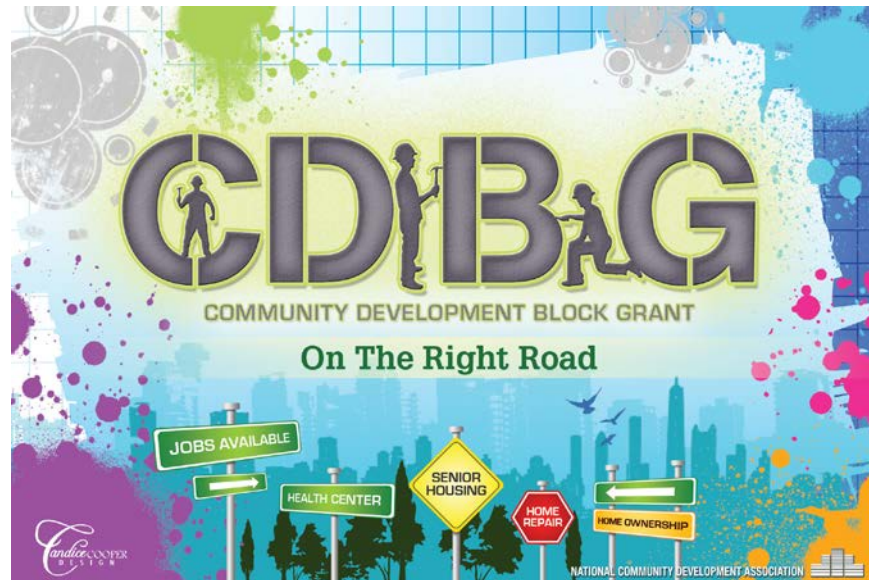


CITY OF MCKINNEY
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM



DRAFT OF THE ANNUAL ACTION PLAN
PROGRAM YEAR:
OCTOBER 1, 2018 - SEPTEMBER 30, 2019

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The City of McKinney receives annual funding under the Community Development Block Grant (CDBG), defined by Title I of the Housing and Community Development Act of 1974, from the U.S. Housing and Urban Development, as an entitlement community to utilize funds to benefit the community, principally for low-to-moderate income persons and households. Annually, federal funding must be used to address unmet community needs to achieve the goals of

- Providing decent housing;
- Creating suitable living environments, and
- Expanding economic opportunities

The Annual Action Plan covers the reporting period of October 1, 2018 to September 30, 2019 under the city's 2015-2019 Housing and Community Development Consolidated Plan. The action plan is submitted annually and lists activities, projects and the funding resources (federal, local or state), pursued to meet community development goals.

The city of McKinney has been allocated \$ 758,765 in CDBG funds from the U.S. Department of Housing and Urban Development (HUD) under the fourth year of the Consolidated Plan. The city anticipates the usage of local funds, estimated at minimum of \$119,700 to be used to be leveraged for public services to benefit McKinney residents. The city engages citizens in the development of the Consolidated Plan every five years; the plan is a planning resource that CDBG community recipients submit; the document is designed to help communities work to assess homeless, housing and community development needs; review housing market conditions; and set goals, objectives and funding priorities for CDBG based on the participation and analysis. Each Annual Action Plan features activities and projects that will be covered under that specific year.

The city's Housing and Community Development Department is responsible for the administration of grant funding, including the Community Development Block Grant and the Community Support Grant. The Consolidated Plan and the Action Plan strategies and programs align with the overall scope and mission to improve the City's plans for community quality of life investments.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The following is a summary a summary of CDBG objectives and outcomes for the 2018-2019 Program year of the Action Plan:

Decent Housing

Direct assistance of Housing Rehabilitation for 10 homes; Tenant-based rental assistance for 5 households; (State funding); Assistance for two single-family homes for reconstruction (state funding, if awarded) and two applicants for homeownership (state funding, if awarded)

Suitable Living Environment

CDBG: Homeless prevention assistance for rental or utilities for approximately 30 households; homeless and shelter supportive services for approximately xx persons; academic support services for 45 students; Volunteer advocacy services and training to assist approximately 20 abused or neglected children; meal service to assist senior citizens;

CSG: Leveraging of city grant funding to assist with support of affordable housing; services for abused spouses; group grief support to children, adolescents, and their parents or adult caregivers who have lost a loved one to death; healthcare to persons underinsured or uninsured; program services for at-risk youth to develop strong academic and social skills and support to veterans to ensure improvement with housing and support services.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

Use of CDBG. The City of McKinney predominately uses the Community Development Block Grant (CDBG) funds to impact housing and community development resources in the community to benefit eligible households and individuals toward improving quality of life through public and social services, the preservation of affordable housing, home repair rehabilitation and economic and community development. The city is committed to compliance with HUD regulations and requirements, utilizing CDBG funding as a leveraged resource with local funds. In addition, the city continues seeking additional funding resources, with state and other local funds to expand community development investments. The City met or exceeded its goals under the previous Annual Action Plan, as determined by

departmental self-auditing; extensive financial and program monitoring from city external auditors, and monitoring under the 2016 Consolidated Annual Performance Report (CAPER) from the U.S. Department of Housing and Urban Development. The City will continue to request assistance from HUD staff to comply with directives; continuance to achieve the required timeliness ratio of less than 1.5 times its annual grant allocation and the commitment to maintaining its current and ongoing record of timely expenditures of funds during the program year.

