



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: JAMES GORHAM, ECONOMIC DEVELOPMENT MANAGER
RE: 2024 HOUSING HELPS PROGRAM UPDATE
DATE: JANUARY 28, 2025

Summary and Background: The purpose of the January 28th work session is to provide the Council an update on how Housing Helps funds were utilized in 2024. Resolution 19-31 established the framework for the Frisco Housing Helps Program (the “Program”), which was approved by Town Council on August 27, 2019. The program utilizes voter approved “5A” funds and a 5% tax on short-term rentals.

The Program was implemented to help locals obtain and maintain affordable housing, help businesses house their employees, incentivize investment in local housing, and help preserve the character of the Frisco community. Housing Helps is one strategy that strives to address the Town’s Council’s goal to implement housing solutions. Housing solutions come in a variety of approaches and the Program is but one of an integrated approach to achieve the Council’s housing goals.

Since the Program’s inception, sixteen properties have received financial assistance. Of those properties:

- 11 purchases were made by the Town and re-sold with a deed restriction
- 2 buydowns were made in collaboration with Summit County
- 2 down payment assistance buydowns by the Town
- 1 deed restriction purchase by the Town

Housing Helps Program Guidelines

As currently established within the Housing Helps Program, the Town has several options in addressing workforce housing. These options include:

- *(Option 1): Town purchases a deed restriction from a new home buyer who can use that cash assistance for anything, including down payment assistance. Buyers may include businesses or investors who want to rent their properties to occupants who work at least 30 hours a week at businesses within one mile of the Ten Mile Basin.*
- *(Option 2): Town purchases a deed restriction from a current property owner (including businesses and developers) and then this property has a deed restriction that limits occupancy to local workforce community members who work at least 30 hours a week at businesses within one mile of the Ten Mile Basin.*
- *(Option 3): Town purchases a market rate or existing deed restricted housing unit and resells the property with a new or revised occupancy deed restriction attached to the property and may include Average Median Income limits as determined by the Town.*

- *(Option 4): Town provides financial assistance to a current property owner to construct an accessory dwelling unit that is deed restricted to local workforce community members who work at least 30 hours a week at businesses within one mile of the Ten Mile Basin.*
- *(Option 5): Town partners with Summit County to purchase a deed restriction from a current property owner (including businesses and developers) that limits occupancy to local workforce community members with no income cap, price appreciation cap, or household size requirement.*
- *(Option 6): Town can purchase a deed restriction from the current property owner who has lived in the property as a principal residence for at least the previous seven years. The restrictions limiting occupancy to local workforce community members would no longer apply, but requirements such as income work/live requirements (work more than 30 hours per week in the area) would apply to the next owner. This allows someone who is retired to place a deed restriction on their home for the next owner and still live in that home while retired.*

Employment Qualifications: Per the adopted Housing Helps Program, the deed restriction established for Housing Helps properties qualifies a “Resident” and “Qualified Owner” as a “person or dependent who at the time of purchase of a unit and at all times during ownership or occupancy of the property, earns his or her living from a business operating within one mile of the Ten Mile Basin within Summit County, by working at such business an average of at least 30 hours per week on an annual basis.”

2024 Program Highlights

In October 2023 the Town sought professional real estate services to assist in certain property transactions related to the Housing Helps program. Omni Real Estate was chosen through a Request for Proposal (RFP) process to assist Town staff with the purchasing and selling of units. Staff’s experience with Omni has been very positive, and we appreciate their professionalism in helping the Program have a successful year.

In 2024 the Town purchased five market rate properties, along with purchasing one deed restriction from an established property owner. Those properties are:

Unit Address	Type	Purchase Price
99 Granite St #210	Studio	\$390,574.38
700 Lakepoint #A11	1-Bedroom	\$652,000.00
220 Galena St #1	2-Bedroom	\$491,717.00
220 Galena St #2	2-Bedroom	\$491,717.00
416-A Bayview Dr	3- Bedroom	\$851,195.99
121 E Main St	4-Bedroom – (Deed Purchase)	\$115,313.00

At various times during 2024, staff brought before Town Council ordinance requests to sell various properties held by the Town, purchased by the Housing Helps program. Staff also utilized the Frisco Community Housing Development Authority (FCHDA) to purchase and sell properties. In cooperation with the Summit Combined Housing Authority (SCHA), these units were sold through a lottery process to those eligible residents who work within one mile of the Ten Mile Basin.

Through the Town’s Proposition 123 commitment, the Town also made it a priority to sell units with a deed restriction income cap of 100% AMI, based on unit size. The Town was able to contribute four properties in 2024, to our required commitment of 16 units by 2026. When including the Live/Work deed restriction purchase for 121 E Main St, the Housing Helps program invested **\$1,153,007.78**. This represents a 77% utilization rate of the budgeted \$1.5million budget.

