



## **Jefferson Terry**

*McKinney RFQ Submission*

October 10, 2024



\*Concept Image, Subject to Change

October 10, 2024

McKinney Housing Finance Corporation  
ATTN: Tracey Epps  
1550 South College Street – Building D  
McKinney, TX 75069

RE: Jefferson Terry– Workforce Housing Opportunity – Letter of Interest

To Whom It May Concern:

JPI, the project sponsor for Jefferson Terry, is excited to present a workforce housing opportunity to the McKinney Housing Finance Corporation (“McKinney HFC”). Jefferson Terry will be a two-phase development, however the included request is for a partnership in Phase one. Phase one will be comprised of approximately 393 multifamily units, with 40% of the units set to be restricted to 80% AMI income and 10% of the units set to be restricted to 60% AMI income and rent restrictions. Located near the intersection of 380 and Terry Lane, Jefferson Terry is close to many commercial businesses key to the City of McKinney. Jefferson Terry would be an asset to the community and local retailers, providing attainable housing for the workforce required to operate these businesses and local schools.

Project-specific details including the proposed development budget, unit mix, and site plan can be found below.

**Proposed Development Budget for Jefferson Terry:**

<b>DEVELOPMENT BUDGET</b>				
	<b>Total</b>	<b>\$ / Unit</b>	<b>\$ / NRSF</b>	<b>% of Total</b>
Construction	\$75,527,000	\$192,181	\$210.44	72.8%
Land including Purchase Price of \$14.08	10,651,000	27,102	29.68	10.3%
Predevelopment / Feasibility	445,000	1,132	1.24	0.4%
Title Insurance & Other	267,000	679	0.74	0.3%
Furniture, Fixtures & Equipment	760,000	1,934	2.12	0.7%
Marketing	315,000	802	0.88	0.3%
Financing & Legal	2,297,000	5,845	6.40	2.2%
Ad Valorem Taxes	158,000	402	0.44	0.2%
Architectural & Engineering	2,071,000	5,270	5.77	2.0%
Overhead & Administrative Fees	3,990,000	10,153	11.12	3.8%
Operating Deficit	1,114,000	2,835	3.10	1.1%
Construction Loan Interest Reserve	3,290,000	8,372	9.17	3.2%
Owner Contingency	2,809,000	7,148	7.83	2.7%
<b>PROJECT COST</b>	<b>\$103,694,000</b>	<b>\$263,852</b>	<b>\$288.92</b>	<b>100.0%</b>

The project is expected to cost approximately \$103.6 million dollars. Given the current volatility in the market, this project cost is an estimation and will be refined as the project nears closing.

**Unit Mix:**

Type	Size	Count	% of Mix
E1	656	31	7.89%
A1	720	95	24.17%
A3	782	117	29.77%
A7	793	30	7.63%
B1	1127	26	6.62%
B3	1189	20	5.09%
B4	1285	51	12.98%
C1	1577	23	5.85%
<b>Total</b>	<b>358,908</b>	<b>393</b>	<b>100.00%</b>

\*Subject to Change

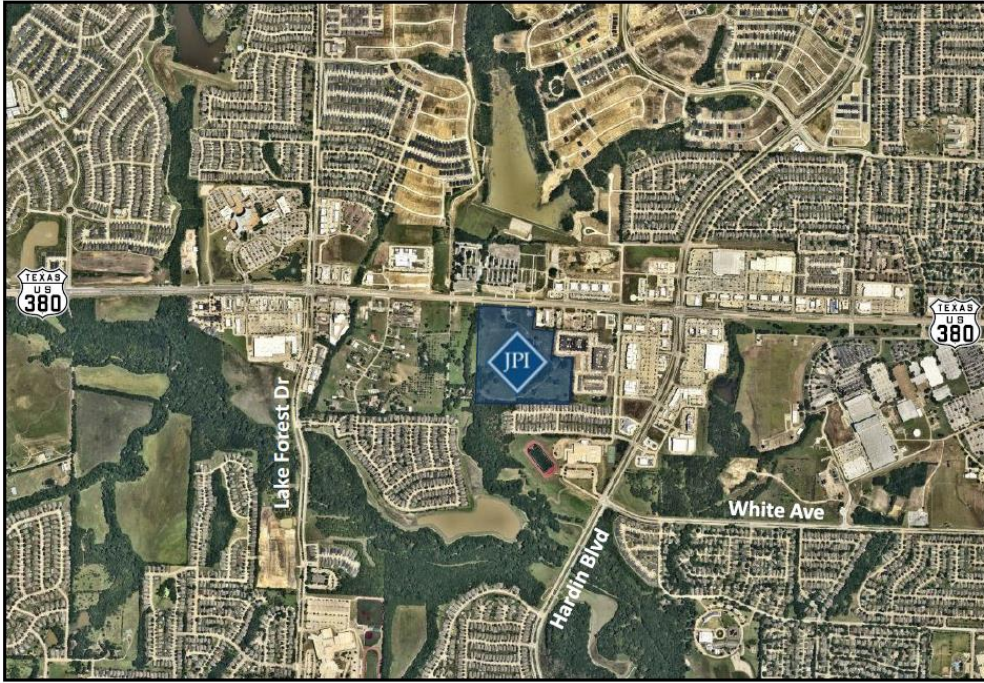
HFC AMI Analysis			
<b>Studio Floorplans</b>			
	<b>Avg. SF</b>	<b>Avg. Rent</b>	<b>% (\$) Discount</b>
JPI Market Rate Studio	656	\$1,587	
JPI 80% AMI Studio	656	\$1,503	5% (\$84)
JPI 60% AMI Studio	656	\$1,160	27% (\$427)
<b>1 Bedroom Floorplans</b>			
	<b>Avg. SF</b>	<b>Avg. Rent</b>	<b>% (\$) Discount</b>
JPI Market Rate 1-BR	759	\$1,679	
JPI 80% AMI 1-BR	759	\$1,610	4% (\$69)
JPI 60% AMI 1-BR	759	\$1,243	26% (\$436)
<b>2 Bedroom Floorplans</b>			
	<b>Avg. SF</b>	<b>Avg. Rent</b>	<b>% (\$) Discount</b>
JPI Market Rate 2-BR	1,223	\$2,457	
JPI 80% AMI 2-BR	1,223	\$1,931	21% (\$526)
JPI 60% AMI 2-BR	1,223	\$1,490	39% (\$967)
<b>3 Bedroom Floorplans</b>			
	<b>Avg. SF</b>	<b>Avg. Rent</b>	<b>% (\$) Discount</b>
JPI Market Rate 3-BR	1,577	\$3,003	
JPI 80% AMI 3-BR	1,577	\$2,231	26% (\$772)
JPI 60% AMI 3-BR	1,577	\$1,721	43% (\$1,282)

Jefferson Terry will be comprised of 4 main unit types; studio, 1-bedroom, 2-bedroom, and 3-bedroom walk-up units. These units are expected to range in average square footage from 656 net-rentable square feet (“NRSF”) to 1,577 NRSF for the walk-up units. Overall, the project will feature 195 market-rate units, 178 80% AMI units, and 20 60% AMI units. The 80% AMI and 60% AMI units will be both income and rent-restricted to their respective income bands based on the Dallas, TX HUD Metro FMR Area.





**Proposed Site Plan:**



\*Subject to Change

The project will consist of 4 buildings of multifamily walk-up units. All 4-story multifamily buildings will have conditioned and carpeted corridors as well as elevators. The community will offer extensive amenities including private courtyards, pool courtyard, indoor fitness center, and dog park among other desirable common area amenities. In-unit amenities include 10-foot ceilings, premium countertops and appliances such as pre-installed washers and dryers in all units, oversized kitchen islands, and a side-by-side fridge among other upgraded interior features. Select units will have private yards and studies. These high-quality amenities and finishes are top of market and will serve a workforce in the 60%-80% AMI category as well as market rate residents.

