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## MEMORANDUM

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P.O. Box 4100 + FRISCO, COLORADO 80443

**TO: MAYOR AND TOWN COUNCIL**  
**FROM: JAMES GORHAM, ECONOMIC DEVELOPMENT MANAGER**  
**RE: NHP LIHTC PRESENTATION – 101 WEST MAIN STREET & RESOLUTION 25-08: A RESOLUTION APPROVING A TOWN FUNDING AWARD LETTER FOR THE AFFORDABLE HOUSING PROJECT TO BE CONSTRUCTED AT 101 WEST MAIN STREET**  
**DATE: JANUARY 28, 2025**

**Summary and Background:** At the January 28<sup>th</sup> meeting, the NHP Foundation (“NHP”) will provide the Council the most recent analysis of financing for the affordable housing project located at 101 West Main Street, based on the utilization of 9% Low Income Housing Tax Credits (“LIHTC”) that will be applied for on February 3, 2025. This is a different analysis than the fall 2024 4% LIHTC financing round because of the level of credits that can be dedicated to the project from this possible award. NHP will explain the differences and any updates to other project elements that are important.

Also for discussion is Resolution 25-08, a request for an increased financial contribution from the Town, that would join with other NHP financial resources to close the gap in funding to demonstrate a balanced group of sources and uses within the proforma for the project and the overall LIHTC application. In addition to this request to demonstrate a complete application, NHP will also explain what they will be doing along with the submission and processing of this LIHTC application in order to secure more financial backing that will significantly reduce the gap, so if awarded, the Town would be committing less than is currently being submitted in this application.

Staff and NHP are seeking feedback from the Council on the proposed the overall LIHTC application submission, financing plan and additional financial request presented at the meeting. Specifically:

- Does the Council continue to support the project submitting for the 9% LIHTC application due on February 3, 2025?
- Does the Council support NHP’s updated proposal, as presented at the January 28<sup>th</sup> meeting?
- Does the Council agree to the requested increase in LIHTC application financial commitment to the project by the Town in order to demonstrate a fully funded project?
- Does the Council have additional comments/concerns on the project, financial model, or the requested Town commitment increase?

**Financial Impact:** The Town of Frisco has committed \$4.5 million to this project: \$3.5 million are loans that could be paid back to the Town, and \$1 million would be realized in the ownership by the Town of the 1500 square foot commercial condominium. Resolution 25-08 is requesting an additional commitment from the Town's Housing Fund in order to close the financial gap created by the 9% LIHTC funding structure and to show a fully funded project to the LIHTC award evaluation.

**Alignment with Strategic Plan:** Town Council has identified in the 2024 Strategic Plan, the goal of "Offering a variety of housing types to support year-round residents" and "Actively supporting the acquisition and retention of a diverse workforce" as a priority under the guiding principle of "Creating an Inclusive Community".

**Staff Recommendation:** Staff requests the Council discuss the project as described by NHP, and take into consideration Resolution 25-08's request for additional Town financial support for the project.

**Reviews and Approvals:** This report has been reviewed and approved by:  
Katie Kent, Community Development Director  
Diane McBride, Assistant Town Manager  
Tom Fisher, Town Manager

**Attachments:**

- Attachment A: Resolution 25-08: A Resolution Approving A Town Funding Award Letter For The Affordable Housing Project To Be Constructed At 101 West Main Street
- Attachment B: NHPF West Main LLC Loan Award Letter