



CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)



Draft of the Reporting Period:
OCTOBER 1, 2010- SEPTEMBER 30, 2011

CAPER 10
Reporting Period: October 1, 2010 to September 30, 2011

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**City of McKinney
Community Services Department
Executive Summary - CAPER 10**

Introduction

The *CAPER (Consolidated Annual Performance and Evaluation Report)* is a performance report for grantees receiving annual Community Development Block Grant (CDBG) funding under the U.S. Department of Housing and Urban Development. Within 90 days after the close of the program year, the City of McKinney reports on its Community Development and Housing activities. The reporting period for the program year began October 1, 2010 through September 30, 2011.

In conjunction with federal requirements, the City provides regular reporting under this grant. Before the start of the program year, review of the CDBG Annual Action Plan proposed funding for activities under the city's Housing Rehabilitation Program, Public Services Program, Grant Administration and other Community Development efforts. The FY 2010-11 CDBG allocation was in the amount of \$ 597,046. With review of the financial summary, the City met requirements and did not exceed its regulatory cap of 15% of the total grant funds for public services and the 20% cap for Grant Administration.

Under this submission, the City reports on the use of these funds listed under the first year of the FY 2010-2014 Housing and Community Development Consolidated Plan.

Administration

The Community Services Department administers the CDBG grant. The department consists of three activities under *CDBG* (Housing Rehabilitation Program, Public Services), *Affordable Housing* (Housing Reconstruction, Affordable Homebuyer Programs) and general Community Service. The document reports on department activities and other related Housing and Community Development efforts of the City in partnership with the community at-large.

At-A-Glance Summary

During the reporting period, the City of McKinney received CDBG funds of \$597,046. The City reports 100% of its CDBG funding used was to benefit the priority needs identified in the FY 2010-2014 Housing and Community Development Consolidated Plan, to assist low to moderate income persons and households under the following objectives:

STRATEGIC PLAN OBJECTIVES

GOAL	PLAN STATEMENT OF STRATEGIC GOAL	NATIONAL OBJECTIVE	OUTCOME MEASURE	PERFORMANCE INDICATOR
1	Improve the condition of housing occupied by the city's lowest income homeowners and preserve housing stock	Provide Decent Housing	Provide Decent Housing with Improved/New Affordability	Number of low/mod housing units rehabilitated
2	Support organizations that assist the city's special needs populations	Create Suitable Living Environments	Create Suitable Living Environment through Improved/new Availability/ Accessibility.	Number of persons assisted with access to a public service
3	Provide supportive services for residents who encounter homelessness or have a need for homeless prevention services	Create Suitable Living Environments	Create Suitable Living Environment through Improved/New Accessibility/ Availability.	Number of households or persons who receive assistance to prevent homelessness
4	Increase homeownership opportunities for low and moderate income households	Provide Decent Housing	Create Suitable Living Environment through Improved//New Accessibility/ Availability.	Number of persons assisted to purchase a home Number of households assisted through lot acquisition

“At-a-glance” accomplishments from the City of McKinney in FY 2010-2014:

- 16 low-to-moderate households received home repair assistance in the Housing Rehabilitation Program
- 71 McKinney seniors received weekday and evening meals.
- 23 low-income children and youth received low-cost visits to dentists for basic care.
- 32 persons receiving down payment assistance to become new homeowners.
- 347 persons ineligible or without health insurance, received care through a free health care clinic under grant support.
- The City met or exceeded program and timeliness requirements under the Community Development Block Grant and funding under the Texas Department of Housing and Community Affairs.
- 21 at-risk students received counseling and additional academic care toward the prevention of school dropout.
- 307 youth received transportation services to an after-school care program called SMART moves, providing life skills strategies to prevent at-risk behaviors.
- Approximately 1,300 residents participated in community education meetings and activities including PRIDE (Promoting Resident

Involvement, and Enthusiasm), UNIDOS, Community Development Awareness Programs, and Kids Council activities.

- 165 child abuse victims receiving clinical therapy counseling services
- 130 persons in a homeless shelter received case management assistance.
- Approximately 35,000 households received fair housing information access to information about their Fair Housing rights and how to file a complaint.
- The City provided over \$100,000 in grant support to nonprofit agencies with leveraged resources under its Community Support Grant.
- City-wide successful participation of residents under Census 2010.

ANNUAL PERFORMANCE

A. Resources Made Available

The City of McKinney is one of the fastest growing cities of its size, in the state of Texas and the United States. Under the completion of Census 2010, the Census Bureau’s listed McKinney, Texas at a population of 131,117.

Population 1990 - 2010				
	McKinney	Frisco	Allen	Plano
2010 Census	131,117	116,989	84,246	259,841
<i>Percent Increase</i>	<i>141%</i>	<i>247%</i>	<i>93%</i>	<i>17%</i>
2000 Census	54,369	33,714	43,554	222,030
<i>Percent Increase</i>	<i>155%</i>	<i>449%</i>	<i>137%</i>	<i>72%</i>
1990 Census	21,283	6,141	18,309	128,713

Under this growth, many residents largely expended income resources on housing costs. Under completion of the Consolidated Plan, it was viewed that homeowners spent 30% or more of their household income on housing. Demographics are also changing. Within the county, there has been a significant increase in the number of seniors, aged 65 and older (65% increase). In McKinney, 8% of residents live in poverty with the highest poverty rates for college aged adults (18%) and school aged children under 18 (12%). When reviewing housing needs, the city evaluates residents in categories to include: Renters seeking a home purchase; owners looking for another affordable home; owners seeking to lower cost-burden repairs and create efficiency of energy; and those seeking affordable rentals, where there is a shortage.

To address the need, the City leveraged its funding of federal, state and local resources to assist low-to-moderate income residents, with a combination of housing and community development tools: Home rehabilitation repairs, emergency repair assistance, homeless prevention, homebuyer down payment assistance, public services, and public education and neighborhood revitalization efforts.