There is a growing housing crisis for workforce housing in North Texas. While Tax Credit housing does a great job of serving lower incomes from 30%-60% AMI, middle income earners are getting priced out of the housing market with little options. Jefferson Terry plans to serve those educators, public servants and professionals that earn 60% AMI and above. This development will not use Low Income Housing Tax Credits (LIHTC) as it serves McKinney residents who earn above the tax credit limits. Instead, we will utilize traditional equity and debt which will simplify the process as there are no Federal or State resources required which can take a lot of time and are very uncertain. The McKinney Chamber of Commerce and City of McKinney Housing Needs Assessment demonstrate an immediate need for attainable workforce housing within the city limits. McKinney Chamber of Commerce's Statement for Balanced Housing Plan identified several factors hindering the city's growth and business base:

- **Housing Affordability**
  - o Growing housing burden results in a workforce issue for many large and small businesses
- **Lack of Starter Homes**
  - o Declining elementary student populations that jeopardizes state funding
  - o Burden on teachers and public servants' income
  - o Issue for companies to recruit and retain a talented workforce

The City of McKinney's Housing Needs Assessment identified several demographic and economic statistics that demonstrate the need for quality, attainable workforce housing in order to bolster and support the growing community of McKinney:

- **McKinney's Demographic and Economic Profile**
  - o Current and projected housing need in 5 years, from the report date of Sept. 9, 2020, is highest for 50-80% AMI. (See Figure II-24 below from the Housing Needs Assessment)
  - o McKinney has added over 60,000 residents since 2010, an increase of 46%
  - o McKinney has grown at a faster pace than Collin County, Allen, and Plano
  - o McKinney's typical household spends:
    - 22% of monthly income on transportation costs
    - 33% of monthly income on housing
  - o 46% of all McKinney renters, more than 9,200 renter households, are cost-burdened, spending 30% or more of their income on housing costs
    - Of these, almost 50% (nearly 4,400 households) are severely cost-burdened, paying more than 50% of their income on housing costs

	Total Households	Current Housing Need		Projected Housing Need in 5 Years	Housing needs description
		Number	Percent	Number	
Extremely low income families	3,565	3,265	92%	4,102	<30% AMI households with a housing problem
Low income families	3,950	3,344	85%	4,201	30-50% AMI households with a housing problem
<b>Moderate income families</b>	<b>6,815</b>	<b>4,370</b>	<b>64%</b>	<b>5,490</b>	<b>50-80% AMI households with a housing problem</b>
Middle income families	5,355	2,390	45%	3,002	80-100% AMI households with a housing problem

Thank you,

Bryan Grant  
 Vice President, Area Development Partner  
[Bryan.Grant@jpi.com](mailto:Bryan.Grant@jpi.com)

## **STATEMENT OF QUALIFICATIONS**

A Letter of Interest is included as **Exhibit A** to this submission.

## **DEVELOPMENT TEAM**

1. **JPI Real Estate Acquisition II, LLC**, a Texas limited liability company (or *its designated affiliated entity*)  
9001 Cypress Waters Blvd, Suite 2A  
Dallas, TX 75019  
972-556-1700  
[www.jpi.com](http://www.jpi.com)
2. **SFA JPI Services Holdings, LLC**, a Delaware limited liability company (owns 100% of Developer)
3. **SFA JPI GuarantorCo, LLC**, a Delaware limited liability company (owns 100% of SFA JPI Services Holdings, LLC)  
**SFA JPI Holdings, LLC**, a Delaware limited liability company (owns 100% of SFA JPI GuarantorCo, LLC)  
**SFA JPI Top Holdings, LLC**, a Texas limited liability company (owns 100% of SFA JPI Holdings, LLC)  
**Sumitomo forestry America, Inc.**, a Washington corporation (owns 90% of SFA JPI Top Holdings, LLC)  
**Payton Mayes** (owns approximately 5% of SFA JPI Top Holdings, LLC)  
**Mollie Fadule** (owns approximately 5% of SFA JPI Top Holdings, LLC)

**Sumitomo Forestry America, Inc.:** Sumitomo Forestry America, Inc. is a wholly owned subsidiary of Sumitomo Forestry Co, Ltd, a company publicly traded on the Tokyo stock exchange. The Sumitomo Group was founded in the early 17<sup>th</sup> century and has grown into one of the largest conglomerates worldwide over the past 400+ years. As majority owners in over 25 American corporations, Sumitomo is well positioned and experienced in both the international and domestic commercial development space. The JPI / Sumitomo partnership ensures that JPI is able to meet all capital requirements during times of economic instability and in a rising cost environment.

**Bio/History of JPI/Developer affiliated entities:** Since 1989, JPI has developed approximately 380 communities totaling approximately 114,000 units valued at \$18 billion, capitalized with more than 31 different lead and syndicated banks and 30 different institutional mezzanine and equity investors. JPI seeks to add value to properties it develops by focusing on innovative solutions that fit the project and the marketplace. The JPI management team has forged relationships that allow it to see certain opportunities before deals reach the open market and have actively developed an expanding network of capital sources.

Our communities feature best-in-class services and amenities that are thoughtfully designed, intentionally built, and responsive to the needs of residents and



surrounding neighborhoods. This dedication has resulted in awards such as RealPage's most active developer in DFW from 2017-2023, NMHC's 2023 #1 fastest growing builder and #2 fastest growing developer in the US, and Dallas Business Journal's top 100 places to work in 2023. JPI holds the distinction of being the largest and most active multifamily developer in the DFW Metroplex; with total units under construction more than doubling the next largest developer.

4. A team approach will be taken when discussing matters with the McKinney HFC. Bryan Grant, JPI's Vice President, Area Development Partner, will help direct the public-private partnership with the McKinney HFC. Once the project closes into construction, Matthew Crow will serve as the JPI development manager and will be responsible for overseeing the development activity.
5. JPI is a fully integrated organization with Development, Design, Construction, and Asset Management services held in-house to maximize efficiencies. Property management is contracted with a third-party vendor with whom JPI has prior experience.
6. Neither the Development Entity, SFA JPI Services Holdings, LLC, SFA JPI GuarantorCo, LLC, SFA JPI Holdings, LLC, SFA JPI Top Holdings, LLC, Mollie Fadule nor Payton Mayes has had any litigation within the last five (5) years where it was a plaintiff or defendant. Neither Developer Entity nor any of its affiliates have ever been terminated prior to completing a project.
7. Below, the bios for the JPI development team are provided. In addition to the below, JPI's development team organization chart and 3<sup>rd</sup> party team members' resumes can be found in **Exhibit C** and **Exhibit D** respectively. Additionally, a draft of the anticipated initial structure chart for the project ownership can be found attached as **Exhibit B**.

**Chief Executive Officer** – Payton Mayes

Payton Mayes is the Chief Executive Officer of JPI and is a member of the board. He is a distinguished leader in the real estate industry, renowned for his expertise in real estate investment, finance, and executive leadership. With a rich background spanning 25 years, Payton has successfully managed complex portfolios and led strategic initiatives that have significantly impacted the sector. In his role at JPI, Payton is dedicated to transforming building, enhancing communities and improving lives.

Before joining JPI, Payton was the Chief Investment Officer at DHIC Communities, a D.R. Horton company, where he expanded the firm's expertise in joint venture capital structures and multifamily development. He also founded Cephas Partners and co-invested with Blackstone to acquire a Bank of America Merrill Lynch portfolio valued at \$4 billion. Earlier in his career, Payton managed real estate private equity investments at Merrill Lynch in New York, overseeing a \$600 million entry into the South American market and serving on the boards of various development companies. Additionally, he had oversight responsibilities for assets in the U.S. and Europe.

### **Chief Financial Officer - Mollie Fadule**

Mollie Fadule is a senior leader in the commercial real estate industry, recognized for her expertise in real estate private equity and technology. With a profound understanding of working with institutional investors across diverse property types, Mollie has managed portfolios representing over \$10 billion. Currently, she serves as the Chief Financial and Investment Officer at JPI, a premier developer, builder, and investment manager with a track record of developing and building over 120,000 units across the United States. At JPI, Mollie plays a crucial role in overseeing investments, capital markets, finance, accounting, treasury, legal, risk, and technology. Her innovative approach and extensive background have significantly contributed to JPI's success and its recognition as one of the fastest-growing developers in the U.S.

Prior to her role at JPI, Mollie served as Founder and Partner of Cephos Partners, a private equity firm specializing in alternative investments with a focus on real estate. At Cephos Partners, she worked exclusively with The Blackstone Group, where she managed complex real estate transactions across three continents and served on the investment committee. She also served as Vice President at Bank of America Merrill Lynch in the Real Estate Principal Investments group in New York. Mollie holds board positions at Landsea Homes (NASDAQ: LSEA), Urban Housing Ventures, and Pallet Shelter. She is an advisor to multiple companies in the real estate and construction technology space and an advisory board member for the Runstad Department of Real Estate at the University of Washington. Her contributions to the industry have been recognized with several prestigious awards, including Seattle's 40 Under 40, The Dallas 500, CRE Woman of Influence, and NAIOP's National Developing Leader Award. Mollie is a Harvard University alumna with an Honors Degree in History and Science (biochemistry) and was an NCAA Division I All-American rower.

### **Director, Affordable Capital Markets – Ryan Chiriboga**

The son of a City Finance Director, Ryan has always had a passion for the municipal bond market. This led him to learn the market as a local government financial advisor and bond underwriter across the states of California, Arizona, and Texas.

As Director of Affordable Capital Markets, Ryan manages JPI's connection to the municipal bond market and capital-raising opportunities that benefit local governments, residents, and the company's mission. Partnering with local governments creates new relationships and significant growth opportunities for JPI.

Prior to joining JPI, Ryan worked for a private equity firm that originated and purchased bond-funded assets.

Ryan attended Pennsylvania State University, majoring in economics, and then pursued a master's in economics at San Diego State University.

