



AFFORDABLE HOUSING AND THE TOWN OF FRISCO



SEPTEMBER 2007

The Need for Affordable Housing

Frisco is fast approaching residential build-out, meaning that the amount of vacant land the town has left for home construction is almost gone. This, coupled with the high rate of redevelopment of Frisco's older properties, has exacerbated the affordable housing need. As a result, lot prices and home prices have skyrocketed over the past several years, making home ownership in Frisco unattainable for many local workers.

Affordable Housing Fast Fact:
65 percent of Frisco residences are second homes.

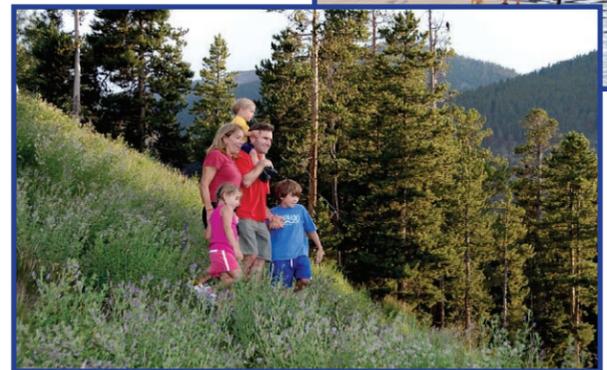
A critical mass of local working residents is needed to sustain

a community. A vibrant community that is economically and socially healthy requires a mix of residents from a wide range of ages and income levels. If the people who run the local businesses and teach in the schools can no longer afford to live here, Frisco will lose its appeal as a desirable place to live. The community will be in danger of losing its funkiness, personality – the intangible spirit that makes the town unique and without which Frisco would be just another homogeneous Colorado resort town.

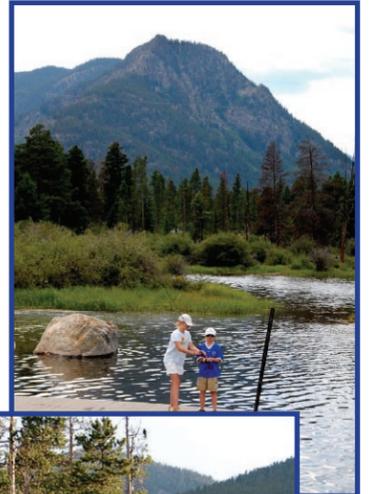


While it is not the town's responsibility to house everyone who would like to live here, it is important for Frisco to maintain a sense of opportunity (not a guarantee) for the local workforce to become vested members of the community. The creation of mixed income rental and for-sale housing units is necessary to achieve this desired balance.

Any and all mixed income affordable housing should enhance and support the town's economic diversity, social vitality and sense of community by integrating within existing neighborhoods, thus avoiding segregation of socioeconomic classes.

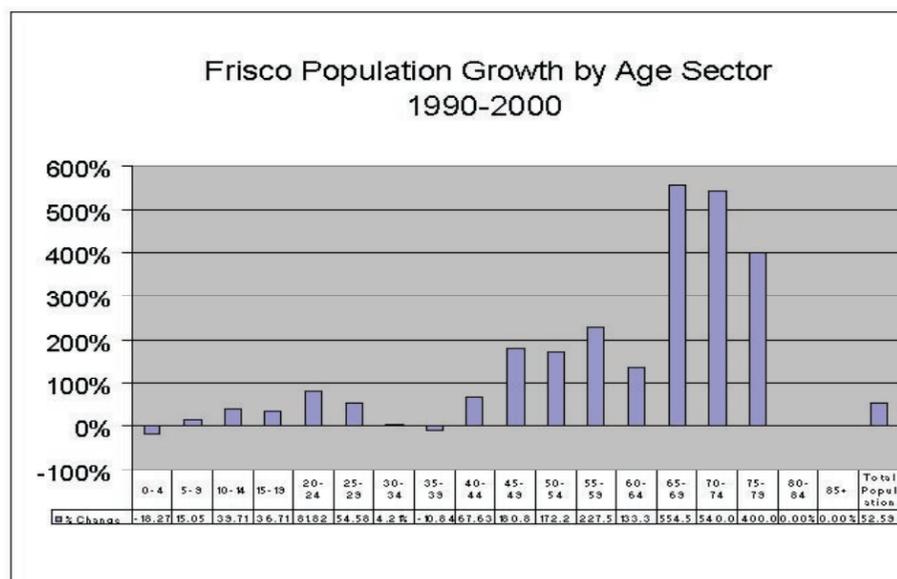


Affordable Housing Fast Fact:
Frisco Elementary School (FES) has seen a decline in enrollment by Frisco children. In 2006 the school's total enrollment was almost 10 percent lower than it was the previous year. Many Frisco students do not live in town.



Affordable Housing Fast Fact:

Between 1990 and 2000, Frisco saw a decrease in residents of ages 0-4 and 35-39. The 5-9 and 30-34 age-groups stayed about the same, but the 50-64 group more than doubled. And the 65-79 age-group more than quadrupled.

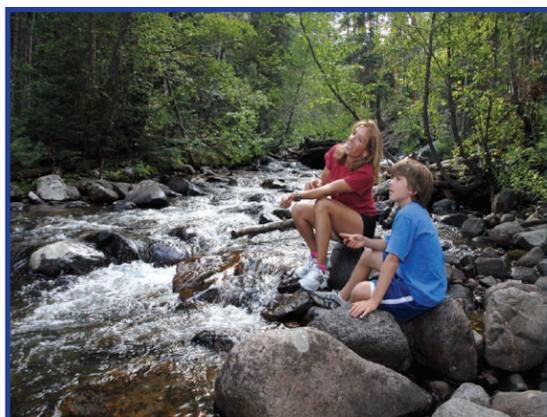


Affordable Housing Fast Fact:

In the 2006 Frisco Community Survey, 67% of Frisco businesses indicated that employee retention/recruitment and lack of affordable housing were the greatest challenges they faced.

Affordable Housing Fast Fact:

In the 2006 Frisco Community Survey, only 27 percent of business owners surveyed reported that they have employees who live in Frisco.



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Acting on Political Will and Addressing Community Need

In the November 2006 election, Summit County voted on Measure 5A to provide future funding for affordable housing. The measure passed county wide by a large margin, and Frisco residents voted in favor of it 61 to 39 percent.

The high cost of housing affects not only the seasonal ski area worker, but also middle-income families and individuals, many of whom hold jobs essential to the community.

Over the past decade, home prices and rental rates have increased faster than incomes, increasing the demand for affordable housing.

What is affordable housing?

Affordable housing units are homes that are within financial reach for Frisco and Summit County's middle class – teachers, police officers, firefighters, small-business owners, government employees, newspaper reporters, day care providers, young professionals, ski patrollers, bartenders, restaurant managers – the people who keep the wheels turning in the community. These are the people who, in many other communities could afford housing, however because of Frisco's resort/second homeowner driven housing market, find themselves priced out of home ownership here.

The 2006 median home price in Frisco was \$520,000. The median household income for a family of three in Frisco is \$70,900. To afford that median priced Frisco home at \$520,000, a family would need to earn \$139,000 or almost twice the median income. According to the Summit County Housing Authority, Frisco's middle class can afford homes ranging in price from about \$134,000 to \$347,000. To make livable homes available in this price range requires diligent planning and dedicated support from the community.

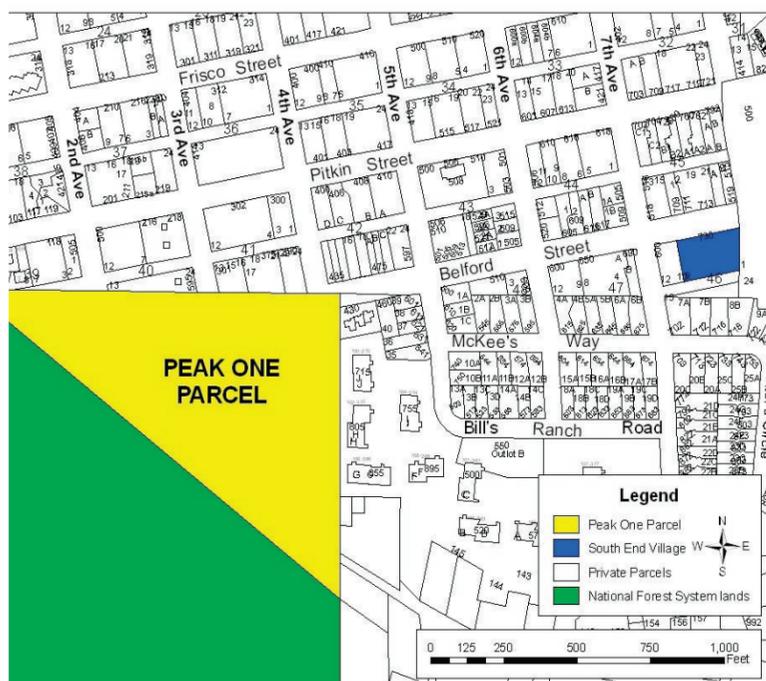
In some cases, land may be supplied by a government entity and then developed by private developer, who can then sell the homes at an affordable price to families and individuals within specified middle-income ranges. In other cases, a developer may own a piece of land and wish to create a residential development. In several areas of Frisco, town zoning regulations allow development to exceed the maximum number of residential units if affordable-housing units are provided with the project.

To keep homes affordable (in either of the above scenarios), each affordable unit has a deed-restriction, usually limiting the amount of annual appreciation, should the owner sell the home at some future time. That way, the home remains affordable for the next buyer down the line, but the existing homeowner has the opportunity to build equity without having a mortgage payment equal to more than 50 percent of the homeowner's monthly income.

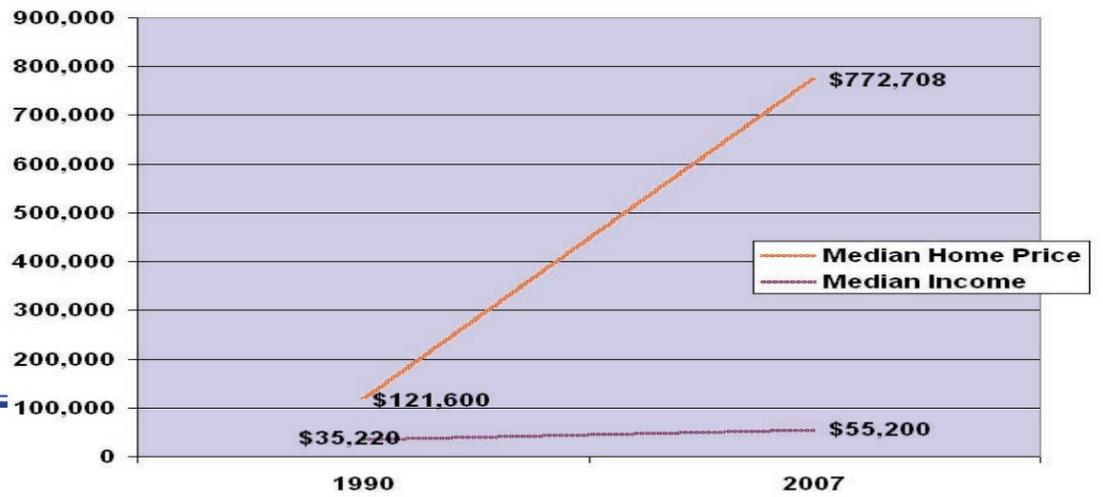
Peak One Parcel

The Peak One Parcel is a 12.6-acre piece of land purchased by the Town in 1998 for municipal purposes. The parcel is located between the Summit County recreation path and Belford Avenue just southwest of town. Multi-family, duplex, triplex and single family residences surround the parcel to the east, north and south. An unimproved portion of Second Avenue runs through the parcel, connecting to a trailhead parking lot located on U.S. Forest Service public land.

The Peak One Parcel is an option toward developing a solution to Frisco's middle-class housing crunch. The parcel is well-suited to a new neighborhood with a diverse mix of housing types and incomes, offering both market-rate and affordable units. Since the Town of Frisco already owns the land, such a project could benefit dozens of local families and individuals with no new tax burden on Frisco citizens.



Gap Between Median Home Price and 1 Person Median Income in Summit County



South End Village at Belford and 7th Ave.

Affordable Housing Fast Fact:

In 1990 the gap between median home price and one person median income was three times higher than income and in 2007 the gap is 14 times higher than income.

Affordable Housing Fast Fact:

A January 2005 study commissioned by the Summit County Housing Authority concluded that about 3,150 affordable homes will be needed county wide by 2010.

Affordable Housing Fast Fact:

A 2005 study by the Rural Resort Region evaluated the cost of housing in Colorado's mountain counties. Compared to the U.S. standard for a family with median household income, the study found Summit County housing to be 283 percent higher than the national average.



Town Council Direction

The Frisco Town Council has directed staff to explore the future of the Peak One Parcel. Over the summer town staff met with small groups of stakeholders to hear about their visions for the Peak One property. These stakeholders included adjacent property owners, citizens interested in affordable housing issues, and local families and individuals seeking such housing opportunities. The town has since hired a firm to help develop a master plan for the Peak One Parcel. This planning process will focus around public input and consensus building. Several forums for public discussion will take place later this fall and early winter.

The Frisco Town Council encourages citizens and business owners to participate in the upcoming public forums to learn more about affordable housing and the master planning process for the Peak One Parcel. Your input is important! Check townoffrisco.com and the Summit Daily for meeting announcements.

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