

Community Revitalization Plan Briefing



- Housing and Community Development Department
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PURPOSE

The purpose of this briefing is to provide an overview of the Community Revitalization Plan (CRP) process through TDHCA and the possible benefits for the City of McKinney



WHAT IS IT?



The Texas Department of Housing and Community Affairs (TDHCA) allows cities to designate revitalization areas, outside of “high opportunity areas”, in which developments may be eligible to receive additional points on the competitive 9% Low-Income Housing Tax Credit (LIHTC) application

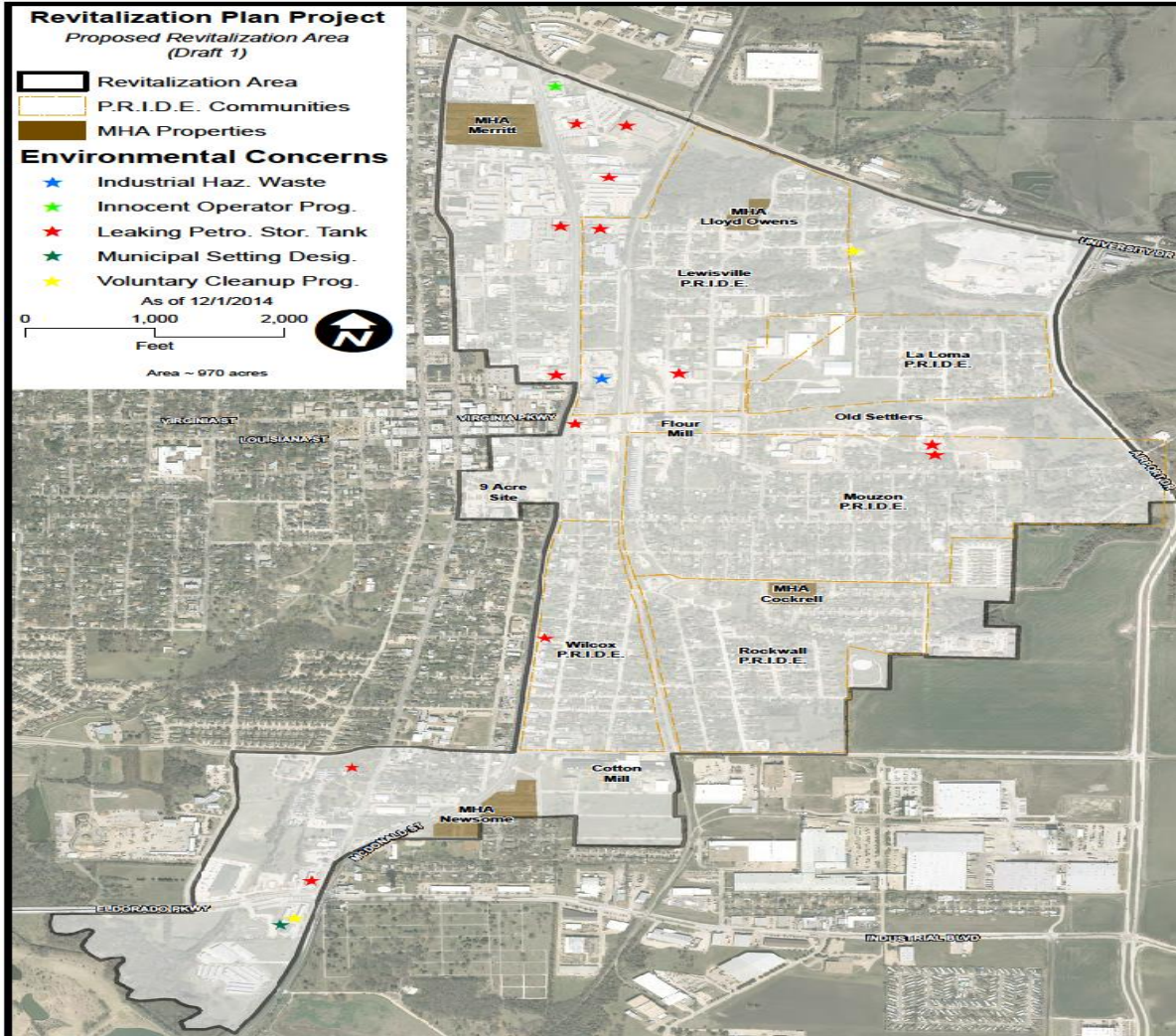


WHERE IS IT?



Staff has proposed boundaries for the Community Revitalization Plan (CRP) area based loosely on the Town Center Plan and encompassing target redevelopment areas







The Community Revitalization Plan (CRP) must address 5 of 8 factors:

- Adverse environmental conditions – natural or man-made
- Presence of blight which may include obsolete land use
- Presence of inadequate transportation or infrastructure
- Lack of accessibility and/or presence of inadequate health care facilities
- The presence of significant crime
- The poor condition or low performance of public education
- Lack of local businesses providing employment opportunities
- Efforts to promote diversity including intergenerational or economic diversity



The Community Revitalization Plan (CRP) must have local funding committed to it:



Any City money spent in the previous four years, within the designated boundary, on one of the factors being addressed, counts toward this . Points will be awarded based on:

- Applications will receive four (4) points if the applicable target area of the community revitalization plan has a total budget or projected economic value of \$6,000,000 or greater; or
- Applications will receive two (2) points if the applicable target area of the community revitalization plan has a total budget or projected economic value of at least \$4,000,000; and
- Applications may receive an additional (2) points in addition to this clause if the Development is explicitly identified by the City (by Resolution) as contributing most significantly to the concerted revitalization efforts of the city. A City may only identify one single Development during each Application Round for the additional points under this sub-clause.



Benefits to the City of McKinney



- City has the ability to designate targeted development areas
- City Council does not have to support developments simply because they are within the boundaries of the CRP
- TDHCA funding and tax credits may be used for the development of single family and multifamily housing, a mix of market rate and affordable, as well as a funding source for mixed use property development
- 9% competitive LIHTC funds provide for greater investor equity into an affordable housing development (thus decreasing the need for outside funding) vs the 4% non-competitive, tax exempt bonds
- The proposed boundaries of the CRP include future McKinney Housing Authority properties to be redeveloped



Next Steps



- The Community Revitalization Plan (CRP) will be brought back to City Council for final approval before the TDHCA LIHTC 9% tax credit application due date of February 27, 2015 so that it may be utilized for developments applying for tax credits in this funding cycle
- If more than one development within the CRP area applies for tax credits in any given year, Council may be asked to decide which development will be designated as “most significantly contributing to the economic revitalization of the area” for the additional 2 points on the tax credit application

