



Press Release
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For Immediate Release

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City of Salida Corrects System Development Fee Misinformation

Salida, CO – The Salida City Council recently approved Ordinance 2019-09, which amended the City’s water and wastewater System Development Fee (SDF) structure in the Salida Municipal Code and will take effect June 21st. Recent media reports and public statements by land developers related to the SDFs appear to contain erroneous information. Specifically, there were incorrect numbers and assumptions in the potential SDFs that would have been charged in Salida versus within the Town of Poncha Springs for a hypothetical development similar to the planned Tailwind Village development.

As reported last week and June 4, 2019, it was suggested that SDFs for Tailwind Village apartments (16 four-plex buildings – a total of 64 dwelling units) in Poncha Springs would be about \$300,000, while the same development in Salida would have cost about \$1.4 million. However, current fee schedules approved by the Town of Poncha Springs and the City of Salida would stipulate the following costs:

Pre-June 21	Reported	Actual (Per Code)
Poncha Springs	\$300,000	\$535,184/\$723,184*
Salida	\$1,400,000	\$886,464
Difference	\$1,100,000	\$351,280/\$163,280*

**Costs based on 1” or 1.5” tap size, as certified by engineer*

Furthermore, as part of the passage of Ordinance 2019-09, a new user class for multi-family units in Salida was created to account for the water and wastewater use of apartments at a rate of 75% of a traditional single-family residence. Ordinance 2019-09 also created a new user class for “legally restricted affordable housing”, made available to workers making less than 80% of the Area Median Income (AMI). The SDFs for this class will be charged 40% of the single-family rate. For a hypothetical 64-unit apartment complex as the one described above, beginning June 21st, the SDFs would cost:

Post-June 21	Reported	Actual (Per Code)	Deed Restricted @ 80% AMI
Poncha Springs	\$300,000	\$451,920/\$639,920*	\$335,248/\$523,248*
Salida	\$1,400,000	\$667,008	\$359,680
Difference	\$1,100,000	\$215,088 to \$27,088*	\$24,432 to -\$163,568*

**Costs based on 1” or 1.5” tap size, as certified by engineer*

The Salida City Council continues to analyze and pursue policies that encourage development of affordable, attainable, and workforce housing while balancing the need to have adequate financial reserve balances for maintaining, preserving and enhancing the community's water and wastewater systems. Changes approved by Ordinance 2019-09 provide cost savings for development in both Salida and Poncha Springs with the intent of lowering housing costs for the end user. The City Council appreciates and applauds the efforts of local governments, non-profit agencies, and developers alike for pursuing affordable options for housing our community's workforce.

For more information, please contact City Hall at 719-539-4555.