



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 21-0567, **Version:** 1

Conduct a Public Hearing to Consider/Discuss/Act on a Resolution of the City Council of the City of McKinney, Texas, Regarding the Application of Pedcor Investments L.P. to the Texas Department of Housing and Community Affairs (TDHCA), for 4% Tax Credits for the Construction of Multi-Family Units Within the Development

COUNCIL GOAL: Enhance the Quality of Life McKinney
(5F: Maximize partnerships between the City of McKinney and private industry)

MEETING DATE: June 22, 2021

DEPARTMENT: Housing & Community Development Department

CONTACT: Janay Tieken, Housing and Community Development
Cristel Todd, Affordable Housing Administrator

RECOMMENDED CITY COUNCIL ACTION:

- Approve one of the Resolutions

ITEM SUMMARY:

- Pedcor Investments L.P. is applying to TDHCA for 4% tax credits for the construction of Mill Stream Apartments.
- Pedcor Investments L.P. is requesting a Resolution of No Objection from the City Council.
- A staff evaluation of the proposed development is attached to the agenda item.

BACKGROUND INFORMATION:

- Pedcor Investments, A Limited Liability Company ("Pedcor") was founded in 1987. Today, Pedcor is one of the largest developers of affordable housing within the multifamily housing tax credit program. Pedcor consistently remains one of the Top 50 developers and owners/managers of LIHTC units in the country. Pedcor has established a reputation as an innovative development company with a solid history of identifying active rental housing markets with a demonstrated ability to construct and manage affordable housing developments in compliance with IRC Section 42 (9% LIHTC transactions) and IRC Section 142 (4% LIHTC tax-exempt bond transactions) as enacted by the Tax Reform Act of 1986.

FINANCIAL SUMMARY:

- The estimated total cost of the project is approximately \$55.3M. Tax credits make up approximately \$16.3M, tax exempt bonds make up approximately \$34M, with private equity and deferred developer fee providing the remaining \$5M.

- The developer is not asking for any additional contribution or fee waivers from the City at this time.

BOARD OR COMMISSION RECOMMENDATION: N/A