

# Housing Discussion



**Presented to Frisco Town Council  
September 14, 2021  
Work Session**

# Housing Discussion Agenda

The “Strategy Tools” are broken down into several key categories that sets the framework for a focused housing discussion with Council today:

- 1. Development Opportunities/Partnerships**
- 2. Policy and Regulatory Measures**
- 3. Current SCHA 5A Fund Projection**
- 4. Funding and Finance**
- 5. New Funding Opportunities**
- 6. Town Comparison - STR Tax Rates**



# Development Opportunities/Partnerships

## **Current**

- ☒ 619 Granite Street
- ☒ 602 Galena Street
- ☐ Lake Hill

## **Other Opportunities**

- ☐ 275 Granite Street
- ☐ First and Main Building
- ☐ 113 Granite Street
- ☐ Peak One School

# Policy and Regulatory Measures

## **Current Housing Measures**

- ☒ Density Bonus
- ☒ Accessory Dwelling Units
- ☒ Land Banking
- ☒ Housing Assistance Programs
- ☒ Short-Term Rentals
- ☒ Small Lot Development

## **Other Opportunities**

- ☐ Incentivize STRs to LTRs
- ☐ Inclusionary Zoning
- ☐ Development Standards – Tiny Homes
- ☐ Commercial Linkage
- ☐ Workforce Housing Overlay District
- ☐ Adaptive Re-Use/Hotel
- ☐ Parking Requirements

# Current SCHA 5A Fund Projection

	Estimate 2021	2022	Projections 2023	2024
<b>Revenue</b>				
SCHA 5A Tax*	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Other Revenue Sources**	\$155,540	\$155,540	\$353,540	\$605,540
<b>Total Revenue</b>	<u>\$1,655,540</u>	<u>\$1,655,540</u>	<u>\$1,853,540</u>	<u>\$ 2,105,540</u>
<b>Expenditures</b>				
CDOT - 619 Granite St	\$3,873,621	\$1,126,379		
Workforce Center - 602 Galena St		\$2,700,000	\$4,050,000	
Lake Hill				
Other Opportunities				\$4,000,000
Other Expenditures SCHA Fund***	\$1,253,000	\$1,253,000	\$1,253,000	\$1,253,000
<b>Total Expenditures</b>	<u>\$5,126,621</u>	<u>\$5,079,379</u>	<u>\$5,303,000</u>	<u>\$5,253,000</u>
<b>Net Change in SCHA Fund Balance</b>	(\$3,471,081)	(\$3,423,839)	(\$3,449,460)	(\$3,147,460)
<b>SCHA Fund Balance - January 1</b>	<u>\$6,667,180</u>	<u>\$3,196,099</u>	<u>(\$227,740)</u>	<u>(\$3,677,200)</u>
<b>SCHA Fund Balance - December 31</b>	<u><u>\$3,196,099</u></u>	<u><u>(\$227,740)</u></u>	<u><u>(\$3,677,200)</u></u>	<u><u>(\$6,824,660)</u></u>

\*SCHA 5A Tax Special District Housing of 0.725% - projection is using conservative annual average revenue

\*\*Current rental revenue & development impact fee

\*\*2023 includes estimate of new rental revenue from future projects (i.e.: Granite & Galena)

\*\*\*Buy down program, rental expenses, salary, housing maintenance/management expenses

# Funding and Finance

## **Current Housing Funds**

- ☒ SCHA 5A Tax
- ☒ Affordable Housing Development Impact Fees

## **Funding Opportunities**

- ☒ Real Estate Investment Fee
- ☐ Short-Term Rental Excise Tax
- ☐ Housing Impact Fee
- ☐ Short-Term Rental or Second Home Tax
- ☐ Low Income Housing Credits
- ☐ 2021 Legislative Affordable Housing and Grants
- ☐ Federal Infrastructure Bill

# New Funding Opportunities – STR Excise Tax 7.5%

	Estimate 2021	2022	Projections 2023	2024
<b>Revenue</b>				
SCHA 5A Tax	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Other Revenue Sources	\$155,540	\$155,540	\$353,540	\$605,540
<b>Total Revenue</b>	<u>\$1,655,540</u>	<u>\$1,655,540</u>	<u>\$1,853,540</u>	<u>\$2,105,540</u>
<b>New Revenue Opportunity</b>				
New Excise tax 7.5% - 6/1/2022*	\$0	\$989,275	\$1,865,491	\$2,052,040
<b>Total New Revenue Opportunity</b>	<u>\$0</u>	<u>\$989,275</u>	<u>\$1,865,491</u>	<u>\$2,052,040</u>
<b>Expenditures</b>				
CDOT - 619 Granite St	\$3,873,621	\$1,126,379		
Workforce Center - 602 Galena St Lake Hill		\$2,700,000	\$4,050,000	
Other Opportunities				\$4,000,000
Other Expenditures SCH A Fund	\$1,253,000	\$1,253,000	\$1,253,000	\$1,253,000
<b>Total Expenditures</b>	<u>\$5,126,621</u>	<u>\$5,079,379</u>	<u>\$5,303,000</u>	<u>\$5,253,000</u>
<b>Net Change in Fund Balance</b>	(\$3,471,081)	(\$2,434,564)	(\$1,583,969)	(\$1,095,420)
<b>SCHA Fund Balance - January 1</b>	<u>\$6,667,180</u>	<u>\$3,196,099</u>	<u>\$761,535</u>	<u>(\$822,434)</u>
<b>SCHA Fund Balance - December 31</b>	<u>\$3,196,099</u>	<u>\$761,535</u>	<u>(\$822,434)</u>	<u>(\$1,917,854)</u>

\*Town of Frisco STR Owners are required to remit all applicable taxes for a total of 10.725%.

\*A new 7.5% excise tax ONLY on STRs would result in a total tax rate of 18.225%.

# Town Comparison - STR Tax Rates

	<b>Frisco</b>	<b>Breckenridge</b>	<b>Avon</b>	<b>Eagle</b>	<b>Crested Butte</b>	<b>Telluride</b>
State of Colorado	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
County Sales Tax	2.00%	2.00%	1.00%	1.00%	1.00%	3.00%
Special District	1.48%	1.48%	0.50%	0.50%	1.00%	0.25%
Town Sales Tax	2.00%	2.50%	4.00%	4.50%	4.50%	4.50%
Town Lodging Tax	2.35%	3.40%	4.00%	6.00%	4.00%	2.00%
<b>Total STR Tax rate</b>	<b>10.725%</b>	<b>12.275%</b>	<b>12.40%</b>	<b>14.90%</b>	<b>13.40%</b>	<b>12.65%</b>
With Excise Tax - STR only	7.50%				5.00%	2.50%
<b>Total STR only tax rate</b>	<b>18.225%</b>	<b>12.275%</b>	<b>12.40%</b>	<b>14.90%</b>	<b>18.40%</b>	<b>15.15%</b>

## SCHA Fund balance at Year End

	<b>Estimate 2021</b>	<b>2022</b>	<b>Projections 2023</b>	<b>2024</b>
Without Excise Tax	\$3,196,099	(\$227,740)	(\$3,677,200)	(\$6,824,660)
New Excise Tax <b>5%</b>	\$3,196,099	\$431,777	(\$1,774,023)	(\$3,553,456)
New Excise Tax <b>7.5%</b>	\$3,196,099	\$761,535	(\$822,434)	(\$1,917,854)
New Excise Tax <b>10%</b>	\$3,196,099	\$1,091,294	\$129,155	(\$282,252)