### **Senior Vice President** – Miller Sylvan

Miller is one of the longest-tenured employees of JPI, having worked his way up from the ground level in development to his current leadership role. His love for problem-solving helps him find creative ways to partner with landowners and cities to find solutions to move developments forward.

As Senior Vice President of Development, Miller is responsible for all aspects of new project development in the Central Region. This includes overseeing site selection, entitlement, pre-development, and design management.

Miller is highly regarded as an approachable and collaborative leader. He finds joy and fulfillment in identifying and growing future leaders on his team and is always willing to share his knowledge and perspective with others.

Miller received his Bachelor of Business Administration from the University of Tennessee.

### **Senior Vice President** – Blake Taylor

Blake's favorite part of the job is driving around DFW and being able to see the hand he's had in transforming communities for the better. Having been an associate with JPI since 2014, Blake worked his way up from an entry-level position to earn a senior leadership role through his proven ability to deliver on his word and build strong teams.

As Senior Vice President and Regional Development Partner, Blake is responsible for the execution of multifamily development in the Central Region portfolio. This includes overseeing development, capitalization, operations, & disposition of all multifamily developments in the Central Region. He is responsible for managing an expansive pipeline and portfolio of communities, including new growth opportunities in the DFW area.

During his tenure, Blake has quickly grown into an expert in his field. He brings an intimate knowledge of the full lifecycle of the deal and remains hungry to grow in his industry knowledge.

Blake received a Bachelor of Business Administration in Finance from Texas A&M University.

### **Vice President** – Bryan Grant

Bryan began his career with JPI in May 2014. Through his hard work, dedication, and positive attitude, he has demonstrated his ability to deliver on complex projects and build high-performing teams, advancing from intern to his current role.

As Vice President and Area Development Partner, Bryan leads and oversees JPI's development activities in the DFW markets, including site selection, due diligence, entitlements, and design. He thrives on identifying and addressing the unique challenges that each project presents.

In addition to his leadership responsibilities, Bryan is committed to mentoring and developing future leaders within JPI's Central Region development team.

Bryan holds a Bachelor of Business Administration in Finance from Texas A&M University. He is also a member of The Real Estate Council and actively participates in his local church community.

**Development Manager** – Matthew Crow

Matthew Crow is a Development Manager at JPI, where he is primarily responsible for overseeing and coordinating all aspects of development projects. His duties include maintaining the accuracy of project financial proformas to ensure the best risk-adjusted returns. He coordinates across various disciplines, including design, preconstruction, construction, asset management, and risk management, and serves as the key decision-maker throughout the entitlement process, covering design, permitting, and capitalization to ensure timely project closings.

In addition to overseeing the closing process for loan and partner documents, Matthew acts as the owner's representative during construction, ensuring that projects are delivered on time and within budget.

Matthew holds a Bachelor of Business Administration in Accounting from the University of Miami.

8. See **Exhibit E** for the Certification Regarding Disbarment, Suspension, and Other Responsibility Matters and Certification Regarding Lobbying.



## DEVELOPMENT EXPERIENCE

JPI currently has over 9,000 homes in differing stages of development across the metroplex valued at over \$2.7 billion and has delivered 376 communities valued at over \$17.5 billion over the past 30+ years.

JPI currently has seven attainable deals under construction valued at \$568.1M. Below is a list of five deals in various stages of development:

	<b>Project 1</b>	<b>Project 2</b>	<b>Project 3</b>	<b>Project 4</b>	<b>Project 5</b>
Project Name	Parmore Fossil Creek	Jefferson Primrose	Jefferson Arbor	Jefferson Verdant	Jefferson Grove
Location	Haltom City, TX	Fort Worth, TX	Anna, TX	McKinney, TX	Frisco, TX
Number of Units	220	404	325	383	424
Total Development Cost	\$48,189,000	\$68,658,000	\$86,226,000	\$103,745,000	\$76,254,000
Type and Size of Units	1-bed: 117 units, 700 Avg. SF 2-bed: 103 units, 915 Avg. SF	1-bed: 211 units, 736 Avg. SF 2-bed: 78 units, 1,130 Avg. SF 3-bed: 6 units, 1,570 Avg. SF	1-bed: 151 units, 754 Avg. SF 2-bed: 143 units, 1,149 Avg. SF 3-bed: 31 units, 1,405 Avg. SF	1-bed: 252 units, 776 Avg. SF 2-bed: 95 units, 1,436 Avg. SF 3-bed: 36 units, 1,621 Avg. SF	1-bed: 258 units, 787 Avg. SF 2-bed: 145 units, 1,166 Avg. SF 3-bed: 21 units, 1,460 Avg. SF
Date Selected as Developer	N/A	N/A	N/A	N/A	N/A
Original Projected Completion Date	Jun-23	Apr-25	Dec-24	March-25	Dec-22
Current Status	Leased Up	Under Construction	Under Construction	Leasing	Sold
Financing Sources and Amounts	Bank Debt: \$24,638,000 Federal LIHTC: \$19,032,000 Lease-up Income: \$743,000 Deferred Developer Fee: \$3,775,000	Construction Loan: \$41,194,000 LP Equity: \$17,837,000 GP (JPI & Waymaker) Equity: \$9,626,000	Construction Loan: \$51,667,000 LP Equity: \$23,039,000 GP (JPI & Sumitomo) Equity: \$11,519,000	Construction Loan: \$67,434,000 LP Equity: \$34,754,000 GP (JPI) Equity: \$1,556,000	Construction Loan: \$53,378,000 LP Equity: \$20,588,000 GP (JPI) Equity: \$2,288,000
Project Reference	N/A	N/A	N/A	N/A	N/A
TDHCA Project Year and Number	21462	N/A	N/A	N/A	N/A

**PROJECT-SPECIFIC EXPERIENCE:**

	Project 1	Project 2	Project 3	Project 4	Project 5
<b>REAL ESTATE</b>	Parmore Fossil Creek	Jefferson Primrose	Jefferson Arbor	Jefferson Verdant	Jefferson Grove
Development Feasibility Studies	X	X	X	X	X
Sale of Real Estate	X - Land Acquisition	X - Land Acquisition	X - Land Acquisition	X - Land Acquisition	X - Land Acquisition
<b>Real Estate Redevelopment</b>					
Zoning Approval	X	X	X	X	X
Subdivision Approval	X	X	X	X	X
Site Preparation Work	X	X	X	X	X
Environmental Work	X	X	X	X	X
Dedicated Infrastructure	X	X	X	X	X
Master Planning	X	X	X	X	X
<b>FINANCING</b>					
Financial Feasibility Studies	X	X	X	X	X
LIHTC	X				
HOPE VI					
HOME					
CDBG					
Historic Tax Credits					
Fannie Mae	X				
Federal Home Bank Loan					
Affordable Housing Program	Tax Credit	Fort Worth Housing Solutions	Anna PFC	McKinney PFC	
Bank Financing	X	X	X	X	X
Bond Financing	X				
Bond Underwriting	X				
Tax Credit Syndicator	X				
Personal Guarantees					
Corporate Guarantees	X	X	X	X	X
<b>CONSTRUCTION</b>					
General Contractor	X	X	X	X	X
Construction Manager	X	X	X	X	X
Infrastructure Construction	X	X	X	X	X
Design Services	X	X	X	X	X
<b>PROPERTY MANAGEMENT</b>					
Marketing Plans/Lease-Up	X	X	X	X	X
Property Manager	X	X	X	X	X
Site Maintenance	X	X	X	X	X
Site Security	X	X	X	X	X
Public Housing Units					
<b>SECTION 3/MBE/WBE</b>					
Dollars Paid as % of Total Development Cost*	3.93%				
Section 3/MBE/WBE Persons Employed*	X				
<b>MISCELLANEOUS</b>					
Regulatory Compliance					
Supportive Services	X	X	X	X	
Other	Apartment Life	Apartment Life	Apartment Life	Apartment Life	Apartment Life

\*Of Construction Costs / Subcontractors

\*\*Project is still being bought out

## **FINANCING EXPERIENCE**

JPI has a 30+ year history of developing housing in the Dallas – Fort Worth Metroplex. With this history, JPI has built several strong relationships with financing partners and an extensive history of structuring the financing of deals. JPI has entered into numerous public/private partnerships across the DFW metroplex with cities such as Anna, Fort Worth, and McKinney. Our team is knowledgeable, intentional, and local. We show the same level of dedication to our trade partners and residents as we do our associates and investors.

The JPI / Sumitomo partnership is a unique strategic advantage that facilitates strong balance sheet support and creative capital structures due to deep industry relationships across the Sumitomo conglomerate. These relationships allow JPI to provide attainable housing at discounted rates without sacrificing quality or resident experience.

On JPI's current LIHTC projects, construction loans are being utilized with forward commitments received from Fannie for the permanent mortgages. Equity partners for the projects insert their funds at outlined milestones periodically throughout the project.

