



## CITY OF MCKINNEY

DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

## COMMUNITY LAND TRUST PROGRAM

CLT DESIGNATION APPLICATION GUIDE

<b>Table of Contents</b>	
<b>PROGRAM OVERVIEW</b> .....	2
<b>Section 1 – Contact Information</b> .....	3
<b>Section 2 – Pre-application Questionnaire</b> .....	3
<b>Section 3 - CLT Geography</b> .....	4
<b>Section 4 – Application</b> .....	4
<b>Section 5 - Re-Designation Application</b> .....	7
<b>Section 6 - Disqualifying Criteria</b> .....	8
Appendix 1.....	8
<b>Checklist</b> .....	8
Appendix 2.....	10
<b>AFFIDAVIT OF AUTHORIZED REPRESENTATIVE AND</b> .....	10
<b>AUTHORIZATION TO OBTAIN INFORMATION</b> .....	10
Appendix 3.....	11
<b>AUTHORIZATION AND RELEASE</b> .....	11
<b>TO OBTAIN PERSONAL CREDIT INFORMATION</b> .....	11
Appendix 4.....	13
<b>CERTIFICATION OF NO DEBTS OWED TO THE CITY OF MCKINNEY</b> .....	13
Appendix 5.....	14
<b>Community Land Trust Program</b> .....	14

## **PROGRAM OVERVIEW**

The Community Land Trust Program (Program) is designed to increase the supply of long-term affordable housing across the City of McKinney through tax exemptions. The non-profit organizations that successfully complete the application process to establish a Community Land Trust (CLT) in McKinney will be authorized to offer tax abatements, subject to City guidelines on designated land for affordable housing developments. They will set the terms of the ground lease and options for resale provisions for all land acquired under the CLT. The approved non-profit organizations will also be responsible for all real property development. The City of McKinney will set Program standards and best practices amongst all CLTs and review CLT performance on an annual basis.

This document lays out the process for interested non-profit organizations seeking community land trust designation by the City of McKinney. It provides insight into the application process, and how an application will be evaluated and presented to City Council for designation.

The Department of Housing and Community Development (Housing) will assess interested nonprofit organizations that propose to establish CLTs on the following factors:

- Operations
- Community
- Governance
- Financial
- Programmatic

Operations covers how the organization is set up and how a CLTs fits into the mission of the organization. Governance addresses how board members are recruited and how the organization is governed. Community outlines the steps that an organization has done to build community support and advances a need of the community. The Programmatic section details the services and who the CLT with serve. The financial section is the CLT organization business plan.

Applications will only be accepted when all documents have been submitted as one complete package. Housing staff will score and review the completed application. This review may include but is not limited to the following: follow-up meetings, requests for additional documentation or clarification, legal review, reference calls, and city called community meetings.

When organization meets the requirements set forth in the policy then Housing staff will present the application to City Council for consideration of receiving official CLT Designation. Only City Council can approve or deny a designation or re-designation.

Housing staff can be reached to answer questions by calling 972-547-7572.

**During the review of the applications, Housing, reserves the right to reject any application that it determines to be incomplete or inaccurate.**

## Section 1 – Contact Information

Applicant name:

CLT organization name:

Authorized representative:

Authorized representative title:

CLT organization contact information:

Address:

Phone:

Email:

## Section 2 – Pre-application Questionnaire

Please answer these questions before applying.

If you answered **NO** to any question,

please email [contact-CommunityDVP@McKinneyTexas.org](mailto:contact-CommunityDVP@McKinneyTexas.org) for more information before proceeding.

