



603 N. Tennessee St.
McKinney, TX 75069

Phone: 972-542-5641
Fax: 972-542-0908
McKinneyha.org

McKinney Housing Authority

July 23, 2024

Via E-Mail (citymgr@mckinneytexas.org)

Mr. Paul Grimes, City Manger
City of McKinney, Texas
222 N. Tennessee Street
McKinney, TX 75069

Re: Magnolia Ranch Apartments Letter of Support

Dear Mr. Grimes:

The Housing Authority of the City of McKinney, Texas, a public body corporate and politic ("**MHA**"), intends to partner with Bridge Partners II, LLC ("**Bridge Partners**"), a developer interested in acquiring an apartment complex known as Magnolia Ranch Apartments located at 3191 Medical Center Drive in McKinney, Texas ("**Magnolia Ranch**"). Specifically, MHA will acquire the Magnolia Ranch property from the existing owner and immediately ground lease the property to a Texas limited partnership in which both MHA and Bridge Partners will have an ownership stake. The financial closing for the Magnolia Ranch acquisition is scheduled to occur on August 22, 2024. In advance of closing, MHA is seeking a letter of support from your office for this transaction, which is described in more detail as follows.

At the time Magnolia Ranch is acquired, MHA and Bridge Partners will designate at least 50% of the 576 total existing market rate units as affordable apartment units set aside for residents with incomes at or below 60% of the Area Median Income ("**AMI**") as determined by the U.S. Department of Housing and Urban Development. 5% of these affordable units will be further set aside for residents with incomes at or below 30% of AMI. As a result of MHA's acquisition of the Magnolia Ranch property and the designation of the units at Magnolia Ranch as affordable, MHA expects that the Magnolia Ranch property will be considered exempt from ad valorem taxation by the Collin Central Appraisal District pursuant to Chapter 392 of the Texas Local Government Code.

MHA projects that converting 50% of the market rate units at Magnolia Ranch into affordable units will generate \$12,563,923 in rental savings to the McKinney community over a 10-year period. Furthermore, MHA anticipates that its involvement in Magnolia Ranch will generate revenue to MHA that can be used to finance future affordable housing developments in McKinney in furtherance of MHA's mission to provide safe, sanitary and affordable housing for its residents.

We understand that affordable housing preservation and development is top of mind for the City of McKinney and Collin County, as each of us does our part to address the nationwide affordability crisis—a crisis that has hit the City of McKinney especially hard. Magnolia Ranch presents the perfect opportunity to bring 290 newly affordable

McKinney Housing Authority Board of Commissioners

Naomi Hodges – Chairman
Logan Gill – Vice Chairman
Vince Vittatoo – Commissioner

Bob Fisher - Commissioner
Mikhail Tutson – Resident Commissioner
Melissa Wilmarth - Commissioner



603 N. Tennessee St.
McKinney, TX 75069

Phone: 972-542-5641
Fax: 972-542-0908
McKinneyha.org

McKinney Housing Authority

units to our community while strengthening MHA's financial capacity to generate more affordable options in the future.

To keep us on track for the closing next month, MHA respectfully requests that you furnish us with a letter of support for and or no objection of Magnolia Ranch on behalf of the City of McKinney within ten (10) business days of your receipt of this letter.

Please do not hesitate to contact me if you require anything further to consider this request.

Very truly yours,

A handwritten signature in black ink that reads "Roslyn Miller" in a cursive script.

Roslyn Miller
Executive Director

McKinney Housing Authority Board of Commissioners

Naomi Hodges – Chairman
Logan Gill – Vice Chairman
Vince Vittatoo – Commissioner

Bob Fisher - Commissioner
Mikhail Tutson – Resident Commissioner
Melissa Wilmarth - Commissioner