

“Frisco Housing Helps Program” Options for Purchased Unit



**Presented to Frisco Town Council
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Mountain Side Condominium – Unit C#111

- Town recently completed its first purchase under the Program a one bedroom/one bath condo (about 602 sq. ft.) in the Mountain Side development for \$410,000.
- Acquisition provides the opportunity to review the Program, as well as options for use of this newly acquired unit.
- The unit was fully furnished at purchase, including bedroom, living room furniture and appliances.
- The unit does not have a washer and dryer, but there are several coin operated machines located in the Mountain Side Clubhouse adjacent to Building C.
- Unit was built in 1983, but over the years has had some updating including laminate flooring, tile in bathroom and kitchen, bathroom and kitchen appliance upgrades and replacement of hot water heater.
- After the purchase, a new furnace was installed for a cost of \$3,599. The previous furnace was original and was not running efficiently.
- Kitchen counter tops and cabinets are original

“Frisco Housing Helps Program”

Home Energy Assessment

- The Program requires a home energy assessment by completed as part of the purchase.
- High Country Conservation (HC3) completed the home energy assessment on January 15, 2021.
- HC3 changed all light bulbs to LEDs and wrapped the hot water heater with insulation to help the appliance run more efficiently and store hot water more effectively.
- The suggested upgrades do not appear to save much money annually, but will likely make the unit more comfortable.
- Following purchase, a new furnace and digital programmable thermostat were installed.

Additional Recommended energy upgrades:

1. Seal air leaks – estimate \$600
2. Replace sliding door – estimate \$2,500
3. Insulate frame floor – estimate \$2,500

Total = \$5,600

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Depending on the future use of the unit, the Town will either collect rents on the property, or receive a one-time payment as a resale. Depending on the option, there will be on-going monthly costs, or potential additional expenditures prior to resale.

Options for Town Council to Consider:

1. Add and record the Frisco Housing Helps Program restrictive covenant with a target AMI and an appreciation cap, then resell the deed restricted unit. A resale of the deed restricted unit requires an Ordinance approved by Town Council.
2. Add and record the Frisco Housing Helps Program restrictive covenant without a target AMI or appreciation cap and only require the occupancy provision: *requiring the property be used as a primary residence by persons (and families) who are employed full time within one mile of the Ten Mile Basin of Summit County (30 hours/week average/year)*
3. Keep the unit and put into the Town of Frisco rental housing inventory pool, which currently has 16 properties, and rent to a Ten Mile Basin employee and target a specific AMI income level and AMI rental rate. The Town could also arrange a Master Lease for the unit with a local employer such as the Summit School District or Centura Health.

Comparisons of “For Sale” versus the “For Rent” option with AMI percentages and the potential costs for the Town’s investment

For Sale

Maximum monthly principal and interest payment on the AMI Chart = based on the affordable monthly rent amounts as noted in the Rentals section, less a \$350 allowance to cover taxes, insurance, and HOA dues.

Maximum Sales Price - one bedroom/ one bathroom (1.5 person)

	Max Resale Price	Total Purchase Price 5A funds	Town Investment	Recommended Energy Upgrades	Replace Counters and Cabinets	Total Investment	Town Investment Percentage
80% AMI	\$211,198	\$417,262.50	\$206,064.50	\$5,600	Cost TBD	\$211,664.50	51%
100% AMI	\$280,951	\$417,262.50	\$13,311.50	\$5,600	Cost TBD	\$141,911.50	34%
120% AMI	\$350,705	\$417,262.50	\$66,557.50	\$5,600	Cost TBD	\$72,157.50	17%

Comparisons of “For Sale” versus the “For Rent” option with AMI percentages and the potential costs for the Town’s investment

Rentals

*Maximum affordable monthly rental rates assume affordability on the AMI Chart = 30% of monthly household income and should also include the following utilities: electric, gas, water, sewer, trash and snow removal. (*Footnote 1)*

