

CITY OF MCKINNEY

HOUSING AND COMMUNITY DEVELOPMENT

CONCERTED REVITALIZATION PLAN 2016-2019

Executive Summary

The City of McKinney is in the midst of a booming economic and housing environment. In 2014, McKinney received a Number 1 ranking as “America’s Best Places to Live” by Money Magazine. However, the City is dealing with issues that plague all cities – neighborhoods that have a high proportion of families struggling to maintain their homes due to rising cost of living, and a challenging employment environment.

As the City positions itself to sustain livable communities, it continues to explore strategic ways to create opportunities to meet these challenges. In this vein, the City of McKinney is seeking to partner with Texas Department of Housing and Community affairs (TDHCA) to implement a Concerted Revitalization Plan that will benefit the City of McKinney residents that need it the most. The Concerted Revitalization Plan takes the guiding principles of the Comprehensive Plan, One McKinney 2040, and shows how they apply specifically to the residents and properties located in east McKinney, the older and traditionally less affluent area of McKinney. The Concerted Revitalization Plan also builds upon the specific recommendations of the Town Center Study completed in 2008. The Town Center Study takes the findings of the original Comprehensive Plan and narrows them to a single sector of town to develop detailed plans that address the issues and priorities of that sector. The Concerted Revitalization Plan presented closely follows the Town Center Plan but focuses on meeting the needs of the people already residing in the area east of Hwy 5 and the historic downtown. The population in the targeted area is young and ethnically diverse, generally with large households. The existing neighborhoods in the areas covered by the Concerted Revitalization Plan each have unique identities. They are known as the “PRIDE neighborhoods” (Promoting Resident Involvement, Development, and Enthusiasm). The neighborhoods are La Loma, Rockwall, Lewisville, Mouzon and Wilcox. The Concerted Revitalization Plan specifically addresses long-term disinvestment: **lack of employment opportunities, blight, adverse environmental conditions, obsolete land use, lack of access to healthcare facilities, and presence of inadequate infrastructure or transportation.**

Existing Plans

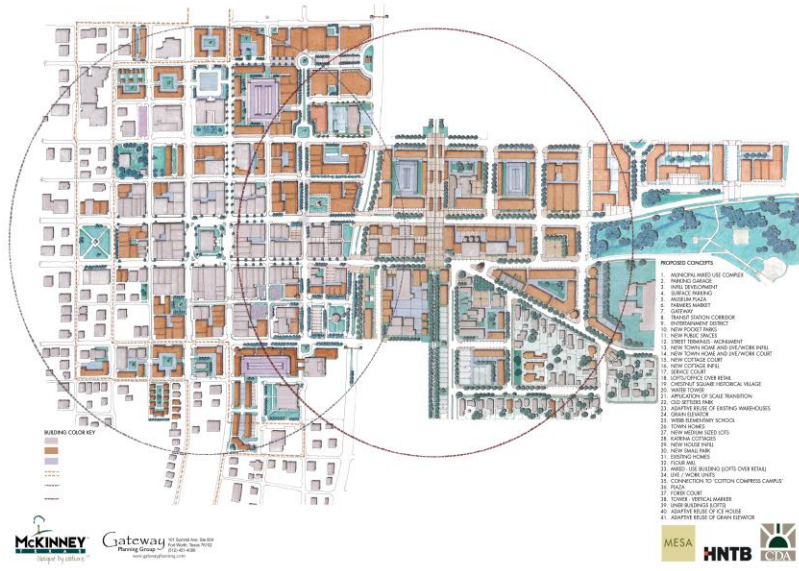
Comprehensive Plan 2040

The Comprehensive Plan, “One Community. One Vision. One McKinney 2040” is a statement of the community’s vision for today plans to take McKinney into the future. *(Source: file #16-924, Agenda Item, 9/19/2016, Council Work Session)*

The Comprehensive Plan addresses the tremendous population growth that occurred between the adoption of the current plan in 2004 and the resulting effects to residents and the physical environment experienced today. For example, in 2000, the population of the City of McKinney was 54,369 and had more than doubled to 136,666 by 2012. The population in 2016 is estimated at 161,905. A few of the guiding principles that form the basis of the One McKinney Comprehensive Plan are: (1) investments in infrastructure systems, public facilities, economic incentives and community programs are made when they are fiscally responsible and economically sustainable (2) today’s neighborhoods remain vital and desirable places that meet the needs of existing residents and also appeal to future residents (3) housing choices available in McKinney are accessible and affordable to people at all stages of their lives (4) McKinney’s mobility network—its highways, streets, trails and transportation routes—meets the needs of residents and businesses without substantially reducing quality of life or detracting from the character of the districts and neighborhoods they serve. . *(Source: file #16-924, Agenda Item, 9/19/2016, Council Work Session)*

Town Center Study

As an extension of the Comprehensive Plan, in March 2008, the McKinney Town Center Study was approved to promote and encourage revitalization of the old, historic, downtown core. This is achieved by promoting an efficient, compact and walkable development pattern; encouraging pedestrian activity; reducing the reliance on private automobiles; positioning the historic Town Center as a viable transit-oriented development (TOD). The Town Center Study recognizes, “While revitalization of the historic Town Center area is a high priority, it must be accomplished in a manner that preserves and perpetuates the history and heritage of this community.” (Ord. No. 2013-04-044, § 30, 4-22-2013)



TOWN CENTER PLAN AREA

Town Center “Character Districts”

As part of the Town Center Plan, “character districts” were established. The “Downtown Edge District” is intended to provide for a range of relatively smaller scale commercial (retail, office, and live-work) and residential transitions between the Downtown Core and the adjacent neighborhoods to the north, south, and west. The Concerted Revitalization Plan covers the area directly to the west of the Town Center. Downtown Edge development standards emphasize keeping a smaller scale for residential uses and limiting non-residential building forms to be compatible with the adjacent residential neighborhoods. The Transit Village Core District is intended to provide the highest intensity of residential and commercial infill and redevelopment around the future passenger rail transit station. Development standards emphasize pedestrian frontages along Virginia, Louisiana, and McDonald Streets.

