

**Planning and Zoning Commission Meeting Minutes of October 24, 2017:**

**17-256Z      Conduct a Public Hearing to Consider/Discuss/Act on a Request to Rezone the Subject Property from "RS 60" - Single Family Residential District to "PD" - Planned Development District, Generally to Allow Single Family Attached Residential Uses, Located approximately 440 feet South of Standifer Street and on the East Side of Bumpas Street**

Mr. Brian Lockley, Director of Planning for the City of McKinney, explained the proposed rezoning request. He stated that revised development standards were distributed to the Commission prior to the meeting. Mr. Lockley explained the document did not have an additional standards for the proposed development. He stated that it was primarily removing some redundant items and changing the order of some of the items that were listed in the Staff Report. Mr. Lockley stated that Staff and the applicant were discussing this project up until late Friday. He stated that the applicant is requesting to rezone from "RS 60" – Single Family Residential District to "PD" – Planned Development District. Mr. Lockley stated that the property would essentially follow the "TH" - Townhome Residential District with certain exemptions built in the "PD" – Planned Development District. He stated that they were proposing 35 single family attached residential units with an attached club house and amenity center. Mr. Lockley stated that this development proposes to use stacked shipping containers and would be the first of its kind in the City of McKinney. He stated that the shipping containers were made with corrugated metal. Mr. Lockley stated that they would have a masonry and/or stone finish along the front, cement siding that would take on the appearance of wood, and wood. He stated that they were proposing to have open space along the front of the property. Mr.

Lockley stated that there would be breaks between the properties to allow for fire access. He stated that the rear yard setbacks would be 10'. Mr. Lockley stated that no alleys would be required for lots less than 50' wide. He stated that Staff recommends approval of the proposed rezoning request with the special ordinance provisions listed in the Staff Report and offered to answer questions.

Commission Member Cobbel asked if this would be a Habitat project. Mr. Lockley said yes.

Commission Member Cobbel asked where they would be obtaining the storage containers to be used in this development. She also asked if they would be new or used. Mr. Lockley deferred those questions to the applicant.

Commission Member McCall stated that he thought that they had already done something like this north of Highway 380 (University Drive). Mr. Lockley stated that he was unaware of it.

Vice-Chairman Mantzey asked if someone could take the proposed "PD" – Planned Development District and use it in other parts of McKinney. Mr. Lockley stated that this "PD" – Planned Development District was specific to this property and proposed development. He stated that if someone wanted to do a similar development that it would be evaluated on its own merits.

Commission Member Kuykendall asked how old the neighborhood was to the north of the subject property. Mr. Lockley stated that he thought that neighborhood was developed within the last 10 years or so.

Commission Member Kuykendall asked if those neighbors had been alerted to this proposed development. Mr. Lockley stated that the residents within 200' were noticed as part of this public hearing. He stated that Staff requested that the applicant hold a

neighborhood meeting to discuss the project with them. Mr. Lockley stated that he was told that the applicant did reach out to them by going door to door to discuss the proposed development.

Commission Member Kuykendall asked if the City had received any correspondence from the surrounding neighbors. Mr. Lockley stated that Staff had not received any comments regarding this proposal.

Mr. JD Lee, 8300 Olympia Drive, McKinney, TX, explained the proposed rezoning request and gave a presentation. He stated that they were proposing 35 single family residential units on approximately 2.75 acres of vacant property at the corner of Bumpas Street and Fitzhugh Street. Mr. Lee stated that it would be a Habitat for Humanity project. He discussed some of the proposed elevations for the proposed development. Mr. Lee stated that this project would be the first of its kind in McKinney. He stated that upon completion it would probably be one of the largest residential developments of its kind in the country. Mr. Lee stated that it would be a unique opportunity to bring an eco-friendly, family-friendly, and community-friendly environment with a new twist for our community. He stated that the proposed amenity center would have a combination of stone, glass, reclaimed wood, and cement siding on the exterior. Mr. Lee stated that it would have a slight pitched roof that was flat in nature. He stated that the residential units would be connected and have a zero side lot lines. Mr. Lee stated that they would have 20' front yard setbacks with sidewalks. He stated that there would be a 40' right-of-way for street access. Mr. Lee stated that the proposed two-vehicle carports would also serve as a walkout balcony for the second floor of the units. He stated that the street would be lined with trees. Mr. Lee stated that it would be a very walkable, friendly, connected, and dense environment. He stated that it would allow families to get to know one another. Mr. Lee

stated that on some of the carports there would be exposed metals that would be treated with marine grade paint that would be reflective to maintain heat in the winter and reflect heat in the summer. He showed photographs and briefly discussed some residential and commercial developments that used shipping containers. Mr. Lee stated that he had visited some of these developments. He stated that they were amazing, modern, and forward-thinking developments. Mr. Lee stated that Habitat for Humanity has made an impact on affordable housing over the years. He stated that they had worked tirelessly to bring a new, exciting product to McKinney's affordable housing options. Mr. Lee offered to answer questions.

