



# Memo

To: Town Council  
From: Julia Puester, AICP, Assistant Community Development Director  
Date: 11/20/2024 (for 11/26/2024)  
Subject: Amended Administrative Rules and Regulations for the Collection and Administration of Summit Combined Housing Authority Development Impact Fee

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**Town Council Goals** (Check all that apply)

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| <input type="checkbox"/> More Boots & Bikes, Less Cars         | <input type="checkbox"/> Leading Environmental Stewardship   |
| <input type="checkbox"/> Deliver a Balanced Year-Round Economy | <input type="checkbox"/> Hometown Feel & Authentic Character |
| <input checked="" type="checkbox"/> Organizational Need        |  |

**Summary**

Staff is proposing to update the 2007 Administrative Rules and Regulations for the Collection and Administration of the Summit Combined Housing Authority Development Impact Fee (“Rules”).

**Background**

In 2006, Summit County voters approved a ballot measure, referred to as 5A, which authorized a development impact fee on new construction for affordable housing (“Impact Fee”). This Fee was implemented by the Summit Combined Housing Authority through Resolution 06-05, which also authorized each member jurisdiction to adopt more specific policies and procedures related to the assessment, collection and administration of the Impact Fee.

After the ballot initiative and resolution were passed in 2006, the Town adopted the 2007 Amended Administrative Rules and Regulations for the Collection and Administration of Summit Combined Housing Authority Development Impact Fee. Staff finds the need to amend the Rules to clarify the fee is in perpetuity as well as make some changes based on lessons learned in implementation since the 2007 adoption.

Proposed changes include:

- Timeline for paying the impact fee-Staff proposes to collect the impact fee at the time of building permit issuance when other fees (building permit fees, PIFs) are collected. The impact fee is currently collected later in the process, prior to the issuance of a certificate of occupancy. This complicates the process of collecting fees. This has also caused issues for contractors and homeowners wanting the certificate of occupancy and having to wait until they can access the funds. We believe that this will be a more streamlined process for all parties.
- Removal of references to 80% Area Median Income (AMI)- Staff recommends removing the requirement of 80% AMI units as recent Housing Needs Assessment studies have shown a cross section of AMI needs across the community.

**Public outreach/engagement**

With the proposed change from collecting the impact fee from time of certificate of occupancy to time of issuance of a building permit, staff understands that this will be an adjustment for the contractors. Should the Town Council support the change, staff will open a four week public comment and question session to the Summit County Builders Association and general public. This timeframe will allow for public comment and concerns to be submitted and responded to in advance of implementation.

**Financial Implications**

There is no change to the amount of the fee.

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**Mission:** The Town of Breckenridge protects, maintains, and enhances our sense of community, historical heritage, and alpine environment. We provide leadership and encourage community involvement.

**Equity Lens**

The purpose of the Summit Combined Housing Authority development impact fee is to provide a funding source for affordable housing within Summit County and its respective municipalities. The fee is assessed on new market rate residential and commercial construction utilizing an escalating scale from \$0 to \$2 per square foot (e.g. larger square footage is assessed the higher fee). The Town utilizes the fees collected toward affordable housing related projects, supporting our local workforce.

**Staff Recommendation**

This item does not require a formal Town Council approval however staff would like Town Council's support in moving forward with the *Amended the Administrative Rules and Regulations for the Collection and Administration of Summit Combined Housing Authority Development Impact Fee*.

1 AMENDED ADMINISTRATIVE RULES AND REGULATIONS FOR THE COLLECTION AND  
2 ADMINISTRATION OF SUMMIT COMBINED HOUSING AUTHORITY DEVELOPMENT  
3 IMPACT FEE RULES  
4

5 WHEREAS, Section 29-1-204.5, Colorado Revised Statutes, authorizes the creation of a  
6 multijurisdictional housing authority through an intergovernmental agreement (“IGA”); and

7 WHEREAS, Summit County and the incorporated towns of Breckenridge, Frisco,  
8 Silverthorne, Dillon, and Montezuma have entered into an IGA creating the Summit Combined  
9 Housing Authority (“SCHA”); and

10 WHEREAS, Section 29-1-204.5, C.R.S., also provides that a multijurisdictional housing  
11 authority is authorized to levy a sales and use tax as well as a development impact fee within  
12 the boundaries of the authority; and

13 WHEREAS, in 2006 Summit County voters approved a ballot measure to impose one-  
14 eighth of one percent (.125%) for a period of ten years and also authorized a development  
15 impact fee of two dollars or less per square foot of new construction; and

16 WHEREAS, the SCHA adopted Resolution 06-05, attached hereto as Exhibit A,  
17 establishing an impact fee of up to two dollars per square foot based upon the square footage of  
18 the construction, as further set forth in Resolution 06-05 (“Impact Fee”); and

19 WHEREAS, Resolution 06-05 also provides that each member jurisdiction of the SCHA  
20 has the ability to adopt more specific policies and procedures for the assessment, collection,  
21 and administration of the impact fee; and

