

**PAGOSA AREA WATER AND SANITATION DISTRICT**

**RESOLUTION REDUCTION OF CAPITAL INVESTMENT AND RAW WATER  
AQUISITION FEES FOR WORKFORCE HOUSING**

**Resolution 2020-03**

WHEREAS, the Pagosa Area Water and Sanitation District (“District”) is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Colorado Revised Statutes; and

WHEREAS, Section 32-1-1001(1)(h), C.R.S. authorizes the District’s Board of Directors (the “Board”) to have the management, control and supervision of all the business and affairs of the *special district and all construction, installation, operation and maintenance of special district improvements; and*

WHEREAS, Section 32-1-1001(1)(m), C.R.S. authorizes the Board to adopt, amend and enforce bylaws, rules and regulations for carrying out the business, objects and affairs of the Board and District; and

WHEREAS, the Board has implemented and continues to implement Capital Investment Fee (“CIF”) policies to raise funds for the general improvements to the efficiency, capacity, reliability and safety of its water treatment and distribution systems as necessary to serve existing and planned water demand; and

WHEREAS, the Board has implemented and continues to implement CIF policies to raise funds for the general improvements to the efficiency, capacity, reliability and safety of its sewage collection and treatment systems as necessary to serve existing and planned sewage demand; and

WHEREAS, the Board has implemented and continues to implement Raw Water Acquisition Fee (“RWF”) policies to raise funds to pay for the incremental expansion of capital improvements necessary to develop the raw water supply necessary to serve newly created water service demand; and

WHEREAS, the Board desires to encourage development of low-income housing, moderate-income housing and workforce housing to address a serious and growing shortage of available housing units within the Distract; and

WHEREAS, the Board desires to incentivize such development by allowing reductions and exemptions from payment of Capital Investment Fees and Raw Water Acquisition Fees under certain circumstances for rental and for-sale housing units that meet the definitions herein; and

NOW THEREFORE, be it resolved by the Board of Directors of the Pagosa Area Water and Sanitation District, that its water Capital Investment Fee and Raw Water Acquisition Fee calculation methodology and fee payment methodology is amended, clarified and shall be implemented, as follows:

**1. DEFINITIONS:**

- a. **Affordable Housing.** Housing for which the occupant(s) is/are paying no more than thirty percent (30%) of his or her income for gross housing costs, including utilities.

- b. **Annualized Mortgage Amount.** The sum of principal, interest, closing costs, mortgage insurance, down payment, and any other direct costs of acquiring the unit amortized over thirty (30) years based on annual payments.
  - c. **Area Median Income (AMI).** The median household income for Archuleta County, as estimated by the most recent U.S. Census Small Area Income and Poverty Estimates.
  - d. **Low-Income Housing.** A housing unit with a rental amount or annualized mortgage amount that qualifies as affordable housing for households earning between sixty-one percent (61%) and eighty percent (80%) of AMI.
  - e. **Moderate-Income Housing.** A housing unit with a rental amount or annualized mortgage amount that qualifies as affordable housing for households earning between eighty-one percent (81%) and one hundred percent (100%) of AMI. This term is synonymous with workforce housing.
  - f. **Very Low-Income Housing.** A housing unit with a rental amount or annualized mortgage amount that qualifies as affordable housing for households earning between zero percent (0%) and sixty percent (60%) of AMI. Very low-income housing is a sub-category of low-income housing.
  - g. **Workforce Housing.** A housing unit with a rental amount or annualized mortgage amount that qualifies as affordable housing for households earning between eighty-one percent (81%) and one hundred percent (100%) of AMI. This term is synonymous with moderate-income housing.
2. The Board may grant a full or partial waiver of Capital Investment Fee(s) and Raw Water Acquisition Fees per the following table for residential units meeting the definition and requirements of low-income housing as defined above.

	% AMI	Waiver Reduction
Very Low-Income Housing	<60% AMI	100%
Low-Income Housing	>60% but <81%	50%
Moderate-Income Housing (aka Workforce Housing)	>81% but <100%	25%

3. For the Board to consider full or partial waivers of Capital Investment Fee(s) and Raw Water Acquisition Fees the developer of a single or multiple low income housing unit(s) must provide the board with a Land Use Restriction Agreement (LURA) with the Colorado Housing and Finance Authority or other approved third party verification of very low to moderate income housing.
4. **APPLICABILITY.** The intent of this Resolution is to keep all aspects of the District's existing fee policy intact, and to merely apply an incentive for the construction affordable

housing units which is perceived as a benefit for all District customers. A waiver or reduction in Capital Investment or Raw Water Acquisition Fees shall in no way relieve the customer from paying all applicable District fees then in effect as provided in the District's Rules and Regulations.

5. SEVERABILITY. In any section, subsection, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or provision shall in no manner affect any remaining provisions of this resolution, the intent being that the same are severable.
6. REPEALER. All orders, resolutions, bylaws or regulations of the District, or parts thereof, inconsistent with this resolution are hereby repealed to the extent only of such inconsistency.
7. EFFECTIVE DATE. This resolution shall be enforced as effective on, and as of, March 12, 2020.

ADOPTED this 12 day of March, 2020, by a vote of 3 in favor and 1 opposed.



(SEAL)

Attest:

Gordon Melver, Secretary

Jim Smith, President