Housing Resources Made Available

During the reporting period, \$349,081 in FY 2010-11 Community Development Block Grant (CDBG) funds were made available for the City's Housing Rehabilitation Program. Under the program, 16 low-to-moderate income households received assistance with emergency, small repairs or major rehabilitation. Resources committed to the home repair program and other varied housing activities during the period are detailed below:

CDBG	\$	349,081
Lot acquisition		25,000
Homeless and Homeless Prevention		19,500
Shelter Resident Assistance		7,500
HOME Funds		156,000
General Fund for Homeownership		60,000
Section 8	\$	<u>2,125,882</u>

Explanations of the results shown in the above table are as follows:

CDBG funds are received through an entitlement grant. The amount committed to housing activities included the total portion of the city's allocation for housing rehabilitation (\$349,081); lot acquisition activities for affordable housing development under Habitat for Humanity of North Collin County (\$25,000) and three homeless and homeless prevention activities (\$19,500 total), under the public services program from the agencies, Community Lifeline Center, the Samaritan Inn and the Salvation Army of McKinney.

The City of McKinney is committed to providing affordable housing for its citizens. A total of \$156,000 was committed, the remaining part of the \$312,000* (two-year) HOME grant under the Texas Department of Housing and Community Affairs (TDHCA.) With leveraged commitment of \$60,000 in general funds from the City, 32 families received assistance during the reporting period, in the form of down payment and closing cost grants. In addition, incentives were provided to affordable single-family builders, both nonprofit and for-profit, thereby increasing capacity of benefit to additional single-family homeowners.

Section 8 funds are those provided by the U.S. Department of Housing and Urban Development (HUD) as rent subsidies to Section 8 tenants. In McKinney, the Housing Authority (MHA) has 345 units of Section 8 housing. The Public Housing subsidy supports the shortfall between rents charged to public housing residents and operating expenses. The MHA had 203 units of Public Housing available during the reporting period. This year, the McKinney Housing Authority opened up its waiting list through August, 2011 for 3-bedroom properties.

Other Leveraged Resources

The City leveraged unprogrammed funding toward housing resources and also created the Community Support Grant Program to evaluate additional funding requests from non-profit agencies.

During the reporting period, the City leveraged its federal and state funding with local funding of twenty (20) funded agencies, who received grant support under the total amount of \$119,700. Funding priorities under this grant included:

- Disaster Aid
- Basic Needs (food, clothing)
- Housing (non-financial assistance),
- Health and Medical (including mental health)
- Housing (financial assistance)
- Transportation
- Recreation and Athletics/sports.

The City receives federal funds known as HOME Investment Partnership, through the Texas Department of Housing and Community Affairs as a sub-recipient of the State of Texas entitlement grant, instead of the City of McKinney receiving funds directly from HUD. It is the hope that the City will be eligible for direct funds in 2012-13.

Currently, the City of McKinney does not receive federal Emergency Shelter Grants (ESG) or Housing Opportunities for Persons with AIDS (HOPWA) funds. The City has support all grant efforts through the city's Grant Administrator, review probable resources that benefit the planning strategies of the city and to strengthen and expand quality of life to residents.

B. Investment of Available Resources/Meeting Priority Needs

Strategies to Address Priority Housing Needs

Improve the condition of housing occupied by the city's low income homeowners and preserve housing stock.

Housing Rehabilitation Activities

Using CDBG funds, the City of McKinney continues its emphasis on housing rehabilitation activities. The housing rehabilitation program is citywide, with focused efforts primarily in low-to-mod communities under census tracts 309, 308 and 307. Repairs included emergency repairs, small and major rehabilitation.

During the reporting period, \$349,081 in FY 2010-11 CDBG funds were made available under city's housing rehabilitation program for rehab operations and direct services. The program is fully staffed and assisted 17 households during the reporting period. Under definition, the city does not displace homeowners through the CDBG funded rehabilitation program. Of the 17 units, 11 female households were assisted, two (2) units received Lead Based Paint corrections and 5 households were elderly households over the age of 62.

Staff provided public education about the home repair program and lead-based paint through community neighborhood meetings, referrals, social service providers and other marketing opportunities.

Lead-Based Paint Compliance. The City continued to meet its compliance of Lead Based Paint (LBP) under the Safe Housing Rule. Under federal guidelines, homes built prior to 1978 must be tested for lead-based paint. Through the housing rehabilitation program, all houses built prior to 1978 are inspected for lead hazards prior to rehabilitation, and if hazards exist, treatment is included in the home rehabilitation work at no additional charge to the homeowner. During the reporting period, two homes met these guidelines and were inspected for lead and received LBP corrections.

The City's Housing Rehabilitation Specialist maintained his Risk Assessor license from the State of Texas and attended several LBP and Green Building trainings including the *HUD Healthy Homes National Conference*, to expand knowledge toward the benefit of participants in the Housing Rehabilitation Program.

Affordable Housing. Under the Affordable Housing Office, the City continued to leverage general fund dollars into the first-time homebuyer program. During the reporting period, the city invested \$ 60,000 in general funds as a match to the HOME funds from the Texas Department of Housing and Community Affairs (TDHCA), to help the City gain 32 new homeowners, who received homeowner education, down payment and closing cost assistance. Overall, the geographic distribution of these programs was citywide in scope, although most affordable homes purchased were east of Highway U.S. 75.

The City of McKinney continues to seek and apply for other grant funding for affordable housing.

To continue sustainability of a successful affordable housing program, the City established a Housing Partners Program. With continuous outreach, there are approximately 40 participants in this partnership program. Local entities include builders, banks, non-profit agencies; mortgage lenders, title and insurance companies; home maintenance groups, and home repair companies. In partnership, all entities work in cooperation with the City of McKinney, for the purpose of developing more informed and prepared first time homeowners. Each partner must enter a formal agreement with the City of McKinney, agreeing to fully support efforts in providing safe and decent housing to citizens and interested persons.

This year, participation included broader public education of the program with social media, newspaper articles and presentations to realtors and banks to encourage their support of the program through their clientele. These partnerships and programs work together to significantly improve the lives of low-income working families, senior citizens, special population groups and others who are in need and pursuit of decent, affordable housing.

