



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 18-286, **Version:** 1

Conduct a Public Hearing to Consider/Discuss/Act on a Resolution of the City Council of the City of McKinney, Texas, to Allow the Proposed Development, Sphinx at Throckmorton Villas, Located at 820 E. University Drive to Add Tax Credit Units in a Census Tract Containing Existing Tax Credit Units that Exceeds 20% of Total Households **REQUEST TO BE TABLED BY THE APPLICANT**

COUNCIL GOAL: Direction for Strategic and Economic Growth

MEETING DATE: April 3, 2018

DEPARTMENT: Housing & Community Development Department

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

RECOMMENDED CITY COUNCIL ACTION:

- Consider/Discuss/Act on Resolution

ITEM SUMMARY:

- SDC Throckmorton Villas, LP has applied to TDHCA for 4% tax credits for the construction of Throckmorton Villas.
- The proposed development, Sphinx at Throckmorton Villas, is located at 820 E. University Drive, in census tract 48085030900 which has more than 20% Housing Tax Credit (HTC) Units per Households. To continue its consideration of tax credits to the applicant, TDHCA requires that the Governing Body votes specifically to allow the proposed development to increase the amount of tax credit units in the affected census tract.
- Per TDHCA, HTC units make up 34.34% of all households in census tract 48085030900.
- In addition and as a condition of its consideration of tax credits to the applicant, TDHCA requires the Governing Body to affirm, via this Resolution, that the proposed development is consistent with the jurisdiction's obligation to affirmatively further fair housing.
- If approved, SDC Throckmorton Villas, LP will be requesting a Resolution of No Objection from the City Council in order for the project to receive funding at the April 26, 2018 Texas Department of Housing and Community Affairs (TDHCA) Board meeting.

BACKGROUND INFORMATION:

- 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.

- 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 October 17, 2017 (AI# 17-1030), City Council authorized the McKinney Housing Finance Corporation (MHFC) to negotiate an agreement with Sphinx to serve as a co-developer on the project. 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, and a \$3 million multifamily direct loan through TDHCA provide additional funding. Private equity and a deferred developer fee provide 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