

Housing Tax – 5A Initiatives



The first 5A ballot measure was introduced in 2006 and collection started in 2007. This established a 0.125% sales tax to go directly to housing. This measure also included an Impact Fee of up to \$2.00 / sq. foot for new construction. This was renewed in 2016 in perpetuity and currently generates approximately \$2.9M annually for Summit County.

The second ballot measure was in 2016 for a 0.6% sales tax for 10 years. This was renewed in 2021 for an additional 20 years, through 2046. This currently generates approximately \$13.6M annually for Summit County.

The Housing taxes will continue to collect 0.725% through 2046, at a minimum, without any further tax measures.

Housing Tax 5A Fund - Intended Use

The Intergovernmental Agreement that established the Summit Combined Housing Authority in 2006 as a multijurisdictional housing authority states, "in order to provide rental and purchase prices within the means of low-to-moderate income and to plan, finance, acquire, construct, reconstruct or repair, maintain, manage and operate affordable housing projects or programs for employees of employers located within the jurisdiction of the Authority".

The primary goal of the 5A fund is to enable more local residents to remain in Summit County and for local businesses to keep a quality workforce resulting in a stronger economy and more robust community.

Resale calculations should make every effort to retain affordability over time. It is a balance between owner equity and buyer affordability.

Frisco Covenant Items

Lottery Resales

- Should the Town use a lottery for resales?
- Priority entries?
- Review current lottery data

Asset Testing

- Should the Town have asset testing for resales?
- If yes, what is the threshold, and can it be reviewed in the future?
- Review other covenants that include asset testing

Resale Calculation

- Is AMI involved in the calculation?
- What is the AMI chart and how is it updated each year?
- Transparency through Predictability and Consistency

Capital Improvement Cap

- Is there a recommended cap?
- Compare to other covenants in Summit County



Lottery Resales in Summit County

Covenant	Priorities	Jurisdiction	Stats
Nellies Neighborhood	<u>Initial Sales</u> offered an extra entry for people that had been in 3+ lotteries and not been offered a home. <u>Resale</u> priorities determined at time of sale.	Summit County	398 applicants on initial sales and only 19 qualified for the additional entry.
Stables Village	Initial Sales offered a priority for 10+ years working or living in Summit County (cumulative or consecutive) and working 30+ hours in the Upper Blue Basin. Resales are single entry format (no priority).	Breckenridge	4 phases, 100 to 200+ applicants per phase. 60% were first time homebuyers and worked in Breckenridge.
Smith Ranch Neighborhood	<u>Initial Sales and Resales</u> allow an extra entry for applicants within 10% of the AMI income target and an additional entry for those that have lived or worked in Silverthorne for 12+ months prior to the sale.	Silverthorne	Over 100 applicants for each resale with approx. 25% receiving the work / live priority and 80% having the income. (30% having all 3 entries) 13 sales in the last year
Dillon Valley Vistas	<u>Initial Sales and Resales</u> offer an extra entry for working in the Snake River or Lower Blue Basins and two extra entries for working consecutively for 10+ years in Summit County. Lottery is determined by the County at the time of sale.	Summit County	Only 2 resales in the new system. 50+ applicants, 30% with the Tenure priority and 65% with the work priority.

Lottery Resales in Summit County (continued)

Covenant	Priorities	Jurisdiction	Stats
Soda Creek	New Covenant states lottery sale is determined by the County at the time of sale and is a one-for-one lottery with no additional entries	Summit County	Only 1 sale in the last year with 110 entries @ 110% income.
Ophir Mountain	New Covenant states lottery sale is determined by the County at the time of sale and is a one-for-one lottery with no additional entries. Priority is given for those making 80% AMI and then open to those making up to 90% AMI.	Summit County	We have only done a lottery for the 80% AMI and not had to go to the 90% AMI. There have only been 2 sales in the past year.
Housing Helps	The Town of Breckenridge and Summit County have a first right of refusal in their Housing Helps / Buy Down Covenants and allow for them to require a lottery at sale if need is determined. The lottery would follow Housing Guideline rules but has not been used yet. No set priorities.	Summit County & Affiliate Towns	Not used yet
West Hills	Initial Sales and Resales – for those working in the Snake River Basin. If no one qualifies for this, it will open to all those working in Summit County	Summit County	We only accept applications for those that meet the Basin requirement (not opened to all of SC) 41 to over 100 entries, 4 lotteries done in the last year.

