



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: BONNIE MOINET, FINANCE DIRECTOR
RE: SUMMIT COMBINED HOUSING AUTHORITY (SCHA) 5A TAX
DATE: AUGUST 10, 2021

Summary and Background: On November 7, 2006, the voters of Summit County approved the Summit Combined Housing Authority (SCHA) Referred Measure 5A, which authorized a temporary (10) year sales and use tax of .125% and a development impact fee of two dollars or less per square foot of new construction to be used for affordable housing purposes. Subsequently, the Town of Frisco entered into an intergovernmental agreement with other area local governments to share these revenues. In 2015, this tax was extended in perpetuity. In 2016, Summit County voters approved an additional, temporary (10) years .6% sales and use tax to the existing sales tax, effective 1/1/17, making the current tax rate .725%.

Analysis: With the extreme affordable housing shortage throughout the County, discussions among the County entities have begun as to the feasibility of extending the existing .6% SCHA 5A tax, retaining the current tax of .725%.

Financial Impact: The existing SCHA 5A tax of .725% has generated approximately \$1.5M annually in sales taxes since 2017. The original tax of .125% generated approximately \$200,000 annually. When the 2017 increase sunsets in 2026, the amount of tax generated would return to that amount.

Alignment with Strategic Plan:

Environmental Sustainability:

Staff Recommendation: Does Council wish to either:

1. Leave the tax as is until 2026, at which time the tax rate would be reduced to .125%?
2. Support a ballot measure to extend the tax an additional 10 years, maintaining the current rate of .725% until 2036?
3. Support a ballot measure to extend the tax an additional 15 years, maintaining the current

rate of .725% until 2041?

4. Support a ballot measure to extend the tax in perpetuity?

Approved By:

Tony O'Rourke, Town Manager

Bonnie Moinet, Finance Director

[[Insert Department Director here]]

Attachments: