



# CITY OF MCKINNEY, TEXAS

## Legislation Text

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**File #:** 22-0445, **Version:** 1

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

**COUNCIL GOAL:** Enhance the Quality of Life in McKinney  
5F: Maximize Partnerships between the City of McKinney and Private Industry

**MEETING DATE:** May 17, 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 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:**

- In October 2018, the City Council approved a Request for Qualifications (RFQ) for the process to select a private developer to partner in developing an affordable or mixed-income development.
- The resulting project, The Independence by NRP Holdings, LLC will celebrate a grand opening in June of 2022.
- Based on the success of the first partnership and the Council priority to further workforce and affordable housing, a second RFQ for more projects has been prepared.
- The McKinney Housing Finance Corporation (MHFC) reviewed and recommended approval of

the attached RFQ at their April meeting.

- This RFQ differs from the first RFQ in two ways:
  - It permits consideration for Public Facilities Corporations (PFC's).
  - It is an open RFQ, with no submittal deadline or limit on the number projects that can be considered.
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#### **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 April 8, 2022, to recommend the attached Request for Qualifications (RFQ) for future housing development utilizing a public/private partnership with the McKinney Housing Finance Corporation (MHFC)