline set by Committee. | $25.00 | $350.00 |
| 3 | Failure to submit accurate and all documentation required to establish continued compliance by third deadline set by Committee. | $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 OLUC. | $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 Committee 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 7 days from notice of potential fines prior to the assessment of fines.<br>*Fines shall be due and payable to the Committee within thirty (30) days of imposition and invoicing.<br>*Violation and Fine Schedule will be reviewed and updated every five years or sooner as determined by Committee | | |

# DEED RESTRICTION AND COVENANT AGREEMENT
# FOR OURAY WATERVIEW HOMES PUD
## City of Ouray
## Affordable Housing Ownership, Occupancy and Resale

THIS DEED RESTRICTION AND COVENANT AGREEMENT 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 with its principal place of business being 220 E. Colorado Ave., Ste 106 Telluride CO 81435, (the Grantor), and each the **CITY OF OURAY**, a Colorado home rule municipal corporation with its principal place of business being 320 6th Ave, Ouray, Colorado, 81427, and **RURAL HOMES, LLC**, a Colorado not for profit limited liability company with its principal place of business being 220 E. Colorado Ave., Ste 106 Telluride CO 81435 (together, the "Beneficiaries"). The Declarant, Grantor, 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, upon purchase or receipt of the Housing Unit, desires and agrees to comply with this DEED RESTRICTION AND COVENANT AGREEMENT ("Covenant") and the OURAY WATERVIEW HOMES AFFORDABLE HOUSING REGULATIONS AND GUIDELINES ("Guidelines"), recorded at Reception No. _____ in the Ouray Clerk and Recorder's office, as amended from time to time, and is incorporated herein by reference, and agrees to the restriction in the use of the Housing Unit; and

**WHEREAS** Grantor owns the real property being sold to Declarant and is a subsidiary of Rural Homes, LLC. It is anticipated that at some future time, Ouray Homes, LLC will no longer exist and that Rural Homes, LLC will remain beneficiaries and parties to this Covenant, along with Declarant and the City of Ouray.

**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 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 assist in keeping it affordable for residents, and families, who work at a physical location primarily within the Ouray County boundary, and chose to be part of the greater Ouray County 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 material Recitals, 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**. These Covenants shall run with title to the Housing Unit, for benefit of, and enforceable by, each Beneficiary and their successors and assigns, and this Covenant shall bind the Beneficiaries and all subsequent Owners and Occupants of the Housing Unit. Declarant, each subsequent Owner, and any 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 period of ownership or an Occupant's tenancy. Every Transfer or lease of the Housing Unit, for any purposes, shall be deemed to include and incorporate by reference, the covenants contained in this Covenant. 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 Beneficiary, 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 Beneficiary. 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.

**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 every Transfer.

**1.2** **Administration and Enforcement.** This Covenant shall be administered by the City of Ouray, its duly authorized designee, or by an entity hired by the City of Ouray. This Covenant shall be enforceable by the City of Ouray, 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 every Transfer, the transferee shall execute the most recent Covenant that has been approved by the City of Ouray 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 on [RECORDING DATE] at Reception No. [RECORDING #].

**2.** **Definitions**. The Parties acknowledge and agree that the definitions contained in the OURAY WATERVIEW HOMES AFFORDABLE HOUSING REGULATIONS AND GUIDELINES ("Guidelines") apply to this Covenant 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. If the Housing Unit is owned without compliance with this Covenant, the City of Ouray or Beneficiaries shall have the right to enforcement and 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. Guests who occupy the Housing Unit for less than thirty days during a rolling twelve (12) month basis are exempt from qualification requirements.

**3.3** **Initial Qualification.** Qualified Entity Owners: 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 within the Ouray County boundary for the twelve (12) months prior to purchase or provide evidence to the City of Ouray that Applicant will meet the Minimum Work Standard physically within the Ouray County 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 City of Ouray 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 two (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 City of Ouray 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 City of Ouray 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 City of Ouray, and subject to the City of Ouray '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 City of Ouray 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 City of Ouray 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 County.