Continuum of Care: Strategies to Address Priority Homeless Needs

Provide supportive services for residents who encounter homelessness or have a need of homeless prevention services.

The Samaritan Inn, Collin County's only homeless shelter based in McKinney, received funds in the amount of \$7,500 during the reporting period in support of Case Management resources. Case management assisted shelter residents with employment, self-esteem and living counseling to transition back into society. The program was completed during the reporting period with 130 persons receiving assistance.

During the reporting period, the Collin County Homeless Coalition worked in partnership with the Metro Dallas Homeless Alliance to apply Emergency Shelter funds. Although the City of McKinney does not receive direct funds, efforts are supported through participation to insure that McKinney agencies can apply and receive funds to benefit its residents. Two Collin County non-profit agencies assisted McKinney residents through the use of ESG funds during the reporting period. The agencies include Hope's Door and LifePath Systems. The Coalition meets monthly and it is a task force created among local entitlement grantees including the cities of Plano, Allen, Frisco, and McKinney; faith-based organizations, the private sector and local non-profit organizations. All of the fore mentioned cities adopted a formal plan to end chronic homelessness in Collin County, in the form of a resolution.

The Coalition coordinates the county's annual homeless count, with the support of the cities, the Metro Dallas Homeless Coalition, the Samaritan Inn, participating school districts, law enforcement, nonprofit agencies, and other entities. Data is used to determine local needs, funding allocations and support s future funding opportunities under the HUD Continuum of Care Grant

The City of McKinney assisted residents in the efforts of homeless prevention through services from the Community Lifeline Center and the Salvation Army. The agency provided homeless prevention services through assisting LMI clients with emergency rent or utility assistance.

Strategies to Address Priority Community Development Needs

The program goals covered by the FY 2010-2014 Consolidated Plan included strengthening partnerships with jurisdictions among all levels of government, along with the private sector, and non-profit organizations. The City completed its FY 2010-2014 Consolidated Plan Process on August 13, 2010. Based on feedback of citizen participation, the goals still included the need for affordable housing and other housing services,

The subrecipient partnerships generally work within performance strategies under three goals: To provide decent housing, Establish and maintain a suitable living environment, and Expand economic opportunities for each citizen, especially for very-low and low-income persons.

During the reporting period, subrecipient activity primarily provided performance emphasis on two of the three goals:

- Decent housing includes assisting homeless persons to obtain appropriate housing and assisting persons at-risk of becoming homeless; retention of the affordable housing stock; and increasing the availability of permanent housing in standard condition at an affordable cost to low income persons.
- A suitable living environment includes the safety and livability of neighborhoods; increasing access to quality public and private services and facilities; reducing the isolation of income groups and the revitalization of deteriorated neighborhood; restoring and preserving the properties of special historical or architectural value.

Overall, the geographic distribution was citywide in scope in reach to low-to-moderate income residents. The City of McKinney's Consolidated Plan directly supports these goals in the long-term in the following ways:

Support organizations that assist Special Needs Populations

Objective 2 - Continue to support areas and populations that receive the most impact of CDBG funding, including the P.R.I.D.E. area communities.

An extension of the city's community development public education program is known as P.R.I.D.E., which stands for Promoting Resident Involvement and Developing Enthusiasm. The citywide program benefits neighborhoods without a formal HOA. Current P.R.I.D.E. Communities exist under neighborhoods encased within the census tract of 309, 308 and 307, where most CDBG activities occur. There are five neighborhoods in which residents participate in monthly meeting, National Night Out activities and other events that are reflective of each neighborhood's unique character and charm. Annually, each community identifies priorities for their prospective neighborhoods.

Low-to-Moderate income stakeholders receive information or assistance on various concerns about Parks and Recreation, Community Services, Economic Development strategies, Police, Planning, Code Enforcement, Fire safety and other key issues. During the reporting period, attendance and participation of participants grew stronger as a result of being engaged and informed. In the reporting period, the P.R.I.D.E. participants were instrumental in sharing input or participating in the planning of the City's Sustainability Plan, the CDBG Annual Action Plan, the City's Redistricting Plan, and the spring Texas Trash-Off and events sponsored by the Parks and Recreation Department.

The city continued to participate in the Collin County Social Service Association (CCSSA). CCSSA is designed to be a professional, networking agency for local government, non-profit organization and the community. Meetings are held monthly where information about local programs is shared. Through the city's participation in this agency, information is then available to relate to clients and citizens. The organization was also able to begin participation various community need assessments and CCSSA serves as an information resource for newcomers to the City in need of services or referrals.

The City's Community Services Department partners with the Volunteer McKinney Center. The Center has a direct impact to the City of McKinney by providing volunteers, information and assisting in coordination of services for relief efforts, community clean-ups and other projects. The most successful partnership created with the CDBG Office and the agency is for the volunteer home repair program, H.E.A.R.T.H. (*Hearts Energized and Ready to Help*). Volunteers are matched with homeowners unable to participate in the Housing Rehabilitation Program. Volunteers are able to participate in small repairs easily accomplished over a weekend or day period of time.

Objective 1: Support public services throughout the city benefiting low and moderate income persons and households, including but not limited to youth, healthcare, mental health and other services.

The City of McKinney continued to receive Federal Transportation Agency (FTA) funds for transportation. The city designated C-CART, a entity of the Collin County Committee on Aging, as the subrecipient of these funds and several new bus routes were added doubling the stops and runs of the buses. On a typical day, over 40 vehicles are in operation. Services include wheelchair accessibility and all service is "curb-to-curb," except where on regular hourly bus routes. There is also on call/demand service, which helps elderly or those with limited mobility to obtain transportation to medical or other appointments. The city also leveraged the FTA funds with city resources during the reporting period.

McKinney provided CDBG funding in the amount of \$ 5,315 to Boys and Girls Clubs of Collin County for transportation services. This support aided the agency with the implementation of positive programs with modules that included self-esteem awareness, homework assistance and personal communication. Under this program, 307 youth received quality mentoring in McKinney because they had free accessibility to safe and reliable transportation.

