



# CITY OF MCKINNEY, TEXAS

## Legislation Text

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**File #:** 23-0615, **Version:** 1

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Consider/Discuss/Act on a Resolution Approving Assignment of Private Activity Bond Authority to the Texas Department of Housing and Community Affairs; and Containing Other Provisions Relating to the Subject

**COUNCIL GOAL:** Enhance the Quality of Life

**MEETING DATE:** August 1, 2023

**DEPARTMENT:** Housing and Community Development

**CONTACT:** Cristel Todd, Affordable Housing Administrator  
Janay Tieken, Director of Housing and Community Development

**RECOMMENDED CITY COUNCIL ACTION:**

- Approve Resolution Authorizing Assignment of Private Activity Bond Authority to the Texas Department of Housing and Community Affairs; and Containing Other Provisions Relating to the Subject

**ITEM SUMMARY:**

- MHFC would apply for Private Activity Bonds (PAB) volume cap, PABs are issued, and the MHFC will assign that PAB to TDHCA to administer tax-exempt bonds/MCCs on the MHFC behalf.
- TDHCA distributes the funds as below-market mortgages or MCCs to qualified homebuyers through their network of approved lenders.
- TDHCA manages all reporting and compliance.
- The MHFC is not required to qualify homebuyers, service loans or do anything beyond applying for PAB cap for \$500 and executing an agreement with TDHCA.
- Borrowers who use this program have access to TDHCAs down payment assistance program (DPA)
- MHFC can also fund additional DPA.
- The program will be used for 1st time homebuyers

**BACKGROUND INFORMATION:**

- The MHFC has offered the MCC program in the past and it was underutilized. Partnering with TDHCA will allow the MHFC to assist more homebuyers.

**FINANCIAL SUMMARY:**

- The MHFC will receive a to be determined annual admin fee based upon production of MHFC loans.

**BOARD OR COMMISSION RECOMMENDATION:**

- MHFC Board approved at the June 9, 2023, board meeting