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

3.5.1.c The Qualified Household shall always occupy the Housing Unit as their Primary Residence 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: To proceed to the closing of the sale of the Housing Unit ("Closing"), the City of Ouray 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 City of Ouray.

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 City of Ouray out of Declarant's proceeds of the sale of the Housing Unit and may not be added to the price of the Housing Unit or passed onto the buyer.

7.1.7 City of Ouray Made Whole: No transfer of a Housing Unit shall occur unless and until each encumbrance, debt or liability owed by the Declarant to any of the Beneficiaries is fully satisfied, including any fees and violation fines.

**7.2** **Transfer Exception**. If reviewed and approved in writing by the City of Ouray 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 City of Ouray prior to commencement of any work or installation, and

7.3.3.b Proof of homeowners' association, if any, approval is provided to HA prior to commencement of work, and.

7.3.3.c 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 City of Ouray 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 City of Ouray 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, the City of Ouray 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 Declarant 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 Grantor, then to the City of Ouray, 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 OLUC, in or as part of the Housing Unit unless authorized by the City of Ouray 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 OLUC 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 City of Ouray'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 City of Ouray 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 City of Ouray 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 City of Ouray 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 City of Ouray**. Whenever this Covenant provides for a hearing before the City of Ouray, such hearing shall be scheduled by the City of Ouray within twenty-one (21) 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 City of Ouray 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 City of Ouray, 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 City of Ouray 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: City Administrator
City of Ouray
320 6th Avenue
PO Box 468
Ouray, CO 81427
Telephone: 970-325-7078
Email:

Rural Homes, LLC and Ouray Homes, LLC
PO Box 4222
Telluride, CO 81435
Telephone: 970-728-8717
Email:

To Declarant: INSERT VALID MAILING and EMAIL ADDRESS

**13.5** **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.

**13.6** **Choice of Law and Venue.** This Covenant and each related document is governed and construed in accordance with the laws of the State of Colorado and action shall be commenced in Ouray County, Colorado.

**13.7** **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.

**13.8** **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.

**13.9** **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.

**13.10** **Modifications.** Any modifications of this Covenant shall be effective only when made by a duly executed instrument by the City of Ouray and Declarant, with the written consent of each of the

Beneficiaries, and recorded with the Clerk and Recorder of Ouray County. At no time shall this Covenant be revoked.

**13.11** **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

Attest: [NAME] Clerk

**RURAL HOMES, LLC**

By: [NAME], Member

State of Colorado )
) ss.
County of _____ )

The foregoing Deed Restriction and Covenant for Ouray Waterview Homes PUD 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**

[NAME]

State of Colorado )
) ss.
County of _____ )

The foregoing Deed Restriction and Covenant for Ouray Waterview Homes PUD 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**
**Professional Service Agreement**

THIS AGREEMENT is entered into effective this 16th day of January 2024 by and between: The City of Ouray, a Colorado home rule municipal corporation (the City); and PST Engineering, LLC, with its principal office located at 2615 Main St., Ste 209, Durango, Colorado, 81301 (the Professional).

NOW THEREFORE, in consideration of the mutual representations, promises and conditions contained herein, the parties agree as follows.

1. SCOPE OF PROFESSIONAL SERVICES. The Professional agrees to provide services in accordance with the Scope of Professional Services attached and incorporated as Exhibit A.

2. TERM OF AGREEMENT. The term of this agreement shall begin on the effective date above and continue to the completion of the services described in Exhibit A, upon termination of this agreement by either party, or if the services are not completed, this agreement will expire on December 31, 2024 at which time the City and the Professional will either negotiate a new agreement to complete the services, extend this agreement or their relationship under this agreement will terminate.

3. FEES FOR SERVICES. In consideration of the services to be performed pursuant to this agreement the City will pay the Professional a sum not to exceed one hundred and seventeen thousand eight hundred and seventy dollars ($117,870.00) plus the cost of any survey services by San Juan Surveying, potholing services, or drainage pattern changes that may be necessary, upon written approval by the City.