Under the current Consolidated Plan, funding may be used for housing services, public services and eligible Community and Economic Development. Under program year 2017-2018, the city used its CDBG funding to preserve existing housing stock through the city-wide housing rehabilitation program by repairing 10 single-family homes with emergency, small and major repairs and used qualified, certified contractors, which assisted in expanding economic support for small, veteran and female-owned businesses as well as providing neighborhood revitalization and energy efficient improvements for the homeowners.

Habitat for Humanity of Collin County used funding under the vacant lot acquisition program to support the building of affordable homes for new owners. Homeless prevention programs were funded and used by agencies including Community Lifeline and the Salvation Army assisted at-risk renters with emergency utility or rental assistance. The Salvation Army used funding for case management staffing services to assist shelter residents in need. Communities in Schools continued to support Caldwell Elementary students with academic resources and support systems for parents. Senior citizens were supported with CDBG funding through Meals on Wheels of Collin County to serve more than 1200 meals for eligible seniors. The Wellness Center for Older Adults partnered with the city's Public Safety department, the Senior Recreation Center and other nonprofit agencies to provide health, counseling and social services through the Gatekeeper program. CASA of Collin County provided volunteer advocates to support abused and neglected McKinney children with court support services, counseling and care in their difficult times. Under the city's façade improvement program, one business received exterior improvements that resulted in a 33% increase in customer traffic and aided in job creation. Citizen outreach and participation was continuous throughout the year in public hearings, forums, focus groups or meetings where citizens, agencies, businesses and community organizations contributed in voice about community and housing development needs at meetings including Collin County Veterans Association, One McKinney Comprehensive Planning, quarterly neighborhood revitalization P.R.I.D.E. (Promotional, Residential, Involvement, Development and Enthusiasm), Collin County Urban Transit Planning, North Texas Housing Assessment, Collin County Homeless Coalition, and Collin County Social Services Association, to name a few.

Monitoring and reporting of 2017-2018 CDBG funding usage, including agencies will be reported to the public and city council between October - December, 2018 before submittal to HUD for review.

Additional resources. The city provided \$119,500 in social service support to eligible agencies under the Community Support Grant, which allows expansion of resources to citizens in need through the administration of nonprofit agencies. The city is also a receipt of Tenant Based Rental Assistance under the state, Texas Department of Housing and Community Affairs (TDHCA), to provide up to 24 months of utility or rental assistance for eligible participants.

To remain abreast of changing regulations at the state and local level, the city continues to participate in ongoing trainings and program meeting updates, to ensure information is current for implementation.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The citizen participation process is conducted within the process that includes at least two public meetings/hearings and a public comment period for citizens to provide feedback on proposed plans. Participation also includes public comments, community forums of the anticipated funding and the application process.

The city works with city departments, service providers, agencies and interested persons to implement the Annual Action Plan goals and strategies. The city will continue the formal structure to administer CDBG funds and continue informal communication and coordination with governmental and non-governmental agencies to meet housing assistance needs and support needs of low to moderate income persons and households. The city will work to eliminate gaps when possible and continue to emphasize service delivery needs for federal, state and local programs. Ongoing efforts will also continue to participate in community partnerships.

Technical assistance began with a grant announcement that was published in print and distributed through social media networks. Interested persons and agencies were asked to attend a pre-application meeting in March, 2018 to learn directly about requirements and support for assistance for the online process. Interested applicants also received up to three weeks of support before the grant deadline submission. City staff reviewed applications for compliance of grant deadlines and prepared information for review under public hearings of the Community Grants Advisory Commission. The Commission – a 7 person voluntary group, appointed annually by City Council - serves as the citizen participation group to conduct

public hearings, review applications and provide funding recommendations to City Council. Public hearings were held to hear funding requests.

Citizens are able to provide their input at public meetings, public hearings and written comment during the public comment period. The City provides public notice regarding the public comment period and meetings through publication in the newspaper, department social media newsletter and other means of announcement. All public hearings are posted on the board at McKinney City Hall and at the website, <http://www.mckinneytexas.org>. The following a list of public hearings, meetings and comment periods that afforded citizens opportunity to provide input and engage in the process of the 2018-2019 Annual Action Plan:

- Public Meetings: March 19, March 22, May 24, and May 31
- Public Hearings: May 9, May 10, 2018 and July 12, 2018
- Notice of public hearings and comment period: July 6 – August 6, 2018
- City Council Public Hearing, August 6, 2018.

Notices are published in the McKinney Courier Gazette and at city's website. The Action Plan is also made available for viewing at the Housing and Community Development Department office during business hours and by direct mail, if requested. The plan is also on the website at www.mckinneytexas.org.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

The public comment period begins July 6 through August 6. Citizens have opportunity to provide written comments to the Community Services Administrator about the Annual Action Plan during this period or to provide public comments at the Public Hearing on July 12 or the City Council Public Hearing held on August 6, 2018 at 6:30 PM at 222 N. Tennessee Street, McKinney, TX 75069. To date, there are no public comments at this time of this submission. A summary of collected public comments as received will be included in the final draft submission to HUD and will be included in the final submission on the city's website.

6. Summary of comments or views not accepted and the reasons for not accepting them

The City accepts all comments offered. Comments or view will not be accepted for insertion into the final document after August 6, 2018.