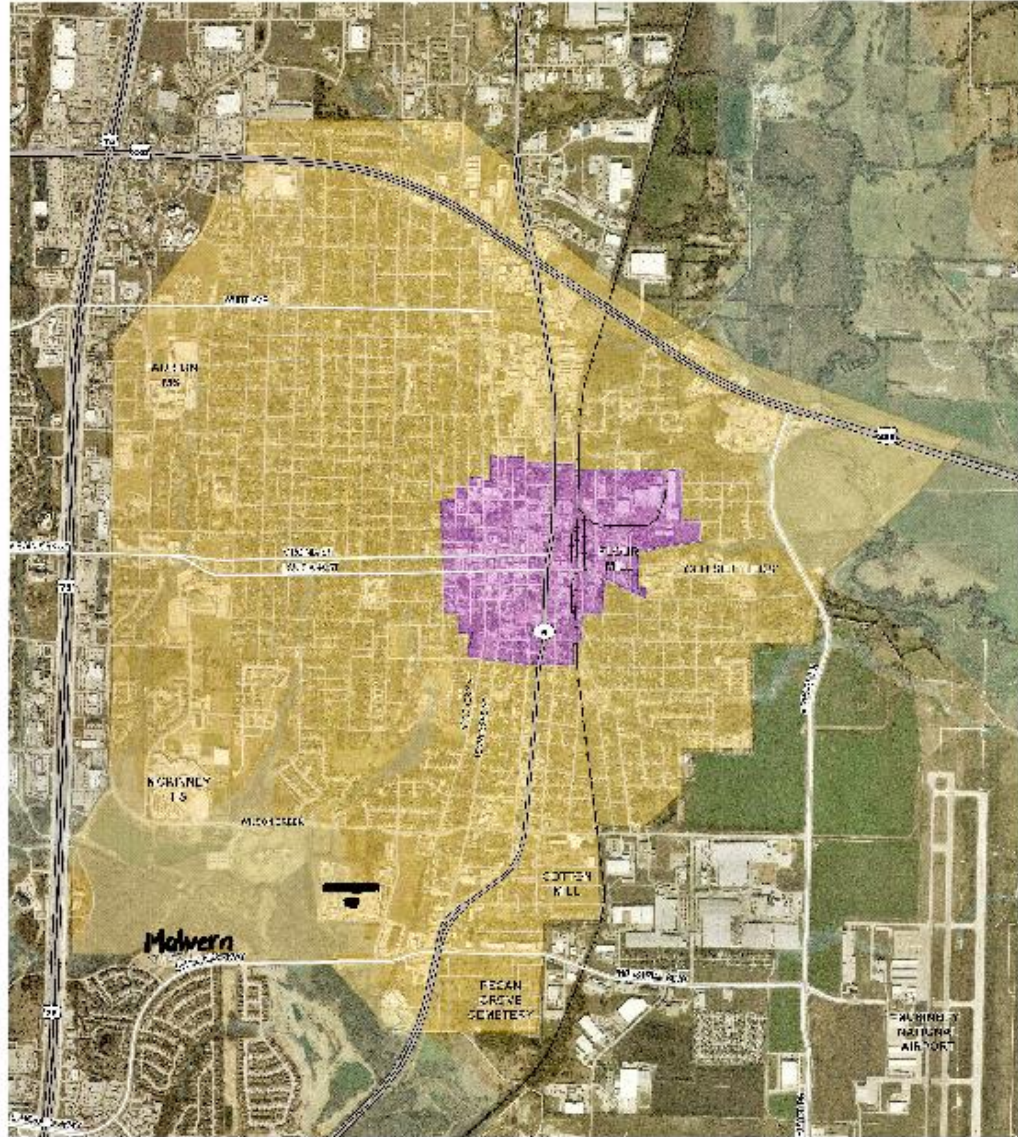
Community Engagement

The revitalization of McKinney has involved participation among citizens since 2004. A major element of the Comprehensive 2040 Plan has been outreach to the community through online surveys, questionnaires and community summits. A summary of the results regarding quality of life factors and major themes is outlined below: <http://www.onemckinney2040.com/pages/about/outreach.html>

Maintain City infrastructure (streets, parks, buildings) over time	Keep existing neighborhoods vital
Provide comparable city services and amenities city wide	Respect Natural features and topography
Grow the City's tax base in order to be economically sustainable and resilient over the long term	Maintain a sense of community and quality of life as the city grows
Provide efficient transportation infrastructure	Determine the development pattern for future

The draft of the Concerted Revitalization Plan was presented to residents of the PRIDE Neighborhoods and Neighborhood Associations in November 2016 as a continued effort to include their input and contribution, to ensure their needs are addressed, and in support for successful plan administration. The Concerted Revitalization Plan addresses areas most important to residents from a community charrette held on October 24, 2015. A total 105 residents participated in interactive activities and exercises to map out future development. Specific comments on the Historic Town Center included: 1) need more services east of State Hwy 5. 2) improved infrastructure and homes 3) multifamily neighborhood so people can walk to shops 4) provide bicycle paths and access to downtown. Other comments included: “daycare”, “grocery needed”, “healthcare facility” and “no transportation for families”.

ONE COMMUNITY. ONE VISION.



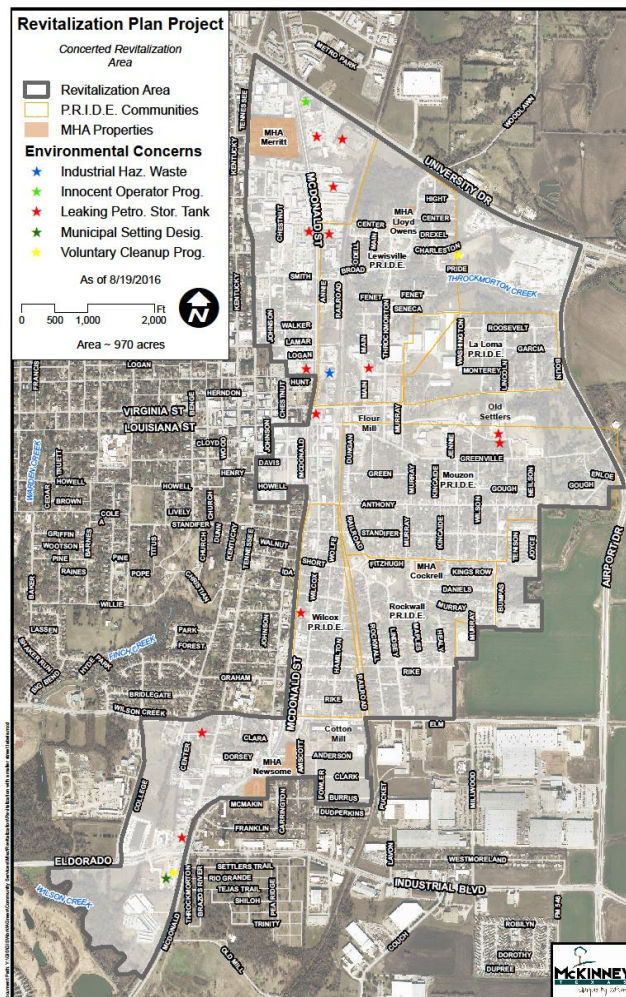
Legend

- Town Center Square
- Historic Town Center
- Flood Plain
- Highway
- Major Road
- Railroad

ONE McKinney 2040

Historic Town Center – ONE McKinney 2040 map

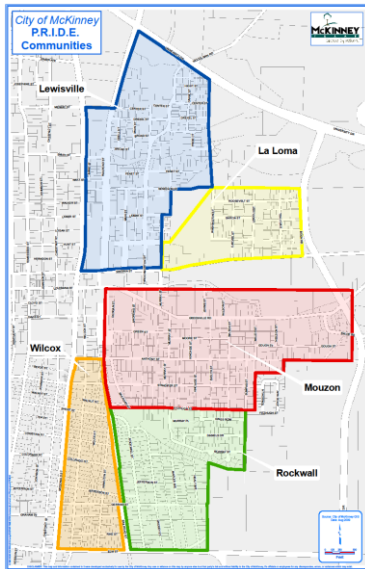
Another community workshop on January 21, 2016 had a strong turnout with approximately 95 participants from across McKinney. The workshop, which was held at the McKinney Senior Recreation Center, allowed the participants to review three distinct growth scenarios. The growth scenario favored by the majority of participants was, “Development districts with a wide-variety of single-family neighborhood types and a strong mix of urban living.” Participants also commented that the City “needs to be attentive to affordable housing concerns.”



Concerted Revitalization Plan Map with Neighborhoods

How Does the Concerted Revitalization Plan Fit Into Existing Plans and Neighborhoods?

PRIDE Communities



North Collin County (NCC) Habitat for Humanity contributes to the effort of improving living conditions for McKinney residents. According to their 2016 Economic Impact report, their goal of eliminating substandard housing was addressed by improvements made in the PRIDE communities, which is solely located in census tract 309. Since 1992, NCC Habitat has repaired 100 homes, and built 64 new homes. The City of McKinney, through its CDBG funded home renovation program, has repaired 154 homes and reconstructed 6 homes in the Plan area. The Concerted Revitalization Plan will bring additional outside investment into the McKinney Housing Authority multi-family properties through 9% tax credits, while preserving affordability in an area with increasing prices.

The Concerted Revitalization Plan leverages this high intensity residential infill, to promote multifamily, mixed income housing, adjacent to future transit. The Transit Village Edge District covers the older single family neighborhoods east and south of the Transit Village Core. These include the Mouzon neighborhood to the south of the future Transit Oriented Development (TOD) at the old Flour Mill, and the Lewisville and La Loma neighborhoods to the east and north, respectively.

The Flour Mill is recognized by the Secretary of the U.S. Department of the Interior as a historic site that has helped shape the early history of McKinney. A two-and four-story industrial brick building (circa 1914) with a flat roof, steel-sash casement windows, large multi-paned industrial windows, and stepped brick detailing. The main structure is approximately 30,000 square feet of floor area and about 70 feet in height. In addition, a one-story, 8900 square foot, warehouse building occupies the central part of the property and another one-story, 1,000 square foot, brick office building (both circa 1914) occupies the southeastern most portion of the subject property.

The Cotton Mill is another important historic structure located within the Concerted Revitalization Plan area. The Cotton Mill Core District is part of the Town Center Plan and is intended to provide for adaptive reuse/redevelopment of the historic Cotton Mill building complex as well as for development of compatible new buildings with a flexible range of commercial, institutional, or residential uses based on specific market conditions.

