



City of McKinney, Texas
Consolidated Annual Performance
Evaluation Report (CAPER 12)
**Community Development Block
Grant**

United States
Department of
Housing & Community Development
October 1, 2012 – September 30, 2013



CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)



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OCTOBER 1, 2012- SEPTEMBER 30, 2013



CAPER 12
Reporting Period: October 1, 2012 to September 30, 2013

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**City of McKinney
Housing & Community Development Department
Executive Summary**

Introduction

The *CAPER (Consolidated Annual Performance and Evaluation Report)* is a performance report for grantees that receive annual Community Development Block Grant (CDBG) funding under the U.S. Department of Housing and Urban Development (HUD). 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, 2012 through September 30, 2013.

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 2012-13 CDBG allocation was \$686,386 and the City expended \$631,506.27 for the reporting period. With review of the financial summary, the City met requirements and did not exceed the federal regulatory cap of 15% of the total grant funds for public services and the 20% cap for Grant Administration. Funds remaining are reallocated back into the program.

The Housing & Community Development department administers the CDBG grant. The department consists of activities funded directly by HUD and HOME housing activities funded through the state of Texas (TDHCA). The document reports on 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 and under federal regulation, the City is required to use at minimum 70% of its CDBG funds to benefit low to moderate income persons. The City will report that more than 90% of its CDBG funding was used 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/	Number of persons assisted with access to a public service

			Accessibility.	
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

During the reporting period, 1,437 low to moderate income persons were served to reach strategic goals. Highlighted accomplishments from the City of McKinney include:

Goal 1: 13 low-to-moderate households received home repair assistance in the Housing Rehabilitation Program

Goal 2: More than 50 McKinney seniors received food through the meals on wheels program
 20 low-income children and youth received low-cost visits to dentists for basic care.
 20 at-risk students received counseling and additional academic care toward the prevention of school dropout;
 Over 300 youth received transportation services to an after-school care program called SMART moves, providing life skills strategies to prevent at-risk behavior;
 14 persons received mental health counseling;
 More than 600 persons received medical services from a nurse practitioner for those who were uninsured or underinsured;

Approximately 1,000 residents participated in community education meetings and activities including PRIDE (Promoting Resident Involvement, and Enthusiasm), Community Development Awareness Programs, and Kids Council activities.
 Approximately 35,000 households received fair housing information access to information about their Fair Housing rights and how to file a complaint and two complaints were investigated under tenant's rights.
 The City provided over \$100,000 in grant support to nonprofit agencies with leveraged resources under its Community Support Grant.

Goal 3: 60 shelter residents received case management services to assist with employment, counseling and other needs.
 23 persons from households were impacted under the homeless prevention program of Community Lifeline Center and the Samaritan Inn.

Goal 4: 3 persons receiving down payment assistance to become new homeowners, under state funding with the Texas Department of Housing and Community Affairs (TDHCA).

As these are only featured highlights, the Performance Measurement Outcome Table presents all awarded programs and measurement, including expectations.

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. The Planning Department continues to review population, also using its own data and data from the American Community Survey. The City continues to grow with population now over 133,000 persons.

Census 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, 9% 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.

**CDBG – CITY OF MCKINNEY
FUNDED PROJECTS
FY 2012-13**

AGENCY	ACTIVITY DESCRIPTION	FUNDING	HUD MATRIX CODE
The Samaritan Inn	Employment Case Management; funds used to support Case Management staff providing counseling and employment services to homeless shelter residents.	\$ 8,600	5- Public Services
Community Lifeline Center	Emergency Housing and Utility Assistance reducing homeless prevention	10,222	05Q- Subsistence Payments
The Samaritan Inn	Emergency Housing and Utility Assistance, reducing homeless prevention	8,201	05Q- Subsistence Payments
Health Services of North TX	Mental Health Services; funds will be used to support Counseling of persons with HIV or AIDS to cope with life skills and health services.	7,237	050 – Mental Health Services
Communities in Schools	Dropout prevention program to provide academic support for at-risk children at Press Elementary.	9,000	05D – Youth Services
CASA of Collin County	Support for volunteer training of the court-appointed advocates to benefit abused and neglected children.	9,422	05N-Abused/Neglected Children
Collin County Committee on Aging, Inc.	Evening and Weekend Meal Service to eligible McKinney Senior Citizens	10,995	05A – Senior Services
Children and Community Health Ctr.	Healthcare services; funds used to support salary portion of medical nurse to benefit McKinney underserved or uninsured clients.	10,844	05M- Health Services
Journey of Hope	Counseling Services for underserved children experiencing grief.	5,308	050-Mental Health Services
Community Dental Health	Basic dental services for children, youth or seniors who are ineligible or have no dental insurance.	11,071	05M – Health Services
Boys & Girls Clubs of Collin County	Program support for SMART Moves Program (Transportation)	9,357	05D – Youth Services
City's Housing Rehabilitation Program	Operations and City-Wide Direct Services funding to include repairs to a minimum of 17 housing units for home repairs of eligible low to mod income homeowners.	232,162	14A – Single Family Housing Rehab;
North Collin County Habitat for Humanity	Vacant Lot Acquisition Program to build affordable housing.	15,000	1 – Acquisition of Real Property
CDBG Economic Development	Eligible activities to promote and produce benefit low to mod persons through not limited to infrastructure projects, entrepreneurial development grants and job training	187,290	18 –Economic Development
Grant Administration	Admin and Program Costs to administer the CDBG Program.	133,677	21 A – General Grant Program Administration
<i>FY 2012-13</i>		<i>\$668,386</i>	

