A scenic view of a mountain town, likely Frisco, Colorado. The foreground shows a wooden cabin on the left and a paved path with people walking. In the middle ground, there's a mix of modern and older brick buildings along a street. The background features a range of mountains with snow-capped peaks and a forest of trees in autumn colors. The sky is clear and blue.

ADDRESSING MIDDLE INCOME HOUSING CHALLENGES

NHP Foundation

Neal Drobeneck

- Senior Vice President

Town of Frisco

Leslie Edwards

- Finance Director

James Gorham

- Economic Development Manager

Town of Salida

Bill Almquist

- Community Development Director

Kristen Hodges

- Associate Planner

THE GAP WE'RE TRYING TO SOLVE

- Workforce incomes exceed LIHTC limits and fall short of market rents
- Essential employees increasingly commute long distances
- Enhances community economic resiliency



IMPACTS

Labor Shortages

Teachers

Public Safety – PD & Fire

Gov't Employees

Healthcare

Service Instability

Long Commutes

Community Erosion

Where are our locals?

GALENA APARTMENTS



54 Rental Units

Location: One block from
Frisco's Main Street

120% AMI Target
“Missing Middle”

Groundbreaking: July 2025
Completion: Late 2026

Developer: NHP Foundation
Partners: Middle Income Housing
Authority (MIHA) & Town of Frisco

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WHY TRADITIONAL TOOLS FELL SHORT

Traditional Developer Financing

Pro:
Limited municipal involvement

Con:
Sources < Uses
Taxable Financing
Lower Credit Rating
Higher Rates

Traditional Colorado Bond Counsel Tax Opinion

Pro:
Local experience
TABOR

Con:
Moral Obligation
Couldn't get comfortable with middle-income by developer

Local Frisco Community Housing and Development Authority (FCHDA) Ownership

Pro:
Control
Lower development costs

Con:
Delays (grant deadlines)
Staff expertise & resources
In the “housing business”

WHY THIS PROJECT IS DIFFERENT

First project to utilize Colorado
MIHA financing

- Special Limited Partner
- Conduit Bond Issuer
- Closed in 10 weeks!

Tax-Exempt
501c(3) Financing
for Middle Income Housing

- \$4M-\$7M more funds
- 22%-395 more proceeds

Viable path for Middle Income
Housing

100% LTV

1.15 DCR

10 Years, Interest only

4.5% rate

Construction to Perm

Recourse

MIHA SOLUTION



COLORADO

Middle Income
Housing Authority

For this project, MIHA issued approximately **\$18.6 million in tax-exempt 501(c)(3) bonds — and loaned those funds to The NHP Foundation. Because NHPF guaranteed repayment, the bonds received an **AA-rating**, which directly translated into a *lower borrowing cost* for the project. This was a key factor in keeping the overall development costs manageable in today's rising interest rate environment.

How MIHA Changed the Equation

MIHA provided:

- Clear statutory authority for middle-income housing
- Easier path to tax-exempt bond opinion

Bonds issued:

- ~\$18.6M tax-exempt 501(c)(3) bonds
- AA-rated due to developer guarantee

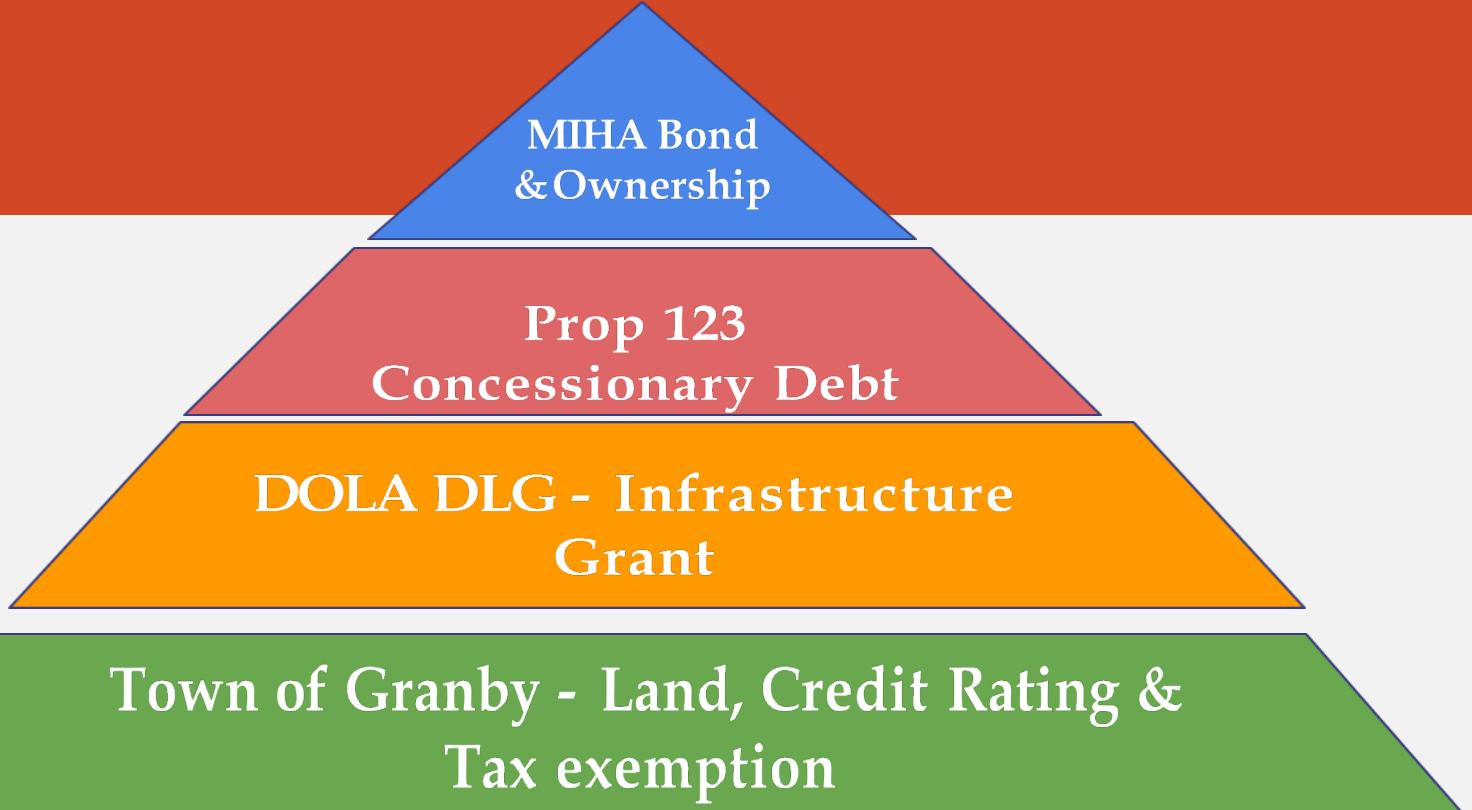
Outcome:

- Lower interest rate
- Reduced total project costs
- Rental rates 10% below market
- Property Tax exemption
- State Sales/Use Tax exemption

BOND DEAL #1

Nuche Village, Granby

- 75 units
- Colorado produced modular construction
- Revenue bonds issued via Middle Income Housing Authority (MIHA)
- Town moral obligation pledge
- Subordinate debt issued via CHFA Proposition 123 Discretionary Debt



Sources:

MIHA - 60%

Prop 123 - 28%

Town - 7%

(plus project mgmt & credit rating)