1. Is the CLT a non-profit 501(C)(3) whose mission is related to development and preservation of affordable housing?
2. Are at least 1/3 of the board members of the CLT representatives of low-income communities, low-income beneficiaries from the community or residents who live in a CLT property?
3. Does the CLT have adopted articles of incorporation, or a similar governing document, stating that it has the purpose to acquire and hold land for the benefit of developing and preserving long-term affordable housing in the City of McKinney, as required by Chapter 373B, as amended?
4. Does the CLT identify in its articles of incorporation or a similar governing document, where on discontinuance of the organization by dissolution or otherwise that the assets related to its CLT activities be transferred to the City of McKinney, the State of Texas, the United States, or a similar organization that is qualified as a charitable organization under Section 501(c)(3), Internal Revenue Code of 1986 and designated as a CLT by the City of McKinney?
5. Does the staff or hired consultant have at least 2 years' experience developing and managing affordable housing?
6. Does the CLT have a business plan with proformas?
7. Does the CLT have an established ground lease with resale formula?
8. Do the Applicant, staff, consultants or partners have any pending or recent (within the past five years) litigation, sanctions and/or administrative complaints against them?
9. Has the applicant filed for bankruptcy within the past five (5) years?
10. Did the organization attend a CLT information session hosted by Housing?

### Section 3 - CLT Geography

- Citywide or
- Defined Geography
  - Attach a map with CLT boundary, neighborhood(s) name(s) and street names

### Section 4 – Application

Applicants will be evaluated based on the following factors:

- Operations
- Community
- Governance
- Financial
- Programmatic

Applications must score at least 75 points to be considered for a staff recommendation to City Council.

The table below is a guide for Applicants to understand which items need to be addressed in their application. Each item has a total point available and some additional information about each item. Appendix 1 provides a checklist of all documents required to submit a complete Application.

Application Factors	Pts	Additional information
<b>Operations</b>	<b>20</b>	
Provide an organization history. (500 words or less)	5	Submit a narrative of the organization history, reason why it was formed and how a CLT is part of its mission. Follow up discussion may be requested.
Provide a statement of integrity and whether there is any pending or recent (within the past five (5) years) litigation, sanctions and/or administrative complaints against the Applicant, staff, consultants or the CLT organization. (500 words or less)	5	Include citation of the litigation. If the Applicant responding to this application is composed of various entities or a joint venture with another eligible Applicants, the information being requested herein shall be submitted for all entities. City may conduct a risk review of documentation provided. Follow up discussion may be requested.
State how many units are anticipated to be placed in the CLT annually over the next three years.	5	Staff to review feasibility of this based upon submitted financial documentation. Follow up discussion and documents may be requested.

State and map the total acreage of property in the CLT designated by land use type (single family, commercial, multi family, etc.).	5	Please provide a map that includes your defined geography and parcels owned by CLT, broken out by land use type and location of the parcels to be included in the CLT.
<b>Community</b>	<b>20</b>	
Define the Community in your CLT. (500 words or less)	5	Submit a narrative that defines the community you serve and how you came to that definition. Include any demographic information on this community. Follow up discussion may be requested.
Describe the community engagement activities that were conducted as part of forming this CLT. (500 words or less)	5	Submit a narrative that highlights your community engagement efforts. Include all meetings or events, people engaged, times of day, and any supporting details about your engagement efforts. Follow up discussion may be requested along with a city called community meeting or calls to stakeholders or community leaders. Follow up discussion may be requested.
Provide a statement outlining the merits and the need of the CLT and why it is important to the community or city. (500 words or less)	5	If the CLT is operating in the same area as another CLT, then provide the original statement plus a statement about why another CLT is needed within the same general boundaries of the existing CLT. Provide any records of outreach and communication to the existing CLT. Follow up discussion may be requested.
Describe how the house design fits existing neighborhood character or how existing neighborhood plans were used to support house design. (250 words or less)	5	Submit a narrative describing how the home design is respectful and within character of existing style and context, so that if a neighborhood plan exists with Design Guidelines, they will be followed by the organization. Follow up discussion may be required.
<b>Governance</b>	<b>20</b>	
State how board members are recruited and invited to serve on the CLT board of directors. (500 words or less)	10	Submit a narrative that describes the CLT commitment to community ownership and governance. Include the percent or number of seats of low-income residents or owners of CLT properties on the board of directors and what specific expertise of board members the CLT seek out to govern the CLT. Follow up documentation may be requested with review of the board for potential / perceived conflicts of interest.