Housing Resources Made Available

During the reporting period, more than \$232,236 was allocated in Community Development Block Grant (CDBG) funds in direct projects and program delivery were made available for the City’s Housing Rehabilitation Program. In direct services, 19 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 included

Housing Rehabilitation	\$	232,132
Lot acquisition		15,000
Homeless Prevention		18,423
Shelter Resident Assistance		8,600
HOME Funds		156,000

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; lot acquisition activities for affordable housing development under Habitat for Humanity of North Collin County (\$15,000) and one homeless and homeless prevention activity, under the public services program from Community Lifeline Center, and the Samaritan Inn.

The City of McKinney is committed to providing affordable housing for its citizens. The HOME grant under the Texas Department of Housing and Community Affairs (TDHCA.) had leveraged commitment of \$40,000 in general funds from the City, new 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. The City also has a reconstruction grant under TDHCA; activity will continue toward completion in the next program year.

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 funded agencies, who received \$119,700 in grant support. 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 FY 2014-15.

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, CDBG funds were made available under city's housing rehabilitation program for rehab operations and direct services. The program is fully staffed and assisted 19 households during the reporting period. Under definition, the city does not displace homeowners through the CDBG funded rehabilitation program.

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.

LBP 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, one home met these guidelines and was 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. The City continued to leverage its TDHCA funding with general fund dollars into the first-time homebuyer program. During the reporting period, the city invested \$ 40,000 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 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. 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 during the reporting period in support of Case Management resources for shelter residents and homeless prevention services to assist renters and homeowners. 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 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; each agency's activity is consistent with the Consolidated Plan. The Coalition meets monthly; 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's growth has increased during the year to include stronger partnerships and movement toward a formal board of directors.

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 Samaritan Inn. The agency provided homeless prevention services through assisting LMI clients with emergency rent, mortgage 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. 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 CDBG Annual Action Plan, the Town Center plans, 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.



ING The City partnered with McKinney ISD to apply for recognition with America's Promise Alliance. In February, 2013 the City was acknowledged in the 100 top communities for Young People. As the City humbly and appreciatively accepts recognition, it also recognizes that there are gaps for those at-risk or underserved. . The City and Volunteer McKinney created a movement with 10 nonprofit agencies to develop the City's first Youth Summit. More than 150 persons participated in April, 2013 to exchange information, ideas and service knowledge about how to best serve youth. Volunteer McKinney also served as co-partner under the Cities of Service/neighborhood activities and continues to have direct impact to the City residents by providing volunteers, information and assisting in coordination of services for relief efforts, community clean-ups and other projects.

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. 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 to Boys and Girls Clubs of Collin County for the SmartMoves program. This support aided the agency with transportation services to allow youth to experience implementation of positive programs including self-esteem awareness, homework assistance and personal communication. Under this program, more than 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*

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, 2013, 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.*
- Conducting two fair housing investigations per citizen requests: Resolved with education on tenant rights per connection to other housing partners and reminding tenant on their contract responsibilities and 1 review of an agency determined stronger requirements of records information requests. No fair housing violations were indicated in any incident.
- The City is underway in full development of its Transition/ADA plan. The City has begun public hearings to engage input and expects completion in the next program year. The City continued to provide public education and worked the McKinney Housing Authority in partnership ensure support as they develop affordable housing in the Western sector of the community.

