



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 22-0862, 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: September 20, 2022

DEPARTMENT: Housing and Community Development

CONTACT: Cristel Todd, Affordable Housing Administrator

RECOMMENDED CITY COUNCIL ACTION:

- N/A

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, and in person interviews the City and MHFC has determined Atlantic Pacific Communities, LLC as the most qualified firm for a 4% tax credit co-development partnership.

BACKGROUND INFORMATION:

- City Council supported a Request for Qualifications (RFQ) process for the selection of the private developer.
- On November 12, 2021, the MHFC recommended moving forward with the 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.

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 partnership 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:

- N/A