Do Priority Entries Work?

In 2024, 75% of the top 5 winners in the lottery had a priority entry.

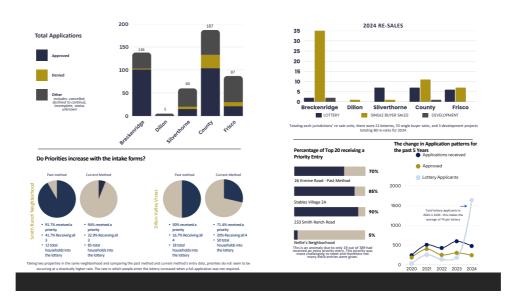
Priorities give an extra boost to winning a lottery; therefore, they should be thoughtful, purposeful and support Town or neighborhood goals. When creating priorities, you also need to be comfortable with how they are proven.

* Based on previous Council discussions, it seems the consensus is to require a lottery for resales that are open to all SC workforce with an extra entry for working in the Ten Mile Basin and an additional entry or entries for longevity in the community

(10 years is often used for longevity in the community).

- Nellies Neighborhood initial sales only had 19 out of 389 that qualified for the extra entry ALL were in the top 50% of the results.
- We have seen a 550% increase in lottery entries with the new system.
- We have a much higher capability to provide data about lotteries, standings and outcomes with the

2024 SCHA Application Data



Recent Breckenridge Lottery Data Priority entries – 1 extra entry for working 30+ hours in the Upper Blue Basin and 1 extra entry for living / working in Summit County for 10+years.

Stables Village 2A Lottery Data



Stables Village 2B Lottery Data



50%+ of the top 50 people chosen in the lottery had 3 entries

Resale Calculations in Summit County

The more recent covenants are a standard resale calculation of 2 to 3% each year. This creates transparency and a predictable affordability factor for the future. There is a delicate balance between building equity and keeping prices at an affordable level. Ease of resale calculations creates transparency along with consistency with newer deed restrictions. Below are the options that have a model tied to AMI compared to neighborhoods with a standard calculation.

Neighborhood	Resale Language & CI	Notes
Wellington & Lincoln Park (2000 - Breckenridge)	3% per year or the change in AMI from purchase to sale, not compounded. 10 to 15% of the original sale price can be used for Capital Improvements. There is a separate maintenance program that allows for an additional 3% for approved updates. RE commission is 3 or 7%.	The Town of Breckenridge has considered programs for people to opt into a new DR for several years, especially with the unprecedented increase in AMI over the past 3 years. This is resulting in some owners receiving \$100k to \$150k more in max resale value than the standard 3% per year.
Vista Point (2002 - Breckenridge)	Purchase Price multiplied by the change in AMI (year over year) or 3%, whichever is greater. 15% of the initial purchase price for Cl. RE commission is up to 7%.	This resale calculation has never been repeated, and I don't expect it will. It is incredibly favorable for the seller and does not assure long-term affordability. This is currently the most expensive neighborhood with many homes reaching or exceeding the \$1M mark.
Other Breckenridge Properties (Blue52, Gibson Heights and Valley Brook)	2% per year appreciation with 10% of the original sales price for CI and a 2% RE commission.	Some neighborhoods required amended & restated covenants to get to this
Stables Village (2023 – Breckenridge)	3% per year appreciation with a 1% RE Commission & CI per Workforce Housing Administrative Rules and Regs	

Resale Calculations in Summit County (continued)