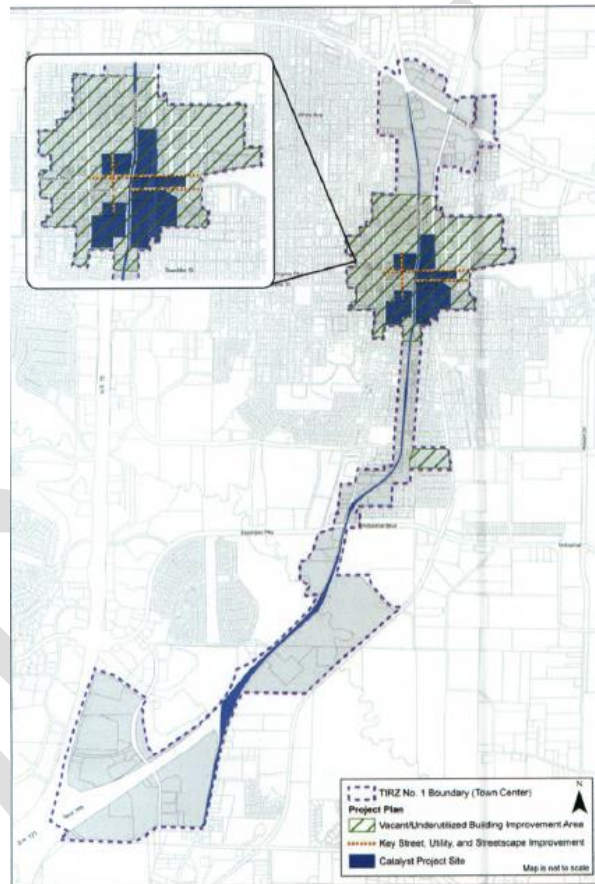


Cotton Mill – Historic District

The Cotton Mill Edge District is intended to provide for a range of commercial (retail, office, cottage industrial and live-work) uses and sensitive building scale transitions between the Cotton Mill Core and the adjacent Wilcox and Rockwall residential neighborhoods. Development standards emphasize buildings, uses, forms, and/or scales that are more compatible with residential neighborhoods.

To date, the amount of investment in the CRP area has included:

- Allocation of Tax Increment Reinvestment Zone #1 (TIRZ) property taxes (estimated \$3.5 million FY 2015)
- In excess of \$8.2 million has been spent by the City on upgrading infrastructure – roads/water/sewer lines/drainage – and redeveloping Newsome Homes, in the proposed revitalization area within the last 5 years.



TIRZ BOUNDARY –ZONE 1

In summary, it necessary to the plans and vision of McKinney residents to continue to enhance and maintain livability in the City. The CRP is a great opportunity to collaborate and invest in McKinney’s future: the children, and prosperity of communities. The remainder of this document will outline the demographic and economic conditions as they relate to race, age, income and access to housing, employment, healthcare and transportation and how the Concerted Revitalization Plan will address issues outlined.

Demographic and Economic Conditions

The City’s population is growing at a steady pace. According to the McKinney Chamber of Commerce and U.S. Census Bureau, the City has “jumped 144% in population since 2000 and is now the 19th largest city in Texas, up from 49th in 2000.” (Source:

http://www.mckinneychamber.com/about-mckinney/mckinney_at_a_glance.aspx)

As of August 2016, McKinney’s population sits at 161,905 (Source: McKinney Planning Department.).

According to the 2013 American Community Survey (ACS), in census tract 309, the total population is 9,176, 34% of the total area; for other areas of the City, race and ethnic distribution reflects majority White at 62%, 19.5% Hispanic, and 11% African American, as noted below:

	Census Tract 309		Other areas of City	
	Number	Percentage	Number	Percentage
White alone (not Hispanic)	1,857	20.24%	86,326	62.72%
Black or African American alone (not Hispanic)	1,544	16.83%	15,192	11.04%
American Indian and Alaska Native alone (not Hispanic)	4	0.04%	444	0.32%
Asian alone (not Hispanic)	86	0.94%	6,337	4.60%
Some other race alone (not Hispanic)	14	0.15%	215	0.16%
Two or more races (not Hispanic)	34	0.37%	2,172	1.58%
Persons of Hispanic Origin	5,637	61.43%	26,947	19.58%
Total	9,176		137,643	

2009-13 ACS

Focusing on the proposed revitalization area only, the race/ethnicity profile is as follows:

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

2016 Population by Race/Ethnicity	
Total	5,258
White Alone	41.7%
Black Alone	22.7%
American Indian Alone	1.0%
Asian Alone	0.8%
Pacific Islander Alone	0.1%
Some Other Race Alone	29.4%
Two or More Races	4.3%
Hispanic Origin	61.4%
Diversity Index	88.2
2021 Population by Race/Ethnicity	
Total	5,637
White Alone	40.2%
Black Alone	24.0%
American Indian Alone	0.9%
Asian Alone	1.0%
Pacific Islander Alone	0.2%
Some Other Race Alone	29.4%
Two or More Races	4.4%
Hispanic Origin	61.6%
Diversity Index	88.5

This table shows that the Hispanic population exceeds other races/ethnicities as in the current (61%) total and projected (62%) population.

The total current (2016) and projected population for 2021 is outlined below:

Population Summary	
2000 Total Population	4,406
2010 Total Population	4,987
2016 Total Population	5,259
2016 Group Quarters	101
2021 Total Population	5,637
2016-2021 Annual Rate	1.40%

Population by age is delineated accordingly:

2016 Population by Age	
Total	5,259
0 - 4	10.2%
5 - 9	9.5%
10 - 14	8.8%
15 - 24	15.8%
25 - 34	15.5%
35 - 44	13.7%
45 - 54	11.3%
55 - 64	7.4%
65 - 74	4.6%
75 - 84	2.3%
85 +	1.0%
18 +	66.6%
2021 Population by Age	
Total	5,635
0 - 4	10.0%
5 - 9	9.0%
10 - 14	8.7%
15 - 24	15.0%
25 - 34	15.0%
35 - 44	14.1%
45 - 54	10.7%
55 - 64	8.5%
65 - 74	5.4%
75 - 84	2.6%
85 +	1.0%
18 +	67.5%

Currently, seniors (aged 55 and up) make up the 3rd largest group; however by 2021 it is projected they will be the largest group at 17% of the population in the revitalization area.

According to the U.S. Census 2016 Income and Poverty Report, “The official poverty rate in the United States in 2015 was 13.5 percent.” Based on this, the poverty rate in McKinney, census tract 309 indicates that it well exceeds the national rate.

<http://www.census.gov/library/publications/2016/demo/p60-256.html>

The poverty rate in this census tract is outlined here:

Person-level Information	Target		Reference		
	Number	Percentage	Number	Percentage	
Poverty Rate:		28.07%		9.22%	
Persons in Poverty in Family Households:		2,175	86.34%	9,587	79.88%
Persons in Poverty in non-Family Households:		344	13.66%	2,415	20.12%

2009-13 ACS

There is a direct correlation to those living in poverty and access to housing, employment, healthcare, and transportation. Between July 2011 and July 2016, the median sales price for an existing home in McKinney rose from \$185,000 to \$280,000 and the median new home price was \$367,000. Sales price as a percentage of list price rose from 95% to 99.7% during that same

period. For multifamily housing, the average rent for market rate housing is \$1,200 per month with an overall occupancy rate of 95%. Strong demand for multifamily properties has led to a dramatic increase in rents. One market rate property, Retreat at Stonebridge Ranch, increased rents 22% from July 2015 to July 2016. In contrast, the City of McKinney currently has 14 Low Income Housing Tax Credit (LIHTC) properties totaling 1,992 units. The average rent in these units is \$854 a month and an occupancy rate of 97.3% (Apartment MarketData) The estimated number of affordable housing units that will needed in McKinney based on the projected population for the City of McKinney from 2010 to 2020 is 2,997. This indicates that an additional 1,005 units of affordable housing will be needed to meet the growing population.

Number of affordable housing units needed in McKinney (based on population)

	<u>2000 Census</u>	<u>2010 Census</u>	<u>2020 Projected</u>	<u>Estimated Housing Units Needed</u>
McKinney Population	54,369	131,117	180,300	2,997
Difference		76,748	49,183	
Percentage		141%	38%	

(Sources: TDHCA; American FactFinder/US Census, TX State Data Center/OSD; City of McKinney Planning Department)

According to a May 2016 article in the Dallas Morning News, when McKinney Housing Authority opened its waiting list in early 2016 for the affordable housing choice vouchers the first time in 10 years, “it maxed at 400 applicants in two hours.”

