ADMINISTRATIVE POLICY PAPER

DEVELOPMENT IMPACT FEE – TOWN OF SILVERTHORNE – 1/10/07

On November 7, 2006 the voters of Summit County approved the Summit Combined Housing Authority Referred Measure 5A. The measure authorizes a temporary sales and use tax of one eight of one percent (.125%), and a development impact fee ("Impact Fee") of two dollars or less per square foot of new construction to be used for affordable housing purposes. This administrative policy paper applies to how the Town will execute the Impact Fee in the Town of Silverthorne. The purpose of the administrative policy paper is to describe, clarify and provide details on how the Impact Fee will be collected, administered and assessed by the Town effective for building permit applications received after January 1, 2007. It also lists the specific types of developments or projects exempted from the Impact Fee requirements.

Administration of Impact Fee Schedule

The Impact Fee will be collected by the Town Building Department and paid at the time building permits are issued (as identified in the Building Department Permit Application). The Impact Fee applies to "new construction" of buildings or additions to existing buildings (calculated on all existing building permits for which a Certificate of Occupancy has not been issued), and will be assessed according to the type of development and total square footage proposed:

<u>Measurement of Total Square Footage</u>

- Square footages are based on the Town's current policies, procedures and methods of measuring to the exterior of exterior walls consistent with the Excise Tax section of the Town Code (Section 1-13-2).
- Finished and unfinished spaces will be counted toward overall square footage.
- <u>The first 600 square feet of garage space per unit will be exempted from overall square footage.</u>
- Stairs would be counted once for every two levels.
- Attics and crawl spaces would not be counted toward overall square footage.

Section 1-13-2 states: *"Useable Space means the floor area enclosed within a building. The floor area shall be determined from the plans and specifications submitted to the Building Official as a part of the application for a building permit, and shall include living spaces, storage, basements, restrooms, hallways, and similar spaces, as measured from the outside dimensions."*

<u>Single Family Residences (including duplexes)</u>

- 1,499 square feet or less - $.0
- 1,500 to 2,499 square feet - $.50 per square foot

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- 2,500 to 3,499 square feet - $1.00 per square foot
- 3,500 to 4,999 square feet - $1.50 per square foot
- 5,000 + square feet - $2.00 per square foot

- The above fees also apply to 1) new additions to existing detached single family structures and 2) accessory structures attached or detached to single family residences (e.g., guest homes, connected structures, caretakers units).

All Other Residential Structures

Includes: Townhomes, condominiums, other multi-family units, common areas/amenity buildings within residential components not classified as commercial structures, managers units, accessory apartments or caretaker units, and additions to these above types of structures.

- 999 square feet or less - $.0
- 1,000 to 1,499 square feet - $.50 per square foot
- 1,500 to 2,499 square feet - $1.00 per square foot
- 2,500 + square feet - $2.00 per square foot

Commercial or Industrial Structures

Includes: all commercial buildings and outbuildings to be built on the property (e.g., garages, sheds, etc.).

- $2.00 per square foot

Mixed Use Structures

For structures that are mixed use (e.g., commercial/residential buildings) the Impact Fee shall be applied as follows:

- Residential area will be charged the Impact Fee for All Other Residential Structures.
- Commercial area will be charged the Impact Fee for Commercial or Industrial Structures.
- Common areas solely related to residential use will be charged the Impact Fee for All Other Residential Structures.
- Portions of mixed-use buildings that contain common areas used for both residential and commercial purposes will be charged the Impact Fee for Commercial Structures.

Multiple Types of Structures on One Lot

- All buildings constructed on the same lot, parcel, subdivision or PUD would be charged the Impact Fee based on the "type" of building permit issued for that structure.

Application of Impact Fee

As provided for in the Combined Housing Authority's Impact Fee resolution, the Impact Fee for all categories of structures listed above shall be applied to the total square footage of a structure or addition, not in increments. For example, a 3,000 square foot house would pay $1.00 per square foot, or $3,000. As opposed to the 3,000 square foot house paying $.50 per square foot for the first 2,500 square feet and $1.00 per square foot for the next 500 square feet, or $1,750. The Impact Fee for additions, however, shall be calculated solely based on the square footage of the proposed addition, not the square footage of the entire residence.

Exemptions to Assessed Impact Fee

The following structures or projects shall be excluded from all assessment, collection or other means of imposition of the Impact Fee requirements:

- ***Agricultural buildings:*** Buildings or structures used for the sole purpose of providing shelter for agricultural implements, farm products, livestock, or poultry per Colorado Revised Statute 30-28-201.

- ***Change of Use:*** Change of use without adding additional square footage or space (Commercial or Residential) shall not result in the assessment of the Impact Fee.

- ***Garage Exemption:*** Up to 600 square feet of garage space per unit in all residential structures shall be exempt from the Impact Fee.

- ***Redevelopment / Scrape-offs:*** Credit shall be given to the square footage of a pre-existing structure. New square footage created above and beyond the existing structure shall be charged the Impact Fee.

- ***Residential or Commercial Remodels:*** Commercial or residential interior remodels that do not involve the construction of additional square footage shall not be assessed an Impact Fee.

- ***Deed-Restricted Affordable Employee Housing:***

  (a) Any residential housing structure which is deed restricted or otherwise properly restrained from open market sale or use to ensure that it is properly characterized as affordable employee housing, as such term is defined by the Town shall be exempt for the Impact Fee. For example, proposed units that are

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deed-restricted in perpetuity to employees working within Summit County shall be exempt from the Impact Fee.

(b) Existing or proposed projects or PUDs that include deed-restricted units or other affordable/employee housing requirements may be given a level of credit to offset or mitigate the total Impact Fee assessed. To evaluate and determine the level of credit assessed, the percent of deed-restricted or employee/affordable housing units shall be evaluated in relation to the total project impacts and overall square footage of development.

- *Deed-Restricted Low or Moderate Income Housing:* Any residential housing structure which is deed restricted or otherwise properly restrained from open market sale or use to ensure that it is properly characterized as low income housing or moderate income, as such terms have been defined in accordance with the interpretation of the Colorado Division of Housing, pursuant to C.R.S. §24-32-717(4), et. seq., shall be exempt from the imposition of the development impact fee.

- *Other:* The Town shall have the ability to consider exemptions and waivers to the Impact Fee where deemed to be in the public interest due to special circumstances or unique situations, including when a proposed development provides alternative employee housing mitigation not otherwise addressed by these policies.

The Town Building Department shall determine the square footage of a project for purposes of calculating the required Impact Fee. The Town Planning Department shall make all other determinations and interpretations regarding Impact Fee administration including any credits which offset/mitigate the otherwise applicable Impact Fee assessments for a project.