7. Summary

The 4th year Annual Action Plan under the PY 2015-2019 Consolidated Plan required by the U.S. Department of Housing and Urban Development for the use of Community Development Block Grant (CDBG) funds. The city of McKinney anticipates to receive funding, under the program year beginning October 1, 2018. The city developed goals, objectives and anticipated outcomes for the Annual Action Plan. The city continues to evaluate past performance and will provide a briefing summary of the PY 2017 Annual Action Plan, known as the CAPER within this program period. The public will have privy to and receive a draft report of the use of funds under the previous program year within the 90 day period after October 1, 2018.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Administration and Program Delivery under the Community Development Block Grant	City of McKinney, Texas	Housing & Community Development Dept.
Community Support Grant	City of McKinney, Texas	Housing and Community Development Dept.

Table 1 – Responsible Agencies

Narrative (optional)

The City of McKinney, a HUD entitlement grantee of Community Development Block Grant funds, is required by HUD to prepare a Consolidated Plan and an Annual Action Plan that meets HUD requirements to receive grant program funds. The Housing and Community Development Department (HCD) is the lead agency for the city to oversee the development of these plans. The department oversees the administration of CDBG direct funds, city/local public service funding and other funds attributed to this program from the state and other resources. Recommendations from the Community Grants Advisory Commission are reviewed and approved by City Council, prior to submission to HUD for review and final approval before awarding funds to the City for use.

Annual Action Plan/ Consolidated Plan Public Contact Information:

City of McKinney, Housing & Community Development Department
Shirletta Best, Community Services Administrator / Camille Smith, Community Services Coordinator
406 N. Tennessee Street
McKinney, TX 75069
sbest@mckinneytexas.org
Phone: 972-547-7577
Fax: 972-547-2681

AP-10 Consultation – 91.100, 91.200(b), 91.215(l)

1. Introduction

Provide a concise summary of the jurisdiction’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))

Citizen engagement is an important process under the Community Development Block Grant. It includes input from citizens, non-profit and community organizations, social service support organizations, the Collin County Continuum of Care and other stakeholders to identify priorities and needs for the Consolidated Plan. The city also consulted with participants of the Collin County Homeless Coalition, Collin County Social Services Association, citizens citywide, the neighborhood P.R.I.D.E. (*Promoting Residents, Involvement, Development, and Enthusiasm*) Community Group, McKinney Housing Authority, and other innumerable agencies. Through the Housing & Community Development Department, the city also engages maintains close contact with its own Community Support Grant and CDBG subrecipients that serve McKinney Residents. The city participates in the annual Youth Summit that addresses the needs of at-risk youth to learn about trends and needs that should be addressed in the plan.

In the city’s citizen participation plan, the city hosts at least three public hearings per year to discuss the priorities, processes and evaluation of the CDBG and CSG programs. The Community Grants Advisory Commission – a 7 person citizen voluntary group appointed by Council – meet to discuss proposed funding for the programs and provide recommendations to City Council. The city maintains informal and formal contact with agencies and the public throughout the year through public meetings, forums and reporting.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The City of McKinney has been an active member of the Collin County Homeless Coalition (CCHC) (<https://collinhomeless.wixsite.com/cchc>), a community organization comprised of Collin County municipalities School Districts, Collin College, Homeless Service Providers, Businesses, Advocates, and Faith Communities working together to provide solutions to prevention and homelessness in Collin County through:

1. Increasing Awareness of Homelessness
2. Coordinating Advocacy for the Homeless Issue

3. Facilitating Information
4. Empowering Collaborative Programs and Services

The CCHC also works under Metro Dallas Homeless Alliance as they implement their work plan under Core objectives - progress to end chronic homelessness; increase housing placement and stability; increase household employment and benefit income; increase progress to end family homelessness; improvement of coordination, collaboration and partnerships; improve information and knowledge on homelessness; and measuring success and performance.

The City of McKinney is the lead agency for the Annual Homeless Point-in-Time Count in our city, with other cities across the county. Held annually in the last week of January, the Point-in-Time (PIT) count is a count of sheltered and unsheltered people experiencing homelessness that HUD requires each Continuum of Care (CoC) nationwide to conduct in the last 10 days of January each year. The Count is required to receive Collin County Continuum of Care (CoC) funds and also provides current information on the state of homelessness in our community. This data informs local decision-making for programs and other resources, used by municipalities, community agencies and other entities.

McKinney utilizes the McKinney Police Department, McKinney Fire Department, local businesses, organizations and citizen volunteers each year to conduct the count in our community. An estimated \$350,000 and \$600,000 in annual grant funds are awarded to Collin County service providers by the U.S. Department of Housing and Urban Development (HUD) to address the needs of persons experiencing homelessness. For the purpose of this annual count, the HUD definition of homelessness is used; the abbreviated definition is as follows: An individual or family who lacks a fixed, regular, and adequate nighttime residence. This includes places not designed for or ordinarily used as a regular sleeping accommodation for human beings, emergency shelters, transitional housing, and hotel rooms paid for by charitable organizations. The definition also includes unaccompanied youth and persons fleeing domestic violence. The full definition can be found at 24 CFR § 576.2.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS.