22 WHEREAS, the member jurisdictions, including the Town of Breckenridge, have entered  
23 into a Third Amended and Restated Agreement with the Summit County Housing Authority  
24 which, among other things, further authorizes members to administer and collect the Impact Fee  
25 for all new residential, commercial and industrial construction within its jurisdiction. It also  
26 authorizes a member to develop and implement a system to (i) provide a credit or offset against  
27 the Impact Fee in favor of a developer who provides affordable housing for its project pursuant  
28 to the Member's land use development laws; (ii) provide a voluntary endowment restrictive  
29 covenant system or other mechanism authorizing a property owner to defer collection of the  
30 Housing Impact Fee; and, (iii) expend its share of funds on affordable housing; and

31 WHEREAS, the Town of Breckenridge (“Town”) desires to adopt a set of policies and  
32 guidelines for the assessment, administration, and collection of the Impact Fee, as further set  
33 forth herein.

1  
2           **1. Authority.** Authority to adopt rules and regulations is granted to the  
3 administration under section 1-18-1 of the code.

4  
5           **2. Applicability of Impact Fee.** The Impact Fee applies to all new market rate  
6 residential, commercial and industrial construction within its jurisdiction, unless exempted from  
7 payment of the Impact Fee pursuant to Section 12 of these Amended Regulations.

8  
9           **3. Responsibility for Administration and Collection of Impact Fee.** The Impact  
10 Fee will be administered and collected by the Town’s Department of Community Development  
11 (“Department”). The Department will determine the square footage of a project for purposes of  
12 calculating the required Impact Fee in accordance with the development code, and will make all  
13 other determinations and interpretations regarding Impact Fee administration required to  
14 properly implement these Amended Regulations, including, but not limited to, the calculation of  
15 any applicable credit under Section 13 of these Amended Regulations.

16  
17           **4. When Impact Fee Due.** The Impact Fee is due and must be paid to the Town  
18 prior to issuance of a building permit.

19  
20           **5. Type of Development to Which Impact Fee Applies.** The Impact Fee applies  
21 to:

- 22           A. the “new construction” of a building or structure for which a building permit is  
23 required under the Town’s building and technical codes; and  
24           B. the construction of an addition to an existing building or structure for which a  
25 building permit is required under the Town’s building and technical codes.

26  
27           **6. Calculation of Impact Fee.** The Impact Fee shall be calculated based upon the  
28 type of development and total square footage proposed to be constructed, as set forth in and  
29 duly authorized by a building permit.

30  
31           **7. Determination of Square Footage.** The following rules shall apply to the  
32 determination of the square footage of a building that is subject to the Impact Fee:

- 1 A. Total square footage shall be calculated based on the Town of Breckenridge  
2 Development Code (Chapter 1 of Title 9 of the Breckenridge Town Code), and  
3 the Department's policies, procedures and methods of calculating square footage  
4 under the Development Code section 9-1-5 density and mass definitions.  
5 B. For the purpose of calculating total square footage, the following rules will apply:  
6 (i) Finished and unfinished spaces will be counted toward overall square  
7 footage.  
8 (ii) Stairs will be counted for all levels, minus one level.  
9 (iii) Attics and crawl spaces will not be counted toward overall square  
10 footage.

11

12 **8. The Impact Fee schedule is as follows:**

13 A. Single Family Residences:

- 14 • 1,499 square feet or less - \$.0  
15 • 1,500 to 2,499 square feet - \$.50 per square foot  
16 • 2,500 to 3,499 square feet - \$1.00 per square foot  
17 • 3,500 to 4,999 square feet - \$1.50 per square foot  
18 • 5,000 + square feet - \$2.00 per square foot

19

20 Includes: detached single family residences, as well as duplexes (as defined in  
21 the Development Code). The Impact Fee also applies to:

- 22 (i) new additions to existing detached single-family structures; and  
23 (ii) accessory structures, including accessory units or garages, either  
24 attached or detached to single family residences, but excluding sheds  
25 and other accessory structures exempt from the requirements for a  
26 building permit as provided in the Town's building code regulations.

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28 The impact fee for additions to single-family residences shall be calculated as  
29 follows:

30

1 The impact fee for the construction of an addition will be based upon the  
2 combined square footage of the existing structure and the addition. For example,  
3 the impact fee for the construction of a new 1,200 square foot addition to an  
4 existing 4,000 square foot single family home would be \$2,400 [because the  
5 combined total square footage of the existing structure and the new addition is  
6 5,200, the applicable rate is \$2.00 per square feet. 1,200 square feet of addition  
7 x \$2.00 per square foot = \$2,400 impact fee].  
8

9 B. All Other Residential Structures<sup>1</sup>:

- 10 • 999 square feet or less - \$.0
- 11 • 1,000 to 1,499 square feet - \$.50 per square foot
- 12 • 1,500 to 2,499 square feet - \$1.00 per square foot
- 13 • 2,500 + square feet - \$2.00 per square foot

14  
15 Includes: apartments, duplex units, condominiums, condo/hotels,  
16 hotel/lodge/inns, timeshare interests, townhouses, and other multi-family  
17 dwellings (as defined in the Development Code), and additions to these types of  
18 structures.