Comment on if you plan to use the City's pre-approved standard/model Ground Lease and Exhibits.	10	Standard documents pre-approved by the City of McKinney are preferred. If you plan to use others for consideration, City review and approval of these documents will happen in as timely a manner as possible. Please include a short statement about why the City's standard documents will not be used. Staff may conduct follow-up meetings and request further supporting evidence that submitted documents adhere to local, state and federal standards.
<b>Financial</b>	<b>20</b>	
Submit your business plan as an attachment in pdf form.	20	Business plan should be comprehensive and clearly present how the CLT will operate and be funded. See checklist in appendix 1 for all items needed. Staff may conduct credit checks, review references, conduct legal reviews of documentation. Follow up discussion may be requested.
<b>Programmatic</b>	<b>20</b>	
Provide the real or anticipated breakdown of the area median family income (AMFI) of each family in homes on CLT-owned land at time of sale or transfer.	5	Staff to review against state legislation to confirm it meets or exceeds the state requirements. Follow up discussion and documents may be requested.
Provide any demographic data you have on who you plan to serve, or each member of the household being served. (age, ethnicity, race, gender, family size).	5	Staff to review to understand who the CLT is serving. If you do not yet have any CLT owners, please provide a short narrative on who you plan to serve.
Define additional services (if any) that will be provided to families through the CLT. (250 words or less)	5	Additional CLT services may be include, but is not limited to, maintenance program, legal services, financial education, emergency home repair, etc. Please provide costs to operate the services. Follow up discussion and documents may be requested.
State which activities of this CLT will be used as a mechanism for anti-displacement, for recruiting and for retaining people with a historic legacy in the community or other community building methods were used in forming this CLT. (500 words or less)	5	Staff to review to understand who the CLT is serving as a tool for anti-displacement.

Survey	0	
State how long it took you to fill out this application. (10 words or less).	0	Staff to understand if the organization invested time in this application and to understand the time needed to complete this application

### Section 5 - Re-Designation Application

Housing Staff will review your recertification submission against your initial application or previous years recertification for significant changes in business model, performance to deliver and continued community support.

- Write a letter certifying that the information in the CLT’s initial application is still true and correct and that the CLT continues to comply with all local, state and federal regulations **OR** acknowledge that information in the CLT’s initial application or previous years recertification has changed and attach updated information (1000 words or less), including the following information if applicable:
  - Detail on performance of production of units;
  - Changes in Board of Directors;
  - Changes in Staff or consultants;
  - Changes in proformas or other financial information;
- Submit annual audit or audit review;
- Number of units placed in CLT annually since inception;
  - Comment on if this yearly number is less or more than anticipated and state the reasons why;
- Number of units anticipated to be placed in the CLT annually over the next three years;
- Number of families served since inception;
- AMFI of families in homes on CLT-owned land at time of sale or transfer;
- Demographic data on family, household size, race/ethnicity, etc.;
- Total acreage of property in CLT designated by land use type (single family, commercial, multi family, etc.);
- Document that shows market realities and how ground lease responds to market conditions;
- Letters of support from people who have bought a CLT house;
- List of services provided to families through CLT such as: maintenance program, legal services, financial education, emergency home repair, etc.; and
- Submit additional information as required by Housing.



## Section 6 - Disqualifying Criteria

The intent of the CLT program is to ensure long term affordability and good stewardship of communities through the unique nature of CLT operations throughout the City of McKinney. If CLT is not operating to ensure this than the CLT may not be eligible for initial designation and may lose its designation. Examples of this may include, but are not limited to, ground leases that do not reflect long term affordability protections, mortgage products that may be predatory in nature, ethic infractions or litigation against staff or the organizations, the City receiving community complaints about this CLT management practices, not allowing housing choice vouchers, or not meeting the requirements of income eligibility of clients.

