# Presentation of

JPI Jefferson Wilmeth

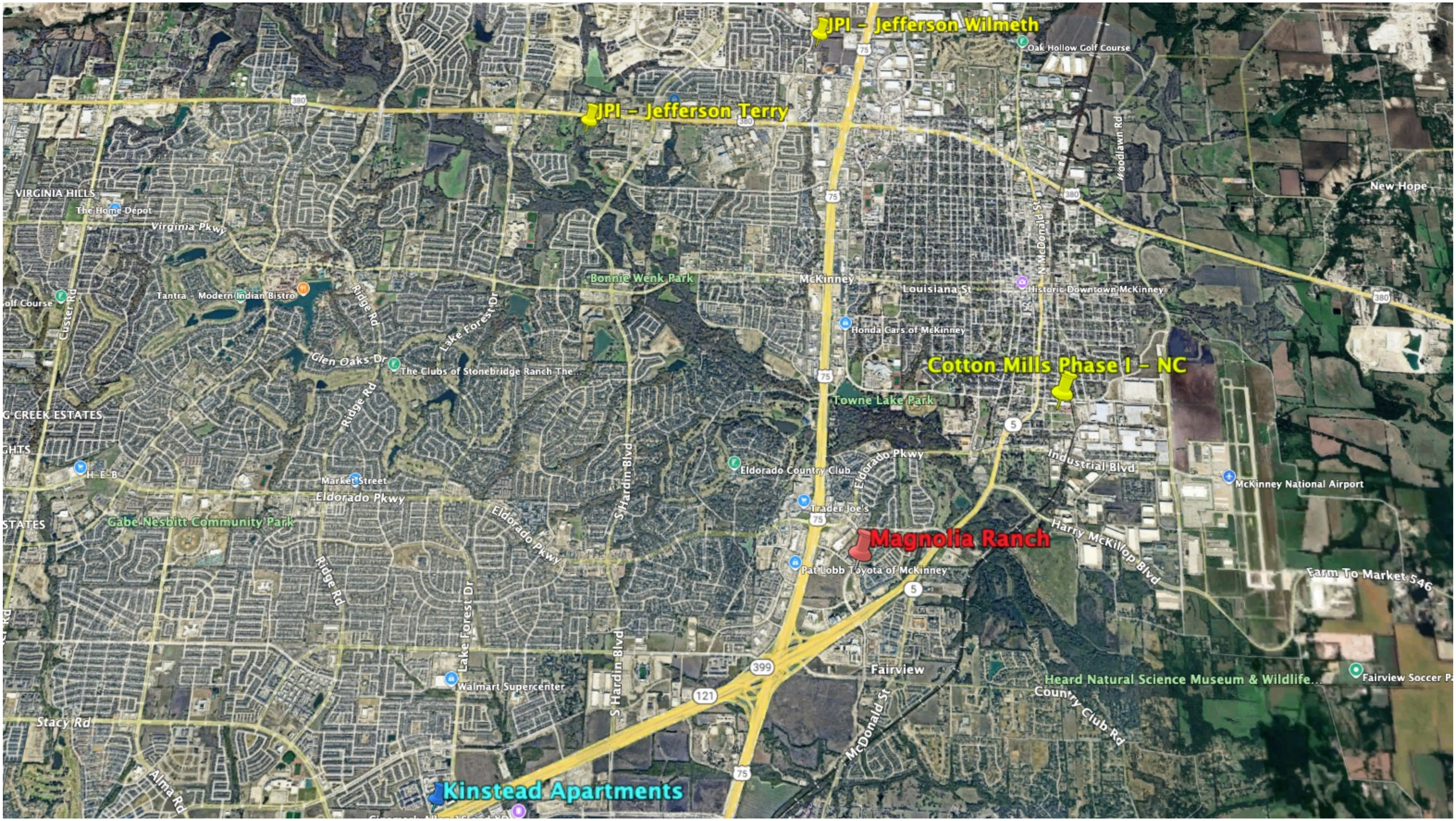
&

JPI Jefferson Terry

Two New Construction Developments

To

McKinney Housing Authority Board of Directors


JPI – Jefferson Wilmeth
JPI – Jefferson Terry
Cotton Mills Phase I – NC
Magnolia Ranch
Kinstead Apartments
Oak Hollow Golf Course
VIRGINIA HILLS
The Home Depot
Virginia Pkwy
New Hope
Bonnie Wenk Park
McKinney
Louisiana St
Historic Downtown McKinney
N McDonald St
Woodlawn Rd
Tantra - Modern Indian Bistro
Custer Rd
Ridge Rd
Lake Forest Dr
Honda Cars of McKinney
Glen Oaks Dr
The Clubs of Stonebridge Ranch The...
Towne Lake Park
H-E-B
Market Street
Eldorado Pkwy
Eldorado Country Club
Industrial Blvd
McKinney National Airport
Gabe Nesbitt Community Park
S Hardin Blvd
Trader Joe's
Harry McKillop Blvd
Pat Lobb Toyota of McKinney
Farm To Market 546
Fairview
Heard Natural Science Museum & Wildlife...
Walmart Supercenter
Country Club Rd
Stacy Rd
McDonald St
Alma Rd
380
75
5
399
121

# Request of the MHA Board

APPROVAL TO SEND A PROPOSAL FOR CITY COUNCIL CONSIDERATION

APPROVAL FOR LEGAL REVIEW

SUBJECT TO LEGAL REVIEW PRESENTATION TO THE BOARD FOR ACTION AT A FUTURE BOARD MEETING

# JPI Jefferson Wilmeth

*Concept Image, Subject to Change

4 – Story Multifamily Buildings

443 Units – Studio, 1BR, 2BR & 3BR


Site Address: SEC of Community Ave & Wilmeth Rd
Property ID: 2822997
Owner ID: 933746

## Unit Amenities

- Smart Features
- 10-foot Ceilings
- Hardwood Floors
- Premium Countertops
- Undermount Kitchen Sinks
- Recessed and Pendent Lighting
- LED Lighting
- Walk in Closet
- Garden Tub
- Stand-Up Shower
- Stainless Steel Appliances
- Washer & Dryers in all Units
- Oversized Kitchen Islands
- Side by Side Refrigerator
- Double Vanity
- Two Inch Blinds
- Private Yards *
- Private Studies *



* in select units




## Community Amenities

- Leasing Office
- Individual & Co-Working Space
- Coffee Bar
- Clubroom and Catering Kitchen
- Package Lockers
- Gaming Room
- Resort Style Pool
- On-Site Storage
- Garages
- Electrical Charging Station
- On-Site Courtesy Officer
- Air-Conditioned Corridors
- Carpeted Corridors
- Elevators
- Extensive Amenity Space
- Private Courtyards
- Indoor Fitness Center
- Dog Park
- 24-Hour Emergency Maintenance
- Monthly Resident Events

| Project Timeline | |
|---|---|
| **Land Closing** | April 2025 |
| **Construction Start** | September 2025 |
| **First Occupancy** | March 2027 |
| **Construction Completion** | December 2027 |
| **Stabilization** | October 2028 |

| *DEVELOPMENT BUDGET* | Total | $ / Unit | $ / NRSF | % of Total |
|---|---|---|---|---|
| Construction | $86,956,000 | $196,289 | $208.10 | 75.1% |
| Land including Purchase Price of $13.7 | 9,623,000 | 21,722 | 23.03 | 8.3% |
| Predevelopment / Feasibility | 520,000 | 1,174 | 1.24 | 0.4% |
| Title Insurance & Other | 291,000 | 657 | 0.70 | 0.3% |
| Furniture, Fixtures & Equipment | 760,000 | 1,716 | 1.82 | 0.7% |
| Marketing | 355,000 | 801 | 0.85 | 0.3% |
| Financing & Legal | 2,179,000 | 4,919 | 5.21 | 1.9% |
| Ad Valorem Taxes | 92,000 | 208 | 0.22 | 0.1% |
| Architectural & Engineering | 2,237,000 | 5,050 | 5.35 | 1.9% |
| Overhead & Administrative Fees | 4,752,000 | 10,727 | 11.37 | 4.1% |
| Operating Deficit | 1,452,000 | 3,278 | 3.47 | 1.3% |
| Construction Loan Interest Reserve | 3,320,000 | 7,494 | 7.95 | 2.9% |
| Owner Contingency | 3,181,000 | 7,181 | 7.61 | 2.7% |
| **PROJECT COST** | **$115,718,000** | **$261,214** | **$276.93** | **100.0%** |