- The City participated in a team that included the McKinney Housing Authority, DADS (The Texas Department of Aging and Disability Services) and nonpareil Institute to create a community-based team and applied for TDHCA's Housing Service Partnership program. The goal served to begin developing strategies for Affordable Housing for Persons with Disabilities and to learn more about TDHCA Section 811 Project Rental Assistance Demo funds. The City anticipates opportunities to expand in services if funding permits and will incorporate the need into the next Analysis of Impediments and Consolidated plan.
- 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. The City is coordinating a campus –wide effort to review and adjust all 504 and ADA requirements process.
- 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 began a new partnership with the North Texas Jobs Corps.
- 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.
- 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 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 displayed in English and Spanish during CDBG Week and they continue to be displayed in the lobbies of the City departments.

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. The City is currently updating its policies through the Housing and Community Development Department and working to reach more affordable nonprofit builders. While affordable nonprofit builders receive benefit, the for-profit builders are reimbursed upon proof of affordability. Current 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. The City does take action in reviewing current ordinances and as the development of the Town Center Study and other affordable housing strategies development, so will ongoing review occur. The City's AI will be updated under the next Consolidated Plan in 2014.

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 the HCD 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 the Housing and Community Department with implementation of the Annual Homeless Count held in January, 2013 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 included again homeless school children in the 2013 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.

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. 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), 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, the City of Plano and the 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 does not provide Section 8 or Public Housing.

The City participated in joint meetings with MHA and HUD to develop a greater partnership of assisting low-to-mod income persons by gaining a greater understanding of requirements per each HUD division and the City has worked with MHA through the Development Services division and the Housing & Community Development Departments as they prepare to begin building new affordable housing and renovating existing properties in the next program year.

The City has a working partnership with the McKinney Housing Authority (MHA) as they provide these services. The Resident Council, comprised of Section 8 and Public Housing residents, meets monthly and conducts quarterly activities. 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 City has worked more closely with the agency in fair housing goals and citizen participation of their activities working in concert with the Consolidated Plan.

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MHA has been able to have joint meeting sessions with City Council this year, more public hearings and they were awarded HUD regional funding (only one of three in the state of Texas) to receive a grant to improve existing housing in addition to their other funding sources.

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 The Boys and Girls Club 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, 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. 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 program year, a CDBG pre-application meeting was held in April, 2012 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 deliberated to determine funding recommendations to City Council in May, 2012. 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.

City Council approved funds July 17, 2012 and the program year began October 1, 2012 through September 30, 2013.

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 overview of their grant agreement detailing program and other 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 all reimbursement requests, which may include reports, invoices, statements, timesheets or other documents outlined in the grant agreement. Subrecipients are monitored for compliance quarterly per reports and correspondence and a risk analysis is taken prior to monitoring agencies annually by site visits. Monitoring includes review of recordkeeping, visual documents, program capacity and other requirements. First-time agencies

federal funding will receive “one-to-one” technical assistance visits with the Community Services 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 ended on September 30, 2013. This report is due 90 days after end of the program year to the U.S. Department of Housing and Urban Development.

This draft report will convert with details to a final report for public comment review for 15 days before it is submitted to the U.S. Department of Housing and Urban Development. One public hearing at minimum is required and will be held December 17 at the City Council Regular Meeting. Written comments received will be included in the report, due to HUD by December 27. Upon receipt, the HUD Regional Office will assess the City’s performance and presents its comments and approval approximately 1-2 months after submission. Results are presented back to the City and 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 more than 90% of its CDBG funding went to priority needs to benefit low-to-moderate income persons and households identified, in this performance year under the FY 2010-2014 Housing and Community Development Consolidated Plan.

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 17 units for repair under the Housing Rehabilitation Program. At year-end, the city performed 19 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 Mayor's Cities of Service initiative, *Together We Serve* - a collaborative neighborhood revitalization partnership with *Volunteer McKinney, Habitat for Humanity of North Collin County, 3E McKinney and the City of McKinney* - assisted more than 30 housing units in its first year with repairs utilizing volunteer labor with faith-based and community groups in the LaLoma and Rockwall Communities with census tract 309. In this community, Habitat for built affordable homes for families in need, local churches provided volunteers, the city's housing rehab program assisted existing homeowners with repairs and the city also provided support through departments including code enforcement, streets, and other areas.

While this partnership leverages the goals of housing and community development, only repairs directly impacted with CDBG are listed below.

