



26-0298

TITLE: Consider/Discuss/Act on Resolution Authorizing the Formation of McKinney Franklin Branch Contractor, LLC, (“The Contractor”) in Connection with The McKinney Housing Finance Corporation Multifamily Housing Revenue Bonds (Franklin Branch Apartments), Series 2026; Authoring the Designation of the Corporation as the Sole Member of the Contractor; Approving the Form and Substance of a Limited Liability Company Agreement and the Execution Thereof; Ratifying Certain Actions Heretofore Taken in Connection with the Contractor; Authorizing the Execution of Documents and Instruments Necessary or Convenient to Carry out the Purposes of this Resolution; and Containing other Provisions Relating Thereto

COUNCIL GOAL: Goal #1.1: Provide a Strong Economy by Creating a Global Housing Strategy and Facilitating a Balance Between Industrial, Commercial, Residential, and Open Space.

MEETING DATE: April 10, 2026

DEPARTMENT: Housing and Community Development

CONTACT: Cristel Todd, Affordable Housing Administrator
Margaret Li, Director of Housing and Community Development

RECOMMENDED BOARD ACTION:

- Approve Resolution.

ITEM SUMMARY:

- On December 13, 2024, NRP Holdings LLC (the “Developer”), was selected as the co-development partner for the McKinney Housing Finance Corporation (MHFC) Request for Qualifications (RFQ). The Developer is proposing a 100% affordable, 288-unit multifamily housing development to be located on an approximately 15.7-acre site on the southwest corner of FM1461 and Baxter Well Road known as the Franklin Branch Apartments (the “Project”).
- The proposed Resolution authorizes the legal creation of the McKinney Franklin Branch Contractor, LLC, which will serve as the general contractor for the

project. The MHFC typically serves as the General Contractor (through a subsidiary LLC) to qualify for sales tax exemptions on construction materials. These significant cost savings are essential for maintaining the project's 100% affordable status.

- Establishing a separate LLC for construction activities provides a layer of legal separation between the Corporation's general assets and the specific liabilities associated with the construction phase of the project.
- In addition, the Resolution designates the MHFC as the sole member of this new contractor entity. The Resolution also appoints the following MHFC representatives as officers:
 - Tyler Underwood - President
 - Lisa Emry - Vice President
 - Ranjith Ranghunath - Treasurer
 - Cristel Todd - Secretary
- The appointed officers are empowered to negotiate and execute all necessary construction contracts, bonds, and financing instruments required to advance the project.
- In addition, the Resolution establishes the Developer's role in the acquisition, construction, and equipping of the 288-unit, 100% affordable development.

BACKGROUND INFORMATION:

- On September 22, 2024, the MHFC issued an RFQ to select a qualified developer for a public private partnership deal. In response to all notices published, four submissions were received prior to the deadline of October 10, 2024. An evaluation team comprised of MHFC board members, City Council, and city staff reviewed and ranked the submissions based on the evaluation criteria listed within the RFQ.
- On December 13, 2024, MHFC approved NRP Holdings, LLC as the qualified developer and co-development partner.

FINANCIAL SUMMARY:

- Upon closing, a general contractor management fee of \$355,000 will be paid to the MHFC in its capacity as the sole member of the project's contractor entity.
- The proposed Project is estimated to receive approximately \$3,039,257 in ad valorem tax abatement. In exchange, the MHFC is estimated to receive approximately \$3,420,000 in guaranteed income over a 15-year period.

SUPPORTING MATERIALS:

[Resolution](#)