| Type | Size | Count | % of Mix |
|---|---|---|---|
| E1 Units | 656 | 34 | 7.67% |
| A1 Units | 720 | 65 | 14.67% |
| A3 Units | 782 | 124 | 27.99% |
| A5-01 Units | 952 | 15 | 3.39% |
| A6 Units | 824 | 48 | 10.84% |
| A7 Units | 793 | 8 | 1.81% |
| B1 Units | 1127 | 39 | 8.80% |
| B3 Units | 1189 | 29 | 6.55% |
| B4 Units | 1285 | 51 | 11.51% |
| C1 Units | 1577 | 24 | 5.42% |
| C4 Units | 1633 | 6 | 1.35% |
| **Total/Avg** | **417,863** | **443** | **100.00%** |

# Jefferson Wilmeth - Rent Benefit Analysis

**Total Units** **443**

| Unit Type | Total |
|---|---|
| Studio | 34 |
| 1 Bedroom | 260 |
| 2 Bedroom | 119 |
| 3 Bedroom | 30 |
| | 443 |

| | 30% AMI | | | Rent Savings | | 80% AMI | | | Rent Savings | | Market Rents | | 100% Market Rents | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Avg. Rent | Units | Benefit % Comp to Market | Monthly | Annually | Avg. Rent | Units | Benefit % Comp to Market | Monthly | Annually | Avd. Rent | Units | Units | Monthly | Annually |
| Studio | 579 | 4 | 64% | 4,052 | 48,624 | 1,544 | 12 | 3% | 576 | 6,912 | 1,592 | 17 | 33 | 52,536 | 630,432 |
| 1 BD | 661 | 9 | 62% | 9,675 | 116,100 | 1,764 | 122 | -2% | 0 | 0 | 1,736 | 129 | 260 | 451,360 | 5,416,320 |
| 2 BD | 744 | 8 | 68% | 12,696 | 152,352 | 1,986 | 53 | 15% | 18,285 | 219,420 | 2,331 | 58 | 119 | 277,389 | 3,328,668 |
| 3 BD | 827 | 1 | 73% | 2,291 | 27,492 | 2,206 | 14 | 29% | 12,768 | 153,216 | 3,118 | 15 | 30 | 93,540 | 1,122,480 |
| | Total/Avg | 22 | 68% | 28,714 | 344,568 | Total/Avg | 201 | 14% | 31,629 | $379,548 | 49.4% | 219 | 442 | | $9,867,468 |
| | % of Units | 5% | | | | % of Units | 45% | | | | Rent | $3,248,568 | | | |

**Number of Workfroce Units** **223**

**Reduced Rent** **$724,116**

## *Jefferson Wilmeth - 10 Year Proforma*

| | Proforma | Year 2025 | Year 2026 | Year 2027 | Year 2028 | Year 2029 | Year 2030 | Year 2031 | Year 2032 | Year 2033 | Year 2034 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Current Gross Potential Market Rent** | $9,867,468 | – | – | $1,897,832 | $9,359,104 | $11,958,855 | $12,377,415 | $12,810,624 | $13,258,996 | $13,723,061 | $14,203,368 |

| **Rent trending percentage** | 3.5% | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Initial Conversion** | **Year 2025** | **Year 2026** | **Year 2027** | **Year 2028** | **Year 2029** | **Year 2030** | **Year 2031** | **Year 2032** | **Year 2033** | **Year 2034** |
| **Gross Potential Rent - Program Rent** | **$9,143,352** | **–** | **–** | **$1,872,724** | **$9,370,661** | **$9,698,634** | **$11,111,376** | **$11,500,274** | **$11,902,784** | **$12,319,381** | **$12,750,559** |
| Vacancy/Collection Loss | ($457,168) | – | – | ($93,636) | ($468,533) | ($484,932) | ($555,569) | ($575,014) | ($595,139) | ($615,969) | ($637,528) |
| Non-Revenue | | – | – | – | – | – | – | – | – | – | – |
| Bad Debt | ($91,434) | – | – | ($17,791) | ($89,021) | ($92,137) | ($105,558) | ($109,253) | ($113,076) | ($117,034) | ($121,130) |
| Other Income | $855,337 | – | – | $203,763 | $849,284 | $1,106,192 | $1,144,909 | $1,184,981 | $1,226,455 | $1,269,381 | $1,313,809 |
| **EGI** | **$9,450,088** | **–** | **–** | **$1,965,060** | **$9,662,391** | **$10,227,757** | **$11,595,158** | **$12,000,988** | **$12,421,023** | **$12,855,759** | **$13,305,710** |
| Controllable Expenses | $835,693 | – | – | $182,637 | $752,464 | $968,797 | $997,861 | $1,027,797 | $1,058,631 | $1,090,390 | $1,123,101 |
| Franchise & Excise Taxes | $59,256 | – | – | $6,504 | $31,983 | $33,854 | $38,380 | $39,723 | $41,114 | $42,553 | $44,042 |
| MAHDC Lease Fees | $232,000 | – | – | $182,170 | $232,000 | $238,960 | $246,129 | $253,513 | $261,118 | $268,952 | $277,020 |
| MAHDC Dev & GC Fee | $866,433 | $866,433 | – | – | – | – | – | – | – | – | – |
| MAHDC Legal Fee | $125,000 | $125,000 | – | – | – | – | – | – | – | – | – |
| MAHDC Financial Fee | $95,000 | $95,000 | – | – | – | – | – | – | – | – | – |
| MAHDC Compliance Fee | $55,375 | $55,375 | $57,036 | $58,747 | $60,510 | $62,325 | $64,195 | $66,121 | $68,104 | $70,147 | $72,252 |
| MAHDC Hard Cost Tax Savings | $553,000 | $276,500 | $276,500 | | | | | | | | |
| Insurance | $406,652 | – | – | – | $366,152 | $471,421 | $485,564 | $500,131 | $515,134 | $530,588 | $546,506 |
| Non-Controllable Expenses | $1,045,912 | – | – | $221,922 | $914,317 | $1,177,183 | $1,212,498 | $1,248,873 | $1,286,340 | $1,324,930 | $1,364,678 |
| Management Fee | $247,940 | – | – | $58,952 | $289,872 | $306,833 | $347,855 | $360,030 | $372,631 | $385,673 | $399,171 |
| **Total Operating Expenses** | **$4,522,261** | **$1,418,308** | **$333,536** | **$710,932** | **$2,647,297** | **$3,259,373** | **$3,392,481** | **$3,496,187** | **$3,603,071** | **$3,713,232** | **$3,826,770** |
| Capital Reserves | $221,500 | | | $250,598 | $259,369 | $268,447 | $277,842 | $287,567 | $297,632 | $308,049 | $318,831 |
| **NOI** | **$4,706,327** | **($1,418,308)** | **($333,536)** | **$1,003,530** | **$6,755,725** | **$6,699,938** | **$7,924,834** | **$8,217,234** | **$8,520,320** | **$8,834,477** | **$9,160,109** |
| **Less: Debt** | **($3,754,485)** | **($351,090)** | **($3,119,815)** | **($4,223,788)** | **($4,247,128)** | **($3,437,886)** | **($3,437,886)** | **($3,437,886)** | **($3,437,886)** | **($3,437,886)** | **($3,437,886)** |
| **Less: Investor Return** | **($3,176,250)** | **($3,176,250)** | **($3,176,250)** | **($3,176,250)** | **($3,176,250)** | **($3,176,250)** | **($3,176,250)** | **($3,176,250)** | **($3,176,250)** | **($3,176,250)** | **($3,176,250)** |
| **Income** | **($2,224,408)** | **($4,945,648)** | **($6,629,601)** | **($6,396,508)** | **($667,653)** | **$85,802** | **$1,310,698** | **$1,603,098** | **$1,906,184** | **$2,220,341** | **$2,545,973** |