On JPI's market rate assets, a conventional financing structure (65% debt, 40% equity) is most common. Even though this structure is most common, JPI shall underwrite the Project to come up with the optimal structure that meets the timing and cost objectives of the Partnership.

## **FINANCING STRATEGY**

JPI plans to employ a conventional financing structure to complete the development effort. We plan to obtain a construction loan at 57.5% Loan-to-Cost (LTC), which is consistent with the terms JPI receives for deals with similar profiles. We will raise Common Equity from 57.5%-99% of the development costs, with the remaining 1% coming from JPI. All sources of project financing are private investment funds with all capital committed at venture closing. The typical timeline for negotiating loan and venture documents range from 90 to 120 days. The MHFC will contribute \$100 in equity (or similar-sized nominal economic interest) as a partner in the project. Please see the table below for a more detailed breakdown of financing. We will conventionally finance. NO financing incentives from the city of the HFC outside of the benefits from the partnership structure.

General Partner Equity (MHFC)	\$100
Special LP Equity (JPI)	1% of Total Project Cost
Investor Limited Partner Common Equity	42.5% of Total Project Cost
Construction Loan (0-57.5% of Total Project Cost)	57.5% of Total Project Cost

## **FINANCING STRUCTURE AND SHARING OF DEVELOPMENT AND OTHER FEES**

The Project will be structured as a partnership between MHFC and JPI. The MHFC will provide \$100 to the Partnership to allow for the Project to realize sales tax savings. As a participant in the Project as a non-profit GC, MHFC will receive a share of sales tax savings in the amount of \$500,000. MHFC will also receive a share of the Developer fee in the amount of \$500,000, for a total of \$1,000,000 paid out of Project costs at construction closing. Instead of paying property taxes, the Property will pay an annual PILOT (Payment in Lieu of Taxes) Payment to the City of \$90,000 per year, starting at community stabilization (94% occupancy), and growing 3% annually. MHFC will also receive \$10,000 per year as a Partnership Management Fee, which will also grow at 3% annually. Please see the table below for a more detailed breakdown of the financing structure and the MHFC distributions.

MHFC GC Fee	\$500,000
MHFC Dev Fee	\$500,000
Annual Pilot Payment	\$90,000/year - growing at 3% annually
MHFC Partnership Management Fee	\$10,000/year - growing at 3% annually

## **FINANCIAL RESPONSIBILITY**

Financial Statements are available pending execution of a non-disclosure agreement (NDA).

## **REFERENCES**

### Housing Finance Corporation:

- Ramon Guajardo Sr., Chairman of the Board, Ramel Company LLC, Fort Worth, Texas  
[ramon@guajardoconsulting.com](mailto:ramon@guajardoconsulting.com), 817-994-3932
  - Financial Consultant for Denton Housing Authority and Fort Worth Housing Solutions
- Peter D. Urrutia, Executive Director, Rowlett Housing Finance Corporation,  
[purrutia@rowletthfc.org](mailto:purrutia@rowletthfc.org), 469-431-0108
- Bernie Parker, Director of Economic Development, City of Anna, [BParker@annatexas.gov](mailto:BParker@annatexas.gov),  
214-831-5394

### Community Partner:

- David Craig, Chairman/CEO, Craig International, [dcraig@craigintl.com](mailto:dcraig@craigintl.com), 972-529-1371

### Tax Credit Investor:



## **EXHIBIT A – LETTER OF INTEREST**

October 10, 2024

McKinney Housing Finance Corporation  
ATTN: Tracey Epps  
1550 South College Street – Building D  
McKinney, TX 75069

RE: Jefferson Terry – Workforce Housing Opportunity – Statement of Qualifications

To Whom It May Concern:

JPI, the proposed co-developer for Jefferson Terry is responding to the open Request for Qualification issued by the McKinney Housing Finance Corporation (“MHFC”) with a workforce housing opportunity near the intersection of HWY 380 and Terry Lane. There is a growing housing crisis for workforce housing in North Texas. While Tax Credit housing does a great job of serving lower incomes from 30%-60% AMI, middle income earners are getting priced out of the housing market with little options. Jefferson Terry plans to serve those educators, public servants and professionals that earn 60%-80% AMI.

Data shows that within a fifteen-mile radius of McKinney center, more than eighty-four thousand renter households qualify for 60%-80% AMI restricted rental units. Over the next five years that number is expected to increase by more than 600 annually. Many of these individuals travel from their homes located outside of McKinney for employment. Jefferson Terry will provide the opportunity for workforce housing to those that are otherwise unable to reside in the city that they serve. Located between major employers such as Raytheon and Baylor Scott & White Medical Center, Jefferson Terry is well situated to provide best in class housing for local businesses and its workforce.

JPI, as the developer:

- Understands the co-developer role outlined in section III and fully intends to fulfill the stated responsibilities
- Believes itself is the best qualified to perform the engagement given the company’s successful 30 plus year history of development and its 10% market share of the multifamily development in the DFW metroplex
- Certifies the commitment to obtain Certificate of occupancy within twenty-four months of groundbreaking.
- Certifies the ability to timely obtain the required insurance
- Certifies best efforts will be used to ensure that small and minority-owned businesses, women's business enterprises, labor surplus area businesses, and individuals or firms located in or owned in substantial part by persons residing in the area of the mixed-finance development are used when possible
- States that this response is firm and irrevocable for 60 days.

If you have any further questions regarding this Letter of Interest, please reach out to Bryan Grant via email ([Bryan.Grant@jpi.com](mailto:Bryan.Grant@jpi.com)).

Thank you,

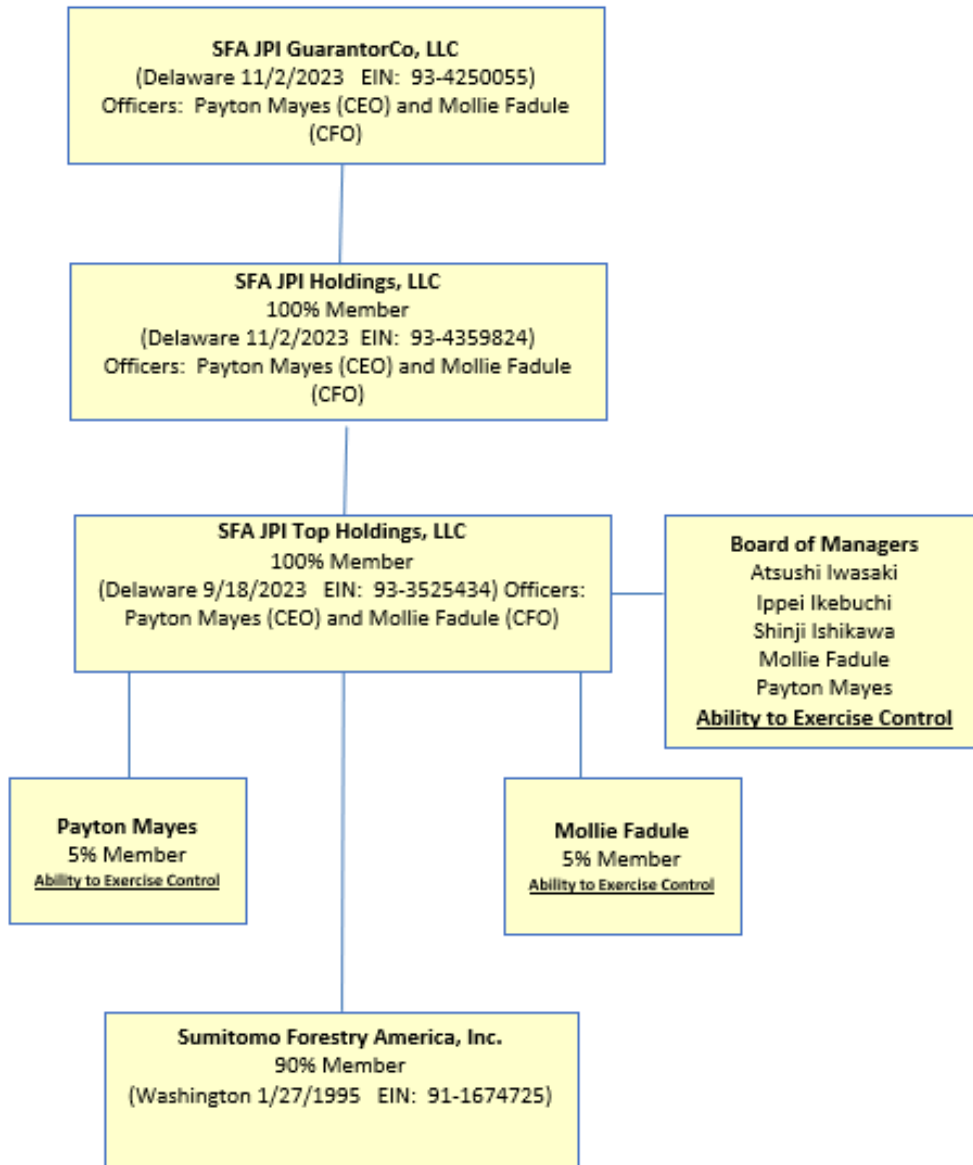
A handwritten signature in blue ink that reads "Bryan Grant". The signature is stylized and cursive.