HUD provides funding under the Emergency Shelter Grant (ESG). Grantee recipients and subrecipients use Emergency Shelter Grants Program funds to rehabilitate and operate emergency shelters and transitional shelters, provide essential social services, and prevent

homelessness. The City of McKinney does not receive ESG funds. Eligible subrecipients may apply for ESG funding through the Metro Dallas Homeless Alliance.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

See Table 2 below

Table 2 – Agencies, groups, organizations who participated

Agency/Stakeholder	Agency Type	Constation Type
Collin County Social Services Association	Social Service Providers	Regular Meeting
Collin County Homeless Coalition (Continuum of Care)	Nonprofit, Social Services Providers	Regular Meetings, Stakeholder Meetings
Volunteer McKinney	Service Organization	Youth Forum
Habitat for Humanity of Collin County	Non-Profit Agency (LMI Homeowners/Housing)	Public Hearing, Focus Groups, Public Meetings
McKinney Housing Authority	Public Housing	Public Hearings, Focus Groups, Public Meetings
Community Lifeline Center	Service Provider	Stakeholders Meeting, Public Hearing
McKinney ISD	Independent School District	Collaboration, Stakeholders Meeting
Salvation Army, McKinney Corps	Nonprofit	Public Hearing
Veterans Center of North Texas	Nonprofit	Public Hearing
Collin County Veterans Coalition	Service Provider	Regular Meeting
CASA of Collin County	Service Provider, Nonprofit	Public Meeting, Public Hearing
Salvation Army, McKinney Corps	Service Provider, Nonprofit	Public Meeting, Public Hearing
Communities of Schools, Dallas	Service Provider, Nonprofit	Public Meeting, Interview, Public
The Samaritan Inn	Service Provider, Nonprofit	Public Hearing, Meeting
CASA of Collin County	Service Provider, Nonprofit	Public Hearing
Collin County Committee on Aging	Service Provider, Nonprofit	Public Meeting, Public Hearing
Boys and Girls Clubs of Collin County	Service Provider, Nonprofit	Public Meeting, Public Hearing
Hope's Door – New Beginnings	Service Provider, Nonprofit	Public Meeting, Public Hearing

Identify any Agency Types not consulted and provide rationale for not consulting

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Annual Action Plan	Texas Dept. of Housing and Community Affairs	Review to determine how agency aligns with resources to apply for and implement funding.
Annual Action Plan	McKinney Housing Authority	Determination of plan is consistent with the Consolidated Plan and to incorporate information as required into the CDBG Annual Action Plan.

Table 3 – Other local / regional / federal planning efforts

AP-12 Participation – 91.105, 91.200(c)

**1. Summary of citizen participation process/Efforts made to broaden citizen participation
Summarize citizen participation process and how it impacted goal-setting**

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
	Electronic, Public Hearings, Meetings, Forums, Public Comment	<p>Stakeholders: General Public, nonprofits, non-governmental and governmental agencies; Public Hearing – July 12, 6:30 PM at Old Settler’s Recreation Center, 1201 Louisiana Street, McKinney, TX 75069</p> <p>Public Hearing – August 6, 6:00 PM at McKinney City Hall, 222 N. Tennessee Street, McKinney, TX 75069</p>	<p>In Progress</p> <p>In accordance with the Americans with Disabilities Act, it is the policy of the City of McKinney to offer its public programs, services, and meetings in a manner that is readily accessible to everyone, including individuals with disabilities.</p> <p>If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodation, please contact the ADA Coordinator at least 48 hours in advance of the event. Phone 972-547-2694 or email contact- adacompliance@mckinneytexas.org</p> <p>Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility.</p> <p>ADA grievances may also be directed to the ADA Coordinator or filed online at http://www.mckinneytexas.org/ada.</p>	In Progress	No reason any comments would not be accepted through the period ending August 6, 2018.	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

With a population of more than 180,000 residents, the City of McKinney qualifies with the U.S. Department of Housing and Community Development's CDBG program. Entitlement communities receive annual funds to carry out housing and community development activities to revitalize neighborhoods, leverage service resources and meet local needs. The City has been allocated to receive \$ 758,765 in CDBG funds for Program Year (PY) 2018-2019 and anticipates any CDBG carryover funds unused from previous program year(s) to be used toward housing rehabilitation and community and economic development activities. The City will leverage these resources with the city-funded Community Support Grant. In previous years, \$119, 500 has been allocated by City Council under the General Fund to additionally support public and social services for McKinney residents, through the services of nonprofit agencies.

Other federal resources that may be available to McKinney residents through organizations include funds from Housing Choice Vouchers available separately under the McKinney Housing Authority; Tenant Based Rental Assistance Funding and Homebuyer assistance funding through the city (only if available and awarded from TDHCA state funds), funding distributed to nonprofit agencies to assist McKinney residents, Low-Income Housing Tax Credits (LIHTC), if applied and awarded.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public/Federal	Public Services; Housing Rehabilitation; Improvements; Economic and Community Development, Grant Administration	\$758,765	0			0	HUD confirmed allocation for use under the 2018-2019 program year; city will utilize any carryover fund estimated up to \$500,000 from previous grant years or reprogrammed funds
Community Support Grant	City/Local	Public Services	Estimated minimum \$ 119,700	0	0	Min. 119,700		City funds allocated by City Council to leverage public and social services. Funds determined under general fund. At minimum, funds will be \$119, 700. An increase has been requested; budget to be approved Sept. 2018.

