



19-0395

TITLE: Update on Affordable Housing Development through a Public/Private Partnership with the McKinney Housing Finance Corporation and NRP Group

COUNCIL GOAL: Enhance the Quality of Life in McKinney

MEETING DATE: May 7, 2019

DEPARTMENT: Housing & Community Development

CONTACT: Janay Tieken, Housing & Community Development Manager
Cristel Todd, Affordable Housing Administrator

ITEM SUMMARY:

- The Target Area for the Development, outlined in the RFQ, was all census tracts west of Hwy 75
- Staff direction narrowed potential sites to those that conform to the recently approved Comprehensive Plan
- Potential sites were further constrained as the Difficult Development Area (DDA) in McKinney decreased in size after the issuance of the RFQ
- DDAs defined by 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 a DDA but finding a suitable site within a DDA qualifies the project for additional 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 DDAs
- Two potential locations for the development have been identified
- These sites are in the DDA and the target area outlined in the RFQ
- Based on MHFC consensus staff directed the developer to move forward with contracts and site plans. Other potential sites haven't been ruled out.
- 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

BACKGROUND INFORMATION:

- October 2, 2018 - City Council Approved the Issuance of a Request for Qualifications (RFQ) for an Affordable Housing Development through a Public/Private Partnership with the McKinney Housing Finance Corporation (MHFC) and selected developer
- January 15, 2019 - City Council was updated on the selected developer

FINANCIAL SUMMARY:

- N/A

BOARD OR COMMISSION RECOMMENDATION:

- N/A

SUPPORTING MATERIALS:

[Presentation](#)