



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: BILL GIBSON, COMMUNITY DEVELOPMENT ASSISTANT DIRECTOR
**RE: RESOLUTION 21-17, A RESOLUTION AMENDING THE FRISCO
HOUSING HELPS PROGRAM**
DATE: JUNE 8, 2021

Summary and Background: On August 27, 2019, the Town Council adopted Resolution 19-31 to establish Frisco's "Housing Helps" program. This program was based upon the Vail InDeed program and similar Housing Helps programs being initiated by Summit County and the Town of Breckenridge at that time. The Frisco Housing Helps program was initially set up to provide financial assistance in exchange for a live/work occupancy deed restriction. The initial form of the Frisco Housing Helps program included:

- Option 1: Town purchases a deed restriction from a home buyer as a down-payment assistance program (buyers may include businesses) that limits occupancy to local workforce community members with no income cap, price appreciation cap, or household size requirement.
- Option 2: Town purchases 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 3: Town purchases a market rate or existing deed restricted housing unit and resells the property with a deed restriction limiting occupancy to local workforce community members. Income caps, price appreciation caps, and/or household size limits may be imposed at the discretion of the Town.
- Option 4: Town provides financial assistance to a current property owner to construct an accessory dwelling unit that is deed restricted under the terms of the affordable housing incentives of Section 180-5.5 of the Frisco Unified Development Code.

On November 12, 2019, the Town Council discussed the Frisco Housing Helps program and established further policy direction for the program:

- Instead of applying an occupancy only deed restriction, properties associated with the Housing Helps program would instead be required to use the Town's more restrictive standard housing deed restriction which includes a 100% Area Median Income (AMI) limit;
- Financial assistance to current property owners was set as the Council's lowest priority;
- Established a financial assistance cap of \$75,000 per unit; and,
- Established a policy that the Town will facilitate home energy assessments for every single-family and duplex unit deed restricted through the Housing Helps program.

Analysis: To date, the Town of Frisco has not acquired any housing deed restrictions through the current Housing Helps program. So, there is a desire to reevaluate the program.

When addressing workforce housing needs within a community, there are two policy areas that should be considered - "catch up" and "keep up". Catch up policies are intended to reduce current and past housing deficiencies. An example of a catch up policy is a local government physically building new workforce housing units. A keep up policy is intended to ensure that moving forward a community maintains a certain level of workforce housing as the community grows and redevelops in the future. Classic examples of keep up policies are commercial linkage and inclusionary zoning requirements. Another component of keep up policies are to preserve the workforce housing that has already developed organically over time within the community. As seen in Frisco and other mountain communities, there are often strong market pressures that result in existing owner occupied and long-term rental housing being converted into vacation homes and short-term rental units.

In other communities implementing similar Housing Helps programs, the strongest interest appears to be coming from current property owners requesting financial assistance in exchange for a live/work occupancy deed restriction on their properties. While in November of 2019 this was identified as Town Council's lowest priority for the Frisco Housing Helps program, similar to other communities, Staff is seeing this option as having the most public interest. In these scenarios, Housing Helps can be used as a keep up tool to preserve existing local workforce housing.

Staff has also received feedback that there is more interest in live/work occupancy deed restrictions than a deed restriction with AMI and appreciation caps. The Vail InDeed program and the Breckenridge and Summit County Housing Helps programs do not include AMI and appreciation caps in their deed restrictions.

Staff recommends Town Council reset the parameters of the Housing Helps program to be more similar to those housing programs being implemented in Vail, Breckenridge, and Summit County. As further outlined in Resolution 21-17, Staff recommends the Housing Helps program options include:

- Option 1: Town purchases a deed restriction from a home buyer as a down-payment assistance program (buyers may include businesses) that limits occupancy to local workforce community members with no income cap, price appreciation cap, or household size requirement.
- Option 2: Town purchases 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 3: Town purchases a market rate or existing deed restricted housing unit and resells the property with a deed restriction limiting occupancy to local workforce community members. Income caps, price appreciation caps, and/or household size limits may be imposed at the discretion of the Town.
- Option 4: Town provides financial assistance to a current property owner to construct an accessory dwelling unit that is deed restricted under the terms of the affordable housing incentives of Section 180-5.5 of the Frisco Unified Development Code.

Financial Impact: There are no proposed change to the current Housing Helps budget.

Alignment with Strategic Plan: There are no proposed changes to the current Housing Helps budget.

Environmental Sustainability: There are no proposed change to the current Housing Helps budget.

Staff Recommendation: Staff recommends that the Town Council approve Resolution 21-17.

Approved By:

Jeff Durbin, Interim Town Manager
Bonnie Moinet, Finance Director

Attachments:

Attachment 1 – Resolution 21-17