



## BUILDING INSPECTION DEPARTMENT

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### **Summit County Affordable Workforce Housing Development Impact Fee Information**

#### **Background Information – Why is there a Development Impact Fee?**

Resort communities in Colorado experience very high housing prices compared to the rest of the U.S. Due to these housing costs, Summit County struggles to retain employees in nearly all occupations, mainly because families are unable to find a suitable place to live. The most recent workforce housing needs assessment completed in June 2013 indicates that we will need approximately 1,000 housing units to meet our employee housing needs over the next five years.

The voters in Summit County voted to support workforce housing needs by passing the Summit Combined Housing Authority Referred Measure 5A in November 2006. The measure authorizes a temporary sales and use tax of one eighth of one percent (.125%) and a Development Impact Fee of two dollars or less per square foot for new construction. The cumulative funds collected over a period of ten years are to be used for affordable workforce housing purposes (e.g., land purchases, construction of new homes, and purchase of existing homes for employee use).

#### **What are my options for paying the Development Impact Fee?**

For commercial development, the Development Impact Fee must be paid at the time of building permit issuance. For residential development, the Board of County Commissioners has adopted a policy regarding the administration and collection of the Development Impact Fee, which allows a developer the option to either:

1. Pay the Impact Fee at the time of building permit issuance; or
2. Execute and record a Voluntary Housing Allowance Restrictive Covenant with the County, which grants a voluntary endowment to be paid to the County upon any sale or other legal transfer of ownership of the property, in an amount equal to one third of one percent (.333%) of the consideration paid for the transfer of the property. This paperwork must be completed prior to or at permit issuance.

The first initial sale of the property subsequent to the execution and recordation of the covenant is exempt from the application of the private transfer fee. Thus, the transfer fee is first collected at the time of the second property transfer, and at the time of all subsequent sales thereafter. The transfer fee is collected with sales of single family residences valued at \$400,000 or more, and sales of other residential structures valued at \$250,000 or more.

#### **Option #1: Pay the Development Impact Fee**

The Impact Fee is collected by the County Building Department at the time building permits are issued unless an adequate financial guarantee is posted at the time of permit issuance for Substantial

Developments (i.e., developments of 15 units or more). The Impact Fee applies to new construction or additions to existing buildings, and is assessed according to the type of development and total square footage proposed per the Fee Schedules below:

Single Family Residences

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

Single family residences shall include detached single family homes as well as duplexes (as defined in the Summit County Land Use and Development Code). The above schedule shall 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, accessory apartments, caretakers units).

All Other Residential Structures (calculated per unit with common area space allocated on a pro rata basis per unit)

- 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

Includes: multi-family dwelling (as defined in the County’s Land Use and Development Code as “dwelling, multifamily”), 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.

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

**Impact Fee Calculation and Payment:** At the time of building permit submittal, the County Building Department will calculate the Impact Fee to be assessed for the proposed project, and the fee will be collected at the time of building permit issuance.

**Option #2: Record a Voluntary Housing Allowance Restrictive Covenant**

The Voluntary Housing Allowance Restrictive Covenant is a voluntary alternative to the Impact Fee. It is an option available to property owners developing residential structures. If a property owner selects this option, the Restrictive Covenant must be executed with the County and recorded in the Office of the

Summit County Clerk and Recorder prior to building permit issuance. Please see the attached *Voluntary Housing Allowance Restrictive Covenant Instructions and Routing Form* for detailed instructions on how to fill out and submit the required documents to the County Building Department.

**Questions:** Contact the County Building Department at 970-668-3170 with any questions about administration of the Impact Fee or Voluntary Housing Allowance Restrictive Covenant.