4. PAYMENT FOR SERVICES. The Professional shall submit a detailed invoice to the City describing the professional services rendered. The invoice shall document the hours spent on the project identifying by work category and subcategory the work performed for the period, the hours worked by employee, and the hourly rate charged for that work. No indirect charges shall be invoiced unless approved in writing after audit by City. Indirect charges shall not be added to subcontractor work. The City shall have access to backup payroll documentation identifying individual employee, date, and hours worked. The City shall pay the invoice within thirty (30) days of receipt unless the work or the documentation therefore is unsatisfactory. Payments made after thirty (30) days may be assessed with an interest charge of one percent (1%) per month unless the delay in payment resulted from unsatisfactory work or documentation, therefore.

5. CITY REPRESENTATIVE. The City designates the City Administrator as its representative and authorizes him to make all necessary and proper decisions with reference to this agreement. All requests for contract interpretations, changes, clarifications, or instructions shall be directed to the City representative.

6. INDEPENDENT PROFESSIONAL. The services to be performed by the Professional are those of an independent contractor and not as an employee of the City. Nothing in this agreement shall constitute or be construed as a creation of a partnership or joint venture between the City and the Professional, or their successors or assigns. No agent or employee of the Professional shall be or shall be deemed to be the employee or agent of the City. The City is interested only in the results obtained under this agreement; the manner and means of conducting the work are under the sole control of the Professional. None of the benefits provided by the City to its employees, including, but not limited to, worker compensation insurance and unemployment compensation insurance, are available from the City to the employees of the Professional. The Professional will be solely and entirely responsible for its acts and for the acts of its agents, employees, and subcontractors during the performance of this agreement. The Professional will pay all federal and state income tax on any money paid pursuant to this agreement.

7. INSURANCE. The Professional agrees to procure and maintain, at its own cost, a policy or policies of insurance as called for in this agreement. Insurance shall be procured and maintained with forms and insurers acceptable to the City. All coverage shall be continuously maintained during the term of this agreement. Each shall be primary insurance and any insurance carried by the City, its officers, or its employees, shall be excess and not contributory insurance to that provided by the Professional. The Professional shall provide the City with certificates of insurance, or other acceptable evidence, showing the required coverage. The City reserves the right to request and receive a certified copy of any policy.

   a. The Professional shall procure and maintain the minimum insurance coverage listed below.

      i. Workers' compensation insurance to cover obligations imposed by the Workers' Compensation Act of Colorado and any other applicable laws for any employee of the Professional engaged in the performance of work under this agreement.

      ii. Professional liability errors and omissions or general liability coverage, as appropriate, with minimum limit of One Million Dollars ($1,000,000.00).

   b. The Professional shall not be relieved of any liability, claims, demands, or other obligations assumed pursuant to this agreement by reason of its failure to procure or maintain insurance, or by reason of its failure to procure or maintain insurance in sufficient amounts, duration, or types.

   c. Failure on the part of the Professional to procure or maintain policies providing the required coverages, conditions, and minimum limits shall constitute a material breach of contract upon which the City may immediately terminate this contract, or at its discretion the City may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all

monies so paid by the City shall be repaid by the Professional upon demand, or the City may offset the cost of the premiums against any monies due to the Professional.

d. The Professional shall be responsible for any deductible under any policy required above.

8. GOVERNMENTAL IMMUNITY. The Professional understands and acknowledges that the City relies on and does not waive or intend to waive by any portion of this agreement any provision of the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq*.

9. INDEMNIFICATION. To the fullest extent permitted by law, the Professional agrees to indemnify and hold harmless the City, its officers, employees, insurers, and self-insurance pool, from and against liability for damage, including attorney fees and costs, arising out of death or bodily injury to persons or damage to property, caused by the negligence or fault of the Professional or any third party under the control or supervision of the Professional, but not for any amounts that are greater than that represented by the degree or percentage of negligence or fault attributable to the Professional or the Professional's agents, representatives, subcontractors, or suppliers.

10. ASSIGNMENT. The Professional shall neither assign any responsibilities nor delegate any duties arising under this agreement without the prior written consent of the City.

11. PAYMENTS BY CITY. All payments of money by the City pursuant to this agreement shall be subject to the annual appropriations of money.

