

Housing and Community Development Department

Housing, Transportation and Economic Development

Presentation to:

**McKinney Community
Development
Corporation**

November 11, 2018

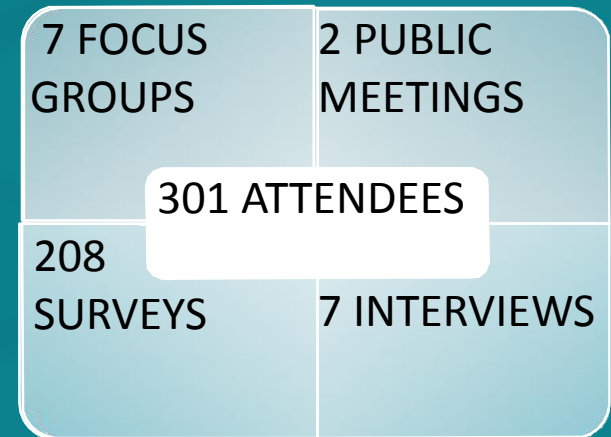
Presentation Format

Briefing: McKinney Community Meetings

Comments from Businesses and Residents

Data Analysis and Feedback

Key Insights



Issues Identified by the Community

(Community Meetings and Surveys: July 2017-March 2018)

- Limited Affordable Housing/Displacement Due to Increased Costs
- Housing Choice Voucher Denial (Sec 8)
- Public Opposition to Low Income Housing Proposals
- Concentrated Areas of Poverty
- Access to Employment
- Difficulty Recruiting & Retaining Service, and Manufacturing and Hospitality Workers



What is “affordable” and who can afford it?

For a Family of Four (4):

- **30% of AMI \$25,100:** Personal care aides, fast food workers, housekeepers, childcare workers, teachers aides, manicurists
 - Can afford a monthly housing payment of \$627
- **50% of AMI \$38,600:** Maintenance workers, construction workers, machine operators, salespersons, administrative staff
 - Can afford a monthly housing payment of \$965
- **80% of AMI \$61,750:** Government employees, teachers
 - Can afford a monthly housing payment of \$1,544
- **100% of AMI \$77,200:** Healthcare professionals, legal
 - Can afford a monthly housing payment of \$1,929
- **120% of AMI \$92,640:** Computer and mathematical, architects, engineers
 - Can afford monthly housing payment of \$2,316



McKinney Multifamily Rents

Current	1 -br	2-br	3-br
75069	\$920	\$1,120	\$1,510
75070	\$1,250	\$1,540	\$2,060
75071	\$1,100	\$1,350	\$1,810
2012	1 -br	2-br	3-br
75069	\$700	\$840	\$1,090
75070	\$990	\$1,200	\$1,560
75071	\$750	\$900	\$1,170

Fair Market Rents: Department of Housing and Urban Development



Other Rental Challenges: Substandard Rental Conditions

- Demand for limited affordable rental units leads to tenants accepting substandard conditions

CHALLENGES:

- Inspection of rental units
 - For multifamily and hotel/motel, Building Inspections only inspects the site and exterior of units
 - Building Inspectors and/or Code Officers may inspect interior of houses or apartments upon request from tenant but in practice, do not do so without permission of building or home owner
 - Fire Marshal can inspect interior of units for fire related hazards
 - Tenants are often referred to Legal Aid of Northwest Texas for assistance in resolving disputes



Lack of Affordable Housing Single Family Homes

- 2017 new median home price:
\$387,490
- 2017 existing median home price:
\$301,500
- Over 40% increase since 2012

Source: U.S. Census Bureau



Income and Single Family Housing Attainability

AMI City of McKinney: \$77,200

Income:	Income:		Affordable home price	Home price multiplier
	Lower limit	Upper limit		
<50% AMI	\$0	\$38,600	\$109,624	2.84
50-79% AMI	\$38,600	\$61,750	\$154,993	2.51
80-99% AMI	\$61,750	\$77,200	\$193,770	2.51
100-119% AMI	\$77,200	\$92,640	\$225,115	2.43
120%+ AMI	\$92,640			

