

BACKGROUND INFORMATION:

- Sphinx Development Corporation is a Dallas based real estate development company committed to affordable housing, with specialization in LIHTC products under Section 42 of the Internal Revenue Code. Development experience goes back to the mid-1980s, with major and recent accomplishments of more than 1,409 housing units within ten (10) projects. SDC has collaborated/joint-ventured on more than 2,000 units in the State of Texas.
- The proposed mixed income development consists of 220 units, 216 of which will be affordable to families earning no more than 60% of the Area Median Income. There will be four (4) market rate live/work units that total 4,280 square feet and 13,604 square feet of commercial/retail space on the site.
- Development site is located at 820 E. University Drive, McKinney, TX 75069, on the southwest quadrant of Highway 380 and Throckmorton Street.
- The new facility will have a club house, fitness center, swimming pool, business center with computers and Internet access, community room with full kitchen, BBQ/picnic area, children's playground and library.
- On January 17, 2017, City Council approved a Resolution of Support for the 9% tax credit application to TDHCA. This application did not receive funding from TDHCA so Sphinx has now submitted a 4% non-competitive application to TDHCA.
- On December 5, 2017, City Council approved the zoning for the project.

FINANCIAL SUMMARY:

- The estimated total cost of the project is approximately \$44 million. Tax credits make up approximately \$23 million, \$3 million multifamily direct loan through TDHCA, with private equity and deferred developer fee providing the remaining \$18 million.
- The developer is not asking for any additional contribution or fee waivers from the City at this time.

BOARD OR COMMISSION RECOMMENDATION: N/A