



CITY OF McKINNEY, TEXAS

Legislation Text

File #: 17-154, **Version:** 1

Consider/Discuss/Act on a Request for a Resolution of Support for 9% Tax Credits by Merritt McGowan Manor, L.P., to the Texas Department of Housing and Community Affairs (TDHCA) for the Redevelopment of the Existing Merritt Homes Multifamily, Rental Development Located at 1200 N. Tennessee

COUNCIL GOAL: Enhance the Quality of Life in McKinney

MEETING DATE: February 7, 2017

DEPARTMENT: Housing and Community Development

CONTACT: Janay Tieken
Housing and Community Development Manager

RECOMMENDED CITY COUNCIL ACTION:

- Approve one of the Resolutions

ITEM SUMMARY:

- Merritt Homes is a McKinney Housing Authority property that is over fifty years old.
- The new development, Merritt McGowan Manor, consists of 86 units that will be demolished and replaced with 136 new units.
- McKinney Housing Authority, through their development entity, McKinney Affordable Housing Development Corporation, will be partnering with Carleton Residential Properties on the new development. This is the same development team that reconstructed Newsome Homes.
- The developer is requesting a **Resolution of Support** from the City in order to increase the chances of the development receiving funding from the TDHCA.

BACKGROUND INFORMATION:

- On September 6, 2016 (AI 16-898), City Council directed City staff to create a Concerted Revitalization Plan to assist with the redevelopment of McKinney Housing Authority properties.
- The Concerted Revitalization Plan will allow Merritt Homes to apply for 9% tax credits, to the Texas Department of Housing and Community Affairs (TDHCA), thereby requiring less monetary assistance from the City.
- Designating "Merritt McGowan Manor as the 2017 9% tax credit development that contributes more than any other to the concerted revitalization efforts of the City of McKinney, Texas" allows the McKinney Housing Authority to get an additional two (2) points on their tax credit application.

FINANCIAL SUMMARY:

- The developer is requesting \$1,500 in Permit and Inspection Fee Waivers. A minimum financial participation is required of the City by the TDHCA, in order for the application to score the maximum number of points.
- The developer will also be requesting a \$90,000 reimbursement of City Parkland Fees and a \$340,000 reimbursement of Impact Fees. The developer is asking for the Resolution of Support regardless of whether or not the City waives the fees.

BOARD OR COMMISSION RECOMMENDATION:

- N/A