### Appendix 1

#### Checklist

All narratives

A map with CLT boundary, neighborhood(s) name(s) and street names

List of board members with recruitment method, board function, and the organization they are representing and position or title

CLT business plan that includes the following:

Development Pro-Forma

Please include: use of funds, amount, lender, debt/equity, term, rate, amount and %of total source

Organizational Budget (Revenue and Expenses) (current years approved board budget)

P&L Statements (most recent – up to last 1 year)

Cash Flow & Balance sheet (most recent – up to last 1 year)

Business checking statements (most recent last 6 months)

CLT yearly unit projections

Banking credit reference – include bank contact information

A list of all ongoing housing development contracts/projects with their funding levels, current status and projected termination dates. If the Applicant is composed of various entities or a joint venture with another eligible Applicant or consultant, then ongoing contracts/projects shall be provided for all entities

Any other financial documents that highlight your organizational capacity to perform the functions of a CLT

501(C)(3) tax exemption letter;

Organization, charter, bylaws or other regulatory document adopted to govern its affairs which includes the following provisions:

adopted articles of incorporation, or a similar governing document, stating that it has the purpose to acquire and hold land for the benefit of developing and preserving long-term affordable housing in the City of McKinney, as required by Chapter 373B of the Texas Local Government Code, as amended

discontinuance of the organization by dissolution or otherwise that the assets related to its CLT activities be transferred to the City of McKinney, the State of Texas,

April 6, 2022

the United States, or a similar organization that is qualified as a charitable organization under Section 501(c)(3), Internal Revenue Code of 1986 and designated as a CLT by the City of McKinney

please identify whether any conversations with this entity have been held as of time of application

Resume of each key employee or contractor including, name, title, years of affordable housing experience, area of expertise, date of hire, project name, project type (rental, for sale), number of units, involvement and role in project;

Independently conducted audit or audit review (most recent - not more than 2 years old if organization has been in operation for more than 1 year) which includes, but is not limited to, the following:

detailed written report describing the CLT's sources and uses of funds:

if applicable, A-133 analysis of compliance with federal grants:

analysis of internal controls; and

auditor's open letter to the board of directors and management.

IRS Form 990 (most recent – up to last 2 years)

Ground lease with all exhibits including deed restrictions documents, approved for use by the City or submitted for verification that they satisfy the City

that include a resale formula outlining the amount of equity per year that can be built while ensuring long term affordability;

that ensures that the owners of housing units built on CLT land will either be eligible for a property tax discount based on the deed restriction or, where the occupant is a tenant, that the occupant will benefit from any property tax discount

that have terms for sale, lease and inheritance

List enumerating the parcel(s) acquired with date of purchase and, cost of land, to be included in the CLT, current appraised value, and estimation of taxes or list of anticipated parcels with timeline of purchase or gifting (please include a map that also indicates CLT boundary); and

Letters of support (not more than 10) from entities like: neighborhood residents, neighborhood stakeholders, non-profit and community-based organizations and for-profit business

**AFFIDAVIT OF AUTHORIZED REPRESENTATIVE AND  
AUTHORIZATION TO OBTAIN INFORMATION**

Before me on this day personally appeared \_\_\_\_\_ as Authorized Representative for the Applicant listed above and after by me being duly sworn hereby certifies that all materials submitted to the Community Land Trust Program or its agents or employees in connection with this application are true and correct. The undersigned understands that any submission of false information shall result in disqualification for the Community Land Trust Program, and that submission of incomplete information may result in rejection of the application.

The undersigned authorizes the Community Land Trust Program to contact any party in order to verify information in this application. The undersigned acknowledges that Applicant is not obligated to provide the Community Land Trust Program this authorization but has voluntarily agreed to such release so that the Community Land Trust Program will consider this application. The undersigned hereby authorizes, on behalf of Applicant, without reservation, any person or Applicant contacted by Community Land Trust Program to furnish any and all information requested by Community Land Trust Program.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_ and by oath stated that the facts herein stated are true and correct. SWORN TO AND SUBSCRIBED BEFORE ME before me on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State of Texas

**AUTHORIZATION AND RELEASE  
TO OBTAIN PERSONAL CREDIT INFORMATION**

The undersigned hereby authorizes the City of McKinney or its agents or employees (collectively "City") to obtain any and all information pertaining to my business or personal credit history from any reporting agency or bureau, and to consider such information when making any decisions regarding the application submitted by:

\_\_\_\_\_.