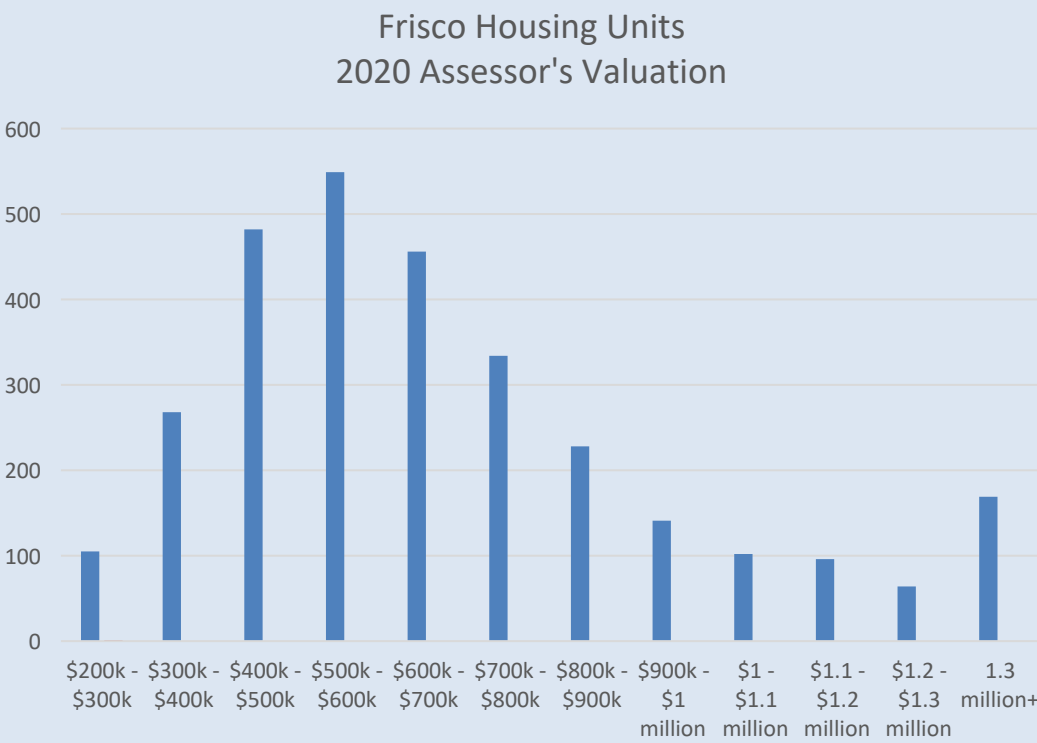
Maximum Affordability Monthly Rent – one bedroom/ one bathroom (1.5 person)

	Max Rental Rate month	Total Purchase Price 5A funds	Rental Revenue	HOA Dues and Xcel \$390 month	Summit County Property Taxes \$1,293 & Insurance (*Footnote 2)	Town Investment	Town Investment Percentage
80%AMI	\$1,440	\$417,262.50	\$17,280 annual	\$4,680 annual	\$2,000 annual	\$6,680 annual	39%
100% AMI	\$1,800	\$417,262.50	\$21,600 annual	\$4,680 annual	\$2,000 annual	\$6,680 annual	31%
120% AMI	\$2,160	\$417,262.50	\$25,920 annual	\$4,680 annual	\$2,000 annual	\$6,680 annual	26%

*1- Electric can be the responsibility of the tenant (\$55 monthly average). If the standard housing covenant was applied to the property, we have to use the AMI rental rate and cannot exceed it. If it is just a unit the Town owns and has their own policies for it, the Town can decide on the rental rate which could be higher to include the HOA dues.

*2 – If the Town chooses to rent the unit, they would be exempt from the annual Summit County Property taxes \$1,293 and the tenant would be responsible for renter’s insurance.

Assessor Data for Frisco



Maximum Sales Price			
Household	80% AMI	100% AMI	120% AMI
Studio	\$192,597	\$257,700	\$322,803
1 Bedroom	\$211,198	\$280,951	\$350,705
2 Bedroom	\$257,001	\$350,705	\$434,3090
3 Bedroom	\$318,734	\$415,372	\$512,009

AMI and Household Size			
Household	80% AMI	100% AMI	120% AMI
1 Person	\$53,760	\$67,200	\$80,640
2 Person	\$61,440	\$76,800	\$92,160
3 Person	\$69,120	\$86,400	\$103,680
4 Person	\$76,700	\$95,900	\$115,080