(Source: <http://www.dallasnews.com/news/mckinney/2016/10/13/mckinney-working-beef-affordable-housing-options-nearly-1000-linger-waiting-list>)

The challenge that exists involves a family’s inability to afford housing in McKinney, although they are employed. Below is data that outlines median earnings and disparities amongst different races in McKinney:

Median Earnings in the Past 12 Months (In 2014 inflation-adjusted dollars)

	White	Black or African American	Asian	Hispanic or Latino (any race)
	Estimate	Estimate	Estimate	Estimate
McKinney	\$45,022	\$37,275	\$50,731	\$23,624

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

In the revitalization area, the breakdown of current and projected household income is outlined below:

2016 Households by Income	
Household Income Base	1,398
<\$15,000	24.9%
\$15,000 - \$24,999	19.2%
\$25,000 - \$34,999	14.2%
\$35,000 - \$49,999	15.4%
\$50,000 - \$74,999	10.9%
\$75,000 - \$99,999	8.3%
\$100,000 - \$149,999	4.6%
\$150,000 - \$199,999	1.8%
\$200,000+	0.5%
Average Household Income	\$40,803
2021 Households by Income	
Household Income Base	1,499
<\$15,000	26.1%
\$15,000 - \$24,999	19.3%
\$25,000 - \$34,999	14.5%
\$35,000 - \$49,999	12.5%
\$50,000 - \$74,999	11.1%
\$75,000 - \$99,999	9.3%
\$100,000 - \$149,999	4.5%
\$150,000 - \$199,999	2.2%
\$200,000+	0.5%
Average Household Income	\$42,320

The table shows that 25% of household's average income in the revitalization area, in 2016 and projected for 2021, will be \$15,000 or less.

Below is data that shows estimated median housing costs for McKinney:

	<u>Median new home price</u>	<u>Median cost for a 1,2 and 3br apt</u>		
		1 Bedroom	2 Bedroom	3 Bedroom
McKinney	367,000	990	1,419	1,747

Source: realtor.com

The comparison of median household income, home values, and per capita income specifically for the revitalization area is as follows:

Median Household Income	
2016	\$28,335
2021	\$27,504
Median Home Value	
2016	\$110,326
2021	\$131,522
Per Capita Income	
2016	\$11,486
2021	\$11,823

As the table shows, household income is projected to decrease by year 2021. Although home values are projected to increase by 19%; per capita income will only increase by 3%.

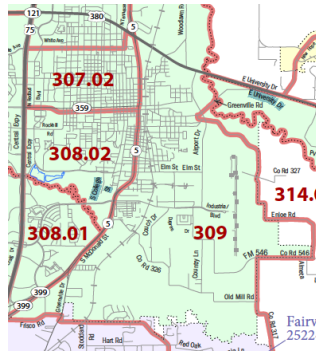
The neighborhoods in the proposed Concerted Revitalization Area, (designated in census tracts 307, 308 and 309) have the largest concentration of persons living in poverty, and significant Hispanic and/or senior resident population. The families that reside in this area are struggling to meet housing or other living expenses. The table below details housing expenses burden in relation to earned income in census tract 309:

Costs	Target		Reference	
	Number	Percentage	Number	Percentage
Paying > 30%	1,499	58.19%	14,031	30.96%
Earning Less than \$34,999 paying > 30%	1,188	46.12%	6,901	15.23%
Earning More Than \$35,000 paying > 30%	311	12.07%	7,130	15.73%
Owner Occupied Earning Less than \$35,000 paying > 30%	237	26.33%	2,608	8.23%
Owner Occupied Earning More than \$35,000 paying > 30%	91	10.11%	5,611	17.71%
Renter Occupied Earning Less than \$35,000 paying > 30%	951	56.74%	4,293	31.47%
Renter Occupied Earning More than \$35,000 paying > 30%	220	13.13%	1,519	11.13%

2009-13 ACS

The table outlines that those living in census tract 309 are extremely overburdened by housing costs (58 %) as compared to the city of McKinney as a whole (31%). According to a 2006 report from the US Census Bureau:

The conventional public policy indicator of housing affordability in the United States is the percent of income spent on housing. Housing expenditures that exceed 30 percent of household income have historically been viewed as an indicator of a housing affordability problem. The conventional 30 percent of household income that a household can devote to housing costs before the household is said to be "burdened" evolved from the United States National Housing Act of 1937



CITY OF MCKINNEY - CENSUS TRACTS 307, 308 and 309 (2010)

<https://www2.census.gov>

Redevelopment of McKinney Housing Authority Properties in the Concerted Revitalization

Area

One common topic the Revitalization Plan is positioned to tackle is gentrification. While the evolution of a neighborhood can be viewed as a positive, often the challenge of maintaining affordable housing becomes difficult for all residents in a particular area, especially as a city faces the pressure of remaining a choice location. According to a May 2016 article titled, “Reflections from a Dialogue on Gentrification and Community Change:”

The change affects people’s homes and communities; it raises the possibility that longtime residents could be displaced as their community gains economically, or the community altered so as to be unrecognizable to the residents who remain.”

<https://www.huduser.gov/portal/pdredge/pdr-edge-frm-asst-sec-051616.html>

It is important to invest in community building, which the revitalization plan is seeking to do.

The article emphasizes that,

“Creating a space for longtime residents to see themselves in the future of the changing community... encouraging ways for residents to identify and collectively pursue mutual interests – sets the stage for what could be, equitable gentrification”

The three McKinney Housing Authority (MHA) properties being proposed for 9% tax credit reconstruction are located in census tract 307 and 309. The families living in these properties consist grandparents who are on a fixed income (i.e. social security), and raising their grandchildren, or even great grandchildren. They are experiencing generational poverty, and therefore unable to break through the cycle of improving their living situation. All three

properties are dealing with crumbling infrastructure, and need replacement of: HVAC units, tubs, flooring, sinks, appliances, and repair of sidewalks and water lines. The Concerted Revitalization Plan seeks to remedy these issues by providing modern amenities, incorporating energy efficiencies, and improve accessibility standards. In continuing with redevelopment efforts, the CRP will be a vehicle to secure 9% tax credits for the redevelopment of three (3) MHA properties: Merritt Homes, Lloyd Owens, and Cockrell. The proposed redevelopment of these properties would utilize 9% Low Income Housing Tax Credits through TDHCA. The tax credit brings in equity and investment necessary for the redevelopment.

Merritt Homes is an 86 unit complex located on North Tennessee Street, north of downtown McKinney. The property was built in 1951. Through the Town Center study initiative, it was identified that this “property should have corridor appropriate development character for frontage on Tennessee and SH5.” In addition, according to MHA’s Preliminary Development report, “If the property is developed with a mix of uses, the non-residential uses should be oriented to SH 5... site layout, building placement, and internal drive circulation should be designated to create a pedestrian-oriented environment.”

Cockrell Homes, located on Murray St., is southeast of downtown McKinney. The property was built in 1958 and consists of 12 one-story residential structures, total of 24 housing units. The Lloyd Owens Homes, built in 1956, is also located southeast of downtown McKinney on Throckmorton St. The property consists of nine one and two-story apartment buildings. The Town Center Study initiative noted that the Lloyd Owens and Cockrell Homes properties are “located in an area designated as a preserved neighborhood. As such, redevelopment shall respect the fine grained character of this area, as well as preserve the existing family-family fabric.”

The City of McKinney’s Housing and Community Development (HCD) department specifically contributes to the revitalization effort through the Community Development Block Grant (CDBG). As stated in in the 2015-2019 U.S. Department of Housing’s (HUD) Consolidated Plan, activities are expected to enhance viable, living environments, preserve and provide decent, affordable housing and include possibilities to expand economic opportunities, principally for low-to-moderate income persons and households.

(Source: www.mckinneytexas.org/1405/Planning-Reports)

During the 2015-16 CDBG program year, HCD provided relocation assistance for residents under the re-development of MHA's Newsome Homes. The Newsome Homes redevelopment project which began in April 2016, demolished existing housing consisting of 64 units, and is building a new development with 180 units, expected completion of construction in the fall of 2016. (http://starlocalmedia.com/mckinneycouriergazette/news/low-income-housing-in-mckinney-needs-overhaul/article_b93d0134-cd71-11e3-88f4-0019bb2963f4.html?TNNoMobile). MHA owns and operates public housing units and administers the Housing Choice Voucher Program, which assists very low income families, the elderly and the disabled to afford housing in the private market. (Source: www.mckinneytexas.org/1405/planning-reports AP-05 Executive Summary). MHA faces the challenges of maintaining units due to aging stock and backlog of capital needs. The Concerted Revitalization Plan will assist the McKinney Housing Authority in the redevelopment of these units through the 9% LIHTC program.



