



# CITY OF MCKINNEY, TEXAS

## Legislation Details (With Text)

<b>File #:</b>	22-0505	<b>Name:</b>	Res Assigning PAB to TDHCA
<b>Type:</b>	Resolution	<b>Status:</b>	Approved
		<b>In control:</b>	City Council Regular Meeting
<b>On agenda:</b>	6/7/2022	<b>Final action:</b>	6/7/2022
<b>Title:</b>	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		
<b>Indexes:</b>			
<b>Attachments:</b>	1. Resolution, 2. Exhibit A		

Date	Ver.	Action By	Action	Result
6/7/2022	1	City Council Regular Meeting	Approved	Pass

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:** June 7, 2022

**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 to 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 April 8, 2022, board meeting