**NOTE:**

Assume a vacancy factor 5%

$63.6MM Senior Note at SOFR plus 3.0%, 3.5% floor - UW Rate 4.25%

$23.1MM in Preferred Equity at 13.75%

$28.9MM in Common Equity

## *Jefferson Wilmeth - McKinney Housing Authority*

| | | Stabilized | Year 2025 | Year 2026 | Year 2027 | Year 2028 | Year 2029 | Year 2030 | Year 2031 | Year 2032 | Year 2033 | Year 2034 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | **Tax Savings Calculation** | | | | | | | |
| **Project estimated Tax Savings** | | $78,633 | $78,633 | $434,673 | $1,214,468 | $1,545,108 | $1,604,526 | $1,666,230 | $1,730,306 | $1,796,846 | $1,865,946 | $1,937,702 |
| **Total project estimated Tax Benefit** | **$13,874,438** | | | | | | | | | | | |
| | | | | | **McKinney Housing Authority Benefit Calculation** | | | | | | | |
| Market Rate Gross Potential Rent | | $9,867,468 | – | – | $1,897,832 | $9,359,104 | $11,958,855 | $12,377,415 | $12,810,624 | $13,258,996 | $13,723,061 | $14,203,368 |
| Blended PFC Gross Potential Rent | | $9,143,352 | – | – | $1,872,724 | $9,370,661 | $9,698,634 | $11,111,376 | $11,500,274 | $11,902,784 | $12,319,381 | $12,750,559 |
| Community Rent Benefit | $9,062,863 | $724,116 | | – | $25,108 | ($11,557) | $2,260,221 | $1,266,039 | $1,310,350 | $1,356,213 | $1,403,680 | $1,452,809 |
| % of Rent Savings | 65% | | | | | | | | | | | |
| **Capital Improvements** | | – | – | – | – | – | – | – | – | – | – | – |
| | Terms | | | | | | | | | | | |
| MHA Annual Lease | 15% | – | – | – | $182,170 | $232,000 | $238,960 | $246,129 | $253,513 | $261,118 | $268,952 | $277,020 |
| MHA Dev/GC Fee | 75bps | – | $866,433 | – | – | – | – | – | – | – | – | – |
| MHA Compliance Fee | | – | $55,375 | $57,036 | $58,747 | $60,510 | $62,325 | $64,195 | $66,121 | $68,104 | $70,147 | $72,252 |
| MHA Professional Fees | | – | $220,000 | | | | | | | | | |
| MHA Construction Cost Tax Savings (note) | 25% | | $276,500 | $276,500 | | | | | | | | |
| MHA Refinance Fee | | – | – | – | – | $2,561,160 | – | – | – | – | – | – |
| **Total PHA Benefit** | | **–** | **$1,418,308** | **$333,536** | **$266,026** | **$2,842,113** | **$2,561,506** | **$1,576,363** | **$1,629,984** | **$1,685,435** | **$1,742,779** | **$1,802,081** |

| | |
|---|---|
| **Total MHA Benefit** | **$15,858,129** |
| **% of Tax Benefit** | **114%** |
| **% of Tax Benefit less disposition** | **92%** |

NOTE: Tax Savings is paid 50% at closing and 50% at construction completion

## *Jefferson Wilmeth - "But For" 10 Year Proforma*

| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Current Gross Potential Market Rent | $9,867,468 | $0 | $0 | $1,897,832 | $9,359,104 | $11,958,855 | $12,377,415 | $12,810,624 | $13,258,996 | $13,723,061 | $14,203,368 |

| Rent trending percentage | 4% | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Initial Conversion | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| **Gross Potential Rent - Program Rent** | **$9,143,352** | **–** | **–** | **$1,872,724** | **$9,370,661** | **$9,698,634** | **$11,111,376** | **$11,500,274** | **$11,902,784** | **$12,319,381** | **$12,750,559** |
| Vacancy | ($457,168) | – | – | ($93,636) | ($468,533) | ($484,932) | ($555,569) | ($575,014) | ($595,139) | ($615,969) | ($637,528) |
| Non-Revenue | – | – | – | – | – | – | – | – | – | – | – |
| Bad Debt | ($91,434) | – | – | ($17,791) | ($89,021) | ($92,137) | ($105,558) | ($109,253) | ($113,076) | ($117,034) | ($121,130) |
| Other Income | $855,337 | – | – | $203,763 | $849,284 | $1,106,192 | $1,144,909 | $1,184,981 | $1,226,455 | $1,269,381 | $1,313,809 |
| **EGI** | **$9,450,088** | **–** | **–** | **$1,965,063** | **$9,662,395** | **$10,227,762** | **$11,595,164** | **$12,000,995** | **$12,421,031** | **$12,855,768** | **$13,305,720** |
| Controllable Expenses | $835,693 | – | – | $182,637 | $752,464 | $968,797 | $997,861 | $1,027,797 | $1,058,631 | $1,090,390 | $1,123,101 |
| Franchise & Excise Taxes | $59,256 | – | – | $6,504 | $31,983 | $33,854 | $38,380 | $39,723 | $41,114 | $42,553 | $44,042 |
| MAHDC Lease Fees | $232,000 | – | – | $182,170 | $232,000 | $238,960 | $246,129 | $253,513 | $261,118 | $268,952 | $277,020 |
| MAHDC Dev & GC Fee | $866,433 | $866,433 | – | – | – | – | – | – | – | – | – |
| MAHDC Legal Fee | $125,000 | $125,000 | – | – | – | – | – | – | – | – | – |
| MAHDC Financial Fee | $95,000 | $95,000 | – | – | – | – | – | – | – | – | – |
| MAHDC Compliance Fee | $55,375 | $55,375 | $57,036 | $58,747 | $60,510 | $62,325 | $64,195 | $66,121 | $68,104 | $70,147 | $72,252 |
| MAHDC Hard Cost Tax Savings | $553,000 | $276,500 | $276,500 | | | | | | | | |
| Insurance | $406,652 | – | – | – | $366,152 | $471,421 | $485,564 | $500,131 | $515,134 | $530,588 | $546,506 |
| Non-Controllable Expenses | $1,045,912 | – | – | $221,922 | $914,317 | $1,177,183 | $1,212,498 | $1,248,873 | $1,286,340 | $1,324,930 | $1,364,678 |
| Real Estate Taxes | $78,633 | $78,633 | $434,673 | $1,214,468 | $1,545,108 | $1,604,526 | $1,666,230 | $1,730,306 | $1,796,846 | $1,865,946 | $1,937,702 |
| Management Fee | $247,940 | – | – | $58,952 | $289,872 | $306,833 | $347,855 | $360,030 | $372,631 | $385,673 | $399,171 |
| **Total Operating Expenses** | **$4,600,894** | **$1,496,941** | **$768,209** | **$1,925,400** | **$4,192,405** | **$4,863,899** | **$5,058,711** | **$5,226,493** | **$5,399,917** | **$5,579,178** | **$5,764,472** |
| Capital Reserves | $221,500 | $230,803 | $240,497 | $250,598 | $261,123 | $272,090 | $283,518 | $295,425 | $307,833 | $320,762 | $334,234 |
| **NOI** | **$4,627,694** | **($1,727,744)** | **($1,008,706)** | **($210,935)** | **$5,208,867** | **$5,091,774** | **$6,252,935** | **$6,479,077** | **$6,713,280** | **$6,955,827** | **$7,207,014** |
| **Less: Debt** | **($3,754,485)** | **($351,090)** | **($3,119,815)** | **($4,223,788)** | **($4,247,128)** | **($3,437,886)** | **($3,437,886)** | **($3,437,886)** | **($3,437,886)** | **($3,437,886)** | **($3,437,886)** |
| **Net Income** | **$873,209** | **($2,078,834)** | **($4,128,521)** | **($4,434,723)** | **$961,739** | **$1,653,888** | **$2,815,049** | **$3,041,191** | **$3,275,394** | **$3,517,941** | **$3,769,128** |
| **Less: Investor Return** | **$873,209** | **–** | **–** | **–** | **$961,739** | **$1,617,000** | **$1,617,000** | **$1,617,000** | **$1,617,000** | **$1,617,000** | **$1,617,000** |
| **Investor Accural** | **$743,791** | **($873,209)** | **($2,490,209)** | **($4,107,209)** | **($4,762,469)** | **($4,762,469)** | **($4,762,469)** | **($4,762,469)** | **($4,762,469)** | **($2,861,528)** | **($709,401)** |