HOME	TDHCA	TBRA, HBA,	\$616,000	0	0	616,000	0	City is applying for funding as a state subrecipient under TDHCA (TX Department of Housing and Community Affairs). If awarded funds to be used for homebuyer program and reconstruction of existing housing stock.
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Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied. The City of McKinney ensures CDBG funds are used to maximum effectiveness within regulatory and statutory limitations, cost reasonableness, leveraging and evaluation in its competitive application process and city programs to meet national objectives, including principally to benefit low-to moderate income persons. Federal funds leverage scope of local funds under the Community Support Grant to expand housing and community development services to benefit McKinney residents and households through nonprofit agencies. Local organizations must submit a detailed application demonstrating the project will meet criteria for eligibility activities, have organizational capacity to meet local and federal requirements, and at minimum one priority under the city's Consolidated Plan. There are no matching requirements for CDBG, however, sub recipients must also indicate that other leveraged resources that may include state, local, corporate or private funding are among applied or confirmed resources to implement said program. Funding may be used for program costs, salaries, program supplies and materials among other eligible costs.

The City leverages additional resources for housing and community development through TDHCA funding, if awarded and the Community Support Grant Funds are determined annually by City Council for the Support Grant. Organizations may apply for Community Support Grant funds to be used for program costs, salaries, supplies and materials toward the benefit of serving McKinney residents.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan.

If available and possible, tax foreclosed properties that are vacant lots will be available for approved uses, including but not limited to affordable housing providers to purchase under provisions of the city's lot disposition program.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals

Summary

Information Funding listed below specific to PY 2018-2019 CDBG allocation, including the amount of \$758,765 distributed among programs and estimated carryover funds that may be available during the program year.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Housing	2018	2019	Affordable Housing	McKinney City Limits	Housing	CDBG: \$678,651	Program Delivery; Homeowner or rental housing rehabilitated: 10 Household Housing Units
2	Non-Housing Community Development, Homeless and Homeless Prevention	2018	2019	Non-Housing Community Development	McKinney City Limits	Public Services	CDBG: \$113,798	Public Service Activity Delivery, other than Low/Moderate income Housing Benefit: 400 Persons Assisted total among 7 agencies
3	Community & Economic Development	2018	2019	Non-Housing Community Development	McKinney City Limits	Community Development	CDBG: \$171,394	Program Delivery; activities including, not limited to commercial rehabilitation, microenterprise, public facilities and improvements, job creation.
4	Grant Administration	2018	2019	Administration	McKinney City Limits	Grant Administration	CDBG: \$151,731	Administration, monitoring and evaluation and planning to ensure met requirements

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Housing
	Goal Description	City program, Housing Rehabilitation delivery. CDBG PY 2018-19 Funding, including previous program carryover funds will be used to benefit households under the housing rehabilitation.
2	Goal Name	Non-Housing Community Development
	Goal Description	CDBG Public Services will benefit eligible residents through agency services including but not limited to Collin County Committee in Aging for Meals on Wheels Program, CASA of Collin County to benefit abused and neglected children; Communities in Schools to benefit children and education at Caldwell Elementary, and Hope's Door-New Beginnings to assist Counseling Services;
3	Goal Name	Homeless and Homeless Prevention
	Goal Description	CDBG Funding in the program year will assist persons with emergency homeless prevention assistance, including rent, utilities and mortgage under the agency, Salvation Army and Community Lifeline Center, and case management services for shelter residents under The Samaritan Inn.
4	Goal Name	Economic and Community Development
	Goal Description	CDBG City program; Activity delivery and community development activities including commercial rehabilitation, façade improvement, public facilities and businesses assisted to
5	Goal Name	Grant Administration
	Goal Description	20% of the program year total allocation will be used for grant administration of the CDBG program

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b):

Per requirements as a sub recipient under TDHCA, the city was awarded funding under the Tenant Rental Based Assistance program (TDHCA); the city will provide assistance to 5 families in need with utility or rental assistance for up to 24 months, contingent upon eligibility. The City will apply for additional funding under the Homebuyer program and Home Reconstruction. If awarded, the program will serve two potential homebuyers with funding and closing costs up to \$10,000 and assist two single-family homeowners with reconstruction repairs.

Projects

AP-35 Projects – 91.220(d)

Introduction

This section outlines Project categories under the HUD Reporting system for the 2018-2019 Program Year.

Projects

#	Project Name
1	Housing Rehabilitation
2	Public Services
3	Community Development
4	Grant Administration

Table 7 - Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Priorities under the proposed program year are based on identifying impact needs and leveraging existing resources in the City of McKinney, including assisting with aging housing stock, vacant lot acquisition toward affordable housing, public services. The City of McKinney will allocate its PY 2018-19 allocation in CDBG funds to meet those needs and in addition use carryover unused funding from previous program years to impact objectives primarily in the CDBG housing rehabilitation and community economic development programs. Statutory law under the program year's allocation, determines that only 20% will be used for 2018-2019 grant administration and planning and 15% of funding will be used for public services.

Timing can become an obstacle in addressing underserved needs and the program is flexible to address those needs, particularly with housing services due to weather, eligibility or planning issues. Habitat for Humanity of Collin County was approved to use their carryover PY 2016 funds in 2017-2018; the project will be complete under the program year 2018-2019, per grant agreement, for the use of lot acquisition funds to build affordable homes for low income families.