I understand that I am not obligated to provide City this authorization; however, I have voluntarily agreed that such information can be released to City so that it will consider the application. I authorize, without reservation, any person or Applicant contacted by City to furnish information requested by City.

**I HEREBY RELEASE CITY FROM ANY AND ALL LIABILITY RELATED TO THIS  
AUTHORIZATION AND RELEASE TO OBTAIN PERSONAL CREDIT INFORMATION.**

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF TEXAS       §  
COUNTY OF COLLIN   §

This instrument was acknowledged before me on the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by \_\_\_\_\_, an individual.

\_\_\_\_\_  
Notary Public, State of Texas

The Applicant certifies that all information in this application are true, to the best of the Applicant's knowledge and belief. All information furnished in support of this application is given for the purpose of obtaining designation as a Community Land Trust Organization in the City of McKinney. By submitting its application for consideration, the Applicant hereby agrees to defend, indemnify, release and hold completely harmless and whole the City of McKinney, their officers, agents and employees, against any and all claims, lawsuits, judgments, costs and expenses, including attorney fees, for personal injury (including death), property damage or other harm for which recovery of damages or equitable relief is sought, suffered by any person or persons, that might arise out of or be occasioned by or from the consideration, approval or disapproval of this application including development plan, and any conveyance of the Property. This indemnification survives and shall not be merged with the closing of this transaction and delivery of any deed or other instrument in connection with the sale of the Property.

**I understand that: (1) by submitting this application for the CLT designation status, that the applicant meets or exceeds all local and state established eligibility and operations criteria as set forth in the CLT Program and (2) that the "Designating Status" if granted must be recertified yearly.**

Attached is my executed "CERTIFICATION OF NO DEBTS OWED TO THE CITY". **I represent and certify that the Applicant has no outstanding City of McKinney judgments against it or its property and the Applicant is not delinquent on the payment of any fees, debts, taxes or non-tax liens on property owned by the Applicant in the City of McKinney.**

I represent that I have full authority on behalf of the Applicant to submit this application. By submitting this application, the Applicant hereby waives and releases any rights it may have either now or in the future, to undertake any legal or equitable action against the City of McKinney itself and/or as Trustee, for failure of sale of the CLT Properties or to properly conduct the sale of CLT Properties and hereby covenants not to sue the City of McKinney, itself and/or as Trustee, in connection with the designation status of the CLT organization. Upon bankruptcy, receivership or dissolution of the Applicant, the applicant must follow the property transfers as outlined in the governing documents of the CLT Organization.

**CERTIFICATION OF NO DEBTS OWED TO THE CITY OF MCKINNEY**

**THE STATE OF TEXAS** )  
 )  
**COUNTY OF COLLIN** )

**KNOW ALL BY THESE PRESENTS:**

I, \_\_\_\_\_, individually and/or as an authorized representative of the entity submitting an application for the designation status of the CLT organization ("Applicant"), represent and certify to the Department of Housing & Community Development (Housing) that Applicant certifies that for any and all properties located within the City of McKinney that are owned by Applicant, or by any entity through which Applicant holds a controlling interest, that there are:

- 1) no outstanding City of McKinney judgments;
- 2) no tax delinquencies;
- 3) no unpaid liens or outstanding, open City Code violations;
- 4) no defaults on Building and Standards Board, Municipal Court or District Court orders;
- 5) no assessments or fees owed to the City of McKinney;
- 6) no more than 1 citation per property within the last six (6) months for City Code violations;
- 7) no more than 2 citations per property within the last twelve (12) months for City Code violations;
- 8) no more than 1 mowing/clean, securing or demolition lien on each property within the last twelve (12) months.

