TITLE: Consider/Discuss/Act on a Funding Request Submitted by Palladium USA for the Palladium McKinney Project at Virginia Parkway and Carlisle Street

COUNCIL GOAL: 1: Direction for Strategic and Economic Growth

MEETING DATE: June 6, 2023

DEPARTMENT: Housing and Community Development

CONTACT: Janay Tieken, Director of Housing and Community Development
Kim Flom, Assistant City Manager

ITEM SUMMARY:
- Two developers have recently submitted requests to utilize McKinney Public Facilities Corporation funding.

- Both projects also submitted the same funding requests to the McKinney Community Development Corporation.

- Palladium USA submittal requests $1,500,000 to fill a financing gap for Palladium McKinney.

BACKGROUND INFORMATION:
- In 2022, the City of McKinney established the McKinney Public Facilities Corporation (MPFC) to support the development of the Jefferson Verdant Project.

- The agreement for the Jefferson Verdant project provides for payments to the MPFC. The City received $2,000,000 at the closing of the project.

- The City has received a funding request from Palladium USA in the amount of $1,500,000 to fill a financing gap in the project.

- Palladium McKinney proposes to construct a 172-unit multifamily project that will include common amenities. Units will be available to residents at 60% AMI or

below.

- Palladium McKinney has also requested a co-development partnership with the McKinney Housing Finance Corporation.

- At their meeting on May 25, the McKinney Community Development Corporation approved funding for both projects, with the stipulation that if either project receives alternative funding, then the funded applicant will not receive MCDC funds.

FINANCIAL SUMMARY:
- The MPFC received $2,000,000 at the closing of the Jefferson Verdant project. A budget amendment is proposed on the June 6, 2023 Council Agenda that would appropriate the funds to housing uses.

BOARD OR COMMISSION RECOMMENDATION:
- Any recommendation given by MPFC will be provided to Council for final review and approval.

SUPPORTING MATERIALS:
[Request](#)
[Presentation](#)