Properties sold through the Housing Helps program are as follows:

Address	Type	Sell Price	Town Investment	AMI	Lottery Entries
220 Galena #1	2-Bedroom	\$364,000.00	\$140,395.50	100%	0
220 Galena #2	2-Bedroom	\$364,000.00	\$139,686.44	100%	0
220 Galena #4	2-Bedroom	\$530,000.00	\$145,386.29	100%	5
500 Bills Ranch #111	1-Bedroom	\$288,000.00	\$133,160.24	100%	34
700 Lakepoint #A11	1-Bedroom	\$460,000.00	\$209,377.86	L/W	14
416-A Bayview Dr	3-Bedroom	\$600,000.00	\$269,688.45	L/W	22
		Total Investment	\$1,037,694.78		

As mentioned, these properties all went to lottery for an eligible resident to purchase.

- 99 Granite Street (which did not sell) had 26 lottery entries decline after picked. This unit was paired with 500 Bills Ranch #111 at the lottery.
- 500 Bills Ranch #111 had 0 entries decline.
- 416-A Bayview Drive had 6 entries decline.
- 700 Lakepoint had 2 entries decline.
- Only 13 entries were given for the 5-year work/live in Frisco priority.
- 220 Galena Street, Units 1 and 2 did not go through a lottery due to the tenants being given right of first refusal, qualifying for the units, and moving forward with purchase.

Program Challenges & Changes

- HOA fees & higher interest rates continue to be a roadblock for potential homebuyers from participating in some lotteries. Per SCHA, *“while the property price is frequently described as affordable by many, the high monthly costs often discouraged people from moving forward”*.
- First-time homebuyer assistance in the program was non-existent. The current maximum assistance based on a property’s appraisal is 15%. This assistance, while beneficial to a first-time homebuyer, does not provide enough equity for most one and two bedroom units in Frisco. According to *Land Title’s November 2024 Summit County Market Analysis*, Frisco has a YTD Median Multi-Family price of \$1,050,000, or over \$100,000 more than in 2023. Based on data from our Strategic Housing Plan and the 2023 Summit County Needs Assessment, this median price for a multi-family unit in Frisco is almost double what an average family can afford. Even with 15% down payment assistance, a potential/current resident is still looking at approximately \$900,000 before closing costs. It is staff’s recommendation that we raise our Housing Helps downpayment assistance program from 15% to 20% to help potential homebuyers better afford the continually rising home prices in Frisco.
- Similar to what was described in the first-time homebuyer assistance program, the Town is continuing to see decreases in its purchasing power, specifically in the units where 100% AMI covenants were utilized. While staff were able to acquire some property at a somewhat lower price point, that trend is predicted to slow down as prices continue to rise. To achieve our Prop 123 commitment, the Town typically invest between 25% - 30% in order to achieve a unit at 100% AMI, while compensating for higher HOA fees.
- Since the formation of the FCHDA, staff has been working towards a more streamlined approach into selling units that are purchased by the Authority. Due to TABOR restrictions for units purchased by the Town, staff would prepare two ordinance readings for Council approval in order to sell a unit. This process, depending on the time of year, could take 1-2 months, severely delaying a property to the public for potential purchase. With the utilization of FCHDA as the purchaser and

seller, this formality is no longer required, expediting the time it would normally take for a property to be advertised for sale.

Financial Impact: In purchasing buydown units through the Housing Helps Program there is an expectation of little to no financial return on investment. Based on the purchase price for a market rate unit, and with the added placement of deed restrictions on properties, the Town can expect to invest an average of 20%-30% per unit. For FY2025, the Housing Helps program is allocated \$1,545,000.

Alignment with Strategic Plan: Town Council has identified in the 2024 Strategic Plan, the goal of “Offering a variety of housing types to support year-round residents” and “Actively supporting the acquisition and retention of a diverse workforce” as a priority under the guiding principle of “Creating an Inclusive Community”. Frisco’s Housing Helps Program enhances the Inclusive Community priority through ensuring the Town maintains a variety of housing options for its residents.

Environmental Sustainability: The Housing Helps Program requires that a home energy assessment be completed as part of the purchase. High Country Conservation completes Home Energy Assessments on every unit the Town purchases.

Staff Recommendation: Staff requests the Council continue to support the program and provide feedback as it so determines in strengthening and creating betterment for the program.

Reviews and Approvals: This report has been reviewed and approved by:
Katie Kent, Community Development Director
Diane McBride, Assistant Town Manager
Tom Fisher, Town Manager