A complete list of all properties, located within the City of McKinney, that are owned by Applicant or by any entity through which Applicant holds a controlling interest, including owner's names, addresses and tax account numbers, **is attached hereto and made a part hereof.** City Code violations are defined as high weeds, litter, illegal storage, junk motor vehicle violations, securing and zoning or structure violations; excluding parking on unimproved surfaces, bulky trash (put out too early for pickup) and signs. A citation that has been dismissed or the defendant found not guilty shall not be included in the determination of the number of citations issued.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Applicant Signature: \_\_\_\_\_

Name Printed: \_\_\_\_\_

Its: \_\_\_\_\_

Name of Entity: \_\_\_\_\_

## Appendix 5

### **Community Land Trust Program**

Approved Month xx, 2022

This Community Land Trust Program (Program) identifies Community Land Trust (CLT) eligibility and operation criteria under which the City Council may initially designate and revoke the re-designation of a CLT, and under which the City Manager, or their designee, may renew or recommend City Council revocation of the designation of CLTs in the City of McKinney.

A CLT in general is an organization that is created to acquire and hold land for the benefit of developing and preserving long-term affordable housing by separating the cost of land ownership from the cost of home ownership with a 99-year ground lease and home resale formula. The homeowner may build equity at a pre-negotiated maximum rate (resale formula) over the tenure of the ground lease and be eligible for a property tax reduction based on the deed restriction, assuming housing market appreciation. The resale formula is the amount a person may sell their home for at any given point. The application process will establish all applicable guidelines in accordance with those described herein. A CLT accomplishes its purposes by separating the cost of land ownership from the cost of home ownership. Specifically, a CLT retains long-term ownership of land, while either selling or leasing the residential structure built or existing on the CLT-owned land in order to create or maintain affordable housing.

#### **The purpose of a CLT is to:**

- provide affordable housing for low-income and moderate-income residents in the community;
- promote resident ownership of housing;
- keep housing affordable for future residents; and
- capture the value of public investment for long-term community benefit.

In addition to the statutory eligibility criteria, a CLT organization seeking to be designated or re-designated by the City of McKinney as a CLT must meet the Eligibility and Operation Criteria set forth in this policy.

#### **Consistency with City's Affordable Housing Goals**

The operation of CLTs shall align with the Affordable Housing Policy. This CLT Program is designed to work in conjunction with other City programs, and the City's existing affordable housing production goals. On an annual basis, the Department shall report to the City Council the year-to-date production data for the program.

#### **Consistency with Fair Housing Laws**

On an annual basis, the Program will be reviewed to ensure that the Program is being operated in a manner that is consistent with fair housing laws. The City will collect and maintain data regarding the location of parcels of real property in CLTs. In addition, the City will collect program evaluation data and demographic information regarding the eligible households who occupy housing units in CLTs.

April 6, 2022

## **Application Process**

Prior to submitting a written application, the CLT must attend a CLT information session facilitated by the Department and receive information about the Program, designation process, and re-designation process.

The City Manager, or their designee, is authorized to create and periodically update an application.

## **Eligibility Criteria**

In its application to the City of McKinney, a non-profit CLT organization must demonstrate that the organization:

- has been created to acquire and hold land for the benefit of developing and preserving long-term affordable housing in the City of McKinney;
- must be exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, by being certified as an exempt organization under Section 501(c)(3) of that code;
- has adopted articles of incorporation, or a similar governing document, stating that it has the purpose to acquire and hold land for the benefit of developing and preserving long-term affordable housing in the City of McKinney, as required by Chapter 373B, as amended;
- currently owns or intends to own land for the purpose of leasing the land and selling or leasing the housing units located on the land as provided by Chapter 373B, as amended;
- has adopted articles of incorporation, or a similar governing document, stating that on discontinuance of the organization by dissolution or otherwise that the assets related to its CLT activities be transferred to the City of McKinney, the State of Texas, the United States, or an organization that is qualified as a charitable organization under Section 501(c)(3), Internal Revenue Code of 1986 and designated as a CLT by the City of McKinney; and
- is not controlled by, nor receives direction from, a for-profit entity or corporation.

