

Archuleta County Commissioners

Currently, Archuleta County is experiencing a housing crisis as so many rural communities in Colorado are. Mid-price housing is unattainable for Pagosa residents due to the lack of inventory and the rising building costs. According to the February Archuleta County Real Estate Market statistics, the median home price has increased 13% from \$386,500 in 2020 to \$437,500 in 2021 and the inventory has shrunk from 333 homes in 2020 to 72 in 2021 (a decrease of 78.4%!). There are also only 5 condos/TH on the market compared with 53 last year!

Another issue of building in Archuleta County is the unavailability of developable land due to varying factors, most notably the terrain of the land and the lack of utility infrastructure. However, there is one subdivision in Archuleta County, within the PLPOA jurisdiction, that holds promise. This subdivision is Chris Mountain Village II. As you know, this area was parceled and the infrastructure intended to be installed. However, the company went bankrupt and the only infrastructure installed was water and sewage through Pagosa Area Water and Sanitation District. There is some electricity installed as the lift stations needed to be activated. The bankruptcy stems all the way back to 1991. Since then, property owners have paid county property taxes, PLPOA fees and PAWS fees all for naught. Realizing that investing in real estate is speculation, many property owners bought the land not expecting for the developer to go bankrupt and in 30 years, no movement to improve the area has been pursued.

This request is to try and bring some affordable pieces of land to the market so that interested and dedicated contractors can help provide attainable housing for people in or moving to Pagosa Springs. Here are some statistics and suggestions.

- The subdivision has approximately 190 lots.
- Of those lots, the county held approximately 50 in lien for back taxes and fees.
- Recently, the county agreed to deed 11 of these lots to Habitat for Humanity to secure future affordable building sites.
- There remains approximately 39 lots. Of those lots, several are being investigated to be purchased by several interested developers or builders.
- From the Fairfield settlement, there exists in a reserved fund approximately \$533,000 to be used for trenching and back fill to install utilities.

Suggestions:

- Determine the amount in reserves that can be used by individual property owners in the pursuit of bringing utilities to the properties as per the settlement agreement. The agreement describes the funds to be used for trenching and back-filling.
- Establish a system through the county finance office for builders or individual property owners to apply for these reimbursable funds once utilities have been installed.
- The county should be designated the developer for a single action which is to plat the whole subdivision for electric and/or natural gas. La Plata Electric would need to work with a single entity to start this platting. The cost would be \$5,000. The recommendation is to pull \$5,000 from this reserve fund to plat the electric for the subdivision. This will assist individual lot owners and builders and save them the cost of smaller electrical plat designs. The design is good for one year.
- Of the remaining lots in lien, allow the parcels to be “packaged” in groups of 5 or so and then offered to builders to begin to build attainable housing.
 - The process would be made available first to local builders.

- Only 1 package of lots per builder would be available so that the opportunity and work is spread out
- A “lottery” or bid system may need to be put in place to make the bidding equitable
- If not enough local builders bid for the parcel packages, then the bidding process would expand to regional builders and then outside the region.
- The property taxes would be waived by the county. The other fees would also be waived by PLPOA and PAWS.
- If the lien does not have a 2nd or 3rd junior lien hold, then the county can offer up the property as a simple deed.
- If the property does have a 2nd or 3rd junior lien hold, then the builder would need to pay off the lessor liens as determined by the county treasurer.
- The builder would also be responsible for listing each property with the Treasurer’s office at a cost of \$1,100 per property.
- Since the builder would be gaining a huge benefit in acquiring these lands, in return the builder would agree to the following:
 - Agree to build on the lots in the next 3-5 years. Should the lots not be built upon, the county has the right to repossess the properties.
 - The property would be deed restricted to have housing available to “primary residents” only. This could mean that someone buys the property, but it can only be rented out on a long term bases: 9-12 month lease.
 - The deed restriction would be in effect and transfer with the property for a term of 25 years.
 - Builder would need to adhere to all the regulations associated with the Pagosa Lakes Property Owners Association.

In addition to electricity, natural gas by Black Hills Energy is also being investigated to supply this area. This effort would be a huge bonus to the subdivision providing utility alternatives and eliminating the need for unsightly propane tanks and more costly energy to these homeowners. Black Hills Energy could provide a “grid” system expansion and would be interested in working with home owners or builders.

As a community, we must do something to provide buildable space in our county. This proposal is flexible in the types of homes that can be built. It also leaves properties that are current in their taxes and fees to build the type of home they wish whether it be for personal use, long term rental or short term rental. However, 50 lots (including those to Habitat) would be guaranteed for long term or “permanent resident” housing. These guidelines are just that, a way to start a conversation and actionable steps to help alleviate the housing crisis in Pagosa Springs and Archuleta County.