AP-38 Project Summary
Project Summary Information

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

CDBG funds will be used citywide, with emphasis in the lowest income census tracts of 309, 308, 307 and 306, particularly for projects that are under Census area benefit. All CDBG funded projects will primarily meet the national objective of benefiting low to moderate income persons. Twenty percent of the funds does not carry a national objective, as the goal and requirement is to administer the entire grant program.

Geographic Distribution

Target Area	Percentage of Funds
McKinney City Limits	80%

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Per the current Consolidated Plan, the City of McKinney does not restrict assistance to any specific geographic area for program years – unless the activity is categorized as an area benefit activity, which is restricted to primarily benefiting low-to moderate income areas as identified through Census and HUD data. As other CDBG activities require household income eligibility, expansion of the program citywide allows maximum benefit to serve McKinney residents through services, programs or activities. Under this impact, beneficiaries have been available to participate in housing or public services in each district of the city.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

As housing costs in the County continue to rise, affordable housing options for all populations are needed. CDBG funds will be used to benefit Low to moderate (LMI) households with homeless prevention, rental assistance or housing rehabilitation services.

One Year Goals for the Number of Households to be Supported	
Homeless	10
Non-Homeless	50
Special-Needs	0
Total	60

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	5
The Production of New Units	0
Rehab of Existing Units	12
Acquisition of Existing Units	0
Total	15

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion

Tenant-Based Rental Assistance and home reconstruction rehabilitation of existing units come from state funding, if awarded through Texas Department of Housing and Community Affairs (TDHCA). Other goals in homeless prevention achieved through CDBG.

CDBG cannot be used for the development of new housing units. Where there is need, upon evaluation the city will seek consideration of the Housing Finance Corporation to assist families in need to develop a housing unit or refer applicants to affordable housing providers to assist.

AP-60 Public Housing – 91.220(h)

Introduction

The Housing Authority of McKinney, MHA, is an independently run entity, which receives funding and monitoring directly under the U.S. Department of Housing and Urban Development. MHA owns and operates public housing units and administers the Housing Choice Voucher program. This program assists very low income families, the elderly and this disabled to afford housing in the private market.

Participants are able to choose any housing within a 50 mile radius that meets requirements of the program and housing is not limited to units located in subsidized housing projects. Rental units must meet minimum health and safety standards. A housing subsidy is paid to the landlord directly on behalf of the renter, the family then pays the difference between the actual rent charged by the landlord and the amount subsidy. Housing Authority of McKinney operates 201 affordable units across its public housing portfolio. The bedroom sizes of Housing Authority of McKinney public housing units range from 1 bedroom apartments to 3 bedroom apartments.

Actions planned during the next year to address the needs to public housing

MHA faces the challenges of leasing, maintaining units due to the aging stock of the public units and the severe backlog of capital needs. MHA is a participant of the Rental Assistance Demonstration program (RAD) to preserve public and HUD-assisted housing units through conversion. The first units redeveloped were Newsome Homes, completed May 2017. Under the 2018-2019 program, year MHA will begin redevelopment of Merritt Homes at 1200 N. Tennessee Street. MHA submitted application to HUD for a RAD PBRA conversion for the current 86 housing unit facility to be redeveloped to 136 units (86 PBRA and 50 Tax Credit units). In an effort to deconcentrate, MHA sought to partner in developing a portion of the 86 PBRA units in a qualified high opportunity area in McKinney, but did not receive response to the RFP.

Relocation Plan.

McKinney Housing Authority is responsible and will authorize a preference to the Housing Choice Voucher and PBRA waitlist in the event a participant is displaced due to RAD. Per their action plan, “MHA will offer a Waiting List preference to families that must temporarily relocate from Merritt Homes as a result of the planned demolition of the site and its subsequent redevelopment via RAD program. The family will qualify for the preference if the household has been issued a General Information Notice and has not already taken occupancy of a different temporary placement. MHA will permit voluntary transfers from properties scheduled to the RCC if the tenant requests.”

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The program encourages home ownership for those eligible to move and job creation opportunities in construction. MHA continues to encourage residents toward homeownership and provides opportunities to receive fair housing education, budgeting and outreach through partnerships, including the city's homebuyer program and other programs.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

The Housing Authority is not designated as troubled.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

The Annual Action Plan fund activities that support Consolidated Plan areas. The Salvation Army will be the only CDBG funded agency this year providing homeless prevention assistance. TBRA funding through the state of Texas will residents in need with rental and utility assistance for up to 24 months toward self-sufficiency. The city was awarded a \$200,000 grant for two years, which ends in 2019.

Plan Goals include the following:

Homeless Population Assistance

Assist homeless persons and families in the Continuum of Care, cycle of homelessness, and homeless prevention.

Homelessness Prevention: Prevent homelessness by providing emergency assistance including rental, mortgage and utility resources, with outreach and supportive education to at-risk households.

Homeless Public Services: Support public services and rental assistance help and transition homeless families, persons or at-risk youth to gain employment and life-skill resources that support self-care and sufficiency.

Homeless Housing: Support impact of housing for the homeless, including transitional housing, emergency housing and permanent housing with supportive services for the chronically homeless. The City continues to partner with the Samaritan Inn and other agencies to meet emergency shelter and supportive housing needs.

