



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 22-1050, **Version:** 1

Consider/Discuss/Act on a Resolution Authorizing the Jefferson Verdant Apartments Transaction, including the Execution of All Documentation Necessary to Carry Out the Transaction; Authorizing the Purchase of the Land for the Transaction and the Lease of Such Land for the Transaction; and Authorizing McKinney Public Facility Corporation to Serve as the General Contractor; and Other Matters in Connection Therewith

COUNCIL GOAL: Financially Sound Government
(4A: Provide funding and organizational framework to ensure continual economic improvements)

MEETING DATE: November 15, 2022

DEPARTMENT: City Manager's Office
Housing & Community Development

CONTACT: Kim Flom, Assistant City Manager
Cristel Todd, Affordable Housing Administrator

RECOMMENDED CITY COUNCIL ACTION: Resolution Approval

ITEM SUMMARY:

- This resolution authorizes the agreement that defines the partnership between the McKinney Public Facilities Corporation (MPFC) and JPI Hardin Development, LLC for the development of the Jefferson Verdant multifamily rental housing development.
- The full agreement was still being finalized at time of agenda publication and will be provided to the MPFC Board at the meeting. The agreement reflects the terms approved by the MPFC and as coordinated with the City's consulting attorney.

BACKGROUND INFORMATION:

- The McKinney Public Facilities Corporation (MPFC) Board approved a Term Sheet with JPI Hardin Development, LLC for a Public Facilities Corporation partnership on September 27, 2022.
- The Project, titled Jefferson Verdant, is a 384-unit Class A multifamily rental housing development on 15 acres near the southwest corner of Bois D Arc Road and US380/University drive.
- The Project is planned to include amenities similar to other Class A multifamily developments in the market, including a clubhouse, pool, and fitness center.
- The Developer will provide all financing and financial guarantees for the Project, and will market, lease, and manage the Project.
- Neither the City of McKinney nor MPFC will have any financial obligations with respect to the

Project, except to obtain the property tax exemption.

- By MPFC owning the Project in fee simple, the Project will be eligible to receive a 100% exemption from the payment of ad valorem taxes so long as at least 50% of the total units are restricted for rental by residents earning less than 80% of area median income (“AMI”) and the rents will be restricted to TDHCA rents adjusted for unit size.

FINANCIAL SUMMARY:

- MPFC will be paid at closing, at stabilization and at sales events per the terms outlined in the agreement.

BOARD OR COMMISSION RECOMMENDATION: N/A