Neighborhood	Resale Language & CI	Notes
Monarch Townhomes (2000 - Breckenridge)	The lesser of 5% per year or the increase in the 100%, 4-person household AMI. CI is 10% of initial purchase price.	There will not be a negative impact if the change in AMI is a decrease, it then defaults to the 5% per year.
South End Village (2007 - Frisco)	The lesser of 3% per year or the increase in AMI (compounded annually) with a 5% RE Commission (only in the first year of ownership, silent after that).	The change in AMI is from one year to the next, added up to get a total increase.
Lodge at Riverbend (2003 - Frisco)	The greater of 4% per year or the increase in AMI (compounded annually) with a 5% RE Commission (only in the first year of ownership, silent after that).	The change in AMI is from one year to the next, added up to get a total increase.
Drake Landing (2001 - Frisco)	The greater of 5% per year (compounded annually) or the increase in AMI from purchase date to listing date.	
Most County Covenants	2% per year appreciation, not compounded, RE Commission of 1.75% with Cl of 10% of the initial purchase price every 10 years (depreciated).	Some neighborhoods do have asset testing, and it is either half the cost or the full cost of the property, some have a specific amount (i.e. \$200,000)
Frisco 2019 Covenant	3% per year, not compounded, plus cost of QCI, plus RE commission. Not greater than the maximum sale price from the AMI chart.	

HUD Very Low Income Household size 1 person 1.5 person 2 person 3 person 4 person 4.5 person 559,850 4 person 569,175 5 person 6 person 771,850 6 person 7 person 882,500 8 person 887,800

HUD produces the 50% AMI number each year and everything else is extrapolated from this to produce all income levels and household sizes.

Rentals

Maximum affordable monthly rent Assumes affordability = 30% of month Maximum affordable monthly rent amo

Unit Size	30%
Studio (1 person)	\$698
1 bed (1.5 person)	\$748
2 bed (3 person)	\$897
3 bed (4.5 person)	\$1,037
4 bed (6 person)	\$1,157

The Rentals section takes 30% of income / 12 months to show the affordable rent amount at each AMI & unit size. This number includes utilities. It is used to set workforce rental rates across the County.

For Sale*

Maximum Monthly Principal & Interest Based on the affordable monthly rent an

Unit Size Studio (1 person) 1 bed (1.5 person) 2 bed (3 person) 3 bed (4.5 person)	30% \$198 \$248 \$397 \$537
4 bed (6 person)	\$657
4 bed (6 person)	\$007

The For Sale section allows for a \$500 per month allowance for HOA, Property Ins. and Property Taxes. Along with the present value of a 30 year, 90% loan-to-value home price at a current annual interest rate. This section is a guide to setting new property prices.