## **Operation Criteria**

In its application to the City of McKinney, a non-profit CLT organization must demonstrate that the organization:

- defines its geographical boundaries of operation. A CLT may operate citywide or may elect to focus on a specific geographic area or areas.
- maintains at least 1/3 representation on the organization's governing board for low-income community residents and, to the extent practicable, low-income beneficiaries of the CLT properties with regard to decisions on the design, siting, development, and management of affordable housing;
- must use standard documents, including but not limited to a ground lease and deed restrictions;
  - that include a resale formula outlining the amount of equity per year that can be built while ensuring long term affordability;
  - that ensures that the owners of housing units built on CLT land will either be eligible for a property tax discount based on the deed restriction or, where the occupant is a tenant, that the occupant will benefit from any property tax discount;



- that have terms for sale, lease and inheritance;
- must sell or lease housing units only to eligible households as set forth in Chapter 373B.006, as amended;
- may not discriminate on the basis of source of income with tenants. This non-discrimination provision provides housing opportunities for households with rental assistance or vouchers, as applicable;
- will consider the local neighborhood context for architecture that is respectful and within character of existing style and context, so that if a neighborhood plan exists with Design Guidelines, they will be followed by the organization;
- has a business plan that ensures the CLT will have the financial capacity to perform its operations including supporting ongoing maintenance of all property improvement exteriors and grounds;
- has at least two years of experience developing and managing affordable housing or has contracted with an organization that has such experience and that will provide management services or technical expertise until the non-profit independently meets the experience requirements;
- maintains paid staff, or has contracted with an organization that has staff, who have successfully developed and/or maintained affordable housing projects;
- annually has a financial audit or audit review prepared by an independent auditor. The audit must include a detailed written report describing the CLT's sources and uses of funds, including an A-133 analysis of compliance with federal grants, if applicable; an analysis of internal controls; and the auditor's opinion letter to the board of directors and management; and
- complies with any other requirements imposed by the City Manager, or their designee that are in accordance with the Program and the City Council Goals and Strategies.

### **Re-Designation**

To maintain designation as a CLT in subsequent years after initial designation, a CLT must submit a yearly re-designation application to the Department. The City Manager, or their designee may re-designate the CLT or recommend to the City Council to remove the CLT designation. The CLT must:

- meet the Eligibility and Operation Criteria set forth in this policy;
- certify that the information in the CLT's initial application is still true and correct and that the CLT continues to comply with all local, state and federal regulations OR acknowledge that information in the CLT's initial application has changed and attach updated information;
- submit its annual audit or audit review;
- submit all required evaluation and reporting metrics; and
- submit additional information as required by the Department.

### **Program Evaluation**

During initial application and upon re-application, each CLT must submit the following information that will assist the Department in evaluating the impact of all CLTs operating in the City of McKinney:

- Origin statement (how was this CLT organized/formed and why)
  - For re-designation – add any changes to format or structure of the organization;
- Definition of “Community” in the Community Land Trust;

- If geographically based within an area, the geographic boundaries;
- Number of units placed in CLT annually since inception;
- Number of units anticipated to be placed in the CLT annually over the next three years;
- Number of families served since inception;
- AMFI of families in homes on CLT-owned land at time of sale or transfer;
- Demographic data on family, household size, race/ethnicity, etc.;
- Total acreage of property in CLT designated by land use type (single family, commercial, multi family, etc.);
- Document that shows market realities and how ground lease responds to market conditions; and
- List of services provided to families through CLT such as: maintenance program, legal services, financial education, emergency home repair, etc.
- Upon request, City Staff are eligible to assist in assessing fiscal impact by annually, after the certified tax roll is released, report for each owned CLT property three items: 1) the taxable value and the municipal real property tax amount due during the year the CLT purchased the property, 2) the taxable value for the land and improvements and the real property municipal tax revenue due for the current tax year, and 3) an estimate of the market value of the land and improvements but for the CLT and a corresponding estimate of the municipal real property tax that would have been due based on current appraised values of similarly situated comparable properties.