12. LEGAL COMPLIANCE. The Professional shall comply with all laws, ordinances, rules, and regulations relating to the performance of this agreement, use of public places and safety of persons and property.

13. FURTHER ASSURANCES. Each party agrees to take such actions and sign such documents, certificates and instruments reasonably requested by the other party to complete the transactions contemplated by this agreement and to enable the requesting party to enjoy the full benefits conferred upon such party by this agreement.

14. ENTIRE AGREEMENT. This instrument contains the entire agreement between the parties, and no statements, promises, or inducements made by either party or agent of either party that are not contained in this written contract shall be valid or binding. This contract may not be enlarged, modified, or altered except in writing signed by the parties and endorsed in this agreement. Each person signing the contract guarantees that they have authority to bind the City or Professional.

15. BINDING EFFECT. This agreement shall inure to the benefit of and be binding on the parties, their heirs, executors, administrators, assignees, and successors.

16. SEVERABILITY. If any part, term, or provision of this contract is held by the courts to be illegal or in conflict with any law of the State of Colorado, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the part, term or provision held to be invalid.

17. GOVERNING LAW. This agreement shall be governed by the laws of the State of Colorado, both to interpretation and performance. The courts of the State of Colorado shall have exclusive jurisdiction to resolve any disputes arising out of this agreement and the venue shall be in Ouray County, Colorado.

18. WAIVER. No waiver of any breach of this agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this contract shall be taken and construed as cumulative, that is, in addition to every other remedy provided therein or by law.

19. COUNTERPARTS. This agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

20. FACSIMILE SIGNATURES. For the convenience of the parties, signatures to this agreement may be provided through facsimile transmission. The signature of a party to this agreement supplied by facsimile transmission shall be as binding as the original.

21. PRONOUNS. Wherever in this agreement, words, including pronouns, are used in the masculine, they shall be read and construed in the feminine or neuter whenever they would so apply, and wherever in this agreement, words, including pronouns, are used in the singular or plural, they shall be read and construed in the plural or singular, respectively, wherever they would so apply.

IN WITNESS WHEREOF, the City and the Professional have signed this agreement effective the day and year first written above.

CITY OF OURAY:

_____
Ethan Funk, Mayor

Attest:

_____
Melissa M. Drake, Clerk

PROFESSIONAL:

_____
Stephen David Pavlick, Member

Exhibit A to PSA dated January 16, 2024

Ouray Main St RMS - 25227
Civil Work Hour and Fee Estimate
January 5, 2024

ENGINEERING

| | | Principal $150 | Project Engineer $135 | TOTAL FEES |
|---|---|---|---|---|
| Conceptual Design/Meetings | | | | |
| 1 | Kick-off Meeting (assume in person) | 6 | 6 | $1,710 |
| 2 | Collect/Organize Data on Existing Conditions, Prepare Meeting Exhibits | 8 | 20 | $3,900 |
| 3 | Public Meeting #1 (present locations & solicit public concerns, ideas, etc) | 8 | | $1,200 |
| 4 | Public Meeting #1 Facilitation & Summary Memo (Amber Blake Consulting) | | | $3,000 |
| 5 | Develop Concept Plan Improvements for each location (Plan sheets with proposed linework on an aerial image) | 8 | 24 | $4,440 |
| 6 | Conceptual Level Construction Cost Estimate | 2 | 8 | $1,380 |
| 7 | Public Meeting #2 (present concept plan & solicit feedback) | 8 | | $1,200 |
| 8 | Public Meeting #2 Facilitation & Summary Memo (Amber Blake Consulting) | | | $3,000 |
| | | 40 | 58 | $19,830 |
| FIR Design (50%) (CDOT manuals say 30%, but they like to see 50% at this stage) | | | | |
| 9 | Coordination (Meetings, Phone Calls, Emails, Site Visits) | 16 | 6 | $3,210 |
| 10 | Environmental/Cultural Resource Clearances (SME Environmental) | | | $16,500 |
| 11 | CDOT Forms 463 (Design Data) & 464 (Design Exceptions) | 1 | 4 | $690 |
| 12 | Utility Coordination (note 5) | 1 | 8 | $1,230 |
| 13 | Set up Base Drawing from survey, create existing surface | | 8 | $1,080 |
| 14 | Cover and CDOT Standard Plans Sheets | | 6 | $810 |
| 15 | Typical Sections | | 12 | $1,620 |
| 16 | Summary of Approximate Quantities (2 sheets) | | 6 | $810 |
| 17 | Survey Tabulation Sheet | | 2 | $270 |
| 18 | Project Notes | | 4 | $540 |
| 19 | Hydraulic Study (see note 6) | 8 | 24 | $4,440 |
| 20 | Stormwater Management Plan | | 14 | $1,890 |
| 21 | Erosion Control Sheets (3 phase Initial, Interim, Final, likely 9 sheets total) | | 20 | $2,700 |
| 22 | Plan Sheets (3-4 sheets) | | 32 | $4,320 |
| 23 | Grading Sheets (enough to prove concept and to determine need for storm drains) (4 sheets) | | 24 | $3,240 |
| 24 | Storm Drain Plans and Profile (assume 4 p-pros, 2 sheets)(note 6) | | 12 | $1,620 |
| 25 | Signing and Striping Plan (3 sheets) | | 12 | $1,620 |
| 26 | Details (Defer to FOR) | | | NA |
| 26 | Traffic Control Plan (Defer to FOR) | | | NA |
| 27 | Tab Sheets (Defer to FOR) | | | NA |
| 28 | Summary of Earthwork Quantities (Defer to FOR) | | | NA |
| 29 | Engineer's Estimate | | 8 | $1,080 |
| 30 | Standard Specials (Edited Index Only) | | 2 | $270 |
| 31 | Project Specials (Submit a list of items only) | | 4 | $540 |
| 32 | QA/QC and Oversight | 16 | 8 | $3,480 |
| 33 | FIR Meeting (assume one PST staff on-site & one remote) | 10 | 2 | $1,770 |
| 34 | Public Meeting #3, Meeting Prep, & Meeting Summary | 16 | 16 | $4,560 |
| | | 68 | 234 | $58,290 |
| FOR Design (90%) | | | | |
| 35 | Coordination (Meetings, Phone Calls, Emails, Site Visits) | 14 | 4 | $2,640 |
| 36 | Revisions per FIR Comments and Design Advancement | | 80 | $10,800 |

Ouray Main St RMS - 25227
Civil Work Hour and Fee Estimate
January 5, 2024

| | | | | |
|---|---|---|---|---|
| 37 | Details | | 10 | $1,350 |
| 38 | Traffic Control Plan (6-8 sheets) | | 24 | $3,240 |
| 39 | Tab Sheets | | 8 | $1,080 |
| 40 | Summary of Earthwork Quantities | | 8 | $1,080 |
| 41 | Engineer's Estimate | | 6 | $810 |
| 42 | Standard Specials | | 2 | $270 |
| 43 | Project Specials | 2 | 16 | $2,460 |
| 44 | QA/QC and Oversight | 14 | 6 | $2,910 |
| 45 | FOR Meeting (assume in Durango CDOT Region 5) | 4 | 4 | $1,140 |
| | | 34 | 168 | $27,780 |
| Advertisement Set (100%) | | | | |
| 46 | Ghantt Chart of Construction Schedule | 2 | 5 | $975 |
| 47 | 95% Adv Set (Revisions from FOR Meeting) | 6 | 32 | $5,220 |
| 48 | 100% Adv Set (Revisions from CDOT 95% Adv Set Review) | 2 | 6 | $1,110 |
| 49 | Assist town with Bid Documents (have to comply with CDOT standards) | 2 | 6 | $1,110 |
| 50 | Attend Pre-bid Meeting (one PST Staff on-site) | | 6 | $810 |
| 51 | Bidding Process (assume Town will run process, PST answer technical questions and issue Addenda) | 1 | 4 | $690 |
| 52 | Award Set of Plans (CDOT Requirement) | 1 | 3 | $555 |
| | | 14 | 62 | $10,470 |
| | | | | |
| | Labor Total | 156 | 522 | $116,370 |

| | |
|---|---|
| Expenses (mileage & meeting prints) | $1,500 |
| Total | $117,870 |

| | | | | |
|---|---|---|---|---|
| | Potential Additional Services | | | |
| 53 | Topographic Survey, Existing ROW determination, & CDOT required exhibits (San Juan Surveying) (note 7) | | | $16,250 |

