

McKinney Housing Finance Corporation

Affordable Housing Development Public/Private Partnership

City Council Presentation

Housing & Community Development
Department

May 7, 2019

Request for Qualifications (RFQ)

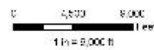
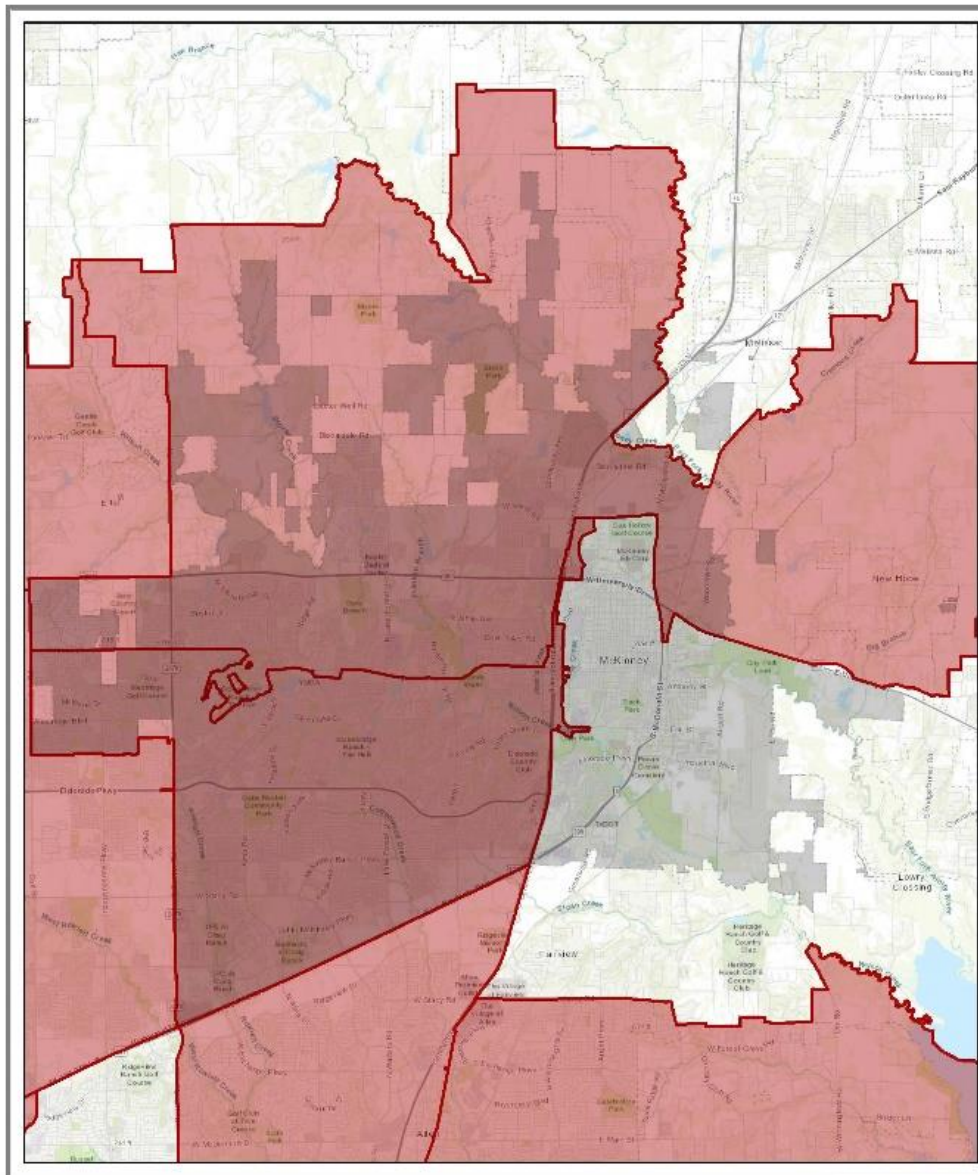
- October 2, 2018 – City Council Approved the issuance of the Request for Qualifications (RFQ) for an affordable housing development through a public/private partnership with the McKinney Housing Finance Corporation (MHFC) and a selected developer
- Five developers responded to the RFQ
- Based on the RFQ evaluation criteria, a subcommittee comprised of three members of the MHFC, City Staff and Councilmen Elliott and Shemwell, recommended the NRP Group
- January 15, 2019 – City Council was updated on the selected developer

The Target Area for the Development

- Outlined in the RFQ – All census tracts West of Hwy 75
- Staff direction to the developer narrowed potential sites to those that conform to the intent of the recently approved Comprehensive Plan
- Potential sites were further constrained as the Difficult Development Area (DDA) in McKinney was decreased in size after the issuance of the RFQ

What is a Difficult Development Area (DDA)