Newsome Homes

LACK OF EMPLOYMENT OPPORTUNITIES

Per the 2015 City of McKinney Finance and Planning Departments' report, the unemployment rate for the City has decreased over the years (Source: Texas Workforce Commission). As of August 2016, the unemployment rate in McKinney is lower (3.9%) as compared to the State of Texas (4.6%) (Source: Texas Workforce Commission, April 2016). However, these statistics do not reflect the fact that employed individuals are unable to sustain or maintain their housing. This table below shows the majority of McKinney occupations in "construction, extraction,

maintenance, and repair” earn a median income of only \$22,000, which, as explained in the housing burden chart, is insufficient to support housing and other needs:

Occupation	Percentage	Median Income
Management, business, and financial occupations	3.53%	28,542
Farming, fishing and forestry occupations	4.53%	35,561
Service occupations	13.49%	22,250
Sales and office occupations	20.22%	20,758
Construction, extraction, maintenance, and repair occupations	30.62%	22,391
Production, transportation, and material moving occupations	13.32%	11,890
Total		

2009-13 ACS

Although there are employment opportunities in the revitalization area, the salaries for these positions are often not sufficient to meet the housing prices in McKinney.

An analysis of occupations in the proposed revitalization area is shown below:

2016 Employed Population 16+ by Industry

Total	2,051
Agriculture/Mining	0.3%
Construction	18.8%
Manufacturing	8.9%
Wholesale Trade	3.8%
Retail Trade	14.0%
Transportation/Utilities	4.2%
Information	0.2%
Finance/Insurance/Real Estate	2.4%
Services	44.4%
Public Administration	2.9%

2016 Employed Population 16+ by Occupation

Total	2,049
White Collar	35.0%
Management/Business/Financial	6.0%
Professional	11.8%
Sales	5.9%
Administrative Support	11.4%
Services	26.1%
Blue Collar	38.8%
Farming/Forestry/Fishing	0.0%
Construction/Extraction	14.7%
Installation/Maintenance/Repair	10.1%
Production	5.9%
Transportation/Material Moving	8.1%

This table supports the fact that the top industry is in services, and the main occupations are in blue collar employment.

To help illustrate the housing affordability crisis, the only homeless shelter, in Collin County, the Samaritan Inn, is located in McKinney. The Samaritan Inn houses approximately 160 individuals who are employed or, have the ability to work. (Source: <http://www.thesamaritaninn.org/>). According to their statistics, several individuals are turned away due to having “no room at the Inn:”

Collin County is one of the wealthiest areas in Texas, but poverty and homelessness are growing issues. Last year, we were unable to help more than 500 families experiencing homelessness because we were already at capacity. (Source: <http://www.thesamaritaninn.org/who-we-are/>)

As a result, the agency plans to expand their shelter operations to “meet the ever increasing needs of homeless families in our community.” (Source: <http://www.thesamaritaninn.org/new-family-shelter/>).

A November 2016 article in the Star Local Media showcased an individual, Holly, who was college educated, had over 15 years of work experience, but was experiencing homelessness in Collin County. The article discussed how residents are often “one crisis away from homelessness,” and in this instance, Holly was dealing with employment instability:

“Like other Americans, she got stuck on a cycle: She’d work a contract for a few months, the contract would get cut short, and she’d be on unemployment until she got another job.”

The employment market she was facing focused on employers offering contract positions only where, “They pay you hourly, but you have no benefits with them, no paid-time off, no 401k. They’re not vested in you.” The article stated, “About 37 percent of the homeless population in Collin County is employed... (they) go to work every day, but once they clock out, they don’t have a place to call home.”

http://starlocalmedia.com/planocourier/one-crisis-away-collin-county-homelessness-spotlighted-this-month/article_fa3e7160-b039-11e6-8206-af8afa6a7d21.html

The Housing and Community Development department offers Tenant-based Rental Assistance (TBRA) through TDHCA. According to the staff administrator, within the last 2.5 years, total clients assisted has increased by 78%. The demographics of these households include seniors and single-parents. The administrator adds that the amount of rental assistance has also increased from an

average of \$100 per month, to \$1,500 per month, therefore, “These are households that will not be self-sufficient with this current market. “

BLIGHT

The Concerted Revitalization Plan will also assist the many vacant and dilapidated single-family properties in the area. HUD defines blight for an area or structure when it “exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.” https://www.huduser.gov/portal/glossary/glossary_all.html. As you can see from the table below, in census tract 309, 385 housing units of those earning 30% or less of Area Median Income (AMI) have one more severe housing problems. 25 of these homes have a negative income but show no deteriorating housing conditions yet. For those households earning 30- 50% of the AMI, 175 households are experiencing one or more severe housing problems. Only 40 homes of families earning 80- 100% of the AMI are experiencing one or more severe housing problems. One can see that there is a correlation between the degree of poverty and the condition of the housing stock.

According to ACS, the condition of the housing (rent and own) in census tract 309:

Households with one or more severe housing problem: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden (renter)	0-30% AMI	30-50% AMI	50-80% AMI	80-100% AMI	All Households
Having 1 or more of four housing problems	385	175	70	40	715
Having none of four housing problems	145	260	330	60	935
Household has negative income, but none of the other housing problems	25	-	-	-	25

2009-13 CHAS

Households with one or more severe housing problem: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden (Owner) (Reference)	0-30% AMI	30-50% AMI	50-80% AMI	80-100% AMI	All Households
Having 1 or more of four housing problems	860	915	850	350	3,335
Having none of four housing problems	65	765	2,385	2,115	28,125
Household has negative income, but none of the other housing problems	210	-	-	-	210

2009-13 CHAS

In addition, North Collin County Habitat for Humanity conducted surveys of residential properties in the five communities, and categorized those parcels that were in average or poor condition (foundation, paint, walls, doors, windows, gutters, roof, etc.). Of the surveys they were able to complete, it was determined that two of the communities - Mouzon and Wilcox, exceeded 20% in the “average or poor condition” category.

ADVERSE ENVIRONMENTAL CONDITIONS

Environmental justice - both environmental exposures and community demographics play an important role in determining health outcomes for people. These variables can make some individuals more or less vulnerable and susceptible to negative health issues. Both vulnerability and susceptibility refer to a state of increased risk of an adverse outcome - vulnerability refers to a state of increased risk as it relates to factors “external” to the individual. Examples of vulnerability factors are: proximity to a pollution source; an individual’s economic standing, educational status; race or ethnicity. The other vulnerability factors that are important are those that influence how the positive and negative attributes of the social determinants are distributed in the population. These factors include race, ethnicity, social standing, income and education. We now know from years of research that the distribution of positive or negative environmental conditions is not random. There is much scientific evidence that race, ethnicity and income correlate strongly with higher environmental exposures and risk. As outlined in the table below, there is a relationship between poverty and environmental health.

Opportunity Indicators, by Race/Ethnicity

(McKinney City, TX CDBG) Jurisdiction	Low Poverty Index	Environmental Health Index
Total Population		
White, Non-Hispanic	74.38	44.78
Black, Non-Hispanic	66.90	45.45
Hispanic	52.85	47.61
Asian or Pacific Islander, Non-Hispanic	76.86	43.36
Native American, Non-Hispanic	73.09	45.34
Population below federal poverty line		
White, Non-Hispanic	59.16	46.03
Black, Non-Hispanic	27.50	50.07
Hispanic	32.99	49.24
Asian or Pacific Islander, Non-Hispanic	81.37	42.67