Notes/Assumptions:
1. Line item estimates are only an estimate, and final costs may be reallocated between lines.
2. Items not listed specifically herein are excluded from this scope.
3. Street lighting design, if necessary, will be by others.
4. PST's role in any landscaping is limited to street trees and mulching only.
5. If any stormdrain work is necessary, CDOT may require potholing to be completed for storm drain crossings of other utilities. The town would have to hire a potholing company as engineering insurane will not allow us to sub-contract this work. A day of potholing costs around $2,400.
6. If we can avoid changing drainage patterns and adding storm drains, only a portion of this may be necessary.
7. Assumes survey occurs when there is no snow cover. Fees do not include ROW Acquisition Plans.

Work by sub-consultants.
Items dependent on need.

**MEMORANDUM OF UNDERSTANDING**
**BETWEEN**
**OURAY COUNTY**
**and**
**CITY OF OURAY**

**RE: 2024 Operational Funding Requests, Road and Bridge Apportionment from County to City, and Future Goals**

THIS MEMORANDUM OF UNDERSTANDING is entered into this_____day of_____2024, by and between the City of Ouray, State of Colorado hereinafter referred to as ("City") and the County of Ouray, State of Colorado, hereinafter referred to as ("County").

WHEREAS, the City and the County agree that it is in the best interest of the constituency to work together on various efforts; and

WHEREAS, the City and the County are authorized by C.R.S. 29-1-203 to enter into agreements to provide or share and cooperate on functions, services and facilities; and

WHEREAS, the City and the County recognize that the tasks and objectives of this Memorandum of Understanding are aspirational in nature rather than binding contractual commitments;

NOW THEREFORE, the City and the County agree to share and cooperate on the following matters, in consideration of the mutual budget requests listed below:

1. **OPERATIONAL FUNDING REQUESTS:**

**The City is requesting funding from the County for the following:**

| | |
|---|---|
| Ambulance Bay Payment | $4,374 (cash payment) |
| Ambulance Bay Doors ($14,250 / 2 = $7,125) | $7,125 (cash payment) |

**The County is requesting funding from the City for the following:**

Wireless Emergency Notification System/Emergency Management Services and Emergency Public Telecommunications (Repeater/Antenna Mgt. and Repair): $6,000 (cash payment)

Participation in the development of a County-wide Evacuation Plan: $13,933.33 (cash payment) [Total cost is approximately $41,799.99 split three ways (City/Town/ County)]

2. **ROAD AND BRIDGE APPORTIONMENT TO CITY FROM COUNTY:**

Road and Bridge Apportionment Payment $42,635.79 (cash payment)

3. **FUTURE GOALS:**

**Both parties agree to work together in good faith towards the following: The**

**City desires:**

That appropriate County offices and services continue to be maintained and provided within the City of Ouray, subject to the need for efficient delivery of County services. The City expressed the desire to provide resources if necessary to ensure this goal. The County will communicate and seek input from the City. The City desires County support in grant applications for water treatment and wastewater processing and to help facilitate any permitting processes.

**The County desires:**

- Collaboration between the County and City to assess organizational needs as it may relate to the usage of County and City properties located in and around the City of Ouray
- Support and input from the City concerning the County's Master Planning process
- Participation in the Multi-Jurisdictional, Multi-Hazard Plan (County lead agency and Fiscal Agent)
- Participation in Community Wildfire Protection Plan (County lead agency and Fiscal Agent)

**2024 Collaborative Efforts:**

- Agree to work together on regional transportation and transit issues including issues related to CDOT activity
- Continued support by City and County for Mountain Rescue
- Affordable Housing: Collaborate on building new permanently-affordable rentals and for-sale homes, improving existing affordable housing.
- Work collaboratively to share Short Term Rental / Enforcement information and work collaboratively on policies for Short Term Rental / Enforcement