**NOTE:**

Assume a vacancy factor 5%

$63.6MM Senior Note at SOFR plus 3.0%, 3.5% floor - UW Rate 4.25%

$23.1MM in Equity at 7% - Social Impact Investor Return or **$1,617,000**

The Equity Investor will not receive orginal investment until years later

# Scoring Matrix – Developer Responses – Consultants Scoring

| Development Partner and Project Evaluation Factors | Points |
|---|---|
| **Development/Management Team Experience**<br><br>JPI has been a market and affordable developer, manager, and acquirer since 1989. They are the largest developer within DFW, having previously developed over 114K units. | 10 |

| | Points |
|---|---|
| **Proposed Project Feasibility**<br><br>Without the MHA's involvement and provision of property tax exemption for Jefferson Wilmeth, it would not be possible or financially feasible to construct the project as currently presented or with any level of affordability. The MHA's involvement and provision of property tax exemption are the critical factors in making this project feasible. | 10 |

# Scoring Matrix – continued

| Development Partner and Project Evaluation Factors | Points |
|---|---|
| **Financing Structure**<br>1. Reimbursement of MHA's Predevelopment Fees and Expenses (up to 10 points)<br>As part of this execution, JPI has paid the $5,000 RFQ fee and will reimburse MHA for legal fees of up to $125,000 and a financial advisor fee of up to $95,000. | 10 |
| 2. MHA Share of Development Fee and/or Acquisition Fee (up to 10 points)<br>MHA will receive an upfront developer and General Contractor fee totaling 75bps of total project cost or $866,433. MHA will also receive 25% of the construction materials tax savings of $553K, paid 50% at closing and 50% at construction completion | 10 |

| | Points |
|---|---|
| 3. MHA Share of Fees and Cash Flow from Operations (up to 10 points)<br>MHA will receive an annual ground lease payment equaling 15% of the estimated real estate taxes, increasing 3% annually. The ground lease is contemplated to begin in 2027. and the annual required compliance fee of $55,375, rising 3% annually. | 10 |
| 4. MHA Share of Proceeds from Sale or Refinancing and Right of First Refusal (up to 10 points)<br>MHA will receive a refinance fee of approximately $2.561M in year 4 and the right to purchase the project as Equitable Ownership Ch. 392 requires. | 10 |

# Scoring Matrix – continued

| Development Partner and Project Evaluation Factors | Points |
|---|---|
| **Affordability**<br>1. Stringency of Affordability Restrictions (up to 10 points)<br>Jefferson Wilmeth will be 50% affordable to residents earning 80% AMI or lower: 45% of residents at 80% AMI and 5% at 30% AMI. | 10 |
| 2. Income Targeting and Availability of Units for MHA's Section 8 Housing Choice Voucher Holders and Applicants (up to 10 points)<br>JPI has deep experience in housing residents with Section 8 Housing Choice Vouchers. All voucher holders will be welcome to the property- | 10 |

| | Points |
|---|---|
| 3. Duration of Affordability Restrictions (up to 10 points)<br>Affordability Restrictions will run concurrently with the length of the ground lease. | 10 |

# Scoring Matrix – continued

| Development Partner and Project Evaluation Factors | Points |
|---|---|
| 4. Unit Mix Sufficient to House Families with Children in Affordable Units (up to 10 points)<br><br>JPI has set aside an equitable number of affordable one-bedroom, two-bedroom, and three-bedroom residences to accommodate families with children. The number of three bedrooms is 50% of the total three bedrooms to be constructed. | 10 |

| | Points |
|---|---|
| **Property Location and Features**<br><br>1. Location Aimed at Deconcentrating Poverty (up to 10 points)<br>Jefferson Wilmeth is located near McKinney North HS, shopping, and jobs.<br><br>Introducing a mix of low—and very low-income residences to this area deconcentrates poverty from parts of the city, reflecting a lower-income demographic. | 10 |

# Scoring Matrix – continued

| Development Partner and Project Evaluation Factors | Points |
|---|---|
| 2. Quality Design of Units, with Amenities and Resident Services On-Site or in Proximity to Property Location (up to 10 points)<br><br>Once constructed, Jefferson Wilmeth will have top-of-class amenities and common areas for all residents. Construction finishes of the units will be Class-A.<br><br>The property has excellent access to US Hwy 75 and local jobs. | 10 |

| Financial Responsibility / Capacity of Development Partner | Points |
|---|---|
| JPI is in good financial standing and has developed 114,000 units.<br><br>JPI currently has over 9,000 homes in differing stages of development across the metroplex, valued at over $2.7 billion. Over the past 30+ years, JPI has delivered 376 communities valued at over $17.5 billion. JPI currently has seven attainable deals under construction, valued at $568.1M.<br><br>Audited financials will be provided upon request. | 8 |

# Scoring Matrix – continued

| Development Partner Team References | Points |
|---|---|
| Aaron Eaquinto, General Manager<br>Dallas HFC<br>Dallas, TX<br>Aaron.eaquinto@dallashfc.com<br>469-799-2670<br><br>Bernie Parker<br>Director of Economic Development<br>City of Anna<br>bparker@annatexas.gov<br>214-831-5394<br><br>Peter D. Urrutia<br>Executive Director<br>Rowlett HFC<br>purrutia@rowletthfc.org<br>469-431-0108 | 10 |

| | Points |
|---|---|
| **MBE/WBE/Section 3 Plans**<br><br>JPI certifies that 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. | 8 |
| **Total Points Possible** | 146 |

# Summary

Property
Jefferson Wilmeth
New Construction
Units: 443 Units

34 – Studio Unit
260 – One Bedroom Units
119 – Two Bedroom Units
30 – Three Bedroom Units

Property Profile

Class A

**McKinney Housing Authority Benefits**

- **Restricted Rents on 50% or (223 units) of the Property**
  - 5% or (22) units @ 30% AMI
  - 45% or (202) units @ 80% AMI
  - Projected $668,500 or 47% in Rent Savings compared to Stabilized Year 2028
  - Total Projected Rents Savings over 10-Years trending $10.4MM
- **Economics**
  - Developer & General Fee: $866K
  - Total Fees Projected over 10-Years: $6.8M
  - Total Fees Projected without Refinance Fee: $4.2MM
  - Refinance Fee: $2.65MM
- **Public Benefits Analysis: 124%**
- **Public Benefits Analysis (less Refinance Fee): 102%**