Bryan Grant  
Vice President, Area Development Partner  
[Bryan.Grant@jpi.com](mailto:Bryan.Grant@jpi.com)

**Exhibit B - Project Ownership**

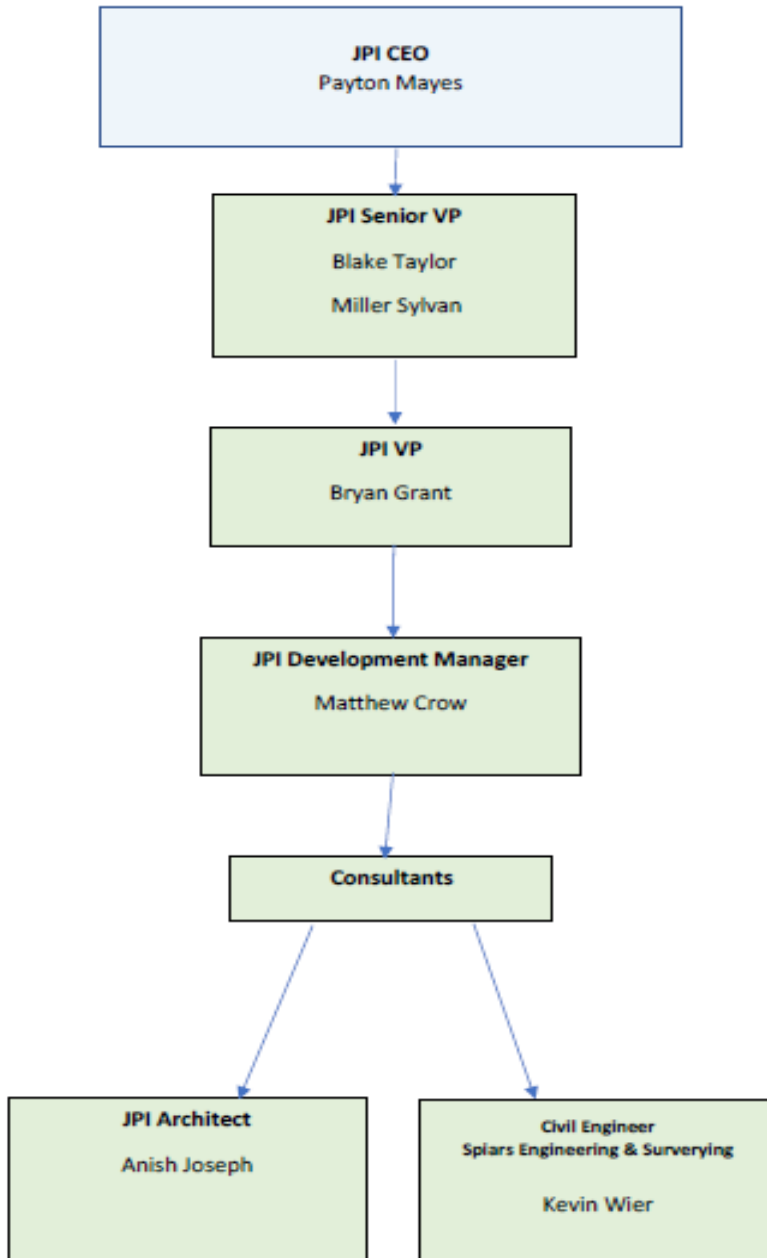
**JPI COMPANIES**  
**Draft Structure Chart**  
**for McKinney - Jefferson Project**

**Guarantor**



**EXHIBIT C – JPI DEVELOPMENT TEAM ORGANIZATIONAL CHART**

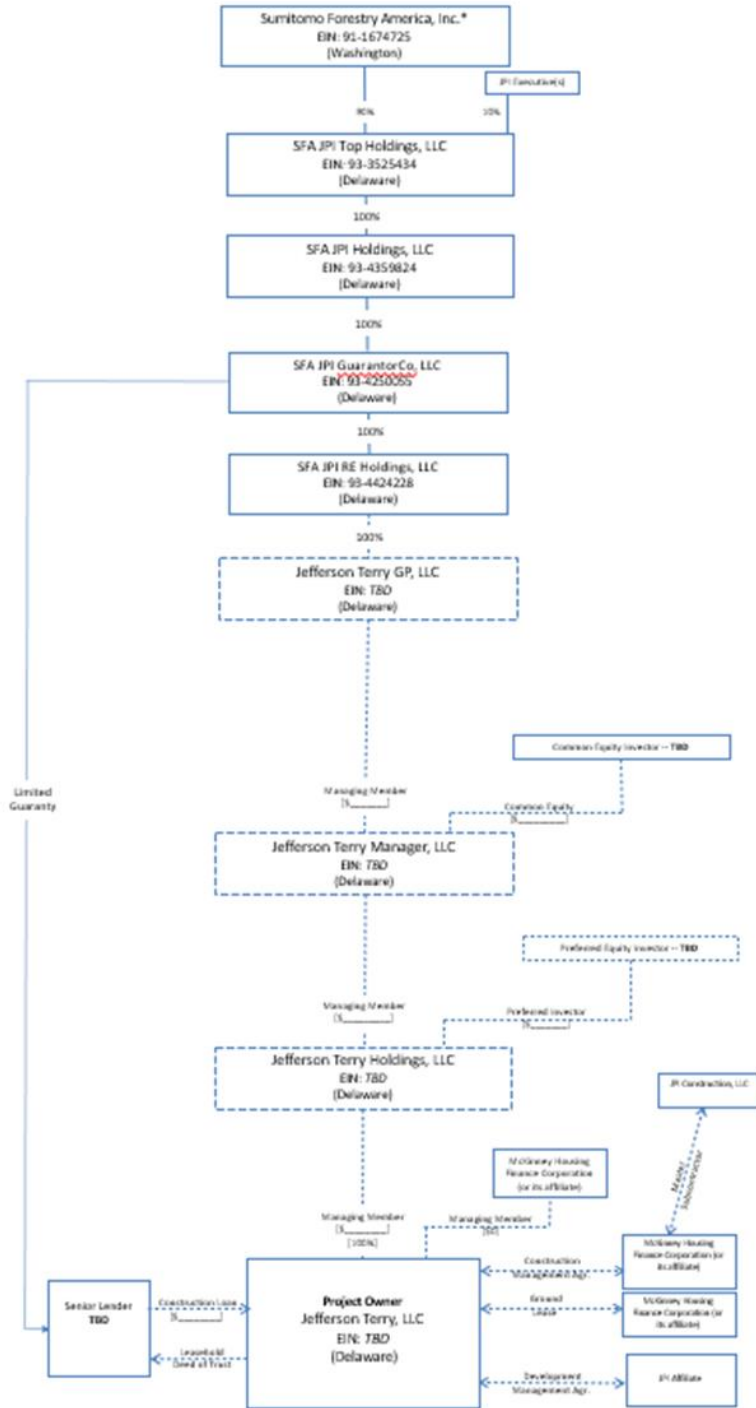
**Jefferson Terry  
TEAM MEMBERS ORG CHART  
2024**





**JPI COMPANIES**  
**Preliminary Draft Structure Chart**  
**for "Jefferson Terry"**  
**Workforce Housing Project**  
**in McKinney, Texas**

Prepared by JPI legal dept.  
 DRAFT 10.9.2014




\* Sumitomo Forestry America, Inc. is a wholly owned subsidiary of Sumitomo Forestry Co. Ltd, a Japanese company publicly traded on the Tokyo Stock Exchange.

# KEVIN WIER

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## CONTACT

-  972.422.0077
-  Dallas, TX
-  [Kevin.Wier@spiarsengineering.com](mailto:Kevin.Wier@spiarsengineering.com)
-  [linkedin.com/in/kevin-wier-07b2194](https://www.linkedin.com/in/kevin-wier-07b2194)

## EDUCATION

**TEXAS A&M UNIVERSITY**  
Bachelor of Science in Civil  
Engineering  
1998

## SKILLS

- Civil Engineering Expertise
- Project Management
- Client Relations
- Risk Management

## ABOUT ME

I have a proven track record of delivering innovative design solutions that enable my clients to achieve their goals with cost-effective, high-quality results. In addition to my hands-on project design and management, I am actively involved in business management and operations, ensuring that every aspect of the projects aligns with strategic objectives.

## WORK EXPERIENCE

### BOARD MEMBER

Spiars Engineering (Feb 2008-Present)

- **Oversee civil engineering projects**, particularly in land development and infrastructure.
- **Manage project planning, execution, and client relationships**.
- **Ensure projects are completed on time and within budget**.
- **I play a key role in business development**, identifying opportunities for growth and maintaining the firm's reputation for quality engineering solutions.

