

November 15, 2024

Via E-Mail (citymgr@mckinneytexas.org)

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

Re: JPI Jefferson Terry McKinney 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 JPI ("JPI"), a developer interested in developing a multifamily apartment complex on certain property located in the City of McKinney, Texas to be known as JPI Jefferson Terry ("**Jefferson Terry**"). Specifically, MHA will own the land beneath the Jefferson Terry development and ground lease the property to a Texas limited partnership in which both MHA and JPI will have an ownership stake. The financial closing for the Jefferson Terry property acquisition is scheduled to occur on or before December 31, 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 Jefferson Terry is completed, MHA and JPI will designate at least 50% of the 393 total units as affordable apartment units set aside for residents with incomes at or below 80% of the Area Median Income ("AMI") as determined by the U.S. Department of Housing and Urban Development. In addition, 5.1% 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 Jefferson Terry property and the designation of the completed units at Jefferson Terry as affordable, MHA expects that the Jefferson Terry 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 designating at least 50% of the market rate units at Jefferson Terry as affordable units will generate \$7,535,476 in rental savings to the McKinney community over a 10-year period. Furthermore, MHA anticipates that its involvement in Jefferson Terry 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. Jefferson Terry presents the perfect opportunity to bring 197 newly affordable 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 upcoming closing, MHA respectfully requests that you furnish us with a letter of support for Jefferson Terry 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 cursive script that reads "Roslyn Miller".

Roslyn Miller
Executive Director