



CITY COUNCIL ACTION FORM

DEPARTMENT	PRESENTED BY	DATE
Planning	Kathryn Dunleavy - Planner	February 7, 2023

ITEM

Resolution No. 2023-06: A Resolution of the City Council for the City of Salida, Colorado Amending the 2023 Fee Schedule

BACKGROUND

With this Resolution, staff is proposing to update two items on the 2023 Adopted Fee Schedule.

- 1) The first amendment is to bring the “Fees and Charges for Water and Wastewater Services” in line with Ordinance 2022-26, approved on January 3, 2026, eliminating the System Development Fee deferral option for Accessory Dwelling Units. The proposed amendment removes reference to the deferral option from the fee schedule.
- 2) The second amendment is the City Council requested periodic update to the Inclusionary Housing fee-in-lieu to account for current median home sales prices.

Per Section 16-13-30 of the Salida Municipal Code, a developer may satisfy the requirement for providing Inclusionary Housing units by paying a fee-in-lieu of built housing *only if* the development proposes five (5) units or less *or if* the calculation for built Inclusionary Housing units results in a fractional portion above a whole unit. City Council approved the most recent Inclusionary Housing fee-in-lieu adjustment in May of 2022 via Resolution No. 2022-21 at a rate of \$20.10/SF for for-sale units and \$3.00/SF for rental units in projects with 5 or more units. Using median sales price data for the fourth quarter of 2022, this amendment to the fee schedule is for a slight reduction to the for-sale fee-in-lieu, down to \$19.97/SF. No change from the current rental unit fee-in-lieu of \$3.00/SF is proposed.

For reference, the for-sale fee-in-lieu is calculated as follows:

The proposed fee in-lieu for for-sale units has been determined by the delta between the year-to-date median sales price for all residential units in Chaffee County and the maximum calculated purchase price of a 3-bedroom home for a household making 100% AMI, based on numbers provided by CHFA. This number is then multiplied by 1/6 (the required built IH unit quotient) and then further divided by 1650, the average square footage of a newly built home in Salida over the last few years, to determine the per square-foot fee.



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FISCAL NOTE

Item 1 will result in the collection of new System Development Fees totaling approximately \$24,000 per year. This is based on the previous 3-year average of the number of ADU's utilizing the deferral option.

Item 2 is an insignificant reduction in the proposed fee, and therefore should have limited fiscal impact on the Inclusionary Housing fund. With periodic updates, the fee-in-lieu will continue to track with market rates.

STAFF RECOMMENDATION

Staff recommends that the updated City of Salida fee schedule be approved by Council.

SUGGESTED MOTION

A Council person should move to "Approve Resolution No. 2023-06 amending the 2023 Fee Schedule."

Attachments:

Resolution No. 2023-06

2023 Fee Schedule as amended

Calculation sheet for new IH fee-in-lieu

Central Colorado Realtors report on median home values through December 2022

RESOLUTION NO. 06
(Series 2023)

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO
AMENDING THE 2023 FEE SCHEDULES

WHEREAS, the Salida Municipal Code (“Code”) establishes rules and regulations for the operations of the City of Salida (“City”) and provides for the establishment of fees for various City services throughout the Code; and,

WHEREAS, the City relies upon fees to provide many services to its customers and citizens; and,

WHEREAS, fees associated with the services provided by the City require adjustment from time to time to account for the increase in the costs to provide such services, as well as for the implementation of new services and regulations, or applicable amendments to the Code; and,

WHEREAS, on December 20, 2022, the City Council adopted the 2023 Fee and Schedules via City Resolution No. 2022-60; and,

WHEREAS, on January 3, 2023 City Council passed Ordinance 2022-26 changing the definition of customer class for accessory dwelling units so that all accessory dwelling units are now considered water and wastewater customers, removing the option to defer payment of system development fees for ADU’s; and,

WHEREAS, the 2023 adopted fee schedule table for “Fees and Charges for Water and Wastewater Services” still contains reference to the SDF deferral agreement option and therefore has been amended as proposed in Exhibit A, attached hereto and incorporated herein and included as part of the City overall Fee Schedules; and,

WHEREAS, since the previous Inclusionary Housing fee-in-lieu update adopted via City Resolution No. 2022-21 (using YTD sales data through April 2022), the median sales price for all residential units in Chaffee County has decreased slightly, (using YTD sales data through December 2022); leading to a \$0.13 decrease per square foot in the fee-in-lieu; and,

WHEREAS, no additional data has been collected regarding median rental unit rates in Chaffee County since the last Inclusionary Housing fee-in-lieu update, and therefore no changes to the Inclusionary Housing fee-in-lieu for rental units are currently proposed; and,