SCHA-Published AMI Chart

How Each Section is Created & Used

									SCHA									
				Number	provided by C	olorado Mousing	and Finance A	uthority (CHFA)	AREA ME and based on H	UD Effective Do	te of April 1, 20	25 (HUD 50% A	MI Rate in REC)				
AMIs					Any number	that has not be	en derived from	CHFA has been	extrapolated (or example, the	1.5 and 4.5 hos	sehold income	rafes)					
		HUD Very Low	*															
Household size 1 person 1.5 person 2 person 3 person 4 person 4.5 person 6 person 7 person 7 person	30% \$27,930 \$29,925 \$31,920 \$35,910 \$39,900 \$41,505 \$43,110 \$46,290 \$49,500	50% \$46,550 \$49,675 \$53,200 \$59,650 \$66,500 \$69,175 \$71,650 \$77,150 \$82,500	50% \$55,850 \$59,850 \$63,840 \$71,820 \$79,800 \$63,010 \$66,220 \$92,580 \$99,000	70% \$65,170 \$69,825 \$74,480 \$83,790 \$93,100 \$96,845 \$100,590 \$108,010 \$115,500	80% \$74,480 \$79,800 \$85,120 \$95,760 \$106,400 \$110,680 \$114,960 \$123,440 \$132,000	85% \$79,135 \$34,788 \$90,440 \$101,745 \$113,050 \$117,598 \$122,145 \$131,155 \$140,250	99% \$63,790 \$69,775 \$95,760 \$107,730 \$119,700 \$124,515 \$129,330 \$138,870 \$148,500	95% 588,445 \$94,763 \$101,080 \$113,715 \$126,350 \$131,433 \$136,515 \$146,585 \$156,750	100% \$93,100 \$99,750 \$108,400 \$119,700 \$133,000 \$138,350 \$143,700 \$154,300 \$165,000	105% \$97,755 \$104,738 \$111,720 \$125,685 \$139,650 \$145,268 \$150,885 \$162,015 \$173,250	\$10% \$102,410 \$109,725 \$117,040 \$131,670 \$146,300 \$152,185 \$158,070 \$169,730 \$181,500	115% \$107,065 \$114,713 \$122,360 \$137,655 \$152,950 \$159,103 \$165,255 \$177,445 \$189,750	120% \$111,720 \$119,700 \$127,680 \$143,640 \$159,600 \$166,020 \$172,440 \$185,160 \$196,000	125% \$116,375 \$124,688 \$133,000 \$149,625 \$196,250 \$172,938 \$179,625 \$192,875 \$206,250	130% \$121,030 \$129,675 \$138,320 \$155,610 \$172,900 \$179,855 \$186,810 \$200,590 \$214,500	140% \$130,340 \$139,650 \$148,960 \$167,580 \$186,200 \$193,690 \$201,180 \$216,020 \$231,000	150% \$139,650 \$149,625 \$159,600 \$179,550 \$199,500 \$207,525 \$215,550 \$231,450 \$247,500	150% \$148,960 \$159,600 \$170,240 \$191,520 \$212,800 \$221,360 \$221,360 \$229,920 \$246,880 \$284,000
8 person	\$52,680	\$87,800	\$105,360	\$122,920	\$140,480	\$149,260	\$158,040	\$166,820	\$175,600	\$184,380	\$193,160	\$201,940	\$210,720	\$219,500	\$228,280	\$245,840	\$263,400	\$280,960
Rentals Maximum affordable Assumes affordable Maximum affordable	= 30% of month			llowing utilities:	electric, gas, wo	ter, sewer, trasi	n, & snow remov	val										
Unit Size Studio (1 person) 1 bed (1.5 person) 2 bed (3 person) 3 bed (4.5 person) 4 bed (6 person)	30% \$698 \$748 \$897 \$1,037 \$1,157	50% \$1,163 \$1,246 \$1,496 \$1,729 \$1,928	60% \$1,396 \$1,496 \$1,795 \$2,075 \$2,314	70% \$1,629 \$1,745 \$2,094 \$2,421 \$2,700	80% \$1,862 \$1,995 \$2,394 \$2,767 \$3,086	85% \$1,978 \$2,119 \$2,543 \$2,939 \$3,278	90% \$2,094 \$2,244 \$2,693 \$3,112 \$3,471	95% \$2,211 \$2,369 \$2,842 \$3,285 \$3,664	\$2,327 \$2,493 \$2,992 \$3,458 \$3,857	105% \$2,443 \$2,618 \$3,142 \$3,631 \$4,050	\$2,560 \$2,743 \$3,291 \$3,804 \$4,243	\$2,676 \$2,867 \$3,441 \$3,977 \$4,436	\$2,793 \$2,793 \$2,992 \$3,591 \$4,150 \$4,629	\$2,909 \$3,117 \$3,740 \$4,323 \$4,821	\$3,025 \$3,025 \$3,241 \$3,890 \$4,496 \$5,014	140% \$3,258 \$3,491 \$4,189 \$4,842 \$5,400	150% \$3,491 \$3,740 \$4,488 \$5,188 \$5,786	\$3,724 \$3,990 \$4,788 \$5,534 \$6,172
For Sale* Maximum Monthly P Based on the affordal			less a \$500 alk	owance to cover	taxes, insuranc	e, and HOA due	**											
Unit Size Studio (1 person) 1 bed (1.5 person) 2 bed (3 person) 3 bed (4.5 person) 4 bed (6 person)	30% \$198 \$248 \$397 \$537 \$657	50% \$663 \$746 \$996 \$1,229 \$1,428	60% \$896 \$996 \$1,295 \$1,575 \$1,814	70% \$1,129 \$1,245 \$1,594 \$1,921 \$2,200	80% \$1,362 \$1,495 \$1,894 \$2,267 \$2,586	85% \$1,478 \$1,619 \$2,043 \$2,439 \$2,778	99% \$1,594 \$1,744 \$2,193 \$2,612 \$2,971	95% \$1,711 \$1,869 \$2,342 \$2,785 \$3,164	100% \$1,827 \$1,993 \$2,492 \$2,958 \$3,357	195% \$1,943 \$2,118 \$2,642 \$3,131 \$3,550	110% \$2,060 \$2,243 \$2,791 \$3,304 \$3,743	115% \$2,176 \$2,367 \$2,941 \$3,477 \$3,936	120% \$2,293 \$2,492 \$3,091 \$3,650 \$4,129	125% \$2,409 \$2,617 \$3,240 \$3,823 \$4,321	139% \$2,525 \$2,741 \$3,390 \$3,996 \$4,514	140% \$2,758 \$2,991 \$3,689 \$4,342 \$4,900	150% \$2,991 \$3,240 \$3,988 \$4,688 \$5,286	160% \$3,224 \$3,490 \$4,268 \$5,034 \$5,672
Maximum Sales Pric Assumes interest rate		ar loan term, an	id 90% loan-to-v	value														
Unit Size Studio (1 person) 1 bed (1.5 person) 2 bed (3 person) 3 bed (4.5 person)	30% \$33,235 \$41,628 \$66,638 \$90,138	50% \$111,288 \$125,220 \$167,183 \$206,294	\$150,398 \$167,183 \$217,372 \$264,371	70% \$189,508 \$208,979 \$267,560 \$322,449	\$0% \$228,618 \$250,943 \$317,917 \$380,527	85% \$248,089 \$271,757 \$342,927 \$409,398	90% \$267,560 \$292,739 \$368,106 \$438,437	95% \$287,200 \$313,721 \$393,116 \$467,476	100% \$306,671 \$334,535 \$418,294 \$496,514	105% \$326,142 \$355,516 \$443,472 \$525,553	110% \$345,781 \$376,498 \$468,483 \$554,592	115% \$365,252 \$397,312 \$493,661 \$583,631	120% \$384,891 \$418,294 \$518,839 \$612,670	125% \$404,362 \$439,276 \$543,849 \$641,709	130% \$423,833 \$460,090 \$569,028 \$670,748	140% \$462,943 \$502,054 \$619,216 \$728,825	150% \$502,054 \$543,849 \$669,405 \$786,903	160% \$541,164 \$585,813 \$719,761 \$844,981