While there may not be a direct impact in economic development, there is a value-added measurement to the community; the life skills development of these youth will likely ensure they will not drop out of school, fall into early pregnancies, commit crimes, or become involved in drug activities.

C. Other Actions Taken

1. Affirmatively Furthering Fair Housing

The City updated its Analysis of Impediments during the period of the Consolidated Plan for implementation to begin in FY 2010-11. The first year of the plan and analysis begin during this reporting period at the start of October, 2010. As a part of the certification to affirmatively further fair housing, the city outlined impediments and strategies to take action to overcome effects.

Activities during the reporting year include:

- Fair housing brochures were placed in utility bill mailers during the year, in English and Spanish during National Community Development Week in April, 2011, which is also National Fair Housing Month. Residents were informed of their rights, to identify potential discrimination, and how to file a complaint. *Reach: Approximately 35,000 households.*
- Compliance with ongoing monitoring and reporting, including MBE and WBE reporting and Section 3 Summary Report. The city continues ongoing review and updates of its policies and procedures, thus making revisions to eliminate discriminatory effect.
- Revising city-wide Section 504 policies; incorporating policy into subrecipient contract updates; and fielding resident inquiries about requirements of their landlord under Section 504 and handicapped accessibility relative to apartments.
- Strengthening the city's compliance under Section 3 by re-assessing and updating policy and procedure, including insertion into our rehabilitation contracts and encouraging contactors and subcontractors and developing partnerships with agencies when possible. During the reporting period, the City has one Section 3 contactor, and a developed new partnership with the North Texas Jobs Corps.
- The Equal Housing Opportunity logo is displayed on materials sent to persons participating in the city's various housing programs including applications, inserts and posters.
- Providing fair housing information at PRIDE meetings and other community sponsored events, including National Night Out Neighborhood events. *Reach: Approximately 100 persons*
- The City of McKinney website provided Fair Housing information on the main visitor page and links through the Community Services Department, which includes frequently asked questions regarding how to report a violation, what to do in the event of potential foreclosure and other topics
- Ongoing posting of fair housing rights in City Hall and Community Services Department. Posters about Fair Housing were also displayed in English and Spanish during CDBG Week and they continue to be displayed in the lobbies of the Development Services division.

In addition to meeting requirements of McKinney's Fair Housing Action Plan, the city takes its commitment to providing housing education seriously. During the reporting period, prospective homeowners eligible for the city's down payment assistance program received first-time homebuyer education. Training topics included budgeting, credit, how to buy a home, predatory lending, insurance and home maintenance.

During the reporting period, the CDBG and Affordable Housing staff took steps to enhance its knowledge through education strategies under the Texas

Department of Savings and Mortgage Lending, which included ethics and current mortgage practices to further educate prospective citizens.

Another component of furthering fair housing includes assistance with affordable housing builders. During the reporting period, incentive waivers for permit fees were given to affordable housing builders in McKinney. With a change of policy, only nonprofits will receive full incentives. For-profit builders are reimbursed upon proof of affordability. Components of this program are:

- Building permit fees are waived.
- Dumpster set-up and trash hauling fee waivers are provided for non-profit builders of affordable housing.
- Landfill entry fee waiver letters are provided for the for-profit builders of affordable housing at each affordable housing site.
- Engineering inspection fees are waived for subdivision/replats of 10 lots or less for non-profit builders of affordable housing.
- Initial erosion control deposit waivers for approved affordable housing subdivisions are provided.
- The Historical District application fee is waived if affordable housing is developed in the Historical District.

2. Public Policies

The City of McKinney does not consider its ordinances and standards to constitute barriers to the creation of affordable housing. The Analysis of Impediments (AI) indicates that no actions are warranted in this area; therefore no actions have been taken.

3. Institutional Structure/Underserved Needs

Institutional Structure. The primary weakness in the institutional structure of service providers identified in the Consolidated Plan is lack of funds to provide needed services. McKinney is still a small entitlement city by comparison to other larger cities with the Dallas/Fort Worth area, limited CDBG funding is available for public services. The City of McKinney has given written support to the service agencies seeking federal, state, and foundation funds and, provides general fund support under the Community Grants Program. CDBG funding is a large component to providing or leveraging much needed services.

The City hopes to limit some weakness under increased CDBG funding, contingent upon program performance and the outcome of Census 2010 decennial data, with HUD's program formula requirements.

Underserved Needs. The City continues to support those residents who have underserved needs, through community organizations and the city program,



PRIDE Neighborhoods, as listed previously. The city's McKinney Police Department worked with Community Services to establish the *UNIDOS* program, a Hispanic community outreach program to provide assistance to Spanish-speaking residents. *UNIDOS*

meetings are held and conducted entirely in Spanish. The program is now administered by the Police Department. The program has quarterly meetings throughout the year. UNIDOS serves a critical resource to provide information on city services and other resident information including fire safety, car insurance, voter registration, crime/neighborhood watch and other varied topics of interest. The partnership continues year-round between departments as Officers assist Community Services with implementation of the Annual Homeless Count and their support of the P.R.I.D.E. Neighborhoods during the City's National Night Out activities. Their involvement bridges the gap with low-to-moderate income communities for greater relationships to help the city learn more about neighborhood needs and focus on citizen participation in crime awareness.

As stated previously, the city is a regular participant under the the *Collin County Homeless Coalition* to address and learn about homelessness or homeless prevention needs, as this is one of the city's key Consolidated Plan strategies to address. In conjunction with the *Metro Dallas Homeless Alliance*, the Coalition conducts an annual census of the homeless population in Collin County. This count is conducted annually in January to provide a snapshot of the homeless population for one night; it does not reflect the number of unduplicated homeless people identified throughout the year. Locations included in the count included outdoor/abandoned buildings, emergency shelters and transitional housing.