## Community Amenities

- Leasing Office
- Individual & Co-Working Space
- Coffee Bar
- Clubroom and Catering Kitchen
- Package Lockers
- Gaming Room
- Resort Style Pool
- On-Site Storage
- Garages
- Electrical Charging Station
- On-Site Courtesy Officer
- Air-Conditioned Corridors
- Carpeted Corridors
- Elevators
- Extensive Amenity Space
- Private Courtyards
- Indoor Fitness Center
- Dog Park
- 24-Hour Emergency Maintenance
- Monthly Resident Events

## Unit Amenities

- Smart Features
- 10-foot Ceilings
- Hardwood Floors
- Premium Countertops
- Undermount Kitchen Sinks
- Recessed and Pendent Lighting
- LED Lighting
- Walk in Closet
- Garden Tub
- Stand-Up Shower
- Stainless Steel Appliances
- Washer & Dryers in all Units
- Oversized Kitchen Islands
- Side by Side Refrigerator
- Double Vanity
- Two Inch Blinds
- Private Yards *
- Private Studies *

* in select units

# Recommendation

Auxano recommends moving forward with a Section 392 partnership with JPI for the new construction development of Jefferson Wilmeth. This development shows strong Public Benefit Metrics.

Public Benefit Metrics are calculated using the 2024 undeveloped land value listed on the Collin County Appraisal District website. The real estate taxes estimated for future years utilize the Income Approach and the developer/sponsors' estimated construction and lease-up schedule.

- The first-year Stabilized AMI Rent savings are estimated at approximately $724,116, or approximately 47% of the estimated ad valorem tax.
- This new construction Class-A property will have modern amenities and provide excellent access to local jobs.
- The Development Partnership strategically produces 5% (22 Units) at 30% AMI and 45% (202 Units) at 80% AMI. This thoughtful unit distribution ensures the previously mentioned $724,116 will be rental savings for these 224 units, further enhancing the project's long-term success.
- The overall Public Benefit to the community is 124% of the project ad valorem taxes over 10 years. Industry averages are approximately 88%. (note there are various industry methods and public benefits calculations used across the state)
- If you eliminate the Disposition Fee, the Public Benefit remains strong at 102% of the ad valorem taxes. Industry averages are approximately 60%. (note there are various industry methods and public benefits calculations used across the state)
- The Developer scored 146 out of 150 or 97% on the Development Partner and Project Evaluation Factors.

# Jefferson Terry

4 Building each 4 – Story's
393 Units – Studio, 1 BR, 2 BR, & 3 BR


* Conceptual and subject to change


Site Address: SEQ of Hwy 380 & Terry Lane
Property ID: 1063422
Owner ID: 173579

## Unit Amenities

- Smart Features
- 10-foot Ceilings
- Hardwood Floors
- Premium Countertops
- Undermount Kitchen Sinks
- Recessed and Pendent Lighting
- LED Lighting
- Walk in Closet
- Garden Tub
- Stand-Up Shower
- Stainless Steel Appliances
- Washer & Dryers in all Units
- Oversized Kitchen Islands
- Side by Side Refrigerator
- Double Vanity
- Two Inch Blinds
- Private Yards *
- Private Studies *

* in select units

## Community Amenities

- Leasing Office
- Individual & Co-Working Space
- Coffee Bar
- Clubroom and Catering Kitchen
- Package Lockers
- Gaming Room
- Resort Style Pool
- On-Site Storage
- Garages
- Electrical Charging Station
- On-Site Courtesy Officer
- Air-Conditioned Corridors
- Carpeted Corridors
- Elevators
- Extensive Amenity Space
- Private Courtyards
- Indoor Fitness Center
- Dog Park
- 24-Hour Emergency Maintenance
- Monthly Resident Events

| Project Timeline | |
|---|---|
| **Land Closing** | November 2024 |
| **Construction Start** | July 2025 |
| **First Occupancy** | January 2027 |
| **Construction Completion** | August 2027 |
| **Stabilization** | May 2028 |

| Floorplan | Count | Size | % of Mix | Rent | RPSF |
|---|---|---|---|---|---|
| E1 | 31 | 656 | 7.89% | $1,570 | $2.39 |
| A1 | 95 | 720 | 24.17% | $1,651 | $2.29 |
| A3 | 117 | 782 | 29.77% | $1,727 | $2.21 |
| A7 | 30 | 793 | 7.63% | $1,746 | $2.20 |
| B1 | 26 | 1,127 | 6.62% | $2,271 | $2.01 |
| B3 | 20 | 1,189 | 5.09% | $2,379 | $2.00 |
| B4 | 51 | 1,285 | 12.98% | $2,582 | $2.01 |
| C1 | 23 | 1,577 | 5.85% | $3,003 | $1.90 |
| **Total/Avg** | **393** | **913** | **100%** | **$1,953** | **$2.14** |

***DEVELOPMENT BUDGET***

| | Total | $ / Unit | $ / NRSF | % of Total |
|---|---|---|---|---|
| Construction | $75,002,000 | $190,845 | $208.97 | 72.0% |
| Land including Purchase Price of $14.08 | 10,651,000 | 27,102 | 29.68 | 10.2% |
| Predevelopment / Feasibility | 448,000 | 1,140 | 1.25 | 0.4% |
| Title Insurance & Other | 268,000 | 682 | 0.75 | 0.3% |
| Furniture, Fixtures & Equipment | 775,000 | 1,972 | 2.16 | 0.7% |
| Marketing | 315,000 | 802 | 0.88 | 0.3% |
| Financing & Legal | 2,301,000 | 5,855 | 6.41 | 2.2% |
| Ad Valorem Taxes | 158,000 | 402 | 0.44 | 0.2% |
| Architectural & Engineering | 2,107,000 | 5,361 | 5.87 | 2.0% |
| Overhead & Administrative Fees | 4,268,000 | 10,860 | 11.89 | 4.1% |
| Operating Deficit | 1,269,000 | 3,229 | 3.54 | 1.2% |
| Construction Loan Interest Reserve | 3,804,000 | 9,679 | 10.60 | 3.7% |
| Owner Contingency | 2,809,000 | 7,148 | 7.83 | 2.7% |
| **PROJECT COST** | **$104,175,000** | **$265,076** | **$290.26** | **100.0%** |

# Terry- Rent Benefit Analysis

| | | |
|---|---|---|
| **Total Units** | **393** | |
| | **Unit Type** | **Total** |
| | **Studio** | **31** |
| | **1 Bedroom** | **242** |
| | **2 Bedroom** | **97** |
| | **3 Bedroom** | **23** |
| | | **393** |

| | 30% AMI | | | Rent Savings | | 80% AMI | | | Rent Savings | | Market Rents | | 100% Market Rents | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Avg. Rent | Units | Benefit % Comp to Market | Monthly | Annually | Avg. Rent | Units | Benefit % Comp to Market | Monthly | Annually | Avd. Rent | Units | Units | Monthly | Annually |
| Studio | 579 | 2 | 64% | 2,026 | 24,312 | 1,544 | 13 | 3% | 624 | 7,488 | 1,592 | 16 | 31 | 49,352 | 592,224 |
| 1 BD | 661 | 12 | 62% | 12,900 | 154,800 | 1,764 | 110 | -2% | 0 | 0 | 1,736 | 120 | 242 | 420,112 | 5,041,344 |
| 2 BD | 744 | 5 | 68% | 7,935 | 95,220 | 1,986 | 44 | 15% | 15,180 | 182,160 | 2,331 | 48 | 97 | 226,107 | 2,713,284 |
| 3 BD | 827 | 1 | 73% | 2,291 | 27,492 | 2,206 | 10 | 29% | 9,120 | 109,440 | 3,118 | 12 | 23 | 71,714 | 860,568 |
| | Total/Avg | 20 | 68% | 25,152 | 301,824 | Total/Avg | 177 | 14% | 24,924 | $299,088 | 49.9% | 196 | 393 | | $8,615,196 |
| | % of Units | 5.1% | | | | % of Units | 45.0% | | | | Rent | $2,948,832 | | | |

| | |
|---|---|
| **Number of Workfroce Units** | **197** |
| **Reduced Rent** | **$600,912** |

