

McKinney Public Facility Corporation

City Council Work Session Presentation

August 5, 2025

Public Facility Corporations (PFCs)

- Chapter 303 of the Texas Local Government Code
 - Enabled the creation of governmental entities by local governmental bodies (such as cities, counties, or housing authorities) under state law to finance, acquire, construct, renovate, equip, and operate public facilities.
 - Public Facilities:
 - Housing projects (especially affordable housing)
 - Hospitals, clinics, and healthcare facilities
 - Educational facilities
 - Parks and recreational facilities
 - Governmental buildings
 - Transportation facilities
 - Infrastructure (water, sewer, etc.)
 - Economic development projects
 - Provided 100% property tax and sales/use tax exemptions

Legislative Changes: Texas Local Government Code and PFC Project Requirements

2022 Affordability Requirements:

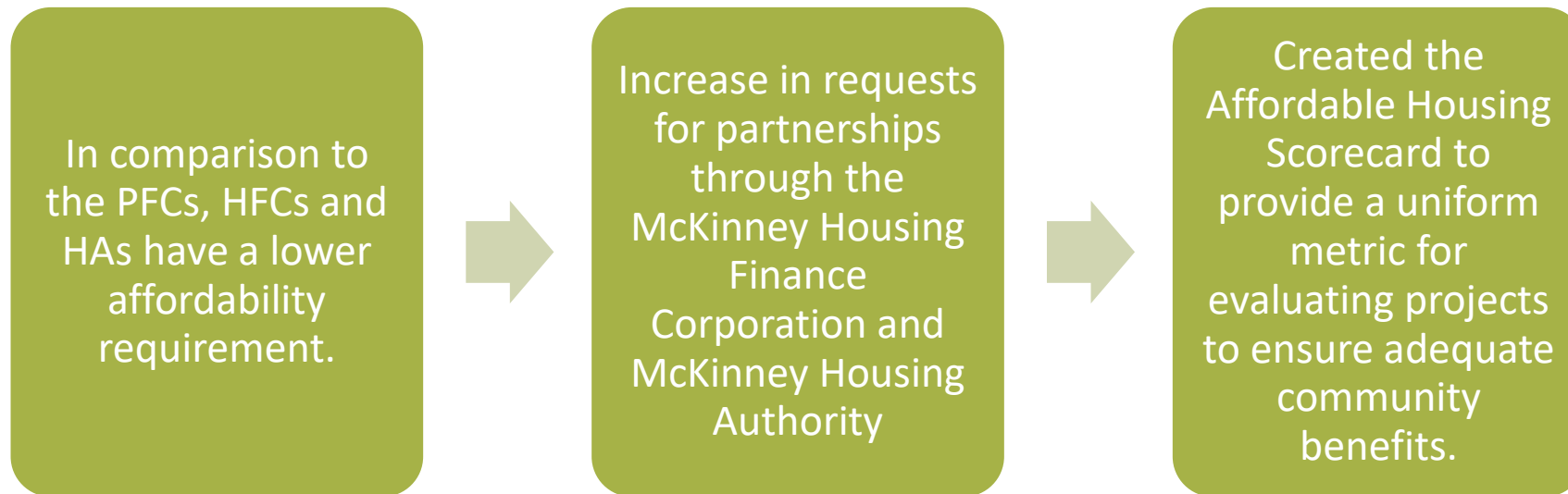
- 50% of the units reserved for 80% AMI

2023 Affordability Requirements:

- Development Projects:
 - 10% of the units reserved for 60% of AMI
 - 40% of the units reserved for 80% of AMI
- Acquisition Projects:
 - 25% of the units reserved for 60% of AMI

Impact of Legislative Changes on Developer Partnerships:

- Housing Finance Corporations (HFCs) and Housing Authorities (HAs) Affordability Requirements:
 - 50% of the units reserved for 80% AMI



Anticipated MPFC Bylaw Amendments

- **Dedicate Net Revenue:** Place the net revenue from any public facility related to multifamily residential development by the MPFC into the existing **Affordable Housing Fund (Fund 14)**.
- **Future Appropriation:** This revenue will be held for future appropriation by the City Council.
- **Non-Substantive Changes:** Make other non-substantive changes and corrections to the bylaws.
- **Strategic Impact:** Dedicating revenues from MPFC projects to Fund 14 will provide a dedicated funding source to further the Council's Fiscal Year 2025-26 Strategic Goal: "Develop at least **10 single-family homes and/or townhomes** through the Community Land Trust by September 30, 2026."