In an effort to provide a more inclusive picture of homelessness in Collin County, the Collin County Homeless Coalition decided to include homeless school children in the 2011 Homeless Count. Therefore, homeless liaisons from schools located in Collin County provided a count of children meeting the U.S. Department of Education's definition of homelessness for this report. Among participating school districts, McKinney had the highest number of homeless children.

Frisco ISD	205
McKinney ISD	773
Plano ISD	<u>183</u>
TOTAL:	1161

While the U.S. Department of Education's definition is a bit broaden than the current U.S. Department of Housing and Urban Development (HUD), the inclusion of the school districts helps to portray a wider scope to view underserved needs. HUD is also reviewing and expanding its homelessness definition and the Coalition will be able to use both as a tool to review data when the city reports and develops its funding strategies in the next reporting period.

The data serves to better understand increase of requests and participants who are being served under youth service activities, including health and dental care, at-risk dropout prevention programs, counseling, and clinical services.

The Boys and Girls Clubs of Collin County expanded the reach to underserved persons using their CDBG funding. Using their grant for transportation services for at-risk youth to the Center's life skills program youth in attendance included

those from the Samaritan Inn and Woodside Village Apartments. They received homework and tutoring assistance, school supplies and youth attended afterschool and summer programs. Without the funding of the CDBG program, the agency would be unable to provide the service.

It is seen as a great success for the City and the youth involved. The agency extended their hours to include Saturdays so additional youth would be able to engage their peers in a safe, fun place.

4. Intergovernmental Cooperation

Through its relationships with local service providers, city staff effectively communicates and coordinates various outreach and education partnerships. As mentioned, the CDBG Office participated in regular meetings with the Collin County Social Services Association (CCSSA), Children First, Collin County Homeless Coalition and the Aging and Disability Collin County Providers, to effectively coordinate information with those working in McKinney.

The City of McKinney and City of Frisco continued their partnership to host homebuyer education workshops under alternating months to assist new homeowners. Workshops were conducted by the education department of the Consumer Credit Counseling Services agency and approximately 100 homeowners participated.

5. Public Housing Improvements

The McKinney Housing Authority is not required to prepare a Performance and Evaluation Report, and therefore no comparison of actions and plans can be made for the Authority.

6. Public Housing Authority Initiatives

The City has a working partnership with the McKinney Housing Authority (MHA) to obtain feedback for potential activities. During the reporting period, the Community Services Department worked with the Resident Council to obtain feedback for programming ideas, input on the Consolidated Plan and other program.

The Resident Council, comprised of Section 8 and Public Housing residents, meets monthly and conducts quarterly activities. For the new Consolidated Plan, the Resident Council had the largest attendance at the Community Forum of all P.R.I.D.E. community groups and they were recognized by City Council at the September regular meeting for their efforts. The Resident Council continued their enthusiasm to participate in CDBG public education activities year-round, including city council meetings and other city-sponsored community meetings. Their involvement moved during reporting period from occasional to regular. The city acknowledges and appreciates this increase to a greater commitment between the City and MHA, through MHA's full participation (Board Commissioners, Directors and Resident Council.) Given the success of the partnership, ongoing participation is anticipated in upcoming program years.

The CDBG Public Services program funded summer day camp services for McKinney Housing Authority Youth. Under initiative, youth ages 6 through 13 participated and the activity was implemented under the subrecipient, Collin County Adventure Camp.

7. Anti-Poverty Strategy

There are many social, economic, and environmental issues that affect poverty. No single strategy can deal with all problems of poverty, yet the city in part works with its subrecipients through public service programs, toward improving conditions associated with poverty, including the lack of affordable housing, homelessness, and healthcare. Also one of the greatest preventions in avoiding poverty is through the scope of education.

- The subrecipient partnerships with Communities In Schools and Boys and Girls of Collin County are strong examples of education strategies in action. The majority of the participants in this program come from low-income families. By providing lifeskills training, mentoring support and academic counseling, youth receive the tools needed to improve their education.
- Children who miss school tend to have absences due to illness, which can include dental pain or other medical circumstances. Adults experiencing economic circumstances are under higher stress factors. A lack of health insurance only reduces their level of care. Through the subrecipients Community Dental Care and Children and Community Health Center, children and adults can receive free or affordable quality care to preserve their health and reduce distractions of pain to help achieve their goals.
- Through the housing office, 32 low to moderate-income households purchased homes through the city-funded Homebuyer Assistance Program, enabling them to begin building equity in real estate.
- The elderly are greatly impacted by cycles of poverty and limited services. The city supported the Meals on Wheels program whereby seniors received weekend and evening meals. Seventy-one seniors not only received nutrition assessments and meals, they also received referrals of other services including fire safety, emergency repairs and most important, the ability to connect with others at a time where outside connections may be limited due to health restrictions.
- The Samaritan Inn receives CDBG funding to provide case management services to shelter residents. Services include job preparation, counseling, childcare and other services to prepare residents to return to society with the tools needed for productivity and care.

It is under these examples listed that the Public Services efforts of the city's CDBG program has a critical role in quality of life that impacts the entire community.

8. Program and Performance Requirements

To better assist subrecipients (CDBG awarded nonprofit agencies) with compliance requirements, the City armed interested contacts with information on program requirements prior to the full application process through attendance at its annual non-mandatory, pre-application meeting.

For the FY 2010-11 program year, a CDBG pre-application meeting was held in April 2011 for interested organizations and agencies to discuss national objectives, eligibility, performance measurement requirements, Consolidated Plan priorities and application deadlines. Under the Citizen Participation Plan, the City empowered the Community Grants Advisory Commission, a 7-person citizen appointed commission to conduct two public hearings, whereby agencies presented their requests before the public.

Next, the Commission deliberates to determine funding recommendations to City Council. Those recommendations are created into the City's Annual Action Plan which recommendations for grant support under public services, non-public services, and housing activities and grant administration. Under the City's Citizen Participation Plan, the plan is presented to the Public for a 30-day comment review, prior to approval of the plan during a public hearing by City Council. Environmental reviews are conducted for all activities under the action plan. Annually, the action plan is forwarded to the U.S. Department of Housing and Urban Development (HUD) in August for review and approval. The program year began October 1, 2010.

