



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 18-824, **Version:** 1

Consider/Discuss/Act on Request for Qualifications for Future Affordable Housing Development Utilizing Public Private Partnership with the McKinney Housing Finance Corporation

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

MEETING DATE: October 2, 2018

DEPARTMENT: Housing and Community Development

CONTACT: Cristel Todd, Affordable Housing Administrator

RECOMMENDED CITY COUNCIL ACTION:

- Approve McKinney Housing Finance Corporation (MHFC) recommendation for Request for Qualifications (RFQ) for future affordable housing development utilizing partnership with McKinney Housing Finance Corporation (MHFC)

ITEM SUMMARY:

- Section 394.001 of the Texas Local Government Code allows Housing Finance Corporations to partner with private developers in the creation of affordable or mixed-income developments
- Housing Finance Corporations receive financial benefit from the partnership from the project by sharing in the project cash flow and development fee
- Project proceeds may be used to meet City of McKinney affordable housing needs

BACKGROUND INFORMATION:

- On September 18, 2017, City Council discussed the ability of the McKinney Housing Finance Corporation to enter into co-developer agreements with private affordable housing developers
- City Council supported a competitive Request For Qualifications (RFQ) process for the selection of the private developer
- On September 29, 2017, the MHFC recommended moving forward with the competitive RFQ process for selecting a co-developer for the FY19 funding cycle
- The MHFC recommends the attached RFQ for future affordable housing development utilizing public/private partnerships

FINANCIAL SUMMARY:

- The McKinney Housing Finance Corporation will recognize financial gain from the transaction as a percentage of the developer fee and cash flow. These amounts will be negotiated by McKinney Housing Finance Corporation financial counsel

BOARD OR COMMISSION RECOMMENDATION:

- The McKinney Housing Finance Corporation (MHFC) voted on September 14, 2018, to recommend the attached Request for Qualifications (RFQ) for future housing development utilizing a public/private partnership with the McKinney Housing Finance Corporation (MHFC)