DLG - 4%

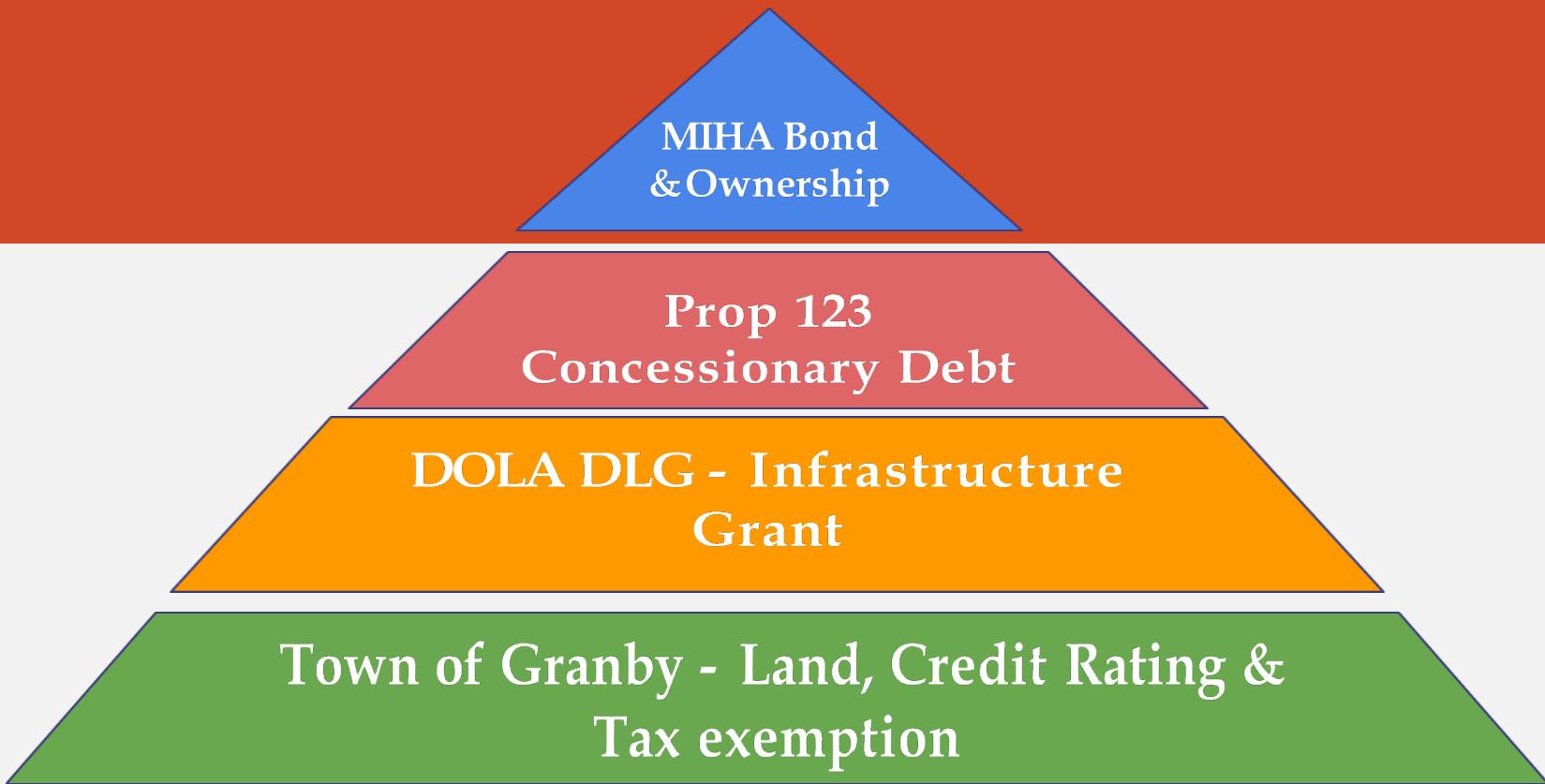
PHA - 3%

(for Predevelopment)

BOND DEAL #2

Galena Apartments, Frisco

- 54 units
- A *Zero Energy Ready Home* production



Sources:

MIHA - 60%
Town & County - 27%
DOLA - 13%

LET'S LOOK AT THE DETAILS

SOURCES			USES		
	Total	Per Unit		Total	Per Unit
501(c)3 Bonds	17,885,890	331,220	Acquisition Costs (land lease)	75	1
Reinvestment Income	503,187	9,318	Construction Costs	17,472,591	323,567
Town of Frisco Gap Loan	8,100,000	150,000	Soft Costs	1,797,960	33,296
Strong Communities Grant (DOLA)	2,000,000	37,037	Financing Costs	2,667,669	49,401
More Housing Now Grant (DOLA/Town)	501,197	9,281	Reserves	1,735,843	32,145
TOTAL	\$28,990,274	\$536,857	Developer Fee	2,814,940	52,129
			Infrastructure	2,501,197	46,318
			TOTAL	\$28,990,274	\$536,857