Successful subrecipients are required to attend annual mandatory training session in preparation for reporting requirements under the new program year. City staff provides instruction and training on record-keeping, compliance data, financial reimbursement procedures, monitoring, and other grant requirements. Subrecipients (agencies) were also provided with a handbook and an overview of their grant agreement that discussed contractual requirements.

For performance measurement, the City requires subrecipients to submit performance and reimbursement reports. During the reporting year, agencies reported on the project's successes and weaknesses, actual accomplishments and goals achieved; race/ethnicity data; and low-to-moderate household income data. Subrecipients also provided narratives that included public participation activities and obstacles that may have prevented them from achieving performance goals.

Requests for reimbursement must include source documentation that supports the reimbursement requests, which includes reports, invoices, statements, timesheets or other documents as outlined in the grant agreement. Subrecipients are monitored for compliance quarterly and annually to review recordkeeping, visual documents, program capacity and other requirements. First-time agencies receiving federal funding will receive "one-to-one" technical

assistance visits with the CDBG Administrator through phone contact, email and personal visitation at varied times throughout the year to answer questions to avoid or eliminate potential issues at year-end monitoring time.

The program year for CAPER 10 ended on September 30, 2011. This report is due 90 days after end of the program year to the U.S. Department of Housing and Urban Development. The plan is currently under public comment review for 15 days before it will move to its final review and approval by City Council on December 6. The CAPER is due to HUD by December 29. Upon receipt, the HUD Regional Office will assess the City's performance and presents its comment, review and approval approximately 1-2 months after submission. Results are presented back to the City and made available to the Public.

Part II: ASSESSMENT OF ANNUAL PERFORMANCE

Overview

The primary objective of the Community Development Block Grant program is to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities principally for persons of low and moderate income. All CDBG projects must meet one of the national objectives: **1)** Principally benefit low and moderate income persons; **2)** Aid in the prevention or elimination of slums or blight; or **3)** Meet other urgent needs.

The City of McKinney reports that 100% of its CDBG funding went to priority needs to benefit low-to-moderate income persons and households identified, in this first performance year under the FY 2010-2014 Housing and Community Development Consolidated Plan.

Updating the next Consolidated Plan

This CAPER report gives summary to the first year of performance under the Consolidated Plan from October 1, 2010 to September 30, 2011.

The CDBG Office oversaw the efforts to complete the city's FY 2010-2014 Consolidated Plan, which included the Analysis of Housing Impediments. The plan identifies a jurisdictions' housing and community development needs, priorities, goals and strategies; and stipulate how CDBG funding and HOME Investment Partnership Program funds are allocated to Community Development needs in the City. The assessment included the CDBG Annual Action Plan, housing market analysis; the Analysis of Impediments to Fair Housing (AI); an analysis of special needs populations; a demographic and socioeconomic analysis; the Citizen Participation Plan, Housing Analysis, and the Strategic Plan.

The plan was submitted to HUD in August, 2010 and received approval in October, 2010.

A. Assessment of Plan Goals

Assessment under the Strategies to Address Priority Housing Needs

Improving the condition of housing occupied by the city's lowest income homeowners and preserve housing stock.

Decent housing includes assisting homeless persons to obtain appropriate housing and assisting persons at-risk of becoming homeless; retention of the affordable housing stock; and increasing the availability of permanent housing in standard condition at an affordable cost to low income persons.

During the reporting period, the City proposed 20 units for repair under the Housing Rehabilitation Program. At year-end, the city performed 17 home repair projects. Repairs included energy efficiency, plumbing, electrical and foundation repairs to older housing stock that typically is older than 1978 and likely subject to Lead-Based Paint. While the citywide program also assisted homeowners in newer communities of McKinney, most repairs assisted homeowners primarily in east, older communities located under census tracts 309, 308 and 307.

The program, H.E.A.R.T.H (*Hearts Energized and Ready To Help*) - a partnership with the Volunteer McKinney Center - assisted four housing units with repairs during the reporting period utilizing volunteer labor with faith-based and community groups. The program had two home repair projects in progress at the end of the reporting period and by HUD requirements, must be counted under the next reporting period

Total # served, extremely low income (0-30%):	Total # served, very low income (31-50%):	Total # low/moderate income served (51%-80%):	H.E.A.R.T.H. Homeowners assisted through CDBG partnerships, no funding attached:	Total:
3	2	7	4	16 served

Community Services Staff continued public education resources and outreach through city departments, including Fire Department and the Office of Environmental Stewardship to engage and educate homeowners about home safety, conservation and DIY repairs and ideas to give their home additional value.

The City of McKinney's Affordable Housing Office continued its homeownership program through funding from the Texas Department of Housing and Community Affairs, with a \$ 60,000 match from city funds. During the reporting period, former renters received assistance in the purchase of their first home. The program, which includes a homeowner education component and funds for down-payment and closing cost assistance, provides means for lower income renters to move into safe and secure housing. Participants were educated about the full scope of the home buying process, including legal and financial requirements.

Strategies to Address Priority Homeless Needs

Provide supportive services for resident who encounter homelessness or have a need of homeless prevention services.

Through the Samaritan Inn, \$7,500 was spent to provide transportation vouchers and child-care assistance. For the reporting period, 130 clients received case management assistance. During the reporting period, the homeless shelter saw a steep increase in the number of children residing at the shelter, in which data was also captured in the County-wide Homeless Count.

Addressing Priority Community Development Needs Public Service Activities

Municipalities understand partnerships enhance multiple efforts in Community Development activities. The City's vision and grant programs housed under the Community Services Department, work in concert toward the goals to provide decent, affordable housing; establish and maintain a suitable living environment, and develop economic opportunities for each citizen, particularly very-low and low-income persons. In keeping with National Objectives under the U.S. Department of Housing and Urban Development, McKinney's vision of a suitable living environment includes the safety and livability of neighborhoods; increased access to quality public and private services and facilities; reduction of the isolation of low-to-moderate income households and the revitalization of deteriorated neighborhoods.