## *Terry - 10 Year Proforma*

| | Proforma | Year 2025 | Year 2026 | Year 2027 | Year 2028 | Year 2029 | Year 2030 | Year 2031 | Year 2032 | Year 2033 | Year 2034 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Current Gross Potential Market Rent** | $8,615,196 | – | – | $3,534,174 | $8,956,839 | $9,886,136 | $10,232,150 | $10,590,276 | $10,960,935 | $11,344,568 | $11,741,628 |

| **Rent trending percentage** | 3.5% | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Initial Conversion** | **Year 2025** | **Year 2026** | **Year 2027** | **Year 2028** | **Year 2029** | **Year 2030** | **Year 2031** | **Year 2032** | **Year 2033** | **Year 2034** |
| **Gross Potential Rent - Program Rent** | **$8,014,284** | **–** | **–** | **$2,507,628** | **$8,120,264** | **$9,020,147** | **$9,335,852** | **$9,662,607** | **$10,000,798** | **$10,350,826** | **$10,713,105** |
| Vacancy | ($400,714) | – | – | ($125,381) | ($406,013) | ($451,007) | ($466,793) | ($483,130) | ($500,040) | ($517,541) | ($535,655) |
| Non-Revenue | | – | – | – | – | – | – | – | – | – | – |
| Bad Debt | ($80,143) | – | – | ($23,822) | ($77,143) | ($85,691) | ($88,691) | ($91,795) | ($95,008) | ($98,333) | ($101,775) |
| Other Income | $794,437 | – | – | $275,539 | $760,109 | $911,635 | $943,542 | $976,566 | $1,010,746 | $1,046,122 | $1,082,736 |
| **EGI** | **$8,327,864** | **–** | **–** | **$2,633,963** | **$8,397,217** | **$9,395,083** | **$9,723,911** | **$10,064,248** | **$10,416,497** | **$10,781,074** | **$11,158,412** |
| Controllable Expenses | $947,574 | – | – | $339,785 | $938,108 | $1,066,503 | $1,098,498 | $1,131,453 | $1,165,396 | $1,200,358 | $1,236,369 |
| Franchise & Excise Taxes | $59,256 | – | – | $21,248 | $58,664 | $66,693 | $32,186 | $33,313 | $34,479 | $35,685 | $36,934 |
| MAHDC Lease Fees | – | – | – | $121,000 | $125,000 | $128,750 | $132,613 | $136,591 | $140,689 | $144,909 | $149,257 |
| MAHDC Acq & Disp Fee | $775,000 | $775,000 | – | | – | – | – | – | – | – | – |
| MAHDC Legal Fee | $125,000 | $125,000 | – | | – | – | – | – | – | – | – |
| MAHDC Financial Fee | $95,000 | $95,000 | – | | – | – | – | – | – | – | – |
| MAHDC Compliance Fee | $49,125 | $49,125 | $50,599 | $52,117 | $53,680 | $55,291 | $56,949 | $58,658 | $60,418 | $62,230 | $64,097 |
| MAHDC Hard Cost Tax Savings | $485,000 | $242,500 | $242,500 | | | | | | | | |
| Insurance | $334,050 | – | – | $119,785 | $330,713 | $375,976 | $387,256 | $398,873 | $410,839 | $423,165 | $435,859 |
| Non-Controllable Expenses | $803,900 | – | – | $288,266 | $795,870 | $904,797 | $931,940 | $959,899 | $988,696 | $1,018,356 | $1,048,907 |
| Management Fee | $216,128 | – | – | $77,500 | $213,969 | $243,254 | $291,717 | $301,927 | $312,495 | $323,432 | $334,752 |
| **Total Operating Expenses** | **$3,890,033** | **$1,286,625** | **$293,099** | **$1,019,701** | **$2,516,004** | **$2,841,263** | **$2,931,159** | **$3,020,714** | **$3,113,011** | **$3,208,136** | **$3,306,176** |
| Capital Reserves | $196,500 | | | $196,500 | $203,378 | $210,496 | $217,863 | $225,488 | $233,380 | $241,549 | $250,003 |
| **NOI** | **$4,241,331** | **($1,286,625)** | **($293,099)** | **$1,417,762** | **$5,677,835** | **$6,343,324** | **$6,574,889** | **$6,818,046** | **$7,070,105** | **$7,331,389** | **$7,602,233** |
| **Less: Debt** | **($3,754,485)** | **–** | **($1,023,251)** | **($3,923,976)** | **($4,465,858)** | **($3,754,485)** | **($3,754,485)** | **($3,754,485)** | **($3,754,485)** | **($3,754,485)** | **($3,754,485)** |
| **Less: Investor Return** | **($2,470,500)** | **($2,470,500)** | **($2,470,500)** | **($2,470,500)** | **($2,470,500)** | **($2,470,500)** | **($2,470,500)** | **($2,470,500)** | **($2,470,500)** | **($2,470,500)** | **($2,470,500)** |
| **Income** | **($1,983,654)** | **($3,757,125)** | **($3,786,850)** | **($4,976,714)** | **($1,258,523)** | **$118,339** | **$349,904** | **$593,061** | **$845,120** | **$1,106,404** | **$1,377,248** |

**NOTE:**

Assume a vacancy factor 5%

$60.1MM Senior Note at SOFR plus 3.0%, 3.5% floor - UW Rate 4.25%

$18.3MM in Preferred Equity at 13.50%

$26.1MM in Common Equity

## ***Terrry - McKinney Housing Authority***

| | | Stabilized | Year 2025 | Year 2026 | Year 2027 | Year 2028 | Year 2029 | Year 2030 | Year 2031 | Year 2032 | Year 2033 | Year 2034 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | **Tax Savings Calculation** | | | | | | | |
| **Project estimated Tax Savings** | | $67,955 | $67,955 | $501,987 | $1,208,927 | $1,245,194 | $1,293,128 | $1,342,906 | $1,394,601 | $1,448,285 | $1,504,036 | $1,561,934 |
| **Total project estimated Tax Benefit** | **$11,568,953** | | | | | | | | | | | |
| | | | | | **McKinney Housing Authority Benefit Calculation** | | | | | | | |
| Market Rate Gross Potential Rent | | $8,615,196 | – | – | $3,534,174 | $8,956,839 | $9,886,136 | $10,232,150 | $10,590,276 | $10,960,935 | $11,344,568 | $11,741,628 |
| Blended PFC Gross Potential Rent | | $8,014,284 | – | – | $2,507,628 | $8,120,264 | $9,020,147 | $9,335,852 | $9,662,607 | $10,000,798 | $10,350,826 | $10,713,105 |
| Community Rent Benefit | $7,535,476 | $600,912 | – | – | $1,026,546 | $836,575 | $865,988 | $896,298 | $927,668 | $960,137 | $993,742 | $1,028,522 |
| % of Rent Savings | 65% | | | | | | | | | | | |
| **Capital Improvements** | | – | – | – | – | – | – | – | – | – | – | – |
| | Terms | | | | | | | | | | | |
| MHA Annual Lease | 10% | – | – | – | $121,000 | $125,000 | $128,750 | $132,613 | $136,591 | $140,689 | $144,909 | $149,257 |
| MHA Acquisition Fee | 75bps | – | $775,000 | – | – | – | – | – | – | – | – | – |
| MHA Compliance Fee | | – | $49,125 | $50,599 | $52,117 | $53,680 | $55,291 | $56,949 | $58,658 | $60,418 | $62,230 | $64,097 |
| MHA Professional Fees | | – | $220,000 | | | | | | | | | |
| MHA Construction Cost Tax Savings (note) | 25% | | $242,500 | $242,500 | | | | | | | | |
| MHA Disposition/Transfer Fee | | – | | | – | | – | – | – | – | – | $1,500,000 |
| **Total PHA Benefit** | | **–** | **$1,286,625** | **$293,099** | **$1,199,662** | **$1,015,255** | **$1,050,029** | **$1,085,860** | **$1,122,917** | **$1,161,243** | **$1,200,881** | **$2,741,876** |

| | |
|---|---|
| **Total MHA Benefit** | **$12,157,446** |
| **% of Tax Benefit** | **105%** |
| **% of Tax Benefit less disposition** | **88%** |