ADDITIONAL COST SAVINGS TOOLBOX

Layering Local & State Support

Sales & use tax exemptions:

- State exemption compliance
- Local Town of Frisco exemption mirroring the State
- Reduced construction costs

Conduit Financing

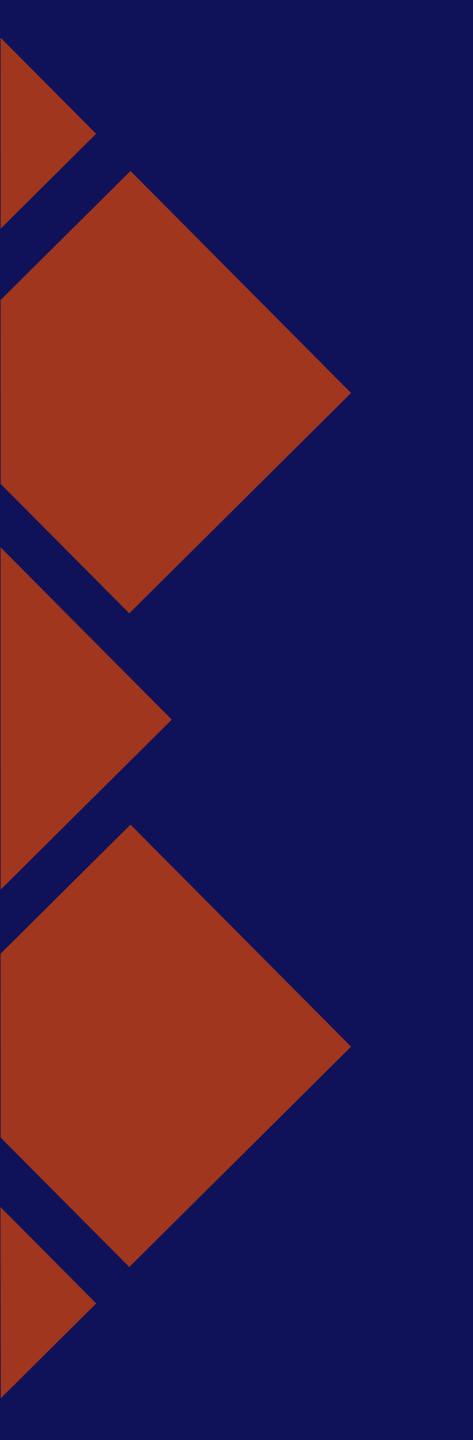
- Moral Obligation

Middle-Income Tax Credits

- Credits were newly created
- Timing did not align with project schedule
- Future projects may benefit significantly
- Early planning is key as new tools come online

Local policy can materially impact project cost and feasibility





LESSENING THE BURDEN OF GOVERNMENT

Taking specific action to define and alleviate a specific problem:

- Summit County Housing Needs Assessment Identifies <120% AMI
- State of Colorado created multiple programs: MIHA, MI tax credit, MI hsg equity fund
- Town of Frisco took multiple initiatives: Zoning reforms and economic incentives

Satisfy one of many allowable burdens:

- Workforce Housing
- Blight/slum elimination
- Environmental remediation
- Municipal employee housing

Taken economically valuable action:

- Town of Frisco leasing site to NHP Foundation
- Frisco density bonus allowing for increased density
- Frisco contributing \$8.1million in gap financing
- State grants contributing \$2million for infrastructure improvements
- Tax Abatement through MIHA as SLP

GRANTS REWARD READINESS

Layering Local & State Support

Stacking Funding Sources

Town of Frisco contribution:

- \$8.1M over 3 years (only current year appropriated)

Other grant funding secured:

- \$4M DOLA Strong Communities Grant
 - Shared with nearby LIHTC project
 - Includes adjacent park serving both developments
- ~\$500K DOLA EIAF “More Housing Now” Grant
 - Town-owned infrastructure

Policy Preparation Matters

Prior code amendments:

- Unlimited density for 100% affordable/workforce housing
- Reduced parking and setback minimums

Structural groundwork:

- Creation of FCHDA
- Sales tax exemption ordinance

Alignment with Governor’s housing priorities

Land Use Strategies attachment

LESSONS FOR OTHER COMMUNITIES

Land Use Policies:

Planned Unit Developments "PUDs"

Parking Minimums – Evaluating project specific trip impacts, creative parking solutions, rideshare, transit proximity

Density Waivers - "Bonus Density" & "Affordable Housing Development Incentive Program"

What's Replicable:

- Engage legislators early
- Understand statutory language and intent
- Talk with grant administrators often
- Be flexible with financing partners and bond counsel
- Align local code before funding is needed

LOOKING AHEAD

MIHA as a Scalable Model for:

- Middle-income housing
- Resort Communities statewide

Anticipated Improvements:

- Middle-income Housing Tax Credit utilization
- Streamlined financing pathways

Frisco Remains Committed to:

- Housing diversity
- Workforce stability
- Long-term community sustainability

How the City of Salida is Addressing Missing Middle Housing Challenges

01.29.26 CAST Meeting

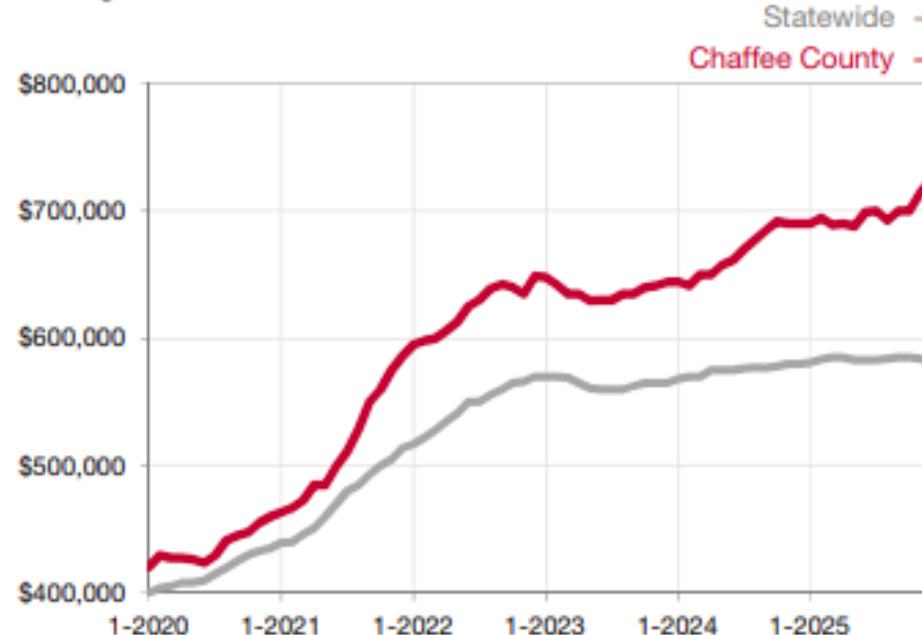




What's Our Problem?