- Difficult Development Area (DDA) are areas, defined by U.S. Department of Housing & Urban Development (HUD), with high land, construction and utility costs relative to the area median income and are based on a number of other factors
- The current DDA is south of Virginia, west of 75, north of 121 and east of Custer
- The development is not required to be in the DDA but finding a suitable site within a DDA qualifies the project for an additional 30% tax boost in tax credits, thereby reducing funding gaps
- This is especially important in McKinney where land values are high
- The DDA is set by HUD and can vary from year to year; the city has no control over the DDAs



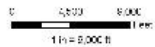
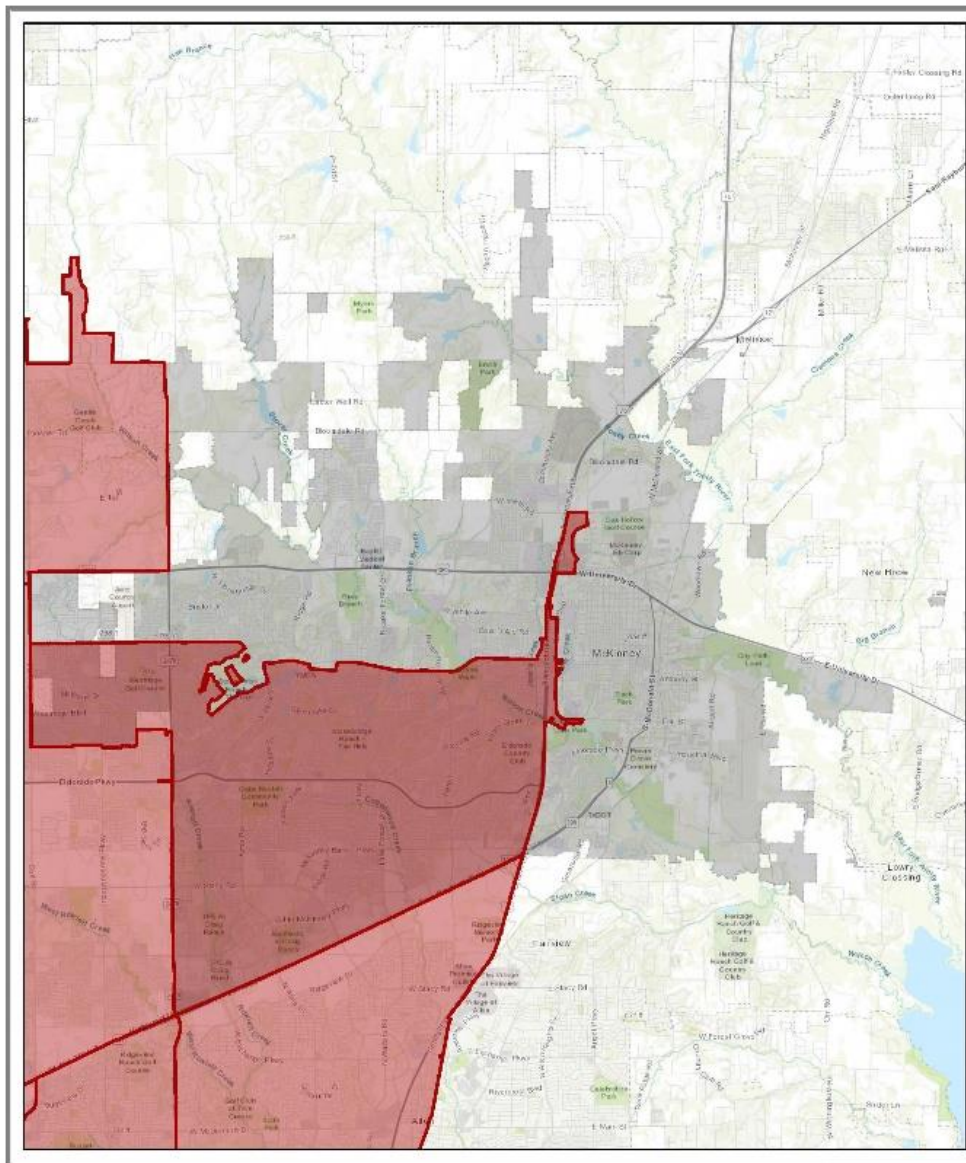
2018 Difficult Development Areas

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Document Title: 2018 Difficult Development Areas; Document Path: \\server\apps\GIS\2018\2018_DifficultDevelopment.mxd; Date: 10/26/2018 10:58:19 AM