Goals under the Annual Action Plan:

The city will continue to partner with The Samaritan Inn as well as other agencies including Community Lifeline, the Salvation Army and local churches to assist eligible clients to participate through the Tenant Based Rental Assistance program. Both the Samaritan Inn as a continued Community Development Partner, this agency works closely with residents through case management services and provides budgeting, employment and supportive services to assist those once homeless not to return to their plight. CDBG funding is provided to agencies to assist those at risk of homelessness with emergency utility, rental or mortgage assist through agencies including the Salvation Army.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

The city supports housing initiatives benefiting all McKinney residents toward affordable options that best fit any income, including low to moderate income households. The city does not have codes or regulations identified as regulatory barriers to affordable housing. The City of McKinney and McKinney Housing Authority are working toward development and participation of a regional plan with local input.

The city has worked diligently to implement and encourage financial and planning support to housing and infrastructure improvements in older communities of McKinney, as well as broaden support to extend citywide to other areas, including those of higher opportunity. The city has dedicated a significant amount of its CDBG allocation to preserving existing housing stock through the Housing Rehabilitation Program. Eligible renters in need have also been supported through homeless prevention resources through the Tenant-Based Rental Assistance program and Emergency rental assistance through public service allocations to agencies.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Education and funding sources for Future Homebuyers: The City continues to encourage and advocate for education to first-time homebuyers and any interested persons who want to learn about all facets in responsibilities and knowledge on fair housing rights and watch against predatory lending practices as they seek the path to homeownership. Workshops are held monthly during program year in partnership with other cities. The City also encourages buyers to participate in the **SETH 5-Star Texas Advantage Program**, providing eligible homeowners' option for a loan program that meets affordable needs. Buyers may get a 30-year fixed rate mortgage and a grant to be used for the down payment and closing costs associated with home purchase.

Comprehensive Planning:

Promote Public Education: The City will continue work to hold community conversations and workshops to provide insight into concerns under communication of projects between residents and developments with neighborhoods and provide city liaison access between neighborhood groups including P.R.I.D.E. (Promoting Resident Involvement, Development and Enthusiasm. Coordination will include four community meetings during the year and work in concert with public hearings as city prepares to update the Comprehensive Plan.

Resource supporting Accessible Housing Units: The Housing and Community Development Department will continue to be a resource for the City with local developers and builders regarding housing accessibility requirements regarding compliance and when possible, use CDBG funds to collaborate with organizations including the North Texas Fair Housing Resource Center and North Texas Aging and Disability Center to provide residents, apartment providers, contractors and architects on Fair Housing Act accessibility requirements.

Discussion:

The City is committed to preserving and maintaining existing affordable housing stock, as well as support of housing units, by supporting efforts to accomplish the goal.

AP-85 Other Actions – 91.220(k)

Introduction:

McKinney will undertake actions to address Underserved Needs; fostering and maintaining affordable housing; reducing lead-based paint hazards; reducing poverty-level families; developing institutional structure and enhance coordination between public and private agencies.

Actions planned to address obstacles to meeting underserved needs

The City continues to review the Consolidated Plan 2015-2019 and consider priorities for CDBG allocations. Resources to improve understanding of community needs will still include public meetings, surveys, consultations, hearings and workshops, as well as analyzing and updating data. City staff will continue to participate in Collin County Homeless Coalition, citywide P.R.I.D.E. (Promoting Resident Involvement, Development and Enthusiasm) meetings, Collin County Social Services Association, Wellness and Health Alliance, and other resources to learn about trends, available services and advise the Community Grants Advisory Commission.

City of McKinney will continue implementation, resource enhancement, and training under the Transition Plan for compliance and impact for needs under instruction from the ADA Coordinator and federal requirements. The City also engages with aging and disability service providers to seek input for solutions and support for those in need. Other obstacles include:

Transportation. For underserved needs in Transit services, the City will continue to lead and participate in the Collin County Transit group. In collaboration, The City of McKinney, the McKinney Urban Transit District (MUTD), and the Denton County Transportation Authority (DCTA) provide Collin County Transit; ongoing services consisting of a low-cost, subsidized taxi voucher program that provides well-organized transit options for participating MUTD cities including McKinney, Lowry Crossing, Melissa, Princeton and Celina. Current services includes regular taxi service at a nominal cost and service expansion will include bus services.

The Low Income Transit Subsidy Pilot Program (LITSP) will also continue during the program year. LITSP is a Collin County Transit pilot program providing low-income families and individuals with mobility solutions. Program began April 2, 2018 and scheduled to end March 31, 2019 (based on availability of funds) and can include up to 100 participants. Residents must submit an application along with all of the required documentation. The City's community outreach has been ongoing to senior and disability groups, apartment complexes, community groups and others to engage feedback, participation and expand knowledge of the program.

Variations in Local Market. There is continued limited availability in affordable housing market with home purchases, as well as affordable land purchase to increase the supply need of

affordable housing units. The City will continue to review ordinances and seek developers that desire to propose housing tax credit projects in McKinney, as they seek to obtain funding through available sources, including those under TDHCA (Texas Department of Housing and Urban Development). The City also works in partnership with the Housing Finance Corporation to develop Requests for Proposals, determination of need and engage solutions.

Limited Funding Obstacle. Other obstacles to meet underserved need include the uncertainty of adequate funding, including federal, state and local resources. While the actual amount of the CDBG allocation may vary from year to year, the City continues to effectively utilize resources to meet possible needs and continues to research and apply for additional funding for effective leveraging of resources. The City provides support to applicants through resources, including the Community Support Grant and McKinney Community Development Corporation to leverage quality of life resources to benefit all residents, including low-to-moderate income households.