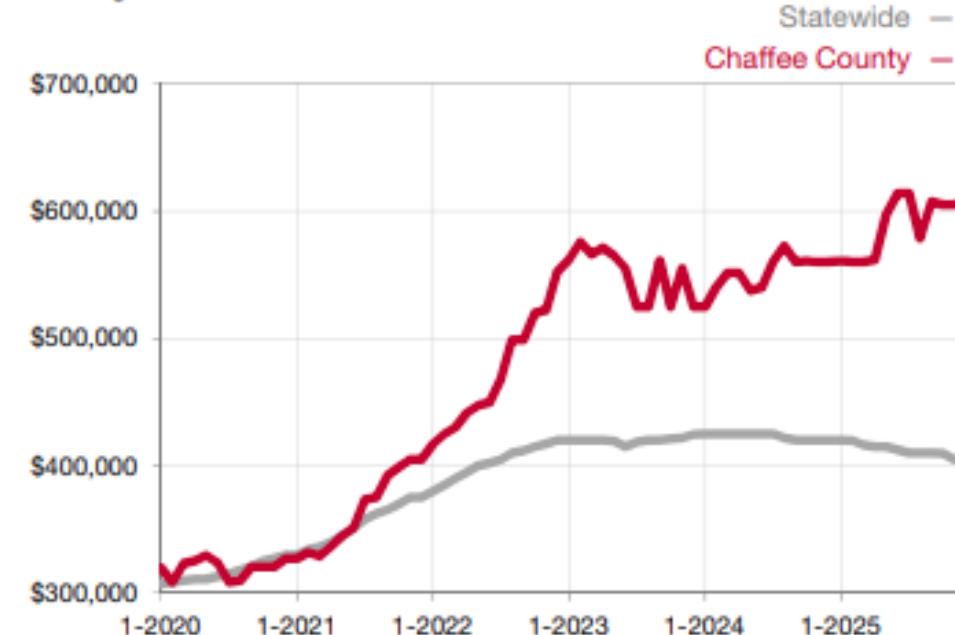
Median Sales Price – Single Family

Rolling 12-Month Calculation



Median Sales Price – Townhouse-Condo

Rolling 12-Month Calculation

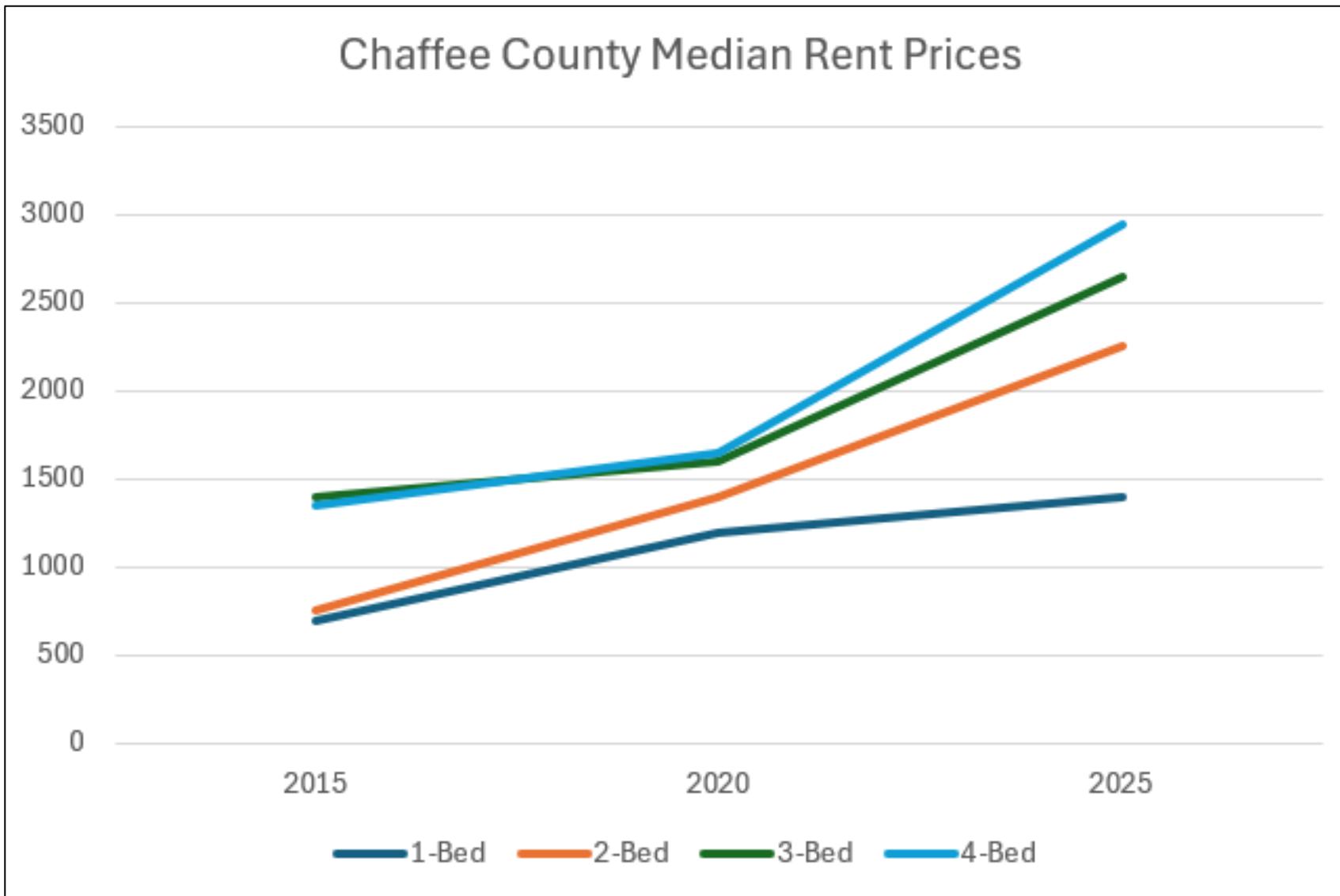


Current as of January 6, 2026. All data from the multiple listing services in the state of Colorado. Report © 2026 ShowingTime Plus, LLC.

- Sale prices doubled between 2015-2020 and nearly doubled again 2020-2025



What's Our Problem?





Context: Low-Income Housing Efforts

- Salida Ridge LIHTC
- Proposed Senior LIHTC Project
- Inclusionary Housing Policy (2018)
 - 1/6 units or lots must be restricted affordable
 - Rentals Units: 80% or 100% AMI
 - Ownership Units: 100%, 120% or 140% AMI
 - 19% Buffer Income Qualification
- Restricted Unit SDF's = 40% of SF
- Chaffee MJ Housing Authority (2020)
 - But no permanent funding
- Affordable Housing Fund (STR taxes)



Salida Senior | Overall Concept
December 2025



Missing Middle-Specific Efforts

New Land Use Code

South Ark
Neighborhood

First & D
Apartments Project



New Land Use Code:

- **R2 Medium-Density Residential**
 - Still allows SF, Townhomes, Cottage Housing*, Small Multi-family
- **R3 Higher-Density Residential**
 - Increased around town via comprehensive rezoning
 - Allows SF, Townhomes, Cottage Housing*, Mfg Homes*, all MF
 - Smaller lot sizes allowed—3000/2500 SF
