



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 22-0392, **Version:** 1

Discuss Public Facilities Corporations (PFC) as a Tool for Workforce and Affordable Housing

COUNCIL GOAL: 5E: Enhance the Quality of Life in McKinney
(Maximize Partnerships Between the City of McKinney and Private Industry)

MEETING DATE: May 3, 2022

DEPARTMENT: Housing and Community Development

CONTACT: Janay Tieken, Director of Housing and Community Development

ITEM SUMMARY:

- Staff requests City Council direction on affordable housing development policy utilizing the Public Facility Corporation (PFC) model
- The Public Facility Corporation (PFC) model for financing affordable housing development is gaining popularity with developers due to less State oversight, higher profit margins and less competition for funding
- The McKinney Housing Authority has a current RFQ for developers utilizing the PFC model and the MHFC RFQ allows for developers to submit a PFC project
- Only the McKinney Housing Authority and City Council can create a Public Facility Corporation (PFC)

BACKGROUND INFORMATION:

- Developers must partner with either a City PFC or the McKinney Housing Authority PFC if they wish to develop affordable housing under Section 303.042(f) within the City of McKinney
- Developers do not need a Resolution of Support from the City to utilize the PFC model, but City Council can set policy for the utilization of the PFC tool

FINANCIAL SUMMARY:

- Affordable rents are possible due to the ad valorem tax exemption that is brought to the project by the public ownership of the land

BOARD OR COMMISSION RECOMMENDATION: N/A