



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: LESLIE EDWARDS, FINANCE DIRECTOR
**RE: COVID-19 RESIDENTIAL RENTAL ASSISTANCE PROGRAM REIMBURSEMENT TO
SCHA FUND (5A) FROM GENERAL FUND**
DATE: DECEMBER 14, 2021

Summary and Background: Because Town management relies on a conservative projection philosophy, a build-up of reserves prior to 2020 allowed the Town to maintain levels of government service throughout the pandemic. In the spring of 2020, the Town Council utilized some of these reserves to establish Rental Relief Assistance Programs, both residential and business, responding swiftly to the economic crisis brought on by the COVID-19 pandemic. A second round of funding for Business Rental Assistance Grants was approved by Council in December 2020. The assistance programs were successful in helping our community to thrive, keeping businesses open and employees housed in uncertain times.

Analysis: In April 2020, the financial impacts that the Town would experience as a result of the COVID-19 pandemic, were impossible to forecast. As a result of this uncertainty, it was well advised to protect the balance of the General Fund and to utilize funds from the SCHA Fund (5A) in order to fund the Residential Rental Assistance Program administered by the Family and Intercultural Resource Center (FIRC). Both instances of Business Rental Assistance Grants were paid from the General Fund (total = \$975,068), while the Residential Rental Assistance Relief Grants (total = \$287,500) were paid from the SCHA Fund (5A). The Business Rental Assistance Grants were offset by 2 sources of grant funding, totaling \$748,431; the result was a net cost of \$226,637 for the Business Rental Relief Program. While the world has yet to reach the other side of the COVID-19 pandemic, after almost 21 months since the initial lockdown occurred far more data is available to rely on about the impacts of this pandemic: declines in revenues were not nearly as severe as originally contemplated, tourism has remained at an increased level, and consumers have spent more as a whole. From this data, we can conclude that the General Fund reserves are healthy. It is also understood that housing projects to be funded from the SCHA Fund (5A) are in high demand with housing projects in the pipeline.

Financial Impact: Overall, funds are available within the General Fund balance in order to absorb this transfer to the SCHA Fund (5A). 2020 sales tax receipted into the General Fund exceeded budget by \$685,217. Additionally, the General Fund balance increased by \$8.9M from 2019 to 2020. To date in 2021, sales tax collected from sales through September is up 16.92% or \$1,294,579 as compared to this time last year. Approval of this transfer from General Fund to SCHA Fund (5A) amounts to \$287,500. This transfer was not included in the 2021 budget and as a result, will require a supplemental appropriation to amend the 2021 budget. Upon Council's recommendation, a resolution to approve this budget amendment will be presented to Town Council in February 2022, along with a detail of any other final items from 2021 requiring a supplemental appropriation to the 2021 budget.

Alignment with Strategic Plan: The choice to replenish the SCHA Fund (5A) with funds from the General Fund aligns with the goal of Inclusive Community, which supports Affordable Housing.

Staff Recommendation: Based upon the current needs of affordable housing, it is recommended the Town Council instruct staff to transfer \$287,500 from the General Fund to the SCHA Fund (5A) to replenish funds used for the Residential Rental Relief Program in 2020.

Approved By:
Tony O'Rourke, Town Manager