19  
20 The impact fee for additions to all other residential structures shall be calculated  
21 as follows:

22  
23 The impact fee for the construction of an addition will be based upon the  
24 combined square footage of the existing structure and the addition. For example,  
25 the impact fee for the construction of a new 900 square foot addition to an  
26 existing 1,000 square foot condominium would be \$900 [because the combined  
27 total square footage of the existing structure and the new addition is 1,900, the  
28 applicable rate is \$1.00 per square feet. 900 square feet of addition x \$1.00 per  
29 square foot = \$900 impact fee].

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<sup>1</sup>The Impact Fee for All Other Residential Structures will be calculated on a “per unit” basis.

1 C. Commercial or Industrial Structures:

- 2 • \$2.00 per square foot

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

6 D. Mixed Use Structures: For structures that are mixed use (e.g.,  
7 commercial/residential buildings) the Impact Fee will be applied as follows:

8

- 9 • Residential area will be charged the Impact Fee for “All Other Residential  
10 Structures.”

- 11 • Commercial area will be charged the Impact Fee for “Commercial or  
12 Industrial Structures.”

13

14 Excludes: common areas, amenity buildings, garages and storage buildings.

15 E. Multiple Types of Structures On One Lot:

16

- 17 • All buildings constructed on the same lot, parcel, or subdivision will be  
18 charged the Impact Fee based on the “type” of building permit issued for  
19 that structure.

20

21 Excludes: common areas/amenity buildings and garages.

22

23 F. Redevelopments/Scrape-Offs:

24

- 25 • Where a building or multiple buildings are demolished and the site is  
26 redeveloped, the entire square footage of the new development will be  
27 considered new construction and will be subject to the Impact Fee  
28 schedule set forth above for the type of units constructed.

29

- 30 • For redevelopments/scrape-offs that are subject to the Impact Fee,

1 a credit against the required payment of the Impact Fee will be granted  
2 for a project containing already existing deed restricted employee housing  
3 units. In order to qualify for this credit the already existing deed restricted  
4 units must be restricted, in a form and substance acceptable to the Town  
5 Attorney.  
6

- 7 G. Impact Fee Not Calculated Incrementally. As provided for in the Combined  
8 Housing Authority's Impact Fee resolution, the Impact Fee for all categories of  
9 structures listed above will be applied to the total square footage of a structure or  
10 addition, not in increments. For example, a 3,000 square foot house would pay  
11 \$1.00 per square foot, or \$3,000 as opposed to the 3,000 square foot house  
12 paying \$.50 per square foot for the first 2,500 square feet and \$1.00 per square  
13 foot for the next 500 square feet, or \$1,750.  
14

15 **9. Exemptions.** An Impact Fee will not be required to be paid for the following  
16 categories of development:

- 17 A. Change of Use. Change of use without adding additional square footage or  
18 space (Commercial or Residential) will not result in the assessment of the Impact  
19 Fee.  
20

- 21 B. Residential or Commercial Remodels. Commercial or residential  
22 remodels that do not involve the construction of additional square footage will not  
23 result in the assessment of an Impact Fee.  
24

- 25 C. Exemptions. Per the impact fee resolution adopted by the SCHA in 2006, the  
26 SCHA determined that there were two categories of exemptions from the impact  
27 fee as follows:

- 28 (i) Low or moderate income housing. Any residential housing structure which  
29 is deed restricted or otherwise properly restrained from open market sale  
30 or use to ensure that it is properly characterized as low income housing or  
31 moderate income, as such terms have been defined in accordance with  
32 the interpretation of the Colorado Division of Housing, pursuant to C.R.S.

1 524-32-717(4), and as amended and/or relocated from time to time et.  
2 seq.

3  
4 (ii) Affordable employee housing. Any residential housing structure which is  
5 deed restricted or otherwise properly restrained from open market sale or  
6 use to ensure that it is properly characterized as affordable employee  
7 housing, as such term is defined with specificity by the Town.

8 E. Other Exemptions. The Town Council may grant additional exemptions and  
9 waivers of the Impact Fee when deemed to be in the public interest due to  
10 special circumstances or unique situations, including, but not limited to, when a  
11 proposed development provides alternative employee housing mitigation not  
12 otherwise addressed by these policies.

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14 **10. Credit For Restricted Housing Units.** A credit against the required payment of  
15 the Impact Fee will be granted for projects that mitigate at least as much as is required by the  
16 municipal code of its employee generation by deed restricting employee units (at not less than  
17 350 square feet of housing per employee). In order to qualify for this credit the units must be  
18 restricted, in a form and substance acceptable to the Town Attorney, so as to be permanently  
19 affordable at an AMI agreed upon by the Town.

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21 **11. Amended Regulations; Effect of Amendment.** These Amended Regulations  
22 supersede and replace any prior temporary or permanent rules governing the interpretation,  
23 application and collection of the impact fee.

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29 Shannon Haynes, Town Manager  
30 Town of Breckenridge, Colorado  
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