WHEREAS, Council has directed staff to periodically update the Inclusionary Housing fees-in-lieu, as included in Exhibit B, attached hereto and incorporated herein and included as part of the City’s overall Fee Schedules, as appropriate to track with the market rate sales prices.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO THAT:

1. The Salida City Council incorporates the foregoing recitals as its conclusions, facts, determinations and findings.
2. This resolution and accompanying amended Fee Schedules are intended to supersede all previous fee schedules adopted by the City Council.
3. Effective upon approval, the City hereby adopts the amended 2023 Fee Schedules (applicable updated portions are attached hereto as Exhibit A).
4. Effective upon approval, the City hereby adopts the updated Inclusionary Housing Fees-in-Lieu in full (attached hereto as Exhibit B).

RESOLVED, APPROVED, AND ADOPTED this 7th day of February, 2023.

CITY OF SALIDA

By: _____
Dan Shore, Mayor


[SEAL]

ATTEST: _____
City Clerk/Deputy City Clerk

Exhibit A
2023 Fees and Charges for Water and Wastewater Services

Fees and Charges for Water and Wastewater Services, effective February 2023

Description of Fee, Rate or Charge	Code Section	Fixed Fees					Commercial Fees (3) (4) (2) (3)					
		Special Charges	Residential Single- Family and Duplexes (1)	Residential Multi- Family (1)	Accessory Dwelling Units (2)	Legally-Restricted Affordable Housing (1)	3/4" line	1.0" line	1.5" line	2.0" line	3.0" line	4.0" line
Water System Development & Associated Fees												
System Development Fee	13-3-20 (c)		\$ 8,512	\$ 6,384	\$ 3,405	\$ 3,405	\$ 8,512	\$ 14,270	\$ 28,316	\$ 52,472	\$ 106,742	\$ 217,534
Surcharge in High Zone	13-3-20 (d)		\$ 1,936	\$ 1,452	\$ 774	\$ 774	\$ 1,936	\$ 2,904	\$ 4,352	\$ 6,530	\$ 9,797	\$ 14,695
Irrigation only (plus 50% of applicable surcharge above)	13-3-20 (c)		\$ 4,256	\$ 4,256	-	\$ 4,256	\$ 4,256	\$ 7,135	\$ 14,158	\$ 26,236	\$ 53,371	\$ 108,767
Water Meter - Ultrasonic	13-02-90		\$ 375	\$ 375	-	\$ 375	\$ 400	\$ 500	\$ 850	\$ 1,100	\$ 2,500	\$ 3,400
<i>Note: Meter prices are based on supplier prices and, therefore, are subject to change outside of the City's control.</i>												
Wastewater System Development Fees												
System Development Fee for water & sewer customer	13-3-20 (c)		\$ 5,206	\$ 3,905	\$ 2,082	\$ 2,082	\$ 7,808	\$ 16,918	\$ 30,190	\$ 42,199	\$ 79,834	\$ 132,732
Monthly Water Rates and Charges for Service												
Service charge	13-3-30 (b)		\$ 20.14	\$ 20.14	\$ 10.07	\$ 20.14	\$ 20.14	\$ 26.78	\$ 40.27	\$ 53.57	\$ 80.35	\$ 107.13
Water maintenance charge			\$ 6.98	\$ 6.98	\$ 3.49	\$ 6.98	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Volume (usage) charge (over 2,000 gallons only)												
Tier I (2,000 to 13,333 gallons/month)			\$ 1.85	\$ 1.85	\$ 1.85	\$ 1.85	\$ 1.85	\$ 1.85	\$ 1.85	\$ 1.85	\$ 1.85	\$ 1.85
Tier II (over 13,333 gallons/month)			\$ 2.46	\$ 2.46	\$ 2.46	\$ 2.46	\$ 2.46	\$ 2.46	\$ 2.46	\$ 2.46	\$ 2.46	\$ 2.46
Demand fee up to 100,000 gallons							\$ 6.98	\$ 6.98	\$ 6.98	\$ 6.98	\$ 6.98	\$ 6.98
Demand fee 101,000 to 500,000 gallons							\$ 20.97	\$ 20.97	\$ 20.97	\$ 20.97	\$ 20.97	\$ 20.97
Demand fee 501,000 to 1,000,000 gallons								\$ 52.41	\$ 52.41	\$ 52.41	\$ 52.41	\$ 52.41
Demand fee over 1,000,000 gallons								\$ 69.88	\$ 69.88	\$ 69.88	\$ 69.88	\$ 69.88
Monthly Wastewater Rates and Charges for Service												
Service charge	13-3-30 (b)		\$ 25.58	\$ 25.58	\$ 12.79	\$ 25.58	\$ 26.49	\$ 36.98	\$ 55.19	\$ 82.77	\$ 104.84	\$ 129.68
Residential volume charge (based on winter water usage) (2,000 gallons usage included in residential service charge)			\$ 1.69	\$ 1.69	\$ 1.69	\$ 1.69						
Commercial volume charge (based on actual water usage)							\$ 3.13	\$ 3.13	\$ 3.13	\$ 3.13	\$ 3.13	\$ 3.13
Sewer only service charge - per equivalent living unit		\$ 40.57										
Other												
Permanent disconnection of water line	13-2-210	\$ 50.00	<div>Notes</div> <div>(1) All fixed fees are multiplied by the number of such units associated with each account.</div> <div>(2) Fees for accessory dwelling unit apply unless use of property is legally restricted for non-rental use.</div> <div>(3) <u>(2)</u> includes mixed-use developments in a single building where 50% or more of the ground floor is used for commercial, personal service and office uses, and other uses as approved by City Council.</div> <div>(4) (3) Also applies to single-ownership, single-lot rental projects of 3 units or more. The required size of the commercial meter will be determined via the size calculation sheet provided by the City of Salida and verified by the project engineer. The development must meet a minimum of 50% of the maximum allowed density for the lot, and individual units may not exceed 1200 SF, excluding garage space. Should any individual unit within said development convert to a unique owner in the future (via condominiumization, subdivision, etc.), the applicant will be responsible for paying the difference between the paid system development fees (SDFs), as a portion of the total number of units, and the SDFs for the non-rental unit applicable at the time of conversion.</div>									
Accessory Structure Service Charge Suspension Agreement	13-3-10(a)(1)	\$ 40.00										
System Development Fee Deferral Agreement	13-3-10(a)(1)	\$ 40.00										
Bulk water - untreated for construction within the City of Salida (per 1,000 gallons)	13-3-30 (a)	\$ 5.00										
Bulk water - treated (up to 1,000 & per each add'l 1,000 gallons)	13-3-30 (a)	\$ 8.00										
Bulk water - set hydrant meter	13-3-30 (a)	\$ 75.00										
Inactive account (sewer only customers) per month	13-3-30 (g)	\$ 20.28										
Returned check charge	13-3-30 (h)	\$ 25.00										
Final billing and new account charge	13-3-30 (i)	\$ 62.00										
Sewer only final billing and new account charge	13-3-30 (i)	\$ 31.00										
Temporary water disconnection fee - once annually	13-03-50	\$ -										
Temporary water disconnection fee - more than 1x per year	13-03-50	\$ 40.00										
Delinquent Charge - water service	13-3-30 (h)	\$ 3.50										
Delinquent Charge - wastewater service	13-3-30 (h)	\$ 3.50										
Late Fee (SteamPlant, Public Works, Finance, Fire, Pool, Wastewater - 30 day delinquent, charged monthly) \$3.50 or 5% (whichever is greater)		\$3.50 or 5%										
Period of time after which service is subject to termination	13-3-50 (c)	45 days										
Water termination (shut-off) fee	13-3-70 (d)	\$ 40.00										
Account reinstatement charge (waived if shut-off fee paid)	13-03-80	\$ 40.00										



