



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 22-0708, **Version:** 1

Consider/Discuss/Act on a Resolution Authorizing the City Manager to Negotiate a Memorandum of Understanding with JPI Hardin Development, LLC for a Potential Public Facilities Corporation Partnership

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

MEETING DATE: August 2, 2022

DEPARTMENT: Housing and Community Development

CONTACT: Kim Flom, Assistant City Manager
Cristel Todd, Affordable Housing Administrator

RECOMMENDED CITY COUNCIL ACTION:

- Approval of Resolution.

ITEM SUMMARY:

- City Council approved the request for Qualifications for future affordable housing development utilizing public private partnership on May 17, 2022
- The City issued a request for qualifications 22-35RFQ) seeking an experienced real estate developer (the "**Co-Developer**") to maximize the resources available for affordable housing purposes within the City of McKinney. This Request for Qualifications (RFQ) was intended to identify one 4% tax credit co-development partnership and one Public Facility Corporation (PFC) partnership.
- The RFQ was issued on June 5, 2022.
 - Advertised in McKinney Courier Gazette
 - Posted on McKinney TV
 - 383 matching eBid Supplier Notifications
 - Of the 383 notifications, thirty-four (34) were Historically Underutilized Businesses (HUB)
- In response to all notices published, six (6) submissions were received on June 23, 2022.
- An evaluation team comprised of City Council, 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 determined JPI Hardin Development, LLC as the most qualified firm for a potential Public Facilities Corporation (PFC) partnership.
- Interviews are still underway on selection for a 4% tax credit co-development partnership. A resolution will be presented once a co-development partner has been selected.

BACKGROUND INFORMATION:

- City Council supported a competitive Request for Qualifications (RFQ) process for the selection of the private developer.
- On November 12, 2021, the MHFC recommended moving forward with the competitive RFQ process for selecting a co-developer for the FY23 funding cycle.
- On April 8, 2022, the MHFC approved a recommendation to City Council for a RFQ for future affordable housing development utilizing public/private partnerships.
- On May 17, 2022, City Council approved the RFQ.
- On June 21, 2022, City Council approved the formation of the McKinney Public Facility Corporation

FINANCIAL SUMMARY:

- The City of McKinney will recognize financial gain from the transaction. These amounts will be negotiated by partnership counsel.
- Project proceeds may be used to meet City of McKinney affordable housing needs.

BOARD OR COMMISSION RECOMMENDATION:

- N/A