

Sunlight HOA and Metro District

(Updated 2/5/2020)

For the past several decades in Colorado, there has been a growing trend toward innovative land planning that includes establishing a metropolitan district (Metro District). Metro Districts historically have been used primarily to reduce the costs of constructing public infrastructure (e.g. water, street, sanitation, park and recreational improvements) through issuance of tax-exempt municipal bonds to finance costs that would otherwise be included in land and home sale prices. More recently, Metro Districts are also being used to provide services typically provided by a Homeowners Association (HOAs). These include maintenance of common areas and community amenities, as well as, performing design review and covenant enforcement. The developers of the Sunlight Subdivision have established the Sunlight Metropolitan District to work cooperatively with the Sunlight HOA, as they believe this arrangement will deliver the highest value to the future owners at Sunlight.

What Amenities will the Sunlight Metro District service?

- Repairs and maintenance of the private Sunlight dog park
- Repairs, watering, mowing and maintenance of the private Sunlight community park
- Repairs and maintenance of concrete sidewalks – with intent to build over 2 miles of sidewalks
- Repairs and maintenance of streetscape – 10 foot strip of landscaping and trees bordering streets
- Water, water lines, sprinklers, pumps and systems to water the streetscape
- Regular winter snow removal of sidewalks that parallel the streets - not including private sidewalks
- Mowing and maintenance of landscaped areas
- Maintenance of entry features and signage
- Maintenance of soft hiking trails (Over a mile of soft trails)
- Cost of trash receptacles at parks and trails
- Snow removal and maintenance of the two alleys (main streets are to be city owned and maintained)
- Management of neighborhood to preserve and protect the neighborhood covenants
- Maintenance and/or repairs of the two detention ponds (built to retain silt during run off periods)
- Board of Directors errors and omission insurance and book keeping services
- Repair and maintenance of fencing owned by the metro district

What is the Function of the HOA?

The Sunlight Homeowners Association, Inc., was established pursuant to the Declaration of Covenants, Conditions and Restrictions for Sunlight Residential Subdivision (“**Declaration**”). The Declaration establishes the authority of the Sunlight HOA to provide residents with the necessary assurances that design standards and services traditionally provided by the HOAs will be in place to protect the integrity of the Sunlight community and its property values. The Declaration also provides the mechanism by which the HOA can delegate to the district the day-to-day provision of services and enforcement of the covenants.

How Does this Arrangement Benefit Homeowners?

The costs to residents for these services will be from Metro District property taxes, which are easier to collect than HOA dues and will reduce HOA dues to the minimal amount necessary to pay the HOA’s annual costs for insurance and maintaining its corporate existence. Unlike HOA dues, Metro District property taxes are deductible from resident’s income taxes. Because the Metro District is a quasi-governmental entity, its operations are more transparent than those of HOAs, because the Metro District is subject to the Colorado Open Records Act, Open Meetings Act and other laws that govern local governments.

Sunlight Metro District and HOA Comparison

Subdivision	HOA fee	Total Mills	Subdivision	HOA fee	Total Mills
Silver Spur	400 yr.	78.779	Tree Haus	1200 yr.	81.939
Heritage Park	560 yr.	78.779	Stagecoach	120 yr.	93.282
Steamboat II	0 yr.	78.779	Barn Village	2400 yr.	52.898
Sunlight	100 yr.	87.953	Wildhorse	5524 yr.	52.898
Information taken from Steamboat Springs MLS and Routt County Treasurer Site, January 2020					
Fees and mills deemed to be true. Verify for accuracy.					

Area subdivisions with Metro Districts include: Silver Spur, Heritage Park, Steamboat II, Tree Haus, Stagecoach, Catamount, Alpine Mountain Ranch, Riverview, Dakota Ridge, Marabou and Timbers Village.

The total mill levy for property in the Sunlight subdivision for 2020 (Taxes paid in 2021) is 87.953 mills and the HOA dues for 2020 are \$100 per year. This survey of other subdivisions in Routt County, illustrates that those with lower mill levies have significantly higher HOA fees.

What will your Estimated Taxes be at Sunlight?

What will my estimated taxes be in Sunlight? Below is a chart which will help you. Sunlight residents will pay a total of 87.953 mills (52.898 city mills + 35.055 Metro District mills). Due to the fact, that vacant land is assessed at a ratio of 29% and residential property at 7.15% of actual value, taxes will be similar whether there are improvements on the lot or not. Formula for taxes is: Property Tax = Assessed Value x Total Mill Levy

Actual Value (SFR)	Assessment Ratio-2020	Assessed Valuation	City Tax Due at 52.898 mills	Metro Dist. Tax Due at 35 mills	Total tax Due
\$1,300,000.00	7.15%	\$92,950.00	\$4,916.87	\$3,253.25	\$8,170.12
\$1,200,000.00	7.15%	\$85,800.00	\$4,538.64	\$3,003.00	\$7,541.64
\$1,100,000.00	7.15%	\$78,650.00	\$4,160.43	\$2,752.75	\$6,913.18
\$1,000,000.00	7.15%	\$71,500.00	\$3,782.21	\$2,502.50	\$6,284.71
\$950,000.00	7.15%	\$67,925.00	\$3,593.10	\$2,377.38	\$5,970.48
\$900,000.00	7.15%	\$64,350.00	\$3,403.99	\$2,252.25	\$5,656.24
\$850,000.00	7.15%	\$60,775.00	\$3,214.88	\$2,127.13	\$5,342.01
\$800,000.00	7.15%	\$57,200.00	\$3,025.77	\$2,002.00	\$5,027.77
\$750,000.00	7.15%	\$53,625.00	\$2,836.66	\$1,876.88	\$4,713.54

To learn more, a copy of the District's Service Plan and contact information is available from the Division of Local Government in the State Department of Local Affairs, or recorded documents in Routt County Clerk and Recorder, or on the website: www.SunlightSteamboat.com.

Property taxes are typically tax deductible for homeowners who file a schedule F. Please ask your CPA.