Under the reporting period, program goals continued to feature solid partnerships with jurisdictions and extending efforts with non-profit organizations and other non-governmental organizations (NGOs). Under the Public Services Grant activities included:

- Holy Family School received \$5,500 in funds for summer tuition for children who would have not received any instruction over the summer. Holy Family School is a state-certified pre-school and Faith-Based Organization (FBO) providing education to children up to the age of 5.
- Homelessness including Homeless Prevention, is an important concern for the City under its Consolidated Plan. McKinney asserted efforts under three (3) nonprofit partnerships:
 - 1) *The Salvation Army* received \$6,000 to assist 23 low to moderate households with rent or utility assistance, thus avoiding eviction within their home environments.
 - 2) Community Lifeline Center used its funding of \$ 5,200 to benefit over 20 low to moderate households with rent or utility assistance, thus avoiding eviction within their home environments.
 - 3) *The Samaritan Inn* assisted 130 shelter residents with Case Management services to assist in their transition to re-enter society.

- The Collin County Committee on Aging's on Wheels Program used a Public Services grant of \$ 12,600 for weekend and evening meals to benefit McKinney seniors. During the reporting period, 71 seniors received weekday or evening meals, exceeding their original goal. Providing the essential nutrition and contact with the outside world assists these seniors to continue to live independently and thrive within the community. Of the McKinney seniors, most are seventy-five or older. Meals on Wheels also provides connection to people each day, at times when seniors may feel isolation due to age, illness or the death of a loved one. Daily contact is almost important as the meals, according to the Director of Senior Services. Rising costs to food purchases impacted service delivery, but nothing as severe as loss of volunteers unable to continue service due to economic downturn impact for basic needs including conservator ship of gas.
- To continue access to services promoting a suitable living environment, the Children's Advocacy Center of Collin County was granted \$ 6,700 to support therapy services for abused and neglected children. The grant allowed 165 McKinney child abuse victims received intense clinical therapy counseling during the reporting period.
- Community Dental Health Care provided free basic dental services to 14 extremely low income children, seniors and youth during the reporting year with grant support in the amount of \$ 6,700. They are the largest non-profit provider of low-cost, basic quality dental care services and provide services very close to the neighborhoods and along bus routes for easy access.

Community Development Activities (Citywide) Strategies, Programs and Activities



❖ ***Neighborhood P.R.I.D.E.*** *The City assists McKinney residents for inquiries on City services. In addition, citizens receive referral services when residents, particularly those in family crisis need assistance from non-profit groups, social service agencies, civic organizations, churches, or government offices. Although budget reductions resulted in the elimination of the Neighborhood Services position, one of its most sustainable programs for revitalization within the Community Services Department is still engaged through the P.R.I.D.E. (Promoting Resident Involvement and Developing Enthusiasm) Neighborhood program.*

The program was originally designed to provide problem solving strategies and promote responsibility, to avoid further deterioration of property values, older neighborhoods face, while increasing the quality of life of participating communities. Its purpose impacts neighborhood sustainability, particularly those without a formal homeowner association. Each community is responsible for developing outreach teams to develop action plans for their prospective neighborhoods. There are five P.R.I.D.E. neighborhood groups participating in

the program, with an estimated 1,500 residents combined. Each neighborhood is charged with identifying its own set of priorities, regarding *Zoning and Traffic; Public Safety; Parks and Recreation; Infrastructure and Economic Development*.

❖ **Office of Environmental Stewardship.** The City is committed to serving citizens by fostering responsibility to sustain care for our natural resources, including land, water, air and wildlife. Activities include creating awareness through outreach, inspiring change and offering opportunities to fulfill ultimate obligation to care for the earth. The CDBG Office and the Community Services Department worked in partnership with the ES Office by participating on the Green Team Committee to receive updates, developing an ongoing partnership to inform residents at P.R.I.D.E. meetings and co-partnered in resident education activities on energy, water and repairs. Staff coordinated Texas Trash Off activities, Green Seminars and *Lights Out McKinney*, the global event creating climate awareness by asking participants to turn off non-essential lighting for one hour. In addition, the Outreach Coordinator regularly partnered with the CDBG Office with ELP requirements by providing Spanish language interpretation at P.R.I.D.E. meetings and other activities.

During the reporting period, the Office completed the City's Sustainability Plan with wide residential support, including P.R.I.D.E. participants.

❖ **McKinney Town Center Study Initiative.** Residents and other leaders of P.R.I.D.E. continued to participate in the Planning Department's Town Center Study, for the purpose of developing detailed plans that address community issues and priorities deemed important for the Town Center over the next several years. This project is an extension of the City's Comprehensive Plan.

At the initial review, residents were able to view plans and give their input on plan and design process to revitalize the older sections of McKinney that include those in predominately low to moderate income areas East of Highway 5, generally bounded by Redbud Trail, US Highway 380, Eldorado Parkway and Airport Drive. These areas include the neighborhoods and commercial districts that form the core of the City. Initiative updates are provided now through newsletters and web updates on the city's website. CDBG staff work to update residents of progress toward implementation through P.R.I.D.E. meetings and works with the Planning Department to inform newsletter readers of CDBG activities through the quarterly newsletter, *The Town Center Connection*.

In a recent update from the Planning Department, on January 24, 2011, Staff and the consultant team presented the findings of the Public Improvement District (PID) Feasibility Analysis and the Downtown Parking Rate Study to City Council. The purpose of the Work Session was to discuss the relationship and possible synchronization of these reinvestment tools with the newly created Town Center TIRZ and to receive direction from City Council on how to move forward. The department reported at the close of the reporting period -- Monday, September 26, 2011, City Staff and the consultant team presented an update on Phase 2 of the Town Center Study Initiative to City Council for discussion and feedback.