Date revised: 2/7/2023



Date revised: 2/7/2023

Exhibit B
2023 Inclusionary Housing
Updated In-Lieu Fees



Inclusionary Housing In-Lieu Fees:

Inclusionary housing requirements apply to Annexations, Planned Developments, Minor and Major Subdivisions, Condominium Plats, Duplex Conversion Subdivisions, and Multi-Family rental projects of five (5) or more units. The in-lieu fee option is only available for the fractional portion above the number of inclusionary housing units required to be built and deed-restricted in a development and where the total number of proposed built primary units in a development is five (5) or less.

If an applicant opts to pay an in-lieu fee to satisfy the inclusionary housing requirement as permitted by Sec. 16-13-30 of the Salida Municipal Code, the fees shall be calculated as described here, based upon the date of building permit application submittal, and shall be due no later than issuance of the certificate of occupancy for each unit:

- (a) The in-lieu fee for each for-sale unit within the applicable development shall be:

\$19.97 per square foot of the principal unit (excluding garages)

- (b) The in-lieu fee for each unit within a multi-family rental project of five (5) or more units under single ownership and on the same lot (whether attached or not) shall be:

\$3.00 per square foot of the rental unit (excluding garages)*

*Should such a unit be converted to a saleable unit (via subdivision, condominiumization, etc.), the applicant shall be responsible for paying the difference between the rental unit in-lieu fee originally paid and the for-sale unit in-lieu fee applicable at the time of such conversion, unless the requisite number of inclusionary housing units are then deed-restricted.

