



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 16-1199, **Version:** 1

Conduct a Public Hearing to Consider/Discuss/Act on a Resolution of the City Council of the City of McKinney, Texas, Regarding the Application of the "Throckmorton Villas" to the Texas Department of Housing and Community Affairs (TDHCA), for 9% Tax Credits for the Construction of Multi-Family Units Within the Development

COUNCIL GOAL: Direction for Strategic and Economic Growth

MEETING DATE: January 17, 2017

DEPARTMENT: Housing & Community Development Department

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

RECOMMENDED CITY COUNCIL ACTION:

- Approve one of the Resolutions

ITEM SUMMARY:

- SDC Throckmorton Villas, LP has applied to TDHCA for 9% tax credits for the construction of Throckmorton Villas
- SDC Throckmorton Villas, LP is requesting a **Resolution of Support** from the City Council in order to increase the chances of the development receiving funding from TDHCA
- The project was presented to the McKinney Housing Authority (MHA) on November 29, 2016, requesting MHA in a co-developer role (attached). The project has since been restructured as a 9% tax credit deal and the East Dallas Community Development Organization has been selected as a co-development partner

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 124 units, 70% (87 units) of which will be affordable and 30% (37) of which will be market-rate.
- Of this total, there will be four (4) market rate live/work units that total 4,900 square feet and 13,600 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 Hwy 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
- The Planning and Zoning Commission tabled the associated zoning request until after the January 17, 2017, City Council meeting. A "Hold Harmless Agreement" between the developer and City has been executed and is attached, in case the zoning request is denied.

FINANCIAL SUMMARY:

- The estimated total cost of the project is approximately \$22.3 million. Tax credits make up approximately \$13.5 million, a HOME grant through TDHCA makes up \$2 million of this amount, with private debt making up the remaining \$6.8 million
- The developer will be asking the City for a minimal contribution - approximately \$9 - to assist with scoring of the application
- The developer is not asking for any additional contribution or fee waivers from the City.

BOARD OR COMMISSION RECOMMENDATION: N/A