



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 26-0297, **Version:** 1

Consider/Discuss/Act on Resolution Authorizing the Formation of McKinney Franklin Branch Development, LLC, (“The Co-Developer”) in Connection with The McKinney Housing Finance Corporation Multifamily Housing Revenue Bonds (Franklin Branch Apartments), Series 2026; Authoring the Designation of the Corporation as the Sole Member of the Co-Developer; Approving the Form and Substance of a Limited Liability Company Agreement and the Execution Thereof; Ratifying Certain Actions Heretofore Taken in Connection with the Co-Developer; Authorizing the Execution of Documents and Instruments Necessary or Convenient to Carry out the Purposes of this Resolution; and Containing other Provisions Relating Thereto

COUNCIL GOAL: Goal #1.1: Provide a Strong Economy by Creating a Global Housing Strategy and Facilitating a Balance Between Industrial, Commercial, Residential, and Open Space.

MEETING DATE: April 10, 2026

DEPARTMENT: Housing and Community Development

CONTACT: Cristel Todd, Affordable Housing Administrator
Margaret Li, Director of Housing and Community Development

RECOMMENDED BOARD ACTION:

- Approve Resolution.

ITEM SUMMARY:

- On December 13, 2024, NRP Holdings LLC (the “Developer”), was selected as the co-development partner for the McKinney Housing Finance Corporation (MHFC) Request for Qualifications (RFQ). The Developer is proposing a 100% affordable, 288-unit multifamily housing development to be located on an approximately 15.7-acre site on the southwest corner of FM1461 and Baxter Well Road known as the Franklin Branch Apartments (the “Project”).
- The proposed Resolution authorizes the legal creation of the McKinney Franklin Branch Development, LLC, which will serve as the Co-Developer for the Franklin Branch Apartments.
- The Resolution designates the McKinney Housing Finance Corporation (the “Corporation”) as the sole member of this new Co-Developer entity and approves the form and substance of the Limited Liability Company Agreement, providing the legal framework for the entity's operations. Designating the MHFC as the Sole Member of the Co-Developer, the Corporation maintains direct involvement and oversight during the critical acquisition, construction, and leasing phases of the project.

- Creating a distinct Limited Liability Company (LLC) for development activities is a standard industry practice that provides an additional layer of legal and financial protection for the MHFC while fulfilling its mission.
- In addition, the Resolution authorizes the Co-Developer to enter into a formal Development Agreement with the Borrower to oversee the acquisition, construction, and management of the 288-unit project. The Resolution also appoints the following MHFC representatives as officers:
 - Tyler Underwood - President
 - Lisa Emry - Vice President
 - Ranjith Ranghunath - Treasurer
 - Cristel Todd - Secretary
- The appointed officers are empowered to negotiate and execute all necessary contracts, financing statements, and instruments required to fulfill the Co-Developer's obligations.

BACKGROUND INFORMATION:

- On September 22, 2024, the MHFC issued an RFQ to select a qualified developer for a public private partnership deal. In response to all notices published, four submissions were received prior to the deadline of October 10, 2024. An evaluation team comprised of MHFC board members, City Council, and city staff reviewed and ranked the submissions based on the evaluation criteria listed within the RFQ.
- On December 13, 2024, MHFC approved NRP Holdings, LLC as the qualified developer and co-development partner.

FINANCIAL SUMMARY:

- The proposed Project is estimated to receive approximately \$3,039,257 in ad valorem tax abatement over a 15-year period. In exchange, the MHFC is estimated to receive approximately \$3,420,000 in guaranteed income over the same time period.