NOTE: Tax Savings is paid 50% at closing and 50% at construction completion

## *Terry - "But For" 10 Year Proforma*

| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Current Gross Potential Market Rent** | $8,615,196 | $0 | $0 | $3,534,174 | $8,956,839 | $9,886,136 | $10,232,150 | $10,590,276 | $10,960,935 | $11,344,568 | $11,741,628 |

| **Rent trending percentage** | 4% | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Initial Conversion** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** | **Year 6** | **Year 7** | **Year 8** | **Year 9** | **Year 10** |
| **Gross Potential Rent - Program Rent** | **$8,014,284** | **–** | **–** | **$2,507,628** | **$8,120,264** | **$9,020,147** | **$9,335,852** | **$9,662,607** | **$10,000,798** | **$10,350,826** | **$10,713,105** |
| Vacancy | ($400,714) | – | – | ($125,381) | ($406,013) | ($451,007) | ($466,793) | ($483,130) | ($500,040) | ($517,541) | ($535,655) |
| Non-Revenue | – | – | – | – | – | – | – | – | – | – | – |
| Bad Debt | ($80,143) | – | – | ($23,822) | ($77,143) | ($85,691) | ($88,691) | ($91,795) | ($95,008) | ($98,333) | ($101,775) |
| Other Income | $794,437 | – | – | $275,539 | $760,109 | $911,635 | $943,542 | $976,566 | $1,010,746 | $1,046,122 | $1,082,736 |
| **EGI** | **$8,327,864** | **–** | **–** | **$2,633,966** | **$8,397,221** | **$9,395,088** | **$9,723,917** | **$10,064,255** | **$10,416,505** | **$10,781,083** | **$11,158,422** |
| Controllable Expenses | $947,574 | – | – | $339,785 | $938,108 | $1,066,503 | $1,098,498 | $1,131,453 | $1,165,396 | $1,200,358 | $1,236,369 |
| Franchise & Excise Taxes | $59,256 | – | – | $21,248 | $58,664 | $66,693 | $32,186 | $33,313 | $34,479 | $35,685 | $36,934 |
| MAHDC Lease Fees | – | – | – | $121,000 | $125,000 | $128,750 | $132,613 | $136,591 | $140,689 | $144,909 | $149,257 |
| MAHDC Acq & Disp Fee | $775,000 | $775,000 | – | – | – | – | – | – | – | – | – |
| MAHDC Legal Fee | $125,000 | $125,000 | – | – | – | – | – | – | – | – | – |
| MAHDC Financial Fee | $95,000 | $95,000 | – | – | – | – | – | – | – | – | – |
| MAHDC Compliance Fee | $49,125 | $49,125 | $50,599 | $52,117 | $53,680 | $55,291 | $56,949 | $58,658 | $60,418 | $62,230 | $64,097 |
| MAHDC Hard Cost Tax Savings | $485,000 | $242,500 | $242,500 | | | | | | | | |
| Insurance | $334,050 | – | – | $119,785 | $330,713 | $375,976 | $387,256 | $398,873 | $410,839 | $423,165 | $435,859 |
| Non-Controllable Expenses | $803,900 | – | – | $288,266 | $795,870 | $904,797 | $931,940 | $959,899 | $988,696 | $1,018,356 | $1,048,907 |
| Real Estate Taxes | $67,955 | $67,955 | $501,987 | $1,208,927 | $1,245,194 | $1,293,128 | $1,342,906 | $1,394,601 | $1,448,285 | $1,504,036 | $1,561,934 |
| Management Fee | $216,128 | – | – | $77,500 | $213,969 | $243,254 | $291,717 | $301,927 | $312,495 | $323,432 | $334,752 |
| **Total Operating Expenses** | **$3,957,988** | **$1,354,580** | **$795,086** | **$2,228,628** | **$3,761,198** | **$4,134,391** | **$4,274,065** | **$4,415,315** | **$4,561,296** | **$4,712,172** | **$4,868,110** |
| Capital Reserves | $196,500 | $204,753 | $213,353 | $222,313 | $231,651 | $241,380 | $251,518 | $262,082 | $273,089 | $284,559 | $296,510 |
| **NOI** | **$4,173,375** | **($1,559,333)** | **($1,008,438)** | **$183,025** | **$4,404,372** | **$5,019,317** | **$5,198,334** | **$5,386,859** | **$5,582,120** | **$5,784,352** | **$5,993,801** |
| **Less: Debt** | **($3,754,485)** | **–** | **($1,023,251)** | **($3,923,976)** | **($4,465,858)** | **($3,754,485)** | **($3,754,485)** | **($3,754,485)** | **($3,754,485)** | **($3,754,485)** | **($3,754,485)** |
| **Net Income** | **$418,890** | **($1,559,333)** | **($2,031,689)** | **($3,740,951)** | **($61,486)** | **$1,264,832** | **$1,443,849** | **$1,632,374** | **$1,827,635** | **$2,029,867** | **$2,239,316** |
| **Less: Investor Return** | **$418,890** | **–** | **–** | **–** | **–** | **$1,264,832** | **$1,281,000** | **$1,281,000** | **$1,281,000** | **$1,281,000** | **$1,281,000** |
| **Investor Accural** | **$862,110** | **($418,890)** | **($1,699,890)** | **($2,980,890)** | **($4,261,890)** | **($4,278,059)** | **($4,278,059)** | **($4,278,059)** | **($4,278,059)** | **($3,529,192)** | **($2,570,875)** |

**NOTE:**

Assume a vacancy factor 5%

$60.1MM Senior Note at SOFR plus 3.0%, 3.5% floor - UW Rate 4.25%

$18.3MM in Equity at 7% - Social Impact Investor Return or **$1,281,000**
The Equity Investor will not receive orginal investment until years later

# Scoring Matrix – Developer Responses – Consultants Scoring

| Development Partner and Project Evaluation Factors | Points |
|---|---|
| **Development/Management Team Experience**<br><br>JPI has been a market and affordable developer, manager, and acquirer since 1989. They are the largest developer within DFW, having previously developed over 114K units. | 10 |

| | Points |
|---|---|
| **Proposed Project Feasibility**<br><br>Without the MHA's involvement and provision of property tax exemption for Jefferson Terry, it would not be possible or financially feasible to construct the project as currently presented or with any level of affordability. The MHA's involvement and provision of property tax exemption are critical factors in making this project feasible. | 10 |

# Scoring Matrix – continued

| Development Partner and Project Evaluation Factors | Points |
|---|---|
| **Financing Structure**<br>1. Reimbursement of MHA's Predevelopment Fees and Expenses (up to 10 points)<br>As part of this execution, JPI has paid the $5,000 RFQ fee and will reimburse MHA for legal fees of up to $125,000 and a financial advisor fee of up to $95,000. | 10 |
| 2. MHA Share of Development Fee and/or Acquisition Fee (up to 10 points)<br>MHA will receive an upfront developer and General Contractor fee totaling 75bps of total project cost or $775,000. MHA will also receive 25% of the construction materials tax savings of $485K, paid 50% at closing and 50% at construction completion | 10 |

| | Points |
|---|---|
| 3. MHA Share of Fees and Cash Flow from Operations (up to 10 points)<br>MHA will receive an annual ground lease payment equaling 10% of the estimated real estate taxes, increasing 3% annually. The ground lease is contemplated to begin in 2027. and the annual required compliance fee of $49,125, rising 3% annually. | 7 |
| 4. MHA Share of Proceeds from Sale or Refinancing and Right of First Refusal (up to 10 points)<br>MHA will receive a Disposition/Transfer fee of $1.5MM and the right to purchase the project as Equitable Ownership Ch. 392 requires. | 10 |

