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## MEMORANDUM

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P.O. Box 4100 ♦ FRISCO, COLORADO 80443

**TO: MAYOR AND TOWN COUNCIL**  
**FROM: DON REIMER, COMMUNITY DEVELOPMENT DIRECTOR**  
**RE: HOUSING HELPS – IN-TOWN WATER RATES**  
**DATE: APRIL 12, 2022**

**Summary and Background:** Increasing the number of affordable workforce housing units available to employees of businesses in the Frisco area is one of Town Council's High Priority Strategic Plan Goals. Over the past several months, most recently at the March 22, 2022 Town Council meeting, Town Council has provided feedback and direction to staff to identify opportunities to facilitate and support additional workforce housing properties.

One such program is the Housing Helps Program, which has been gaining momentum and interest since first adopted in 2019 with Resolution 19-31. Amendments to Housing Helps in June 2021 (Resolution 21-17) and March 2022 (Resolution 22-07) have increased the availability of the program to more property owners, and added the option to partner with Summit County on Housing Helps deed restriction purchases.

**Analysis:** Following the most recent amendment to the Housing helps program, a property owner in the Evergreen subdivision adjacent to the Town of Frisco approached the County with a Housing Helps request. During discussions about this request, the property owner asked whether placing a deed restriction on the property for use only as workforce housing could qualify for in-Town water rates to be assessed, rather than the two times (2x) water rates charged to water customers located outside of Town limits.

Town water rates, for both Plant Investment Fees and for Water Delivery and Usage charges, are addressed in Town Code Chapter 171, Section 171-11. Town Council most recently set fee rates through Ordinance 19-07, in May 2019. Per Code section. 171-11(H), the charge for supplying water users outside of Town limits shall be two times (2x) the applicable rate within the Town. Section 171-11(B) allows Town Council to consider reducing plant investment fees on a case-by-case basis for affordable housing projects, but is silent on water delivery and usage rates. Ordinance 19-07 sets the out-of-Town plant investment fee at 1.5 times the applicable in-Town rate, but is silent on usage and delivery fees to out of-Town customers.

If Town Council were to consider allowing current out-of-Town customers that are adding a new deed restriction to an existing property, it could be accomplished through an amendment to Section 171-11H, specifying that Town Council could approve such a request on a case-by-case basis, only for affordable housing projects.

**Financial Impact:** If approved, there would be no immediate financial impact resulting from this proposal. In the future, based on current quarterly water billing rates, it is estimated that for each

out-of-Town property which was granted in-Town water rates would see a reduction in billing of \$50-\$100 per quarter, or \$200 - \$400 annually.

**Environmental Sustainability:** Not applicable.

**Alignment with Strategic Plan:** One Town Council's High Priority Strategic Plan goal is to increase the amount of available workforce housing. This proposal would not directly create additional deed restricted units; however it may be used as an incentive for some property owners to consider entering into a deed restriction through the Housing Helps program.

**Staff Recommendation:** Staff requests Council direction on whether to draft an Ordinance to reflect the above. An amendment to Code Chapter 171 on another water-related topic (backflow prevention) is tentatively scheduled for Council consideration in May 2022; if so directed by Council this proposal could be incorporated into that Ordinance.

**Reviews and Approvals:** This report has been reviewed and approved by:

Leslie Edwards, Finance Director  
Diane McBride, Interim Town Manager

**Attachments:**

Town Code Section 171-11  
Ordinance 19-07