Mobility in Homeownership

In April of 2025, the average single family home price was over \$2.5M and multi-family was over \$1.2M in Summit County.

We really can't use a market rate mentality when considering a deed restricted property. The sales process is completely different. We are no longer in a world in Summit County that people move from deed restricted to market rate, that gap is much too large now. Prior to 2020, we saw some movement from deed restricted to market rate, but now the trend is to move from one deed restricted property to a different one.

Unless something changes with a family's economic status, like a huge promotion or a large inheritance, our workforce is predominantly living in deed restricted housing. The focus should be on how to maintain a level of attainability, not movement to market rate properties.

Many people across the country live in the first house they purchased. If their economic status has remained similar over their career, moving to a larger house or a property in a more desirable neighborhood is not usually an option.



SCHA Recommendations

Lottery Resales

- Yes, with priority entries to match TOF goals for workforce housing
- Asset Testing
- Not the best determining factor for affordability. If needed, use the value of the property.

Resale Calculation

- 2 or 3% annual appreciation, not compounded, not tied to the AMI chart
- Capital Improvement
- 10% of the initial purchase price every 10 years with a depreciation schedule.

- Recommend 2% RE commission with lottery sales.
- 2. Income buffer always
- Allow covenant changes to match a property or project goal / need.
- References to AMI chart: income, setting rental rates and for sale proforma for new projects.
- 5. Right to Inspect recommend adding this to the covenant.
- 6. Remove SCHA as realtor.