Assumptions

Downpayment:	13%
LTV:	87%
Front-end debt-to-income ratio:	24%
Back-end debt-to-income ratio:	37%

Sources: Home Mortgage Disclosure Act, US Census Bureau, estimates by the Real Estate Center at Texas A&M University (May 2018)



Limited Affordable Housing Impact by Population

- Seniors - 62 years and over: 11.29% of seniors are on a fixed income. 30% have social security and retirement income: average \$1,081 per month (ACS 2016)

Housing Cost Burden by Income - All McKinney Households (2014 CHAS)

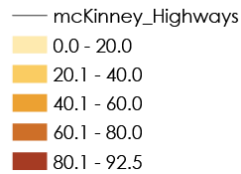
Income by Household	# 50% or more of income	# 30-50% of income	# less than 30%	Total
≤\$25,100	2,390	50	730	3,170
≤\$38,600	1,640	1,480	650	3,770
≤\$61,750	905	2,890	2,150	5,945
≤\$77,200	215	1,570	2,845	4,630
Over \$77,200	165	1,930	27,880	29,972
Total Households	5,315	7,920	34,255	47,490



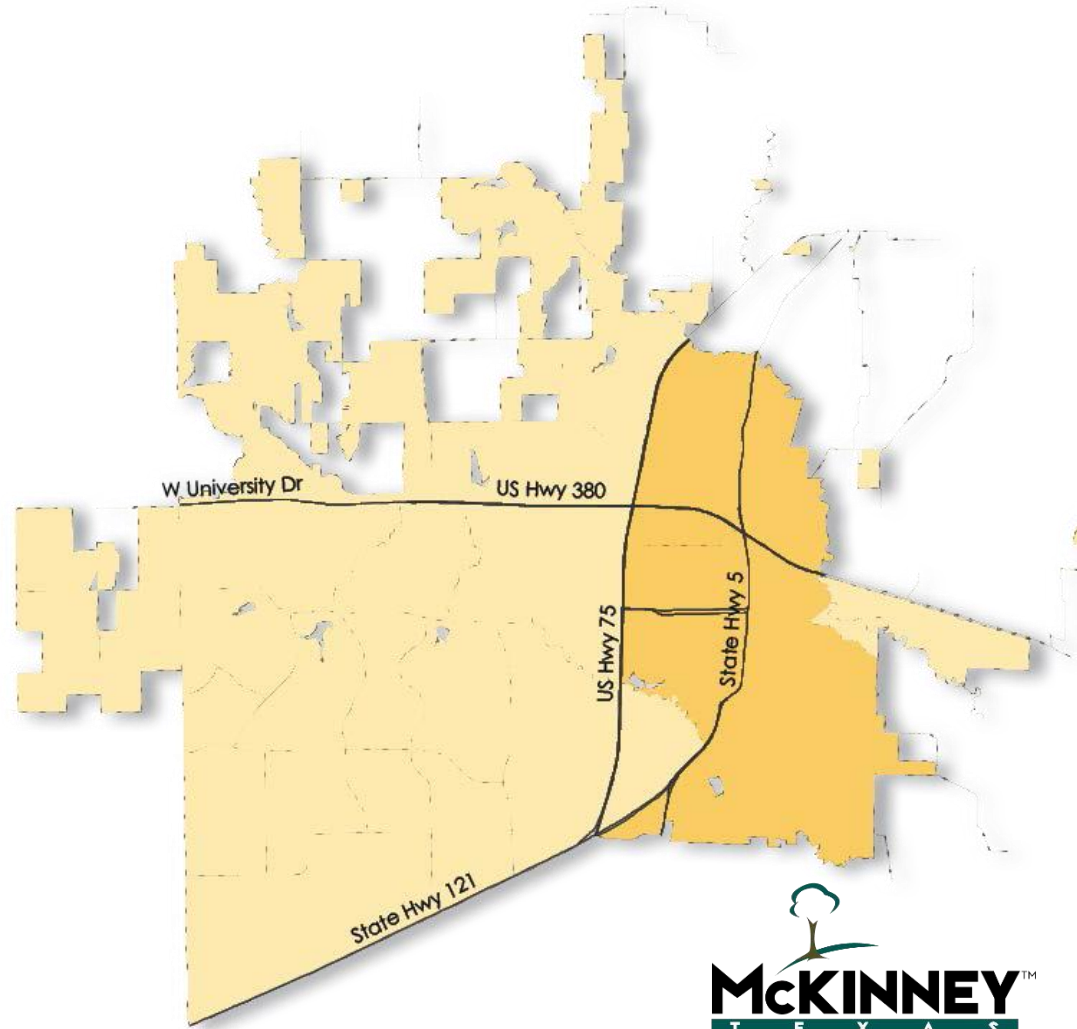
Concentrated Areas of Poverty

City of McKinney

Legend



Percent of residents
below the US poverty
rate
- AFH Data 2013



Access to Employment

- Economic opportunities are needed to attract, develop, motivate and retain a diverse workforce of quality employees in McKinney.
- A diverse and qualified workforce is needed to attract quality businesses to McKinney.
- What are the needs and wants of current and prospective employees and employers?

Housing
(Individual/Family
Attainability)

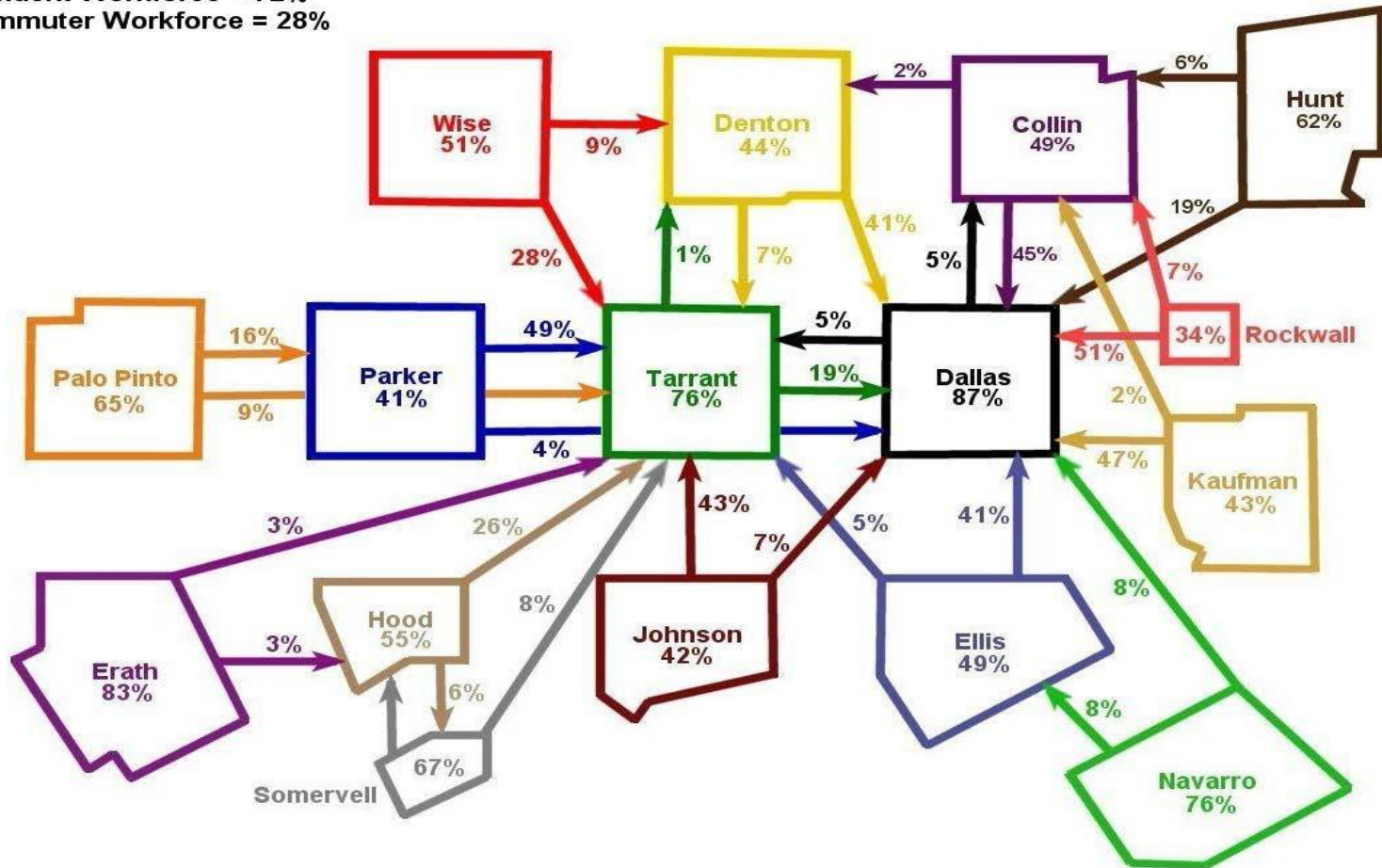
**Accessibility to
Opportunity** (Parks,
Schools, Retail,
Health)