- Coordinate efforts regarding energy efficiency programs and renewable energy
- Work together on child care needs within Ouray County
- Work together on mental health needs within Ouray County
- Support the utilization of Emergency notification system as needed
- Collaboration on county-wide GIS services
- Collaboratively work together on strategies and planning regarding water resources for all county stakeholders
- Collaboration on forest health issues in and around the City of Ouray
- Collaborate on all hazard mitigation efforts including but not limited to wildfires, flooding, rockslides and rock-fall incidents, avalanches, etc.
- Work together on broadband efforts
- Work collaboratively with Multi-agency Coordination group on emergency management
- Continue to ensure the utilization of the same dispatch service
- Continue to work together on county-wide economic development, coordination of recreational opportunities and future, potential public health crises
- Continue to work together regarding communication
- Collaboration on Victim's Assistance Grant and Victim Advocate for Ouray County
- Cooperate on construction/restoration projects that include fee waivers, inspections, permitting, etc.
- Look for efficiencies by and through shared resources when possible
- Work collaboratively on severance tax/mining industry issue to encourage housing within Ouray County and its municipalities
- Work collaboratively towards optimizing revenues from mining production
- Agree to provide courtesy agenda notifications and packet items for information and packet-sharing for topics or land use proposals of mutual interest that may affect both the City and County
- Work collaboratively to begin exploring a possible unified County-wide unified fire and ambulance district
- Collaborate on regional environmental sustainability efforts, including participation on the Sneffels Energy Board
- Continue to collaborate on balancing recreation, conservation, and working lands through the ORRCA Project

4. **TERM:**

This Memorandum of Understanding provides for agreement to cooperate and collaborate, as provided herein, for calendar year 2024. The parties agree to review this Memorandum of Understanding in September of 2024 for revision and reconsideration for the 2025 budget year. Both the City and the County understand and agree that budget requests may or may not be funded and are subject to availability of funds, which availability may be altered by unanticipated events at any time. The City and the County each agree to work cooperatively on the items specified in good faith, but failure to successfully complete any project will not be grounds for litigation. There is no waiver of governmental immunity by either party.

**EXECUTED** on this 9th day of January, 2024.

**CITY OF OURAY**
**OURAY, COLORADO**

_____
Mayor

**ATTEST:**

_____
Melissa Drake, Director of Finance
And Administration

**BOARD OF COUNTY COMMISSIONERS**
**OURAY COUNTY, COLORADO**

Michelle Nauer
_____
Michelle Nauer, Chair

**ATTEST:**

_____
Cristy Sinevski, County Clerk and Recorder
By: Deputy Clerk of the Board

SEAL
OURAY COUNTY COLORADO

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: Ann Fellin
Physical Address:
Mailing Address: PO Box 1087 Ouray, CO 81427
E-Mail Address: ann@thewrightoperahouse.org
Home Telephone Number:
Business Telephone Number: 970-325-4399
Present job title: Executiv Director, The Wright Opera House
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 ☐ Ouray Economic Development Committee ☐ Beautification
☐ Park & Recreation (PARC) ☑ Tourism Advisory Committee (TAC) ☐ Other:
How long have you lived in the City of Ouray? 1 year, 4 months
What do you think are the major issues affecting our City?
Lack of year-round industry, lack of affordable housing

How do you envision your contribution to this committee?
I want to collaborate on ways we can help bring year-round tourism to Ouray that benefits our local businesses, non-profit, City and residents.
If you own a business in Ouray, please list name (All businesses must be registered): City & residents.

Sign here

Signature

December14, 2023
Date

Ann Fellin
Print Name

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

# Future Agenda Items/Work Sessions

- 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
- Dark Sky Ordinance
- Huckstering Permit Re-examine Permit and Fees
- Short-Term Parking Signs Resolution (Staff Creating List)
- Branding (Logo) Trademark Guidelines
- Affordable Housing Rental Property Development (Review of Land Ability)