SALIDA INCLUSIONARY HOUSING FEE CALCULATOR

Project	Total No. of Units	No. of IH units required	Units of IH Provided in Project	Median Home Value*	IH Price for 3BD Home @ 100% AMI**	Affordability Gap (D-E)	Per Unit	Per SF of market units	Per Market Unit Charge:		
									If Units are 1650 SF	If Units are 1200 SF	If Units are 2000 SF
For projects <6 units/lots and for partial IH units	6	1	0	\$ 617,799	\$ 420,144	\$ 197,655	\$ 32,943	\$ 19.97	\$ 32,943	\$ 23,958	\$ 39,930

* All home types sold in Chaffee County, per Realtors of Central Colorado (thru December 2022)

** Using 2022 HUD/CHFA data (calculated \$250/mo. credit for taxes, insurance, etc. removed from price for consistency)

Local Market Update for December 2022

A Research Tool Provided by the Colorado Association of REALTORS®

Make Sure
Your Agent is a REALTOR®

Not all agents
are the same!



Chaffee County

Contact the REALTORS® of Central Colorado for more detailed local statistics or to find a REALTOR® in the area.

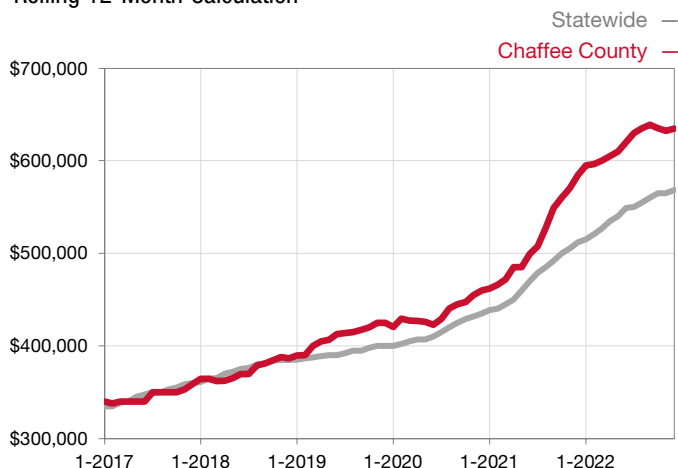
Single Family	December			Year to Date		
Key Metrics	2021	2022	Percent Change from Previous Year	Thru 12-2021	Thru 12-2022	Percent Change from Previous Year
New Listings	26	15	- 42.3%	540	562	+ 4.1%
Sold Listings	33	20	- 39.4%	492	407	- 17.3%
Median Sales Price*	\$595,000	\$729,750	+ 22.6%	\$584,500	\$634,900	+ 8.6%
Average Sales Price*	\$664,171	\$696,615	+ 4.9%	\$651,766	\$725,164	+ 11.3%
Percent of List Price Received*	99.7%	97.2%	- 2.5%	99.0%	97.9%	- 1.1%
Days on Market Until Sale	28	60	+ 114.3%	35	39	+ 11.4%
Inventory of Homes for Sale	62	100	+ 61.3%	--	--	--
Months Supply of Inventory	1.5	2.9	+ 93.3%	--	--	--

* Does not account for seller concessions and/or down payment assistance. | Activity for one month can sometimes look extreme due to small sample size.

Townhouse/Condo	December			Year to Date		
Key Metrics	2021	2022	Percent Change from Previous Year	Thru 12-2021	Thru 12-2022	Percent Change from Previous Year
New Listings	9	6	- 33.3%	104	107	+ 2.9%
Sold Listings	6	3	- 50.0%	91	75	- 17.6%
Median Sales Price*	\$405,750	\$704,000	+ 73.5%	\$405,000	\$525,000	+ 29.6%
Average Sales Price*	\$556,583	\$735,167	+ 32.1%	\$443,566	\$589,041	+ 32.8%
Percent of List Price Received*	93.1%	97.8%	+ 5.0%	99.8%	98.5%	- 1.3%
Days on Market Until Sale	22	71	+ 222.7%	14	36	+ 157.1%
Inventory of Homes for Sale	10	30	+ 200.0%	--	--	--
Months Supply of Inventory	1.3	4.8	+ 269.2%	--	--	--

* Does not account for seller concessions and/or down payment assistance. | Activity for one month can sometimes look extreme due to small sample size.

Median Sales Price – Single Family
Rolling 12-Month Calculation



Median Sales Price – Townhouse-Condo
Rolling 12-Month Calculation