Transportation
(including reduced
traffic drives to/from
other areas)



Access to Employment

Resident Workforce = 72%
Commuter Workforce = 28%



2014 - 2024 Projected High Growth Jobs in NCTCOG Area (Texas Workforce Commission 2014)

Texas Workforce Commission

- Health & Social Services 36%
- Construction 31%
- Prof & Business Services 28%
- Leisure & Hospitality 27%
- Transport/Whse 25%
- Trade & Utilities 21%
- Other Services 21%
- Education 20%
- Finance/Insurance 19%

2013 ACS Median McKinney

- \$22,168
- \$26,219
- \$78,110
- \$15,051
- \$32,244
- \$26,420
- \$20,156
- \$47,938
- \$56,410



McKinney Chamber Surveys/Business Input

- Recent Workforce Survey Findings:
 - 72% of respondents said they currently had job openings
 - Of those respondents with job openings, 53% of the jobs available pay \$12-\$20 per hour and 36% pay \$7.50 to \$11 per hour



POSSIBLE SOLUTIONS



Increase Access to Affordable Housing

- Recruit and attract landlords throughout the City with incentives
 - Grant funds to provide additional security deposit for Section 8 voucher holders
- Ask builders wanting incentives to provide % of affordable units
- Shared housing – senior home owners/roommate matching
- Dialogue with residents and landlords on benefits and challenges of using/accepting Housing Choice Vouchers (Section 8)
 - Improve program administration
- Utilize grant programs and incentives to build affordable single and multifamily housing
- Allow higher density in selected areas to decrease SF home prices



Affordable Housing Resources

City Resources

- Low Income Housing Tax Credits (4% & 9%)
- Low Income Owner Occupied Housing Rehabilitation (HUD/MHFC)
- Low Income Owner Occupied Housing Reconstruction (TDHCA)
- Tenant Based Rental Assistance (TDHCA)
- Down Payment and Closing Cost Assistance (HUD/ MHFC)
- McKinney Housing Finance Corporation (MHFC)
- McKinney Community Development Corporation (MCDC)
- Tax Increment Reinvestment Zones (TIRZ)

McKinney Housing Authority Resources

- Public Choice Housing Vouchers (Sec 8)
- Publicly owned housing



Increase Access to Affordable Transportation

- Work with Chambers of Commerce, business owners and job seekers to identify transit solutions
 - Partnerships to leverage grant funds
- Continue focus on transit solutions for seniors and lower income housing residents
- Through McKinney Urban Transit District (MUTD) expand transit service options
- Continue to identify and apply for additional transit funding



Continue to Revitalize Neighborhoods While Maintaining Affordability

- Actively use incentives to encourage the development of retail, grocery stores, banks and access to healthcare in underserved areas.
 - Public/private partnerships
- Incentivize new developments to set-aside a percentage of units as “affordable”
- Support the rehabilitation of aging tax credit units through TDHCA to maintain affordable rents



Questions?