Actions planned to foster and maintain affordable housing

The City of McKinney anticipates residential build-out within the next five to ten years. High costs of developing land makes affordable housing construction challenging. Undeveloped land areas continue to increase in high amounts per acre and can make it difficult for developers to make a profit, even with a desire to provide affordable communities. To address barriers under affordable housing needs, the city will endeavor the following actions:

Work with interested developers and community partners on potential affordable housing developments. The City will work to make developers aware of provisions within the city's housing policies for developments inclusive of affordability for working individuals and families. Staff will also continue to research incentives and programs to promote preservation of affordable housing in all areas of McKinney.

Continued implementation and development to meet current goals and provide updates to the Analysis of Impediments for Fair Housing. The city continues to coordinate planning and engaging the public in the process to develop programs, incentives and public education based on the analysis and address goals and strategies of housing barriers.

The city will also continue working with affordable housing service providers on public education and events to promote Affordable Housing. Staff continues to work with service providers to promote housing resources at a regional level and will expand to plan Housing Fairs, including planning impacts, grant assistance, fair housing, tenant/landlord rights and responsibilities, first-time home buyer assistance, tenant-based rental assistance and other needs.

Ongoing assessment and updates to housing policies and affordable housing assistance materials, as needed. We are also continuing to update existing education materials and resource information available on the city's website and meet with stakeholders for input.

Actions planned to reduce lead-based paint hazards

Lead-based paint regulations will be followed for rehabilitation projects for units constructed before 1978, including testing as required. As required if lead-based paint is found present, contractors certified in safe work practices will be used for abatement as required by HUD and the state of Texas.

If children under the age of 6 live in the housing unit they may be referred to the Health Department for testing for lead-based paint exposure. Clearance tests will be performed by a certified risk assessor and a certified laboratory when project is complete. All CDBG-funded projects will take potential presence of asbestos into consideration. Assessing the need for lead-based paint remediation will be considered and undertaken as needed for all CDBG-funded housing rehabilitation projects; Most of the potential Lead-Based Paint hazard are restricted to the older areas in McKinney where housing stock pre-dates 1978. This area primarily is bounded east of Highway 5. Census data indicates there could be as many as 2600 households that may be at risk of exposure. The City will pay attention to monitoring rehabilitation projects in these areas.

Actions planned to reduce the number of poverty-level families

According to census data, more than 8% percent of McKinney residents are at the poverty-level, and nationally poverty impact for children 18 years and under continue to increase. McKinney will implement the following strategies based on consultation with the community in program year:

Neighborhood Community Development – Continue to work with the McKinney Police Department, affordable housing providers and other support services to support enhancement community policing or neighborhood-based programs for improvements and engagement.

Affordable Housing –The city will preserve affordable housing with CDBG and state funding to assist applicants under the housing rehabilitation program. Citizens will continue to receive homeownership and fair housing education through public education programs and renters will gain access to first-time homebuyer and closing costs grants through state funding.

Youth Services - Work to provide funding for agencies assisting low-income youth, including after- school, job training, and academic or mental health counseling programs. Funding will be

provided to Community Lifeline Center and the Salvation Army to assist families with emergency rental and utility assistance to prevent homelessness. A CDBG public services grant will be given to Communities in Schools to assist a great need at Caldwell Elementary to assist students with enhanced academic counseling. CASA of Collin County will provide court-appointed volunteers to assist abused/neglected children with case management services.

Actions planned to develop institutional structure

The city will work with city departments, service providers, agencies and interested persons to implement the Annual Action Plan goals and strategies. The city will continue the formal structure to administer CDBG funds and continue informal communication and coordination with governmental and non-governmental agencies to meet housing assistance needs and support needs of low to moderate income persons and households. The city will work to eliminate gaps when possible and continue to emphasize service delivery needs for federal, state and local programs. Ongoing efforts will continue to participate in community partnerships, to learn and provide share exchanges of program successes.

Actions planned to enhance coordination between public and private housing and social service agencies

The City engages coordination and collaboration between public and private housing and social service agencies, the City works with subrecipient agencies listed in the summaries, as well as agencies funded through City funded Community Support Grant. City staff provides support and information updates to the Community Grants Advisory Commission. The City also works with Collin County based organizations to further enhance services and information including, but Collin County Social Services Association; Collin County Homeless Coalition; Collin County Veterans Coalition; and Volunteer McKinney, among others.

Discussion:

This section is optional and was left blank intentionally.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

This section describes activities planned regarding all HUD funds anticipated to be available during the program year, including program income, to be received before the start of the program year.

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	0
5. The amount of income from float-funded activities	0
Total Program Income	0

Other CDBG Requirements

1. The amount of urgent need activities	0.00%
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Per description of program income guidelines, the City of McKinney does not anticipate receiving CDBG program income prior to Program Year 2018. There are no urgent need activities at this time; however, if the need becomes required, a substantial amendment for approval will be enacted. The City of McKinney has not used Section 108 loan guarantees and Section 108 is not applicable to the 2018-19 Action Plan at this time. The City of McKinney also does not receive income from float-funded activities, nor has or anticipates income from float-funded activities.