### ENGINEERING/LAND DEVELOPMENT MANAGER

INCAP Fund (Oct 2006-Feb 2008)

- **Project Oversight:** Manage the planning and execution of land development projects, ensuring alignment with fund goals.
- **Financial Analysis:** Assess project feasibility and financial viability, including budgeting and cost control.
- **Regulatory Compliance:** Ensure projects adhere to local, state, and federal regulations.
- **Team Coordination:** Lead cross-functional teams and collaborate with engineers, planners, and stakeholders.
- **Stakeholder Engagement:** Communicate with investors and community members to provide updates and address concerns.

### PROJECT MANAGER

Spiars Engineering (May 2001-Oct 2006)

- **Project Planning:** Develop comprehensive plans for civil engineering projects, outlining timelines, resources, and budgets.
- **Team Coordination:** Lead and coordinate engineering teams, ensuring all tasks are aligned with project goals.
- **Client Communication:** Act as the point of contact for clients, providing updates and managing expectations.
- **Risk Management:** Identify and mitigate potential project risks.
- **Quality Assurance:** Ensure that projects meet technical standards, legal regulations, and quality benchmarks.

**Exhibit E - Certification Regarding Disbarment, Suspension, Other Responsibility Matters and Certification Regarding Lobbying, and Litigation Schedule**

**Litigation Schedule:**

Aegis Senior Communities, LLC dba Aegis Living v. Mollie Fadule and associated counterclaim; Case No 22-2-06970-8-SEA; Superior Court for the County of King, Washington; employment compensation matter that was resolved in Ms. Fadule's favor.

**EXHIBIT B  
CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND  
OTHER RESPONSIBILITY MATTERS**

By the submission of this response, JPI Real Estate Acquisition II, LLC certifies to the best of its knowledge and belief, that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three-year period preceding this response been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and
- (d) Have not within a three-year period preceding this response had one or more public transactions (Federal, State or local) terminated for cause or default.

**Name of Organization:** JPI Real Estate Acquisition II, LLC

**Signature:** 

**Name:** Mollie Fadule

**Title:** Chief Financial Officer

**Date:** 10.10.2024

**EXHIBIT C  
CERTIFICATION REGARDING LOBBYING**

I, Mollie Fadule, hereby certify on behalf of JPI Real Estate Acquisition II, LLC  
(insert name of respondent) and its key principals that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, or any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclosure accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

  
\_\_\_\_\_  
Signature of Key Principal of Respondent





# JEFFERSON TERRY

Development Partnership Overview  
McKinney, TX



# ABOUT JPI

## Company Overview



### SINCE 1989 WE HAVE ACCOMPLISHED...



**141**  
CITIES



**114K+**  
HOMES



**\$17.5B**  
VALUE



**373**  
COMMUNITIES

JPI currently has 26 communities under various phases of development, consisting of +9,300 homes located in 14 cities with a value of over \$2.7 billion.

### RECOGNITION

 REALPAGE

Recognized by RealPage as the most active developer in DFW for eight consecutive years.

**2023** **NMHC** **50**  
TOP BUILDER

#1 2023 FASTEST GROWING BUILDER

#8 2023 LARGEST BUILDER

**2023** **NMHC** **50**  
TOP DEVELOPER

#2 2023 FASTEST GROWING DEVELOPER

#11 2023 LARGEST DEVELOPER

### MARKET LEADER



JPI is a trusted and experienced team known for building communities that enrich residents' lives.

With deep engagement in local markets and decades of construction expertise, we are one of the largest and most respected developers and general contractors in the country.

Our winning formula combines national scale with market-specific knowledge, ensuring successful projects.

# JPI CAPABILITIES

## | Company Overview



JPI's vertical integration and broad expertise enables us to assemble and analyze the best market data which results in the best investment opportunities and the best risk-adjusted returns.



### DEVELOPMENT

Source best land acquisition opportunities with proprietary data. Coordinate design, entitlement, project approval processes and work with all JPI disciplines throughout project lifecycle to ensure best outcomes.



### CONSTRUCTION MANAGEMENT

Function as a general contractor for all projects built utilizing best-in-class subcontractors and best-build practices for safety, quality, schedule and cost.



### FINANCE AND ACCOUNTING

Provide lenders and investors with institutional-grade financing, accounting, treasury services, compliance, risk management, legal coordination, and administrative expertise.



### PROJECT CAPITALIZATION

Maintain and leverage strategic relationships with a diverse array of capital partners.



### ACQUISITIONS

104 projects acquired, encompassing 22,000 homes valued in excess of \$2 billion.



### INVESTMENT MANAGEMENT

Employ operating efficiencies, maximize revenue stream, and monitor property performance.

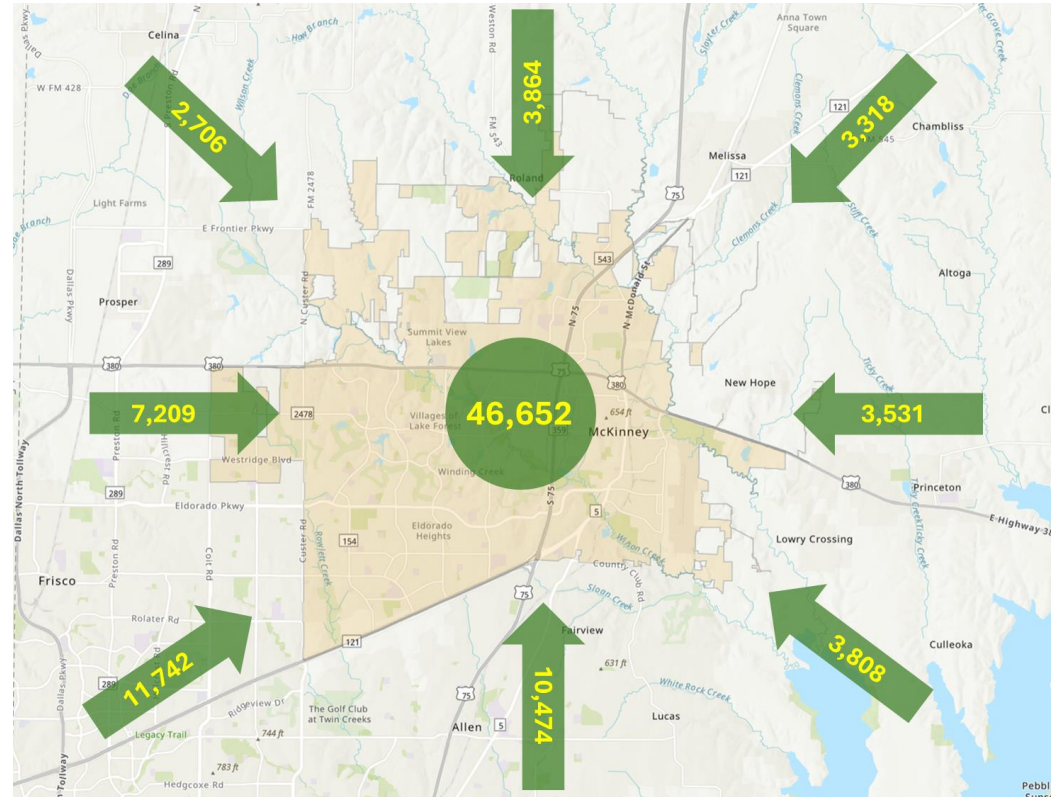


# HOUSING NEEDS ASSESSMENT

Jefferson Terry



**46,652 workers travel from home outside of McKinney to jobs in McKinney**



## Workers traveling into McKinney from Collin County

Distance	# Workers	% Workers
Less than 10 miles	17,097	37%
10 to 24 miles	13,953	30%
25 to 50 miles	9,208	20%
Greater than 50 miles	6,394	14%
<b>Total Private Primary Job</b>	<b>46,652</b>	<b>100%</b>

Distance/Direction Analysis  
 Workers: Employed in McKinney, TX  
 Showing: Residential locations  
 Source: United States Census Bureau, *LODES*  
 Year: 2021