Housing Rehab Program

Total # served, extremely low income (0-30%): 4	Total # served, very low income (31-50%): 7	Total # low/moderate income served (51%-80%): 8	Total: 19 served; 6 of the 19 were under female-headed households.
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Staff continued public education resources and outreach through city departments, including Fire Department 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 Program continued its homeownership program through funding from the Texas Department of Housing and Community Affairs (TDHCA), with a \$ 40,000 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, for the reporting period, clients received case management assistance. During the reporting period, the homeless shelter continues to see an increase in the number of children residing at the shelter, in which data was also captured in the County-wide Point-in-Time Homeless Count. Also for the first time, the Samaritan Inn also assisted renters and homeowners with homeless prevention through rental, mortgage or utility assistance.

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 Housing and Community Development Department continues to work in concert through city departments, community and business partnerships 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).

- The Collin County Committee on Aging's on Wheels Program used their CDBG Public Services grant for their Meals on Wheels Program to benefit McKinney seniors. During the reporting period, seniors received weekday or evening meals, providing essential nutrition needs and the gained benefit of contact with the outside world through volunteers. In addition, seniors to continue to live independently. 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 Program Directors. 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, CASA of Collin County assisted in providing volunteer court advocates for abused and neglected children. The grant allowed McKinney child abuse victims to receive counseling and support at a turbulent time in their lives and lends a paramount step not only a suitable but a safe living environment.

- Community Dental Health Care provided free basic dental services to low income children, seniors and youth during the reporting year with grant support. 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.*

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 deems 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 for meeting participation.

Phase Two is continuous the vision of the Town Center to become a reality, Phase 2 of the Initiative focused this year on evaluating, crafting, selecting, relating and phasing appropriate

implementation components into a comprehensive implementation program or Action Plan. This phase requires patience and strategy as it involves taking a more detailed look at the preferred concepts, studying specific aspects to determine if/when change is warranted and prioritizing a set of specific tasks (Action Plan) for implementing critical components of the vision.

The final stakeholder meeting took place in November, 2012 focusing on re-zoning. During the reporting period, the Planning Department provided the public to view potential developer plans for the area, and the Department also held special meetings in May, 2013 with the PRIDE communities to obtain their input on changes to the main fare road (Hwy. 5) and answered questions on other proposed activities. As this area of the Town Center falls within Census tract 309, planning of CDBG funds in the next fiscal years are being structured for impact to LMI area through economic development activities.

Brownfields Project. The U.S. Environmental Protection Agency (EPA) awarded the McKinney Brownfield assessments grants totaling \$400,000 in 2010 and the City is coming to the end of the three year grant. 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 improves living, health and environmental conditions tax dollars and helps further prepares the Town Center for economic redevelopment in the City's Highway 5 corridor.

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 final document is available for public comments during a 15-day comment period from December 6 – December 20. The City Council will hold a public hearing at its regular meeting on December 17. In addition, the department updates community leaders and reminds citizens to participate and to receive any updates for inclusion in the CAPER and to attend the public hearing as well. Written comments will be included in the City's report submittal to HUD after December 20.

Interested persons are asked to provide written comments to the Community Services Administrator no later than December 20 at 5:00 p.m. to sbest@mckinneytexas.org, or to Shirletta Best, Community Services Administrator, City of McKinney, Housing & Community Development 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 the report was 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. 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)

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, 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.

As the primary focus of the city's strategies include housing activities, the goal was met during the reporting period as the city 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.

In public services, 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.

Barriers to Performance

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.

In reflection, a key barrier to performance includes those who are unable to qualify for activities or reviewing past performance and being concise about expectations given limiting staff resources. However, through outreach under Neighborhood Revitalization, CDBG continued to develop relationships to overcome fears and assist homeowners to reach their need. 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. In the next program year, the impact of development a CDBG economic development program will fulfill strategies of job creation and timeliness more effectively.

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. community meetings.

One of the most noted barriers is reflected under the affordable housing program with the State of Texas/TDHCA. Due to the state required front and back ratios to qualify first-time homebuyers, the city continues to find reductions in assisting potential homeowners due to the requirement. While it ensures homeowners do not fall into more debt, the City is no longer able to assist Habitat for Humanity affordable homeowners under the first-time homebuyers program, which accessed approximately 6 additional new homeowners a year. The City countered the barrier through the Cities of Service partnership, which now brings volunteers and churches together to assist existing homeowners with small repairs and the results have been greater neighborhood goodwill. The Habitat for Humanity has received funds from the City's Community Development Corporation to assist with this effort. The City endeavors to become a direct entitlement to receive HOME funds from HUD, to allow more flexibility in its homeownership goals.

The City of McKinney concludes the CDBG program and other Housing and Community Development programs and 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 endeavors to improve its performance and welcomes review to input the best strategies possible.