Native American, Non-Hispanic	18.00	47.00
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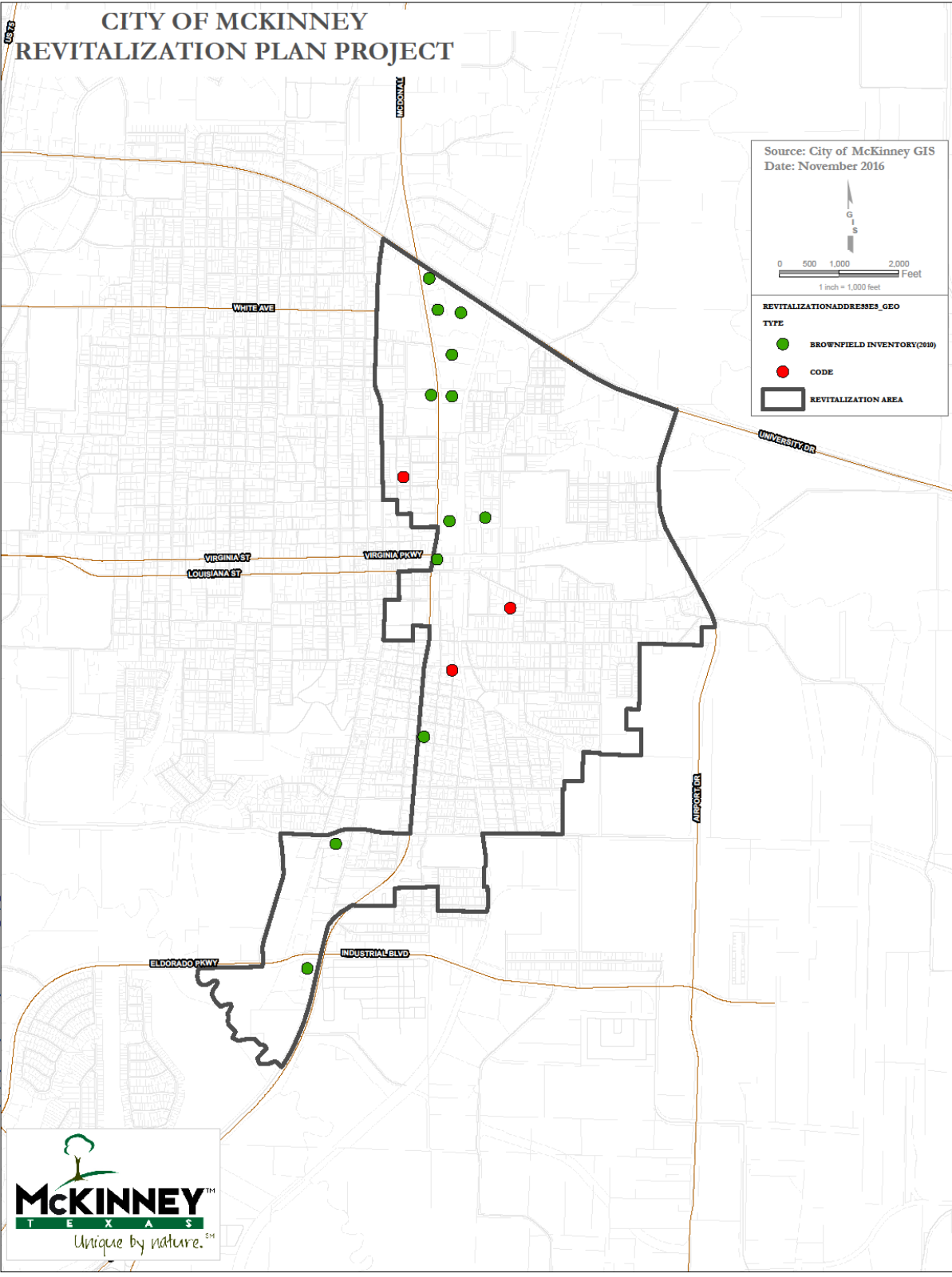
Note 1: Data Sources: Decennial Census; ACS; Great Schools; Common Core of Data; SABINS; LAI; LEHD; NATA

[Note 2: Refer to the Data Documentation for details \(www.hudexchange.info\).](http://www.hudexchange.info)

Brownfields

Sites

“The EPA defines a Brownfield site as "real property, the expansion, redevelopment or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant or contaminant." Dating back more than 160 years, McKinney historic Town Center area has had numerous environmental legacies associated with past industrial and commercial operations (gas stations, agricultural mills, cotton gins, etc.) that used hazardous substances (i.e. solvents, dyes) or petroleum products with their businesses prior to the advent of modern environmental regulations. Through the McKinney Brownfields Program, the City performed assessments on many of the properties located in the Concerted Revitalization Plan (CRP) area. One of the properties assessed was the McKinney Housing Authority’s Merritt Homes. Merritt Homes are located in an area that became heavily developed for commercial and industrial uses in the 1950s and 1960s. Adjoining properties include a number of businesses of environmental concern, including an oil warehouse located east adjacent to the Merritt Homes in the 1960s, an auto transmission repair facility currently located south adjacent to the Merritt Homes, and a dry cleaning facility west adjacent to the Merritt Homes from at least 1960 until at least 2000. Fortunately, groundwater monitoring data suggests that Merritt Homes is likely unaffected from the former industrial activities. The map below displays the Brownfield inventory:



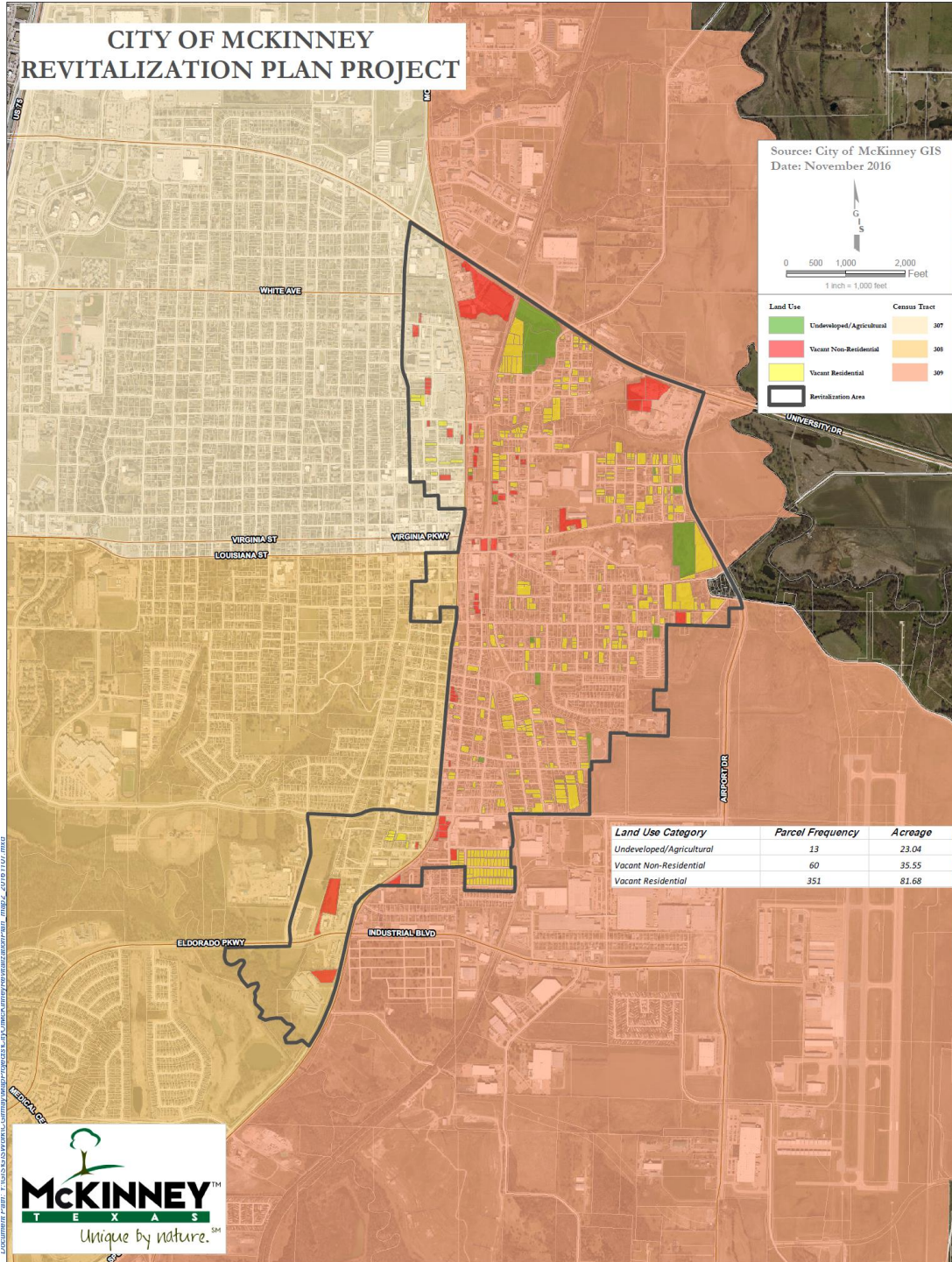
A comprehensive Phase II environmental analysis will be conducted as part of the redevelopment of the Merritt Homes property. The Concerted Revitalization Plan will incorporate program requirements and parameters in order to prevent any adverse environmental impacts to the community.