# HOUSING NEEDS ASSESSMENT

Jefferson Terry

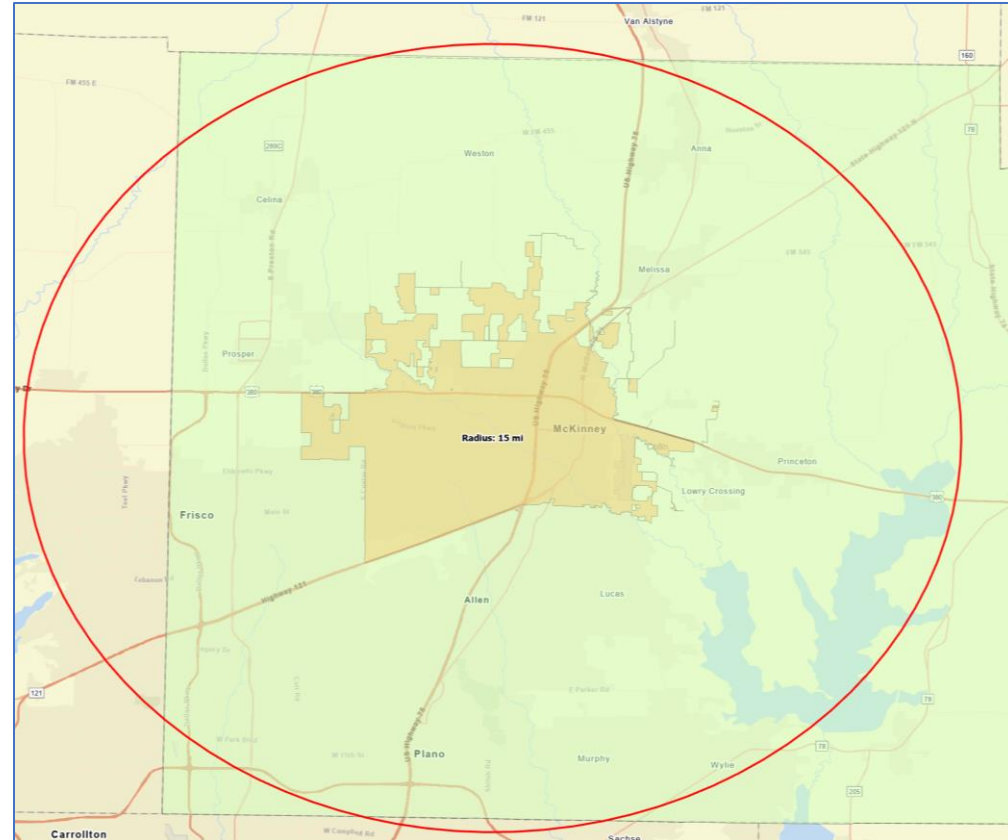


**84,253 income qualified renters within 15 miles**

For a 15-mile radius (population 1,305,753), there are 84,253 renter households that are income qualified for 60%-80% restricted rental units.

This represents about 52% of the renter households in this radius.

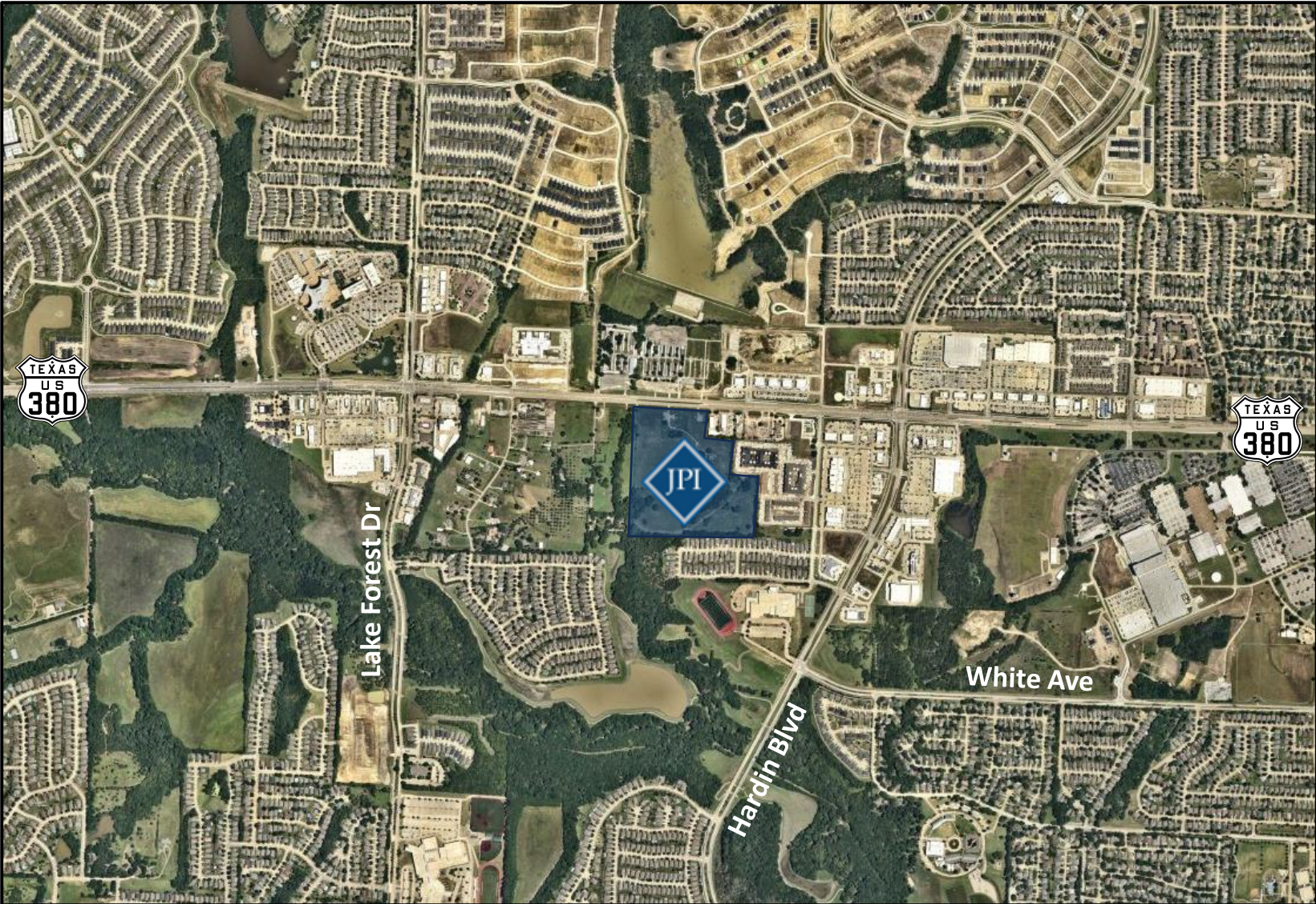
Over the next five years, the number of 60%-80% income qualified renter households is projected to increase by 622 annually.





# AERIAL

Jefferson Terry





# SITE PLAN

| Jefferson Terry



# PARTNERSHIP STRUCTURE

Jefferson Terry



JEFFERSON TERRY	
Public Partner	McKinney HFC
<b>AFFORDABILITY MIX</b>	
60% AMI Units	10%
80% AMI Units	40%
Market-Rate Units (40% Capped at 140% AMI)	50%
<b>PAYMENTS TO PUBLIC PARTNER</b>	
Ground Lease*	\$90,000
Annual Asset Management Fee*	\$10,000
GC Fee	\$500,000
Dev Fee	\$500,000
Total Upfront Payments	\$1,000,000
Public Good Percentage (15 years)	70%