The presentation and discussion included:

- An overview of the substantially complete draft of the proposed form-based McKinney Town Center (MTC) development code (and the associated character districts and regulating plan).
- An overview of the substantially complete draft of the proposed consolidation and improvement of the Historic Preservation (H) overlay zoning district.
- Status of the creation of a coordinated Business Plan specifically for the historic Town Center (and associated incentives policies).
- Remaining steps and timeline for the refinement, review, and approval of proposed improvements to the development regulations.

It was an opportunity for the public to receive an information update, no formal action was taken and P.R.I.D.E. residents were encouraged to attend the session and track updates on the website.

Brownfields Project. The U.S. Environmental Protection Agency (EPA) awarded the McKinney Brownfield assessments grants totaling \$400,000. Continues to develop inventory of brownfields sites in the town center area, support community outreach and involvement activities, and conducts as many environmental site assessments as possible. The grant will save tax dollars and help trigger economic redevelopment in the City's Highway 5 corridor.

SUMMARY

Description of Public Comment Process

The Public Comment Process is an intricate part of the Citizen Participation component of the city's Housing and Community Development Consolidated Plan. The CDBG Office prepares the draft annual report for review and approval. The report was made available to the public at the CDBG office to receive public comments during a 15-day comment period from November 19, 2011 to December 6, 2011. On December 1, the Community Grants Advisory Commission will hold a public hearing on the CAPER and approve the plan. The City Council will hold the next public hearing at its regular meeting on December 6. This will also be the last day to receive public comments.

Interested persons are asked to provide written comments to the CDBG Administrator no later than December 6 to sbest@mckinneytexas.org or to Shirletta Best, CDBG Administrator, City of McKinney, Community Services Department, P.O. Box 517, McKinney, TX 75070.

A notice of the availability of the report was published in the *McKinney Courier Gazette*, inviting the public to comment on the CAPER. In addition, the notice informs the public of two locations where the report will be available for review, including from the Community Services Department, 314 S. Chestnut Street and the Helen and Roy Hall Memorial Library, 101 E. Hunt Street. Also the report is also available online on the city's website, www.mckinneytexas.org for the Community Services Department. In addition, public notice for review will be shared with community stakeholders. Written comments under submission, including those provided at the City Council meeting, will be inserted into the final document for submission to the Community and Planning Division of the U.S. Department of Housing and Urban Development (HUD)

Prior to the final submission to HUD, the McKinney City Council is expected to approve the CAPER at the December 6 Regular Meeting, before the City makes submission to the U.S. Department of Housing and Urban Development by December 29, 2011.

Barriers to Performance

A key barrier to performance continues to be the aftermath and behaviors associated with the economic downturn. Last year applicants were hesitant to participate and it continues to impact the program. However, through outreach under Neighborhood Revitalization, CDBG continued to develop relationships to overcome fears and assist homeowners to reach their need.

Regulatory barriers were geared more toward the public service funding with the overall grant. With regard to staff or program changes as potential barriers with nonprofit agencies, the City continues to enhance its technical assistance training at the beginning of the program year and ongoing monitoring throughout the year.

Overall, the City met compliance guidelines and met or exceeded goals while receiving successful support from the residents, community stakeholders, the non-profit sector and other non-governmental groups in the program year. Attached supplementals provide additional summary details of activities and performance.

Self-Evaluation

Evaluation Assessment

For the City of McKinney, grant disbursements met all the timeliness tests, per HUD criteria. Major goals were on target during the reporting period and under the Consolidated Planning cycle.

In assessing the year of activities under CAPER 10, the City did not hinder its Consolidated Plan implementation by action or willful inaction. The City of McKinney provided certifications of consistency for HUD programs in a fair and impartial manner that included citizen participation throughout the year from the start of planning to year-end close.

The City received solid support from citizens, faith-based and community leaders and resident stakeholders. The collective of housing activities expanded homeownership, improved property values, and greatly provided safer living conditions for low-to-moderate homeowners. Neighborhood revitalization and other partnership activities improved citizen participation, reduced crime and broadened neighborhood revitalization city-wide with primary emphasis under census tracts 307, 309 and 308.

The City's public education has kept residents, businesses and community leaders informed through newsletters, email updates, community meetings and other outreach activities. The Department and others have taken note that more LMI residents are participating in city council boards and commissions, council meetings and other sponsored activities, including the resurgence of attendance at P.R.I.D.E. Neighborhood monthly meetings.

The Marketing and Communications Department continued to support CDBG and the Department's efforts to reflect the City's diverse resident population in key reports, the city's station, McKinneyVision, print and social media including Facebook, Linked In, and Twitter. In addition, they assisted the Police and Community Services Department with co-op social outreach planning and annual support the Department's Community Development and Fair Housing Awareness Campaign annually in the month of April. The P.R.I.D.E. Communities were featured in city publications throughout the year, including WFAA's Community Profile on Channel 8, the City's Facebook page for National Night Out and in the City's Annual Report to the Community publication.

The reported public service activities leveraged the reach of services to eligible low-to-moderate income families and individuals during the reporting period, including mental health counseling, free dental care to children, clinical therapy services for child abuse victims, emergency assistance toward the prevention of

homelessness, case management counseling to shelter residents, and transportation services to low-to-moderate income youth. CDBG funding not only assisted persons in need, but also supported agency partners. With the economic downturn reduced funding resources for many agencies CDBG funding was a consistent, viable mainstay source to continue local programs and staffing.

The City took steps in providing staff and volunteer citizens, including the Community Grants Advisory Commission, with the training and implementation resources needed to project a quality program.

Although the CDBG program does not include full economic development activities at this time, the City was able to support small business owners and contractors under its Housing Rehabilitation Program. LMI homeowners received quality energy efficiency and home repairs, while contractors were able to maintain their businesses and retain or provide jobs to subcontractors and workers under this program.

The City of McKinney concludes the CDBG program and other city Housing and Community Development activities endeavored to provide the best of service and far-reaching benefit of quality of life activities not only for low-to-moderate income residents, but the entire community.

The City encourages the review of this report and comments at this time.