OBSOLETE LAND USE

The below map outlines the amount of vacant or underdeveloped land (residential and non-residential) in the three census tracts, as well as in the revitalization area; the current map of land use is shown. There is a total of 140 acres that is either undeveloped or vacant.

<i>Land Use Category</i>	<i>Parcel Frequency</i>	<i>Acreage</i>
<i>Undeveloped/Agricultural</i>	<i>13</i>	<i>23.04</i>
<i>Vacant Non-Residential</i>	<i>60</i>	<i>35.55</i>
<i>Vacant Residential</i>	<i>351</i>	<i>81.68</i>

CITY OF MCKINNEY REVITALIZATION PLAN PROJECT



LAND USE: REVITALIZATION AREA

LACK OF ACCESS TO HEALTHCARE FACILITIES

There is a direct correlation with lower income households, healthcare issues, and access to care. Baylor Medical Center of McKinney issued a Community Health Needs Assessment as of June 2016, researching health needs of the community in relation to the low income population. The Hospital has identified “Access to Care for Low Income Population” as a high priority and plans to address these needs. The report states,

The community suffers a lack of preventive health care, quality medical care and supportive post-acute care services that promote the health of its residents. Community health and patient-centered medical home locations may not promote convenient access. Enrollment in health insurance programs is inconsistent across the demographic. (*Baylor Medical Center at McKinney, Community health Needs Assessment, July 1, 2013 – June 30, 2016*)

The needs assessment details twenty-three (23) diagnosed chronic conditions that plague households in lower income (under \$25,000) categories, which include:

Allergies (hay fever, other)	Sinus Problem	Cancer (other than skin)
High blood pressure	Diabetes	Heart disease
Depression/anxiety disorder	Sciatica/Chronic Back Pain	Attention Deficit Disorder
Migraines	Chronic headaches	Osteoporosis
Arthritis	Indigestion/irritable bowel	Eating Disorder
Obesity/Weight problems	Cataract	Stroke
Smoker	Chronic Heartburn	Skin Cancer
Asthma	Sleep problem/insomnia	

Also, per the report, lower income households do not or are not able to proactively seek preventative healthcare services to thwart many health issues, including:

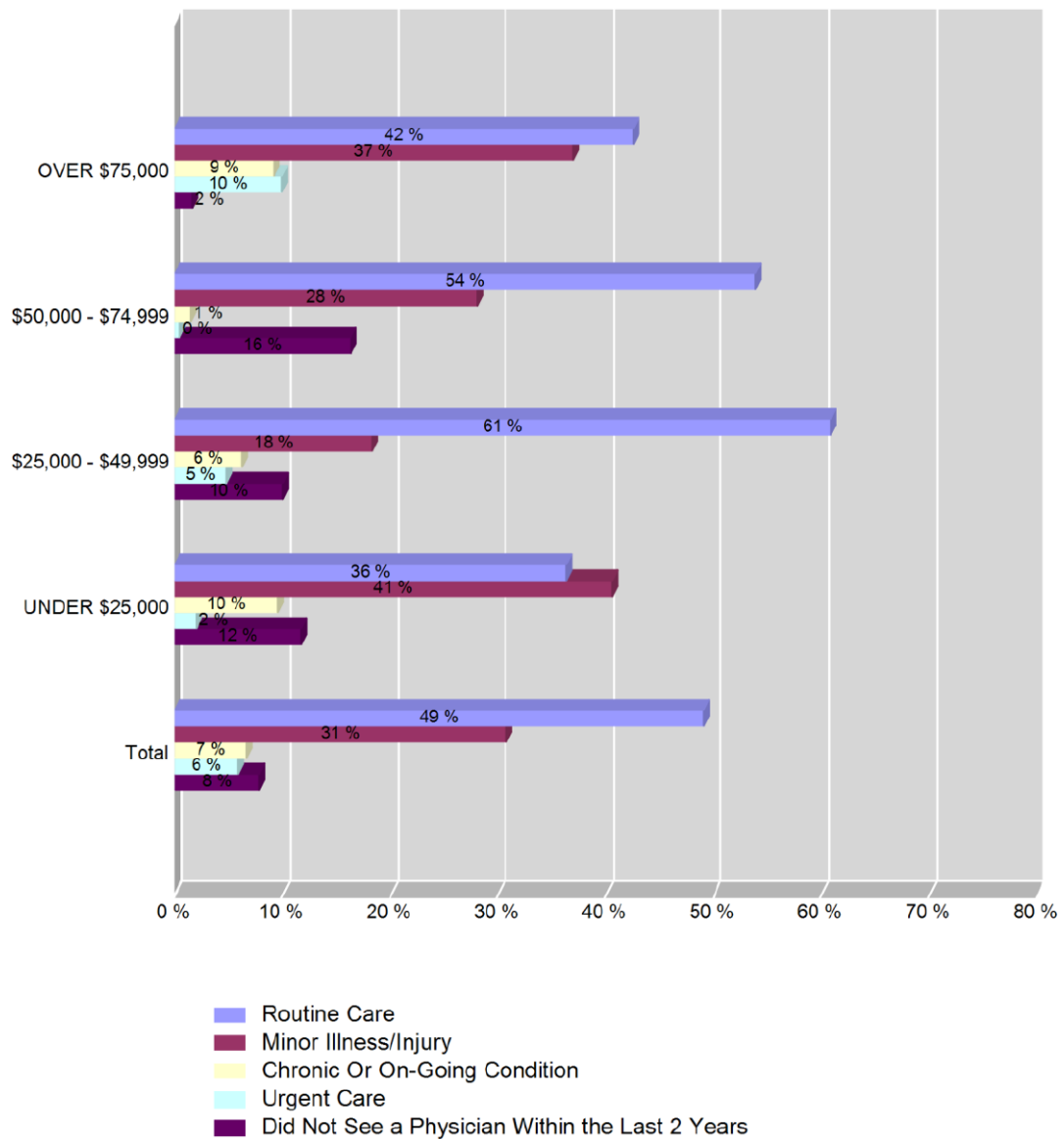
- Flu shot
- Dental exam
- Routine Physical Exam
- Pap smear
- Hearing test
- Prostate screening

According to the report as noted in the graph below, the majority of lower income (under \$25,000) households do not or are not able to visit a physician for injury or illness:

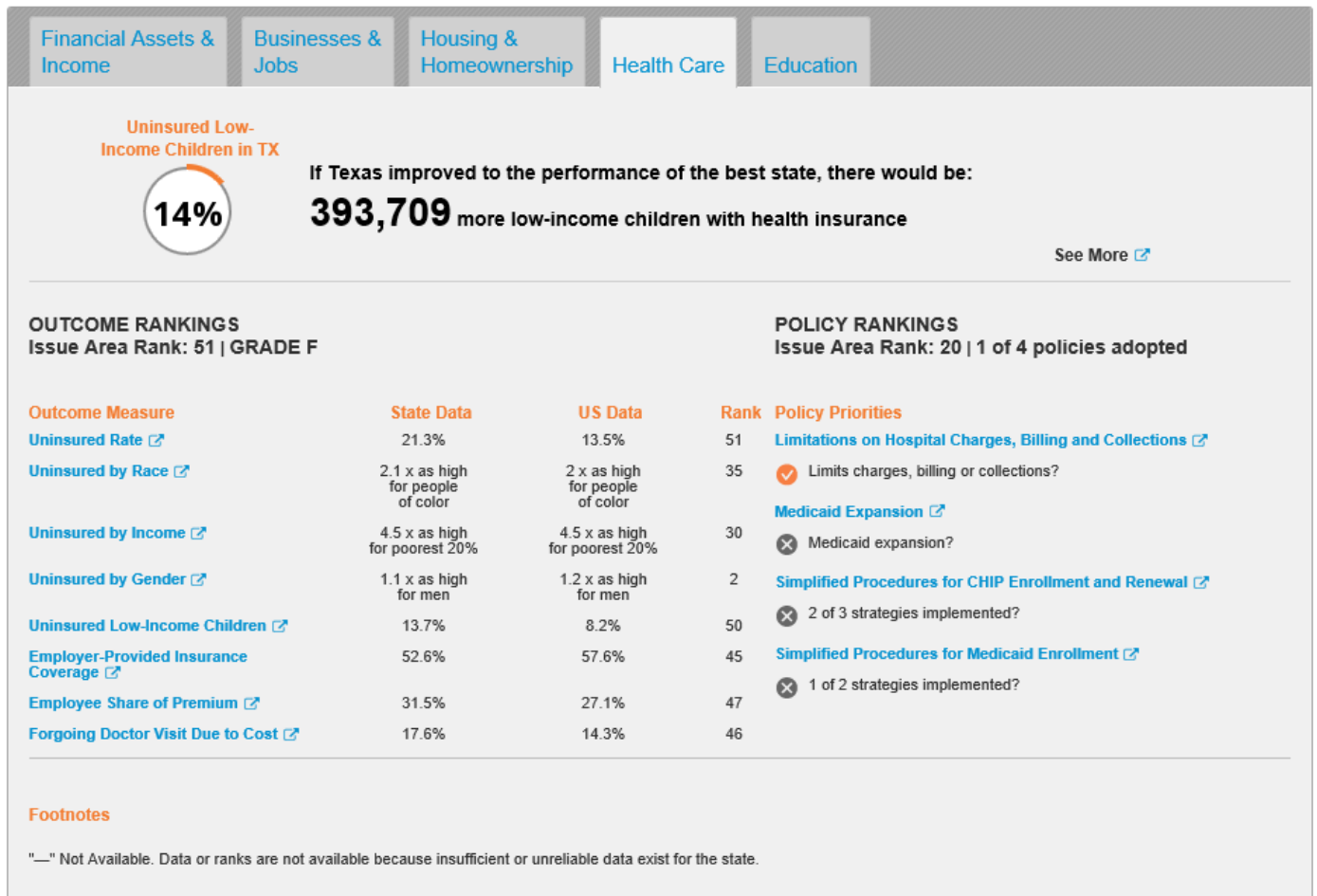
Physician Visit Usage and Access

This section outlines the household's last physician visit usage and days to appointment access, including purpose of visit.

**Purpose of Physician Visit by Income
BAYLOR MCKINNEY TSA**



Per the Assets and Opportunity scorecard, the state of TX received a grade of “F” for access to healthcare as compared to the United States:



<http://scorecard.assetsandopportunity.org/latest/state/tx>

INADEQUATE TRANSPORTATION OR INFRASTRUCTURE

In 2014, the State Highway 5 Master Plan was approved, which addresses public and private sector efforts to renew and revitalize this main thoroughfare, to enhance aesthetics, mobility and safety, and economic development. (Source: www.mckinneytexas.org/1089/SH-5-Corridor-Study) The State Highway 5 corridor is the main thoroughfare connecting the historic downtown with the proposed Concerted Revitalization Area.



State Highway 5 – Project

Transportation options or availability have been an ongoing challenge for Collin County and the City of McKinney. In late 2015, Texoma Area Paratransit Services (TAPS), a bus service that provide a fixed route service, as well as a demand response service for the elderly and disabled, folded. Since then various agencies and organizations have been scrambling to coordinate and fill the gap for different communities. There are no commuter trains or buses that travel through McKinney. This lack of transportation has a clear and direct impact for those who reside in low-income neighborhoods – for access to employment, healthcare, or basic needs. The City of McKinney is in currently creating administrative capability and seeking transit funding from

TxDOT Transit and the Federal Transit Administration (FTA) to provide transportation for the disabled and elderly.

HOW WILL THE CONCERTED REVITALIZATION PLAN ADDRESS THESE ISSUES?

The City of McKinney realizes the importance of a concerted community effort in a revitalization strategy, recognizing that investments in the Low Income Housing Tax Credit (LIHTC) program alone are insufficient to produce neighborhood change. This document has shown the many ways that the City of McKinney has been investing in the proposed revitalization area over the years. The redevelopment of the first McKinney Housing Authority property, Newsome Homes, to be complete in December 2016, has kick-started the revitalization of the east side of McKinney. The City of McKinney put almost \$2 million into the revitalization of this property reconstruction, financed primarily with 4% tax credits and bonds. Property values on the east side are increasing and older homes are being torn down to make way for commercial investment. The proposed Concerted Revitalization Plan (CRP) will allow for 9% tax credits to redevelop Merritt Homes, Lloyd Owens and Cockrell, ensuring affordability in an area poised for gentrification. The CRP will also focus attention on the people currently living in east McKinney. As identified throughout this document, , in comparison to other parts of McKinney, the revitalization plan area, in comparison to other parts of McKinney, experiences adverse environmental conditions, obsolete land use, inadequate transportation or infrastructure, inadequate health care facilities and lack of businesses providing employment opportunities in these neighborhoods. The strength of these neighborhoods are in the residents, many of whom have lived here for generations.

One of the first items that will be addressed within the Concerted Revitalization Plan is to create or increase employment opportunities. This will involve strategies to develop a more highly skilled workforce and to increase job opportunities, which will be accomplished in the following ways:

- Create partnerships with local instructional facilities (i.e. Collin College) to offer affordable accredited career training/certifications, coaching in high demand/well-paying occupations (i.e. certified nurse's assistant, computer support specialists, medical assistants/office support, pharmacy technician)

- Create/expand programs to engage unemployed young adults (16-24) who may need to complete high school and/or come from low-income families
 - Offer “free” or low cost workforce training (i.e. N. TX Job Corps, Skill Quest) to prepare them for 21st century occupations.
 - Develop a system/designate an entity to “track” progress of youth: matriculation, maintenance, assessment; able to share student level data on specific indicators (database)
 - Encourage participation/contribution of youth, i.e. help to build affordable housing
- Provide assistance to existing businesses (i.e. Microenterprise grant); attract diverse/new businesses and income; create attractive commercial corridor that supports business activity and local residents

The Concerted Revitalization Plan will also address the lack of accessibility and/or presence of adequate healthcare and healthcare facilities. The City of McKinney currently offers options to healthcare in various ways:

- Federally Qualified Health centers (FQHCs) status provides high quality care and improving patients outcomes while reducing disparities, despite serving a population that is often sicker and more at risk than seen nationally. Independent Bank, a TX based community bank and potential FQHC project partner, plans to serve as a coordinating partner and primary contributor providing capital for the City Square McKinney Community Clinic building.
- McKinney Senior Health Clinic, which is a department of Medical Center of McKinney, will be designed to serve as an all-inclusive healthcare center for individuals 65 years and older. This clinic opened in October 2016.
- Community Health Clinic, located in McKinney, is a nonprofit community run organization for the uninsured.

The revitalization plan will seek ways to ensure physical and emotional health of families, work with school systems, counselors (parenting, financial literacy, and housing):

- Ensure access/transportation to local area healthcare facilities and specialty clinics as part of redevelopment
- Expand/create health-related programs/issues (improve birth outcomes, teen pregnancy prevention, chronic disease self-management, diabetes, dental, nutrition, exercise, etc.)
- Create jobs/positions to address public health issues (case management, health educators)
- Provide community access to safe and adequate spaces for physical activity; coordinate with community partners to provide healthy nutritional options in easily accessible locations at affordable prices (i.e. Community Lifeline Market expansion)

The Plan will also address presence of blight, to include obsolete land use. This will involve collaboration with city departments, and housing partners to address existing substandard properties, and increase inventory of available affordable housing. This plan can include land acquisition and investment for new homes, home repair, and property improvements. The presence of “new for sale housing” signs to the area, for example, will generate interest to both residents and businesses alike. The strategy will include expanding homebuyer assistance, and providing more opportunities for owner-occupied housing rehabilitation assistance, in order to reduce the shortage of affordable housing options. In addition to new housing development, repurposing for greens spaces (i.e. community garden) will add visible appeal to the area. Community Gardens have the potential to improve the health of residents and the environment; provides opportunity of exercise and education – can be a place for residents to meet and build relationships, and can beautify neighborhoods.

The revitalization plan will continue to improve presence of inadequate transportation or infrastructure. The City will lead projects/construction to enhance traffic flow, drainage, park amenities. The revitalization plan will incorporate improvements to parking, sidewalks/roadways, traffic signals, pavement markings for bike lanes, pedestrian crossings, etc.

The plan will prevent adverse environmental conditions, natural or man-made. As part of revitalization efforts, environmental impact or improvements will involve: remediation, energy efficiency, and sustainability; safe removal of lead and asbestos, impacted soils, achievement of green levels/criteria (certifications – USGBC-LEED)

The City of McKinney is excited to partner with the Texas Department of Housing and Community Affairs on the Concerted Revitalization Plan. We believe this is a beneficial/needed step to further the progress of improving the needs of a specific area/community. In addition, without approval of the Plan, McKinney Housing Authority will not have the chance to qualify for 9% tax credits, resulting in an inability to redevelop existing properties and preserve communities and affordability in an area of rapidly increasing land values and housing prices.

DRAFT