\* Annual payments growing at 3% per year

# PARTNERSHIP STRUCTURE (MCKINNEY HFC)



Jefferson Terry

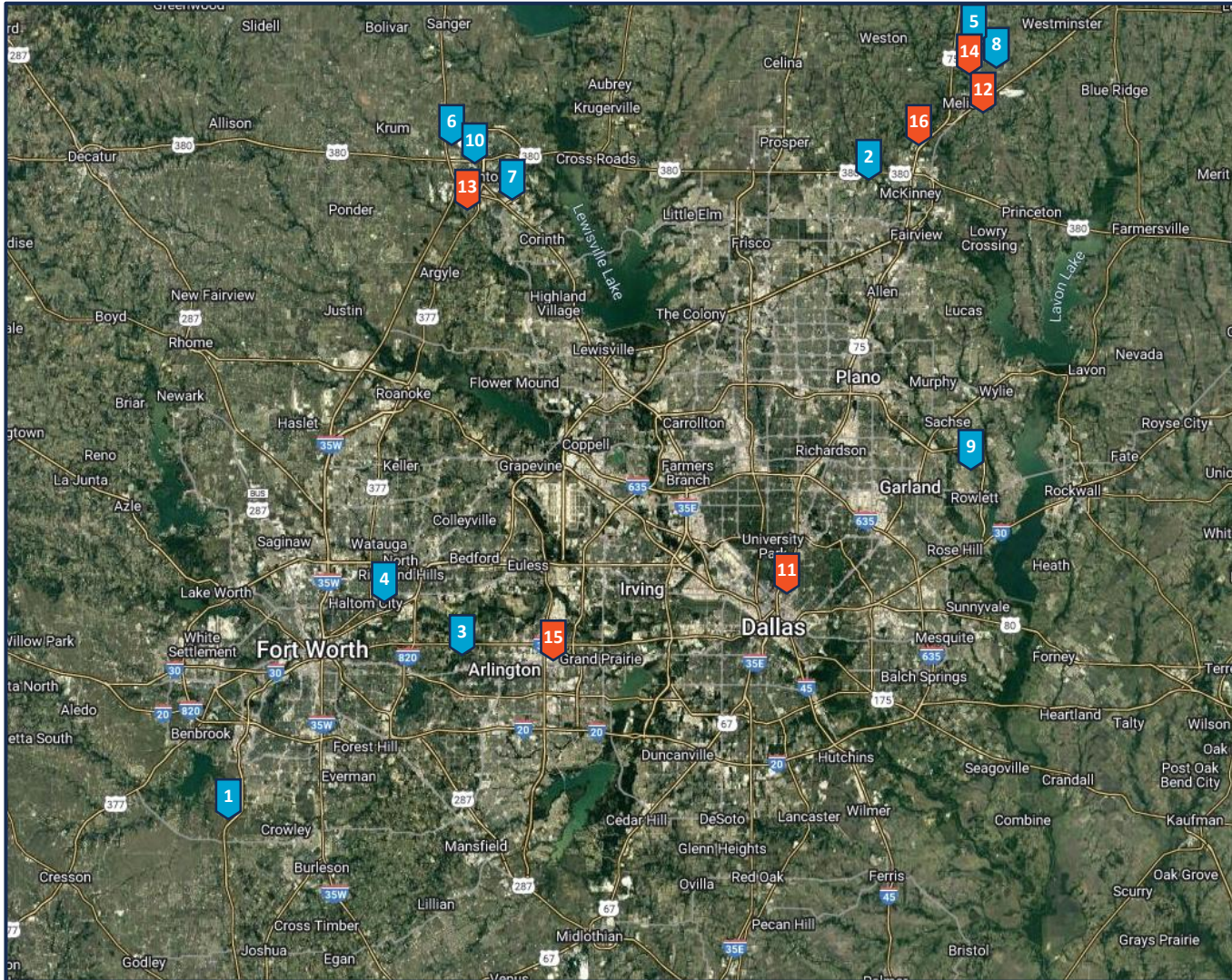
Year	Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Property Taxes</b>	<b>18,905,573</b>	140,166	504,277	1,284,381	1,235,432	1,271,233	1,301,281	1,331,841	1,363,106	1,395,091	1,427,812	1,461,286	1,495,224	1,530,247	1,566,074	1,598,121
<b>Rent Savings</b>	<b>10,719,269</b>	0	0	291,314	711,814	758,612	781,370	804,811	828,955	853,824	879,439	905,822	932,996	960,986	989,816	1,019,510
<b>Acquisition Fee</b>	<b>500,000</b>	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>General Contractor Fee</b>	<b>500,000</b>	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Annual Lease Payment</b>	<b>1,235,756</b>	0	0	0	60,000	91,800	94,554	97,391	100,312	103,322	106,421	109,614	112,902	116,289	119,778	123,372
<b>Partnership Management Fee</b>	<b>185,989</b>	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	13,842	14,258	14,685	15,126
<b>Total</b>	<b>13,141,014</b>	1,010,000	10,300	301,923	782,741	861,667	887,517	914,142	941,566	969,813	998,908	1,028,875	1,059,741	1,091,533	1,124,279	1,158,008

<b>Public Benefit Percentage %</b>	<b>70%</b>	<b>Total Rent Savings + HFC/PFC Revenue</b>	÷	<b>Total Property Taxes Abated</b>
		13,141,014		18,905,573



# PUBLIC/PRIVATE EXPERIENCE

Attainable Housing



## MOU Executed

1. Jefferson Primrose Station - Fort Worth
2. Jefferson Verdant - McKinney
3. Jefferson Eastchase - Fort Worth
4. Jefferson Baker - Haltom City
5. Jefferson Waters Creek - Anna
6. Jefferson Bonnie Brae - Denton
7. Jefferson Mayhill - Denton
8. Jefferson Finley - Anna
9. Jefferson Merritt Park - Rowlett
10. Jefferson North Elm - Denton

## Negotiating MOU

11. Jefferson Innova - Dallas
12. Jefferson Quarry - Melissa
13. Jefferson Roselawn - Denton
14. Jefferson Luscombe - Anna
15. Jefferson Stephens - Arlington
16. Jefferson Wilmeth - McKinney



# COMMUNITY AMENITIES

| Company Overview





# COMMUNITY AMENITIES

| Company Overview





# UNIT AMENITIES

| Company Overview



# Meet the Team



**Payton Mayes**  
*Chief Executive Officer*

(917) 597-8300  
payton.mayes@jpi.com



**Miller Sylvan**  
*SVP Regional  
Development Partner*

(972) 373-3931  
miller.sylvan@jpi.com



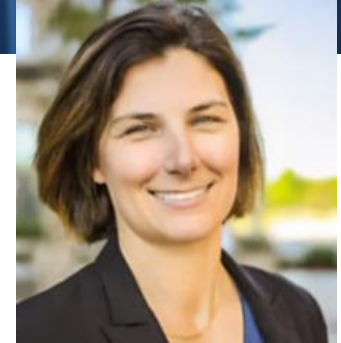
**Scott Turner**  
*Chief Visionary Officer*

(214) 986-0042  
scott.turner@jpi.com



**Blake Taylor**  
*SVP Regional  
Development Partner*

(214) 451-5905  
blake.taylor@jpi.com



**Mollie Fadule**  
*Chief Financial Officer*

(972) 556-8933  
mollie.fadule@jpi.com

**ADDENDUM NO. 1**  
**FOR**  
**REAL ESTATE DEVELOPMENT SERVICES (MHFC)**  
**25-04RFQ**

**ISSUED**  
**OCTOBER 2, 2024**



**CITY OF MCKINNEY CONTACT**

Mindy Smith, NIGP-CPP, CPPB  
Assistant Procurement Services Manager  
1550 D South College Street  
McKinney, Texas 75069  
[msmith8@mckinneytexas.org](mailto:msmith8@mckinneytexas.org)

The City of McKinney exclusively uses IonWave Technologies, Inc. ([McKinney eBid](#)) for the notification and dissemination of all solicitations. The receipt of solicitations through any other means may result in your receipt of incomplete specifications and/or addendums which could ultimately render your bid/proposal non-compliant. The City of McKinney accepts no responsibility for the receipt and/or notification of solicitations through any other means.

**RECEIPT OF ADDENDUM NO. 1 MUST BE ACKNOWLEDGED IN SUBMITTAL**

**ADDENDUM NO. 1**

**REAL ESTATE DEVELOPMENT SERVICES (MHFC)  
25-04RFQ**

This Addendum is hereby made a part of the Request for Qualifications documents to the same extent as if it were originally included therein. The following clarifications shall be made to the Request for Qualifications and shall become a part of, and attached to, the Request for Qualifications documents.

This addendum is issued in response to questions received from prospective Respondents.

**Questions and Answers:**

---

1. Due to the sensitive nature of the documents, can financial statements be uploaded separately to eBid in a password protected document? The password can then be provided by email to the RFQ contact by our Financial Controller. Alternatively, financial statements can be securely emailed directly to the RFQ contact.

*Answer: You may upload your financial statements as a password protected document to eBid. After uploading, please email the RFQ contact directly with the password. Ensure this email includes the RFQ reference number for efficient processing.*

2. Are a total of 5 references being requested, one each from the different categories listed? Or is the request to provide 5 references for each Project Experience listed (up to 25 references listed)?

*Answer: Provide at least one reference for each, not to exceed the number of development transactions listed in project experience.*

**END OF ADDENDUM NO. 1**

**Acknowledgment of Addenda:**

Addendum No. 1: MS 10/02/2024  
Initial Date Received

**ADDENDUM NO. 2**  
**FOR**  
**REAL ESTATE DEVELOPMENT SERVICES (MHFC)**  
**25-04RFQ**

**ISSUED**  
**OCTOBER 4, 2024**



**CITY OF MCKINNEY CONTACT**

Mindy Smith, NIGP-CPP, CPPB  
Assistant Procurement Services Manager  
1550 D South College Street  
McKinney, Texas 75069  
[msmith8@mckinneytexas.org](mailto:msmith8@mckinneytexas.org)

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**RECEIPT OF ADDENDUM NO. 2 MUST BE ACKNOWLEDGED IN SUBMITTAL**

**ADDENDUM NO. 2**

**REAL ESTATE DEVELOPMENT SERVICES (MHFC)  
25-04RFQ**

This Addendum is hereby made a part of the Request for Qualifications documents to the same extent as if it were originally included therein. The following clarifications shall be made to the Request for Qualifications and shall become a part of, and attached to, the Request for Qualifications documents.

This addendum is issued in response to questions received from prospective Respondents.

**Questions and Answers:**

---

1. Could you please clarify the Section 3/MBE/WBE portion of the project chart? Does this apply only to the owner/developer or to any entity that was involved in the development process of the project?

*Answer: This aims to encompass the entire development, thereby including all entities involved.*

**END OF ADDENDUM NO. 2**

**Acknowledgment of Addenda:**

Addendum No. 2: MS 10/04/2024  
Initial Date Received

