



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: JEFF DURBIN, INTERIM TOWN MANAGER
EVA HENSON, HOUSING COORDINATOR
RE: WORKFORCE HOUSING ACTION ITEMS UPDATE
DATE: JULY 13, 2021

Summary and Background: Since the June 8th Town Council meeting, staff has continued to work to implement the prompt and near term policies per Council direction. The majority of items outlined herein are progress updates, with the exception of the recommendation outlined in regards to the STR licensing fees. *Prompt* and *Near-Term* action items per Council direction, included:

- Solicit a Request for Proposals for a Property Management Company.
- Schedule a meeting with Host Compliance to discuss challenges and concerns with software
- Schedule a Joint Meeting to discuss Lake Hill with the Summit County Board of County Commissioners (BOCC)
- Revise Housing Helps criteria to broaden the criteria for better utilization of the program
- Establish a new Short-term Rental (STR) Coordinator position
- Establish proactive STR Compliance Program and amend the code accordingly
- Amend STR Licensing Fees to cover the administrative costs of the program

Analysis: Progress continues on each of the above items, as further described below.

Property Management for Town-Owned Employee Units: The Request for Proposals (RFP) for a Property Management and Maintenance Company for these properties was released on July 8th. The deadline to submit bids is Thursday, July 29, 2021. The RFP was broadly distributed locally, posted on our website, and posted on bidnet.

STR Software: Staff met with Host Compliance on July 1 to discuss challenges and concerns with the software and both parties agreed that software improvements and continued collaboration are key components to managing and administering the Town of Frisco STR Program successfully. Host Compliance will continue to work with STR Support Staff on a priority list of various software enhancements in the coming weeks to improve functionality.

Lake Hill: Staff will provide background information during the executive session scheduled for July 13th regarding negotiations. Additionally, a joint meeting between Town Council and the Board of County Commissioners has been scheduled for July 27, 2021.

Housing Helps: Staff presented an update to the Housing Helps Program at the Town Council Meeting on June 8, 2021 and Council approved Housing Helps 2.0 with Resolution 21-17. Since the implementation of Housing Helps 2.0, staff has received one application from a current owner of a one bedroom/one bath unit with a garage located at the Villas at Prospect Point who is interested in Option 2: Town purchases a deed restriction from a current property owner that limits occupancy to local workforce community members with no income cap, price appreciation cap, or household size requirement.

STR Specialist: The new STR Specialist position is currently posted and we are working to fill the position promptly. This position will be responsible for the administration and management of the STR Program including establishing a proactive STR Compliance Program, and proposing code amendments as may be appropriate.

STR License Fees: Council directed staff to amend the STR license fees as necessary in order to properly cover the administrative costs of the program. Our Finance Director has been on vacation during most of the last couple weeks. However, we have continued work during that time to identify the appropriate fee. We'd like an opportunity to review the analysis with the Finance Director at the beginning of the week prior to presenting the final number to the public. During the meeting we will be seeking Council support of the fee amendment.

Other STR Discussions: At the June 22nd Town Council Meeting, Council broadly discussed the STR program including but not limited to: STRs provide additional lodging accommodations in Frisco, the impact STRs might have on our community, and the desire to find a balance for our local workforce, tourists, part-time residents and STRs for an Inclusive and Thriving Community.

Staff has been researching STR programs and regulations in other communities and is seeking feedback from Council on what they may be hearing from our citizens in regards to STRs such as, to what extent are they a problem, and if there are other regulatory actions to evaluate (i.e. limit the number of STR licenses by a percentage, or by a set number not to exceed, by residential neighborhood, an impact fee, or a tax).

Update on Near-Term Action items:

Community Meeting: The "Housing Action Initiative", a Housing Summit in conjunction with Summit County and surrounding municipalities, is scheduled for Wednesday, July 21, 2021 from 8 a.m.-2 p.m. and will be located at the Beaver Run Resort in Breckenridge, CO.

Alpine Inn: Summit County recently secured a one-year agreement with the Alpine Inn in Frisco to lease 37 units as transitional housing with a variety of lease lengths to local workforce. The final details of who will manage the property, rental rates, and how payments can be made are still be worked out. However, individuals interested or in need of immediate housing can be added to an interest list by contacting HousingDepartment@summitcountyco.gov.

Housing Strategic Plan: Staff continues to work on data and background, moving beyond what was presented at the last meeting in preparation for the Housing Strategic Planning. Staff is also compiling data and materials from various resources regarding the conversion of STRs to Long-Term Rentals (previously described as Housing Helps 3.0), as well as looking at options to place tiny homes/and or previous structured units on various Town owned properties or unused/unbuilt right-of-ways. We look forward to bringing these matters to Council during your August meetings.

Financial Impact: Financial analysis is ongoing. Each of the programs or initiatives listed above will have a budget impact. Additionally, there are a number of funding sources becoming available at the State and Federal levels which could be used to offset some of these costs.

Alignment with Strategic Plan: All of the matters referenced in this report are directly aligned with the broad strategic goals of Inclusive Community and Thriving Economy.

Environmental Sustainability: N/A

Staff Recommendation:

Staff will be bringing a recommended amendment to the STR License Fee to the meeting and will be seeking Council support of the amended fee.

STR regulations continue to be a matter of concern throughout the community and amongst Council Members. Accordingly, we would recommend that Council continue discussions from the last meeting towards identifying action items that have majority support from Council. In order to move toward implementation of any of the potential action items, staff is seeking direction from Council. Would Council like to proceed with any of the following, or other, items?

- Establish a limit to the number of STR Licenses via a percentage of total units (currently STR licenses are established on approximately 17% of the total dwelling units).
- Establish a limit to the number of STR licenses via a maximum number of licenses (currently we have 567 active licenses, but the total has at time approached 650).
- Limit STR licenses in certain neighborhoods or zoning districts.
- A moratorium on any new licenses for 6 months to allow staff to overhaul the Town Code to address problems resulting from the current regulatory framework.
- Implement an STR Impact Fee.
- Ask the voters to approve a new tax on STR licenses.

Attachments: None