# Scoring Matrix – continued

| Development Partner and Project Evaluation Factors | Points |
|---|---|
| **Affordability**<br>1. Stringency of Affordability Restrictions (up to 10 points)<br>Jefferson Terry will be 50% affordable to residents earning 80% AMI or lower: 45% of residents at 80% AMI and 5.1% at 30% AMI. | 10 |
| 2. Income Targeting and Availability of Units for MHA's Section 8 Housing Choice Voucher Holders and Applicants (up to 10 points)<br>JPI has deep experience in housing residents with Section 8 Housing Choice Vouchers. All voucher holders will be welcome to the property- | 10 |

| | Points |
|---|---|
| 3. Duration of Affordability Restrictions (up to 10 points)<br>Affordability Restrictions will run concurrently with the length of the ground lease. | 10 |

# Scoring Matrix – continued

| Development Partner and Project Evaluation Factors | Points |
|---|---|
| 4. Unit Mix Sufficient to House Families with Children in Affordable Units (up to 10 points)<br><br>JPI has set aside an equitable number of affordable one-bedroom, two-bedroom, and three-bedroom residences to accommodate families with children. The number of three bedrooms is 49% of the total three bedrooms to be constructed. | 10 |

| | Points |
|---|---|
| **Property Location and Features**<br><br>1. Location Aimed at Deconcentrating Poverty (up to 10 points)<br>Jefferson Terry is located near Baylor Scott and White Medical Center, shopping, and jobs.<br><br>Introducing a mix of low—and very low-income residences to this area deconcentrates poverty from parts of the city, reflecting a lower-income demographic. | 10 |

# Scoring Matrix – continued

| Development Partner and Project Evaluation Factors | Points |
|---|---|
| 2. Quality Design of Units, with Amenities and Resident Services On-Site or in Proximity to Property Location (up to 10 points)<br><br>Once constructed, Jefferson Terry will have top-of-class amenities and common areas for all residents. Construction finishes of the units will be Class-A.<br><br>The property has excellent access to US Hwy 380 and local jobs. | 10 |

| Financial Responsibility / Capacity of Development Partner | Points |
|---|---|
| JPI is in good financial standing and has developed 114,000 units.<br><br>JPI currently has over 9,000 homes in differing stages of development across the metroplex, valued at over $2.7 billion. Over the past 30+ years, JPI has delivered 376 communities valued at over $17.5 billion. JPI currently has seven attainable deals under construction, valued at $568.1M.<br><br>Audited financials will be provided upon request. | 8 |

# Scoring Matrix – continued

| Development Partner Team References | Points |
|---|---|
| Aaron Eaquinto, General Manager<br>Dallas HFC<br>Dallas, TX<br>Aaron.eaquinto@dallashfc.com<br>469-799-2670<br><br>Bernie Parker<br>Director of Economic Development<br>City of Anna<br>bparker@annatexas.gov<br>214-831-5394<br><br>Peter D. Urrutia<br>Executive Director<br>Rowlett HFC<br>purrutia@rowletthfc.org<br>469-431-0108 | 10 |

| | Points |
|---|---|
| **MBE/WBE/Section 3 Plans**<br><br>JPI certifies that 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. | 8 |
| **Total Points Possible** | 143 |

# Summary

Property
Jefferson Terry
New Construction
Units: 393 Units
- 31 – Studio Unit
- 242 – One Bedroom Units
- 97 – Two Bedroom Units
- 23 – Three Bedroom Units

Property Profile
- Class A

**McKinney Housing Authority Benefits**

- **Restricted Rents on 50.1% or (197 units) of the Property**
  - 5.1% or (20) units @ 30% AMI
  - 45% or (177) units @ 80% AMI
  - Projected $600,912 or 48% in Rent Savings compared to Stabilized Year 2028
  - Total Projected Rents Savings over 10-Years trending $10.4MM
- **Economics**
  - Developer & General Fee: $775K
  - Total Fees Projected over 10-Years: $4.6MM
  - Total Fees Projected without Disposition/Transfer Fee: $3.1MM
  - Disposition/Transfer Fee: $1.5MM
- **Public Benefits Analysis: 124%**
- **Public Benefits Analysis (less Refinance Fee): 107%**

## Community Amenities

- Leasing Office
- Individual & Co-Working Space
- Coffee Bar
- Clubroom and Catering Kitchen
- Package Lockers
- Gaming Room
- Resort Style Pool
- On-Site Storage
- Garages
- Electrical Charging Station
- On-Site Courtesy Officer
- Air-Conditioned Corridors
- Carpeted Corridors
- Elevators
- Extensive Amenity Space
- Private Courtyards
- Indoor Fitness Center
- Dog Park
- 24-Hour Emergency Maintenance
- Monthly Resident Events

## Unit Amenities

- Smart Features
- 10-foot Ceilings
- Hardwood Floors
- Premium Countertops
- Undermount Kitchen Sinks
- Recessed and Pendent Lighting
- LED Lighting
- Walk in Closet
- Garden Tub
- Stand-Up Shower
- Stainless Steel Appliances
- Washer & Dryers in all Units
- Oversized Kitchen Islands
- Side by Side Refrigerator
- Double Vanity
- Two Inch Blinds
- Private Yards *
- Private Studies *

* in select units

# Recommendation

Auxano recommends moving forward with a Section 392 partnership with JPI for the new construction development of Jefferson Terry. This development shows strong Public Benefit Metrics.

Public Benefit Metrics are calculated using the 2024 undeveloped land value listed on the Collin County Appraisal District website. The real estate taxes estimated for future years utilize the Income Approach and the developer/sponsors' estimated construction and lease-up schedule.

- The first-year Stabilized AMI Rent savings are estimated at approximately $668,580, or approximately 45% of the estimated ad valorem tax.
- This new construction Class-A property will have modern amenities and provide excellent access to local jobs.
- The Development Partnership strategically produces 5% (20 Units) at 30% AMI and 45% (177 Units) at 80% AMI. This thoughtful unit distribution ensures that the previously mentioned $600,912 will be rental savings for these 197 units, further enhancing the project's long-term success.
- The overall Public Benefit to the community is 124% of the project ad valorem taxes over 10 years. Industry averages are approximately 88%. (note there are various industry methods and public benefits calculations used across the state)
- If you eliminate the Disposition Fee, the Public Benefit remains strong at 107% of the ad valorem taxes. Industry averages are approximately 60%. (note there are various industry methods and public benefits calculations used across the state)
- The Developer scored 143 out of 150 or 95% on the Development Partner and Project Evaluation Factors.

***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 has 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.*

JPI

### 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 - ENHANCE COMMUNITIES

# CARES BY APARTMENT LIFE

**COMMUNITY MINDED — BY DESIGN**

Each community managed by JPI offers CARES by Apartment Life, a program designed to facilitate connection, bring residents together, and develop a true sense of community.
Through one-on-one visits, welcoming events, and onsite celebrations, Apartment Life redefines the resident experience through relationships—with a focus on increasing retention, enhancing online reputation, and improving satisfaction.

Apartment Life cultivates caring and fellowship between neighbors to enhance the art of apartment living, and helping partners achieve their goals—because connections with residents aren't just good for the community, they're good for business too.

# 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.

# Questions?