

RESOLUTION NO. 2014-08-___ (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE MCKINNEY HOUSING AUTHORITY (“MHA”) UNDER TEXAS LOCAL GOVERNMENT CODE CHAPTER 393; PROVIDING FOR A LOW-INTEREST REVOLVING LOAN FOR THE NEWSOME HOMES PROJECT; PROVIDING FOR CERTAIN FEE WAIVERS FOR THE PROJECT; PROVIDING FOR A WAIVER OF THE PAYMENT-IN-LIEU FROM MHA; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, McKinney Housing Authority has requested financial assistance in the redevelopment and reconstruction of Newsome Homes project in the City of McKinney, Collin County, Texas; and

WHEREAS, the City of McKinney and MHA have an existing cooperation agreement under Chapter 393 of the Texas Local Government Code; and

WHEREAS, the City may make loans to MHA under the provisions of Chapter 393 of the Texas Local Government Code for the purposes of promoting housing in the city; and

WHEREAS, the City Council desires to assist MHA in its initiatives for housing in McKinney by creating a revolving loan fund for the Newsome Project and other projects as funds are repaid into the loan fund.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, THAT:

Section 1. The City Council of the City of McKinney, Texas authorizes the Interim City Manager to execute such documents and agreements, acceptable to him as satisfying the intent of this Resolution, for the referenced project with primary terms as described hereafter. A revolving loan fund shall be established to administer the funds advanced hereunder. The Loan shall be made pursuant to Chapter 393 of the Local Government Code allows the City to provide a low interest, revolving loan facility for a portion of the request. The loan will include the following terms:

- Principal Amount: \$1,156,052
- Interest Rate: 2.75%
- First Advance: \$116,000 park fees at issuance of building permit
- Second Advance: \$269,350 on January 1, 2015
- Third Advance: \$385,350 on January 1, 2016
- Fourth Advance: \$385,350 on January 1, 2017
- Repayment: \$25,000 annual payments beginning on January 1, 2020 through January 1, 2030; then increasing to \$50,000 from January 1, 2031 through January 1, 2035; then increasing to \$100,000 from January 1, 2036 to January 1, 2039, and with a final payment of the balance of principal and interest due on January 1, 2040.
- Payments will remain in the revolving fund for future MHA projects, as available, and upon qualifying and as approved by the City Council
- The loan will contain a savings provision whereby City and Developer will share equally in savings achieved below an agreed GMP.
- The MHA’s annual payment-in-lieu of taxes to the City will also be waived during the term of the loan.

Section 2. The following Sources and Uses of funds shall be adopted as shown in the table below under **Current Request only**:

Description	Original Request	Current Request	Proposed Funding
City Incentive or Grant	1,089,627	-	
Development & Impact Fees	700,000		
Impact Fees	-	450,000	Reimbursable through Empowerment Zone Process at project completion
Permit/Engineering/Inspect Fees	-	134,000	Fee Waivers
TIRZ 1 Funding	125,000	-	
Low Interest Loan		1,156,052	Chapter 393 agreement. Repayments of the loan will be reserved for future MHA housing projects.
Parkland/Median Fees			116,000
Infrastructure Improvements			300,000
Funding Gap Loan			740,052
Total Funding Request	1,914,627	1,740,052	

Section 3. This Resolution shall take effect immediately from and after the date of passage and is so resolved.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS ON THE 4th DAY OF AUGUST, 2014.

CITY OF MCKINNEY, TEXAS

 BRIAN LOUGHMILLER
 Mayor

ATTEST:

 SANDY HART, TRMC, MMC
 City Secretary
 DENISE VICE
 Assistant City Secretary

APPROVED AS TO FORM:

 MARK S. HOUSER
 City Attorney