 - Increased max density to 2000/1500 SF per unit (21 to 29 du/ac)
- **More permissive uses/fewer hearings**
 - New residential types (cottage housing, tiny homes, etc.)
 - More residential types allowed in Mixed-use zones
 - Higher unit count thresholds for PC review



New Land Use Code (cont.)

- **New *Minimum* Densities**
 - Applicable mostly to new subdivisions but also some infill
- **Enhanced ADU options**
 - 1 per lot allowed provided dimensional standards are met
 - Does not count towards density
 - Meets State standards for ADUG
- **System Development Fee reductions**
 - 50% of SF for multi-family, 40% of SF for ADUs



First & D Space-to-Create Apartments

- 19 rental units
- 80% - 120% AMI
- Workforce-oriented
- CRTC Grant (Rec'd 2025)
- MIHTC Grant
 - Per unit cost too high...
 - A “Math problem”
 - 2026?
- DOH Gap funding (2026?)
- Hope to break ground late 2026





South Ark Neighborhood

- DOLA/Partner Infrastructure Support
- Up to 400 Primary Units over 3 Phases
- $\geq 50\%$ of Units Restricted Affordable
 - Rentals: 30% - 100% AMI
 - Ownership units: 60% - 160% AMI
- Non-Income-Based Workforce Units





South Ark Neighborhood

River + Trails



Current Infrastructure Work



- Broke ground on Phase I infrastructure work in November 2025

PRESENTERS

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