



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 19-0013, **Version:** 1

Update 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: January 15, 2019

DEPARTMENT: Housing and Community Development

CONTACT: Cristel Todd, Affordable Housing Administrator

RECOMMENDED CITY COUNCIL ACTION:

- N/A

ITEM SUMMARY:

- On behalf of the MHFC, the City issued a request for qualifications (18-28RFQ) seeking an experienced real estate developer (the "**Co-Developer**") to maximize the resources available for affordable housing purposes within the City of McKinney.
- RFQ was issued on October 14, 2018.
 - Advertised in McKinney Courier Gazette
 - Posted on McKinney TV
 - 298 matching eBid Supplier Notifications
- In response to all notices published, five (5) submissions were received on November 1, 2018.
- An evaluation team comprised of City staff, and MHFC board members reviewed and ranked the submissions based on the following evaluation criteria listed within the RFQ:

| Evaluation Factors | Points |
|-----------------------------|--------|
| Development Team | 15 |
| Development Experience | 15 |
| Project Specific Experience | 15 |
| Financing Experience | 15 |
| Financing Strategy | 15 |

| | |
|--|----|
| Financing Structure and Share of Development Fee and Cash Flow | 5 |
| Financial Responsibility | 10 |
| References | 10 |

- Based on the evaluation results, the City and MHFC has deemed The NRP Group, LLC as the most qualified firm for this project.

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.
- On September 14, 2018, the MHFC approved a recommendation to City Council for a RFQ for future affordable housing development utilizing public/private partnerships.
- On October 2, 2018, City Council approved the RFQ.

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 general partner counsel.
- 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.
- Project proceeds may be used to meet City of McKinney affordable housing needs.

BOARD OR COMMISSION RECOMMENDATION:

- The McKinney Housing Finance Corporation (MHFC) Subcommittee has deemed the NRP Group LLC as the most qualified firm for the project.