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# **TOWN OF FRISCO AFFORDABLE HOUSING POLICIES**

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## **SECTION 1: HOUSING POLICY PURPOSE**

The purpose of the Town of Frisco's affordable housing programs and incentives are to provide housing opportunities for persons who are actively employed in Frisco and Summit County. When establishing affordable housing, it shall be the policy of the Town Council to:

- Place a priority on housing for employees who work in the Frisco area;
- Develop a mix and variety of affordable housing that is accessible to people of a variety of income levels and household types;
- Utilize a variety of strategies for affordable housing including development of housing by the private sector, utilization of town-owned land for housing, and use of collected impact fees for housing.

The Town has identified the following tools as the primary ways to implement these housing policies:

- Utilize Town owned properties
- Buy-downs
- P3's (public private partnerships)
- Density bonuses
- Inclusionary zoning
- Replacement housing ordinances

This list of tools is in no way meant to exclude other potential methods of implementing these housing policies.

## **SECTION 2: INTENT**

The intent of these guidelines is to assist the staff, development community, and the public in understanding the Town Council's direction and policies regarding the various aspects of providing affordable housing in the Town of Frisco. These guidelines also inform prospective developers, including public entities, of the standards and guidelines for construction and sale or rental of affordable housing.

Primarily, these guidelines are used to:

- Review development applications
- Establish affordable rental rates
- Establish affordable sales prices
- Establish minimum unit sizes
- Establish guidelines for providing alternative forms of affordable housing.
- Establish criteria for qualification and occupancy
- Establish priorities for housing types

- Establish policies for Town of Frisco employee housing

These guidelines are established with the intention that they will be updated on an annual basis to account for changes in the published Summit County Area Median Income (AMI) levels as well as to reflect the town's current year affordable housing work plan as established by the Town Council through the budget.

### **SECTION 3: APPLICABILITY**

These guidelines give direction to staff and developers when affordable housing is part of a development application, and apply to all development that is subject to the Town of Frisco's affordable housing requirements including the density bonus provisions of the Central Core District, Mixed Use District and Planned Unit Development regulations. These guidelines also apply to all development, public and private, which have otherwise contractually agreed to the provision of affordable housing as defined herein.

### **SECTION 4: INCOME LEVELS**

The goal of the Town of Frisco is to provide housing that is affordable to households across a wide spectrum on income levels found in Summit County. Within this section, rental rates and sales prices are established by HUD and are annually adjusted for household size. The income level figures below shall be used relative to the five categories of affordable housing:

#### For Sale Units

- Category 1: 80% AMI and below
- Category 2: 81% to 100% AMI
- Category 3: 101% to 120% AMI
- Category 4: 121% to 160% AMI
- Category 5: 161% AMI and greater

For ownership housing, the maximum sales prices must be set based on the following standards and must not exceed 30% of gross household income adjusted for household size. Calculation of affordable monthly mortgage payments shall include principal, interest, taxes, insurance and homeowner association dues. The purchaser's income level will be reviewed by the Summit Combined Housing Authority for compliance with AMI figures. The determination on "affordability" is most often determined by the loaning organization based on individual criteria.

#### Rental Units

- Category 1: 60% to 80% AMI
- Category 2: 81% to 100% AMI
- Category 3: 101% to 120% AMI
- Category 4: 121% to 160% AMI
- Category 5: 161% AMI and greater

For rental housing, the maximum monthly rental rates, including utilities, shall not exceed 30% of the gross household income, adjusted for household size.

See Attachment C for the current Summit County Median Incomes (AMI) by category. Attachment C will be updated on an annual basis to reflect the current year AMI.

## **SECTION 5: LOCATION**

The Frisco Town Council has prioritized the following options in order of preference depending on the site location. It is the intent of the council that affordable housing be dispersed throughout the Frisco community.

1. On-site Housing: That the location of the deed restricted property constructed using any of the town based incentives be located within the development.
2. Off-site Housing: That the location of a deed restricted property constructed or provided using any of the town based incentives be at a separate location approved by the town.

## **SECTION 6: PRIVATE SECTOR DEVELOPMENT**

Private sector development of affordable housing is crucial in order to meet Frisco's affordable housing needs. This section contains information to be used by private developers who take advantage of the town's density bonus and accessory housing provisions and other incentives or programs.

The Town Council's priorities for affordable housing development by the private sector are, in priority order, as follows:

1. For sale units where the average sales price for each unit is no higher than Category 3 and the units consist of one and two bedrooms.
2. For sale units where the average sales price for each unit is no higher than Category 2 and consist of studio units.
3. Rental units at Category 2 consisting of studio and one bedroom units.
4. For sale family oriented units where the average sales price for each unit is no higher than Category 4. A family oriented unit is a unit with three bedrooms or more with direct ground floor access to a useable yard area.

**The council believes that unit size is an important variable to the vibrancy of the community and has identified the following minimum square footages for sale and rental units:**

### **Minimum Net Livable Square Feet for Each**

### Unit Type and Income Category (For Sale Units)

Unit Type	Categories 1 and 2 Square Feet	Categories 3 and 4 Square Feet	Category 5 Square Feet
Studio	400	500	600
One Bedroom	600	700	800
Two Bedroom	850	950	1,000
Three Bedroom	1,000	1,250	1,350

### Minimum Net Livable Square Feet for Each Unit Type and Income Category (Rental Units)

Unit Type	Categories 1 and 2 Square Feet	Categories 3 and 4 Square Feet	Category 5 Square Feet
Studio	300	350	400
One Bedroom	400	500	600
Two Bedroom	500	650	850
Three Bedroom	1,000	1,250	1,350

Reductions to these minimum standards may be considered under the following conditions. However, no reduction greater than 20% of the category minimum shall be allowed and in no instance may a unit be smaller than 300 square feet:

- Significant storage specific to the unit.
- Efficient, creative layout of unit.
- Site amenities – access to spa, park area, open space, community space within the development, etc.
- Location of the unit within the project – above ground versus ground level versus below ground.
- Provision of a higher number of deed restricted units than required under the code.

Reductions in the minimum square footage requirements shall be subject to approval by the Planning Commission.

## **SECTION 7: PUBLIC SECTOR DEVELOPMENT**

Public sector involvement in the development of affordable housing is crucial in order to meet Frisco's affordable housing needs. In most cases, public sector participation will include partnership with the private sector. The Town Council's priorities for affordable housing development by the public sector are as follows:

1. Entry level for sale units where the average sales price is no higher than Category 2 and the units consist of one and two bedrooms.
2. Entry level rental units at Category 1 consisting of studio and one bedroom units.

3. Family oriented for sale units where the average sales price is no higher than Category 3. A family oriented unit is a unit with three bedrooms or more with direct ground floor access to a useable yard area.
4. Family oriented for sale units where the average sales price is no higher than Category 4. A family oriented unit is a unit with three bedrooms or more with direct ground floor access to a useable yard area.

**Minimum Net Livable Square Feet for Each  
Unit Type and Income Category**

Unit Type	Categories 1 and 2 Square Feet	Categories 3 and 4 Square Feet	Category 5 Square Feet
Studio	400	500	600
One Bedroom	600	700	800
Two Bedroom	850	950	1,000
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**Minimum Net Livable Square Feet for Each  
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Studio	300	350	400
One Bedroom	400	500	600
Two Bedroom	500	650	850
Three Bedroom	1,000	1,250	1,350

Reductions to these minimum standards may be considered under the following conditions. However, no reduction greater than 20% of the category minimum shall be allowed and in no instance may a unit be smaller than 300 square feet:

- Significant outside storage specific to the unit.
- Efficient, creative layout of unit.
- Site amenities – access to spa, park area, open space, community space within the development, etc.
- Location of the unit within the project – above ground versus ground level versus below ground.
- Provision of a higher number of deed restricted units than required under the code.

Reductions in the minimum square footage requirements shall be subject to approval by the Planning Commission.

## **SECTION 8: DEED RESTRICTION TEMPLATE AND PROCESS**

In an effort to provide some continuity between Summit County and the rest of the municipalities, the Summit Combined Housing Authority has issued guidelines to follow in the drafting of any deed restriction. This still gives individual municipalities the flexibility to make changes to the deed restriction based on special circumstances which may arise. The following guidelines will be used when drafting a deed restriction for an affordable housing unit in Frisco and are similar to the policy statements outlined in Section 4:

### **Master Deed Restriction Guidelines**

1. All deed restricted owners must work a minimum of 30 hours per week, year-round in the County.
2. Foreclosure assurance. A provision ensuring that in the event of a foreclosure of a deed restricted unit, the deed restriction will remain in place will be included in all deed restriction language.
3. AMI Cap. Each municipality may specify the AMI cap needed at that time, ranging from <80% – 180% for that particular development. Income testing would only be done at initial purchase to make sure new owner qualifies to purchase a deed restricted property matching that particular AMI cap.
4. Real estate commissions and other sale-related costs are not to be included in any deed restricted resale calculations.
5. Property must be owner-occupied, and owner can not own any other residential property.
6. Employers can purchase deed restricted units as rentals for their workforce and must follow HUD Guidelines regarding rental amounts charged.
7. Resale cap on all deed restricted units shall be 3% OR the percentage change in AMI, whichever is less.
8. Owners may retire and remain in deed restricted units, as long as owner has lived in that particular unit for 7 years and is a minimum of age 65.
9. Capital improvements will not be reimbursed in deed restricted units going forward.

## **SECTION 9: ALTERNATIVE HOUSING OPTIONS**

This section addresses the option for private developers to provide alternatives to the standards methods of building affordable housing. Both options listed below require approval of the Planning Commission, if applicable.

**Existing Unit Buy-Down:** This method involves placing a deed restriction on an existing market rate unit.

**Off Site Existing Unit:** The developer may, through the density bonus provision of the Town Code, acquire an existing market rate unit located off of the project site at a rate of two off site units for every one bonus market rate unit to be constructed on the

subject property. An off-site unit must be located within one mile of the Frisco Town Limits.

1. Any units deed restricted in the above described manner are subject to the size standards noted in these guidelines, except that the Frisco Planning Commission may make an exception on a case by case basis. An exception to the size standards shall not be greater than 100 square feet from the minimum allowable square footage and in no instance may a unit be smaller than 300 square feet.
2. Any existing unit which is to be deed restricted must be in a good state of repair and condition. Acceptance of existing units shall be at the discretion of the Town of Frisco Manager or designee, upon a recommendation of approval by the Frisco Planning Commission. If accepted, existing units must be upgraded in accordance with the following criteria:
  - i. Units must be freshly painted in the interior;
  - ii. All appliances must be in good working order and condition;
  - iii. Carpet shall be in good condition and repair;
  - iv. Windows, heating, plumbing and electrical systems and equipment shall be in good condition and working order.
  - v. The roof must have a remaining useful life of at least 10 years;
  - vi. In consideration of criteria i-v above, when practical, energy efficient and sustainable materials and appliances shall be used;
  - vii. The units shall meet International Code Council (ICC) minimum standards for occupancy and be approved by a qualified building inspector;
  - viii. The applicant (developer) shall bear the costs and expenses of any required upgrades necessary to meet the standards listed above, as well as any structural/engineering reports required to assess the suitability for occupancy and compliance with these standards.

Other alternative housing options may be considered by Town Council on a case-by-case basis.

## **SECTION 10: TOWN OF FRISCO EMPLOYEE HOUSING**

This section sets forth the policies and priorities for providing housing for a portion of the employees of the Town of Frisco.

The town currently owns and operates four employee housing units. These units are rented (by lottery) on a year to year basis to any interested Town of Frisco employee. When available, each unit typically has two to three employees participating in the

lottery. The town's Human Resources Department conducts exit interviews for all employees who leave. The most common reason given for leaving is the high cost and/or lack of housing. Please refer to Attachment A for information on the Town of Frisco's current employee housing stock as well as what other municipalities are doing to help their employees with housing. It is not the intent of the Town Council to provide housing for all town employees; rather the intent is to provide an amount that is equitable as a percentage of total employees. By making a certain number of units available to town employees, it is hoped these employees, if desired, can then find more permanent housing elsewhere in the county at a later date.

With respect to employee housing, it shall be the policy of the Town of Frisco to:

- Make available for rent, quality, livable housing for at least fifteen percent (15%) of the town's permanent employee base;
- Provide rental housing that is affordable to town employees;
- Provide a variety of unit types.

## Attachment A

### Town of Frisco Housing Facts

#### RENTAL HOUSING STOCK

Location	# of Bedrooms	# of Bathrooms	Square Footage	Monthly Rental Rate
306 Galena St.	2	1	975	\$625
113 Granite St.	1	1	1,182	\$525 – utilities typically \$300 during winter
115 Granite St.	1 loft	1	680	\$425 – utilities typically \$200 during winter
117 Granite St.	1	1	720	\$425 – utilities typically \$250 during winter

#### TYPICAL LOTTERY HELD FOR THE ABOVE EMPLOYEE UNITS –

- ◇ On average we have had 1 to 2 employees vying for an annual lease of the Granite Street units.
- ◇ On average we have had 3 to 4 employees vying for an annual lease of the 306 Galena Street unit.
  - 306 Galena Street is the most popular unit due to it having 2 bedrooms as well as being of newer construction and is more energy efficient than the other older cabin type units on Granite Street.

#### EXIT INTERVIEWS FOR PEOPLE LEAVING EMPLOYMENT WITH THE TOWN OF FRISCO

- ◇ While the actual data from these interviews cannot be shared, HR staff has indicated that the most common theme for the reason why employees have left the town is “relocating out of the area due to cost of living/housing.”

#### SEPARATION QUESTIONNAIRE FOR ALL PEOPLE LEAVING EMPLOYMENT WITH TOF: (Have only had this questionnaire in place since January 2007 and 10 respondents).

- ◇ Top two reasons: Salary & Cost of Housing

## MOUNTAIN STATES EMPLOYERS COUNCIL

Housing/transportation Practices for Resort and Western Slope Organizations Survey,  
October 15, 2007

- ◇ Looking at responses from the resort areas,
  - 65% of organizations own rental properties for employees
  - Average number of units is 9 (within TOF size range – 50<sup>th</sup> percentile)
  
- ◇ Resort area participants included:
  - City of Aspen
  - City of Gunnison
  - Colorado Mountain College
  - Copper Mountain
  - Eagle County Government
  - Gunnison County
  - Pitkin County Government
  - Steamboat Ski and Resort
  - Summit County Government
  - Town of Basalt
  - Town of Breckenridge
  - Town of Frisco
  - Town of Silverthorne

## COMPARISON DATA FROM THE TOWNS OF BRECKENRIDGE AND VAIL

### Frisco:

- ◇ Full time employees 55
- ◇ 46% of employees live in Frisco or immediate unincorporated Frisco neighborhoods

### BRECKENRIDGE:

- ◇ Full time employees 172
- ◇ 45% of employees live within town limits (this increases to almost 60% if the Blue River area is included)
- ◇ Currently has 8 transitional units for employees (some of these units are reserved for “critical” employees such as police officers and public works staff)
- ◇ Anticipates additional units with the upcoming construction of the Valley Brook Housing Project

### VAIL

- ◇ Full time employees

- ◇ Currently has 20 plus transitional units for employees (offers units for seasonals, full-time staff and maintains some reserved for 'critical' staff (police and public works staff, etc.)

## **Attachment B**

### **2008 Frisco Affordable Housing Work Plan**

1. Complete master plan process for the Peak One Parcel. After adoption of the master plan, annex parcel into the town, develop a phasing plan, and issue requests for proposals (RFP) for development.
2. Construct new detached single family Town of Frisco employee unit at 308 Galena Street.
3. Evaluate financial feasibility of constructing new employee housing on existing housing parcel next to the Frisco Historic Park.
4. Develop designs for construction of market/affordable housing in the First Avenue right of way north of Teller Street. Vacate this portion of First Avenue.
5. Develop a concept and program for a public/private partnership for the redevelopment of a mixed use project to include affordable housing on the town-owned "Nurses Building" at 110 S. Fourth Avenue.
6. Continue development of regulatory incentives for private sector affordable housing development including expansion of the density bonus program, and infill development and cottage zoning regulations.
7. Continue working with Summit County to implement a transferable development rights (TDR) program which could be utilized for affordable housing development.
8. Continue discussions with the Colorado Department of Transportation for the redevelopment of their existing trailer park property at Seventh Avenue and Granite in exchange for equivalent housing on the Peak One Parcel.
9. Use the Summit County Housing Authority for the administration of deed restrictions, the sale and rental of affordable housing, education programs and other tasks as may be identified.

## ATTACHMENT C

### 2007 Summit County Area Median Incomes (AMI) by Category

Household size	Category 1	Category 2	Category 3	Category 4	Category 5
1 person	\$33,120	\$44,160	\$55,200	\$66,240	\$69,000
2 person	\$37,800	\$50,400	\$63,000	\$75,600	\$78,750
3 person	\$42,540	\$56,720	\$70,900	\$85,080	\$88,625
4 person	\$47,280	\$63,040	\$78,800	\$94,560	\$98,500
5 person	\$51,060	\$68,080	\$85,100	\$102,120	\$106,375
6 person	\$54,840	\$73,120	\$91,400	\$109,680	\$114,250

Source: Summit County Housing Authority

This Attachment C will be amended on an annual basis to reflect the current Summit County Median Income (AMI).

## ATTACHMENT D

### MAXIMUM SALES PRICE AND RENTAL RATE

#### A. MAXIMUM SALES PRICE

This section sets forth the maximum sales price by category and unit type. This price includes PITI and payments of monthly HOA dues, if applicable. These figures are based on a 7.5% interest rate.

Unit Type	Category 1	Category 2	Category 3	Category 4	Category 5
Studio	\$124,676	\$134,351	\$177,771	\$221,191	\$284,433
One Bedroom	\$136,475	\$146,622	\$193,110	\$239,597	\$308,976
Two Bedroom	\$171,675	\$183,749	\$239,519	\$295,288	\$383,230
Three Bedroom	\$204,417	\$218,517	\$282,978	\$347,440	\$452,764

1. For sale units shall be offered for sale through the Summit Combined Housing Authority, unless otherwise determined by Town Council, to all qualified persons under the procedures established by these guidelines.
2. Newly deed restricted housing sales units must be in marketable condition. Properties must comply with all rules, regulations and codes of all governmental agencies and utilities having jurisdiction.

#### B. MAXIMUM RENTAL RATE

This section sets forth the maximum monthly rental rate by category and unit type.

Unit Type	Category 1	Category 2	Category 3	Category 4
Studio	\$828	\$1,104	\$1,380	\$1,656
One Bedroom	\$887	\$1,182	\$1,478	\$1,773
Two Bedroom	\$1,064	\$1,418	\$1,773	\$2,127
Three Bedroom	\$1,229	\$1,639	\$2,049	\$2,459
Four Bedroom	\$1,371	\$1,828	\$2,285	\$2,742

1. These rental rates shall apply whether the units are provided furnished or unfurnished.
2. The rental rates established in this Section shall include monthly utility costs, HOA dues, management fees and taxes.
3. The owner of a deed restricted rental unit must keep and maintain the interior and exterior of the unit and any adjacent open areas in a safe and clean condition and in a state of good order and repair, reasonable wear and tear and negligent or intentional damage by the tenant exempted.

This Attachment D will be amended on an annual basis to reflect the annual change in affordable sales price and rental rate based on the Summit County AMI.