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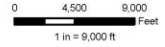
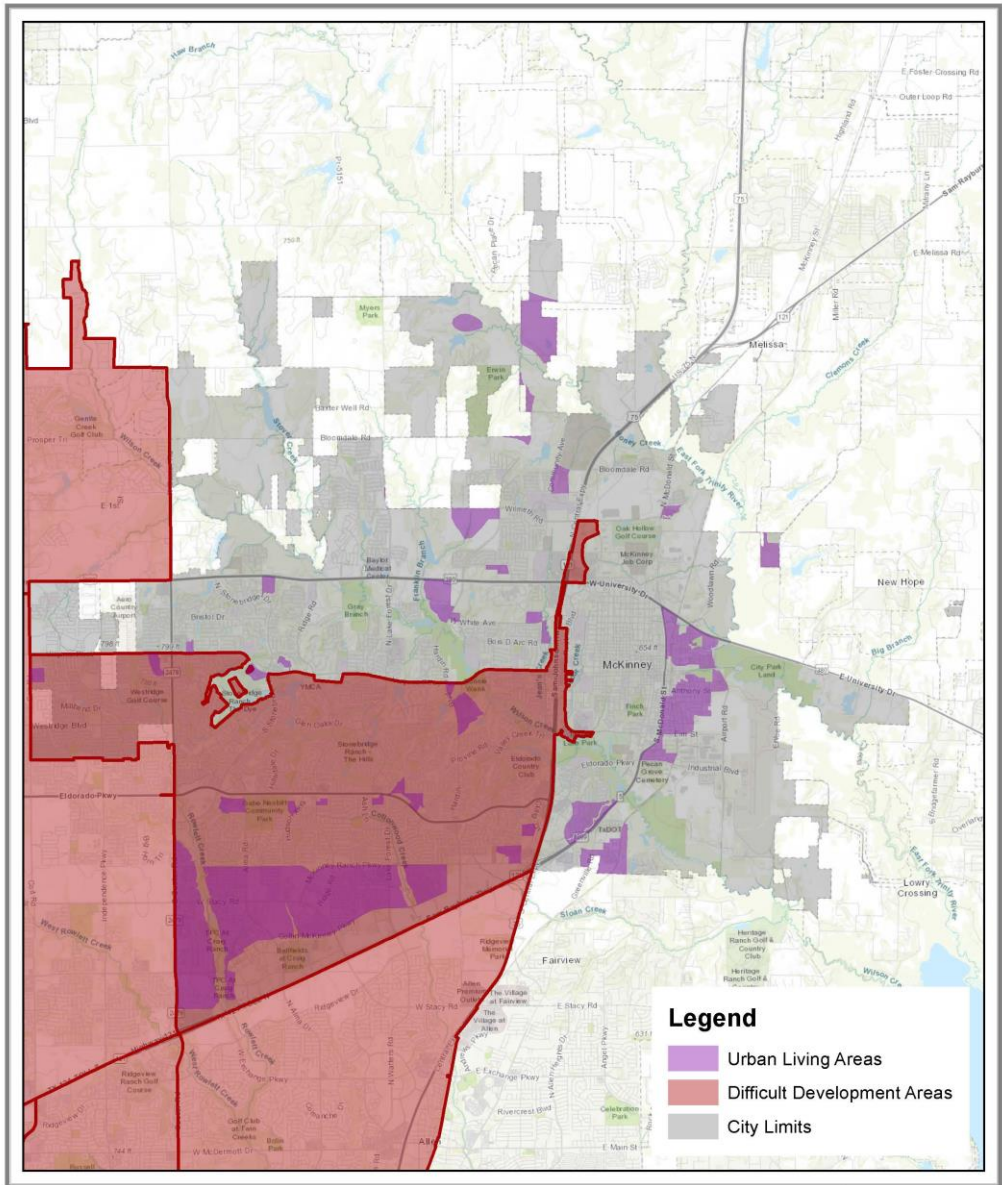
2019 Difficult Development Areas

City of McKinney GIS

Document ID: https://data.mckinneytx.gov/Maps/DevelopmentAreas/DevelopmentAreas/2019_DifficultDevelopmentAreas Date: 7/26/2019

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2019 Difficult Development Areas

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 Source: City of McKinney GIS Date: 5/2/2019

Legend

- Urban Living Areas
- Difficult Development Areas
- City Limits

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Where are we now?

- NRP Group has located two potential locations
- These sites are in the DDA and the target area west of Hwy 75 outlined in the RFQ
- Planning staff stated that they would support multifamily on these sites as being consistent with the Comprehensive Plan
- Based on MHFC consensus staff directed the NRP Group to move forward with contracts and site plans
- Other potential sites were not ruled out however are very hard to find within the given parameters
- The Development Agreement between the MHFC and NRP Group, setting forth the terms of the public/private partnership, is expected to be presented to City Council for final approval within the next two months

Future Housing Needs in McKinney

- Council directed staff to do a Housing Needs Analysis so that future housing decisions will be based on the current housing inventory (market rate AND affordable), as well as, projected housing and economic development needs of the City.
- The resulting study can be used by Council to guide policy decisions promoting a balanced economy for McKinney's future.
- “Attainable housing” is just a piece of the puzzle