Alternate Commission Member McReynolds asked for the proposed unit sizes. Mr. Lee stated that each shipping container would be a 40' in depth, 8' wide, and 9 1/2' high. He stated that there would be two containers side by side and two stacked on top for a total of four containers per unit. Mr. Lee stated that there would be a total of 1,280 square foot of livable space. He stated that one of the floor plans would have three bedrooms and two bathrooms. Mr. Lee stated that another plan might have four bedrooms and 2 1/2 bathrooms. He stated that these would rival any market rate units that you would see in McKinney. Mr. Lee stated that their goal was not to make it look like traditional affordable housing. He gave examples of hardworking people who were being priced out of their own cities where they work due to cost of living not reflecting the escalation of increasing land prices, so they end up moving in affordable housing units.

Commission Member Smith asked about the affordability of these units. Mr. Lee stated that Habitat for Humanity has an equation that they use to determine the price to be paid. He thought that it was not more than 30% net of the homeowner's income after expenses. Mr. Lee stated that prices would vary. He stated that sweat equity was also

a big part of the process. Mr. Lee stated that homeowners work a minimum of 300 hours towards the asset value of their home.

Commission Member Cobbel asked if this would be homeownership and not rental units. Mr. Lee stated that this was not a for rent neighborhood. He stated that this same piece of land was once cotton fields. Mr. Lee stated that it was worked by migrants and slaves, in many cases. He stated that today their descendants could own the land that their relatives once worked. Mr. Lee stated that was a very important milestone.

Commission Member Kuykendall asked about the turnover rate for these types of units. Ms. Celeste Cox, Chief Executive Officer for the North Collin County Habitat for Humanity, 2060 Couch Drive, McKinney, TX, stated that they had built 110 single family residents to-date in North Collin County. She stated that of those 110 houses they had sold four. Ms. Cox stated that two of the four have been foreclosed upon and two had been sold back to them. She stated that Habitat for Humanity finances the houses and maintains the mortgages for 20 – 30 years.

Commission Member Kuykendall asked if the corrugated metal of the containers would be visible on the sides of the units. Mr. Lee stated that they would be completely covered. He felt that these structures would be ten times sounder than any stick building built in McKinney. Mr. Lockley offered to clarify that Mr. Lee's statement stated that within the standards the remaining facade on the sides can be no more than the corrugated metal. He stated that the sides might not be covered with some other type of material like masonry or wood. Mr. Lockley stated that some of the sides might be painted with the marine grade paint.

Commission Member Kuykendall asked if this development could impact the property values of the surrounding neighborhood to the north. Mr. Lee stated that it would enhance the property values.

Commission Member Kuykendall asked if they had communicated to the surrounding property owners to the north that the proposed development was going to be affordable housing using shipping containers. Ms. Cox stated that they had talked to every property owner surrounding the subject property. She stated that they were very excited about it. Ms. Cox stated that they were also excited about the proposed community center, since they have no amenities in their neighborhood. She stated that they were excited to bring up the values in that neighborhood. Ms. Cox stated that there were a lot of current homes in the neighborhood to the north that need repairs that Habitat for Humanity was currently helping repair some of them. She stated that they not only did new construction, they also repair existing houses.

Commission Member Kuykendall stated that she had concerns about this project being new and very different. She stated that she had concerns about the quality of the project. Commission Member Kuykendall stated that she did not want to see it negatively impact the surrounding homeowners.

Commission Member Kuykendall asked how quickly the upkeep and changes would be made. Mr. Lee stated that there would be a homeowners association (HOA) for the development. He stated that they would be responsible for the upkeep of the open spaces in the development. Mr. Lee stated that the homeowners association would encourage the residents to keep a high standard of homeownership maintenance. He stated that would help the community stay at a certain level and not grow into a poorly kept neighborhood.

Alternate Commission Member McReynolds asked if they already had a ratio in place for the market rate units compared to affordable housing units. Mr. Lee stated that currently they thought there would probably be about four or five market rate units built out of the proposed 35 units. He stated that they did not want to turn it into just a market rate neighborhood. Mr. Lee stated that the main theme of the proposed development was an affordable housing project. He stated that what is considered affordable housing was widening. Mr. Lee stated that it would not just be for low or no income individuals. He stated that you would be surprised at how many people are living in houses that they really cannot afford. Mr. Lee stated that they want to create a product that meets the needs of what people can actually afford.

Alternate Commission Member McReynolds felt that the homeowners in this development would maintain their properties just like any other property owner would maintain their property.

Commission Member Cobbel stated that it would have a homeowners association (HOA) just like any other development in McKinney. Mr. Lee said yes.

Commission Member Cobbel asked if the shipping containers would be recycled and where they were obtaining them. Mr. Lee stated that in some cases they would have been used several times; however, would be water tight. He stated that they might use a brand new container when they need to use a clean exterior facade. Mr. Lee stated that they would make sure that the exterior quality was intact. He stated that they plan to procure the shipping containers with local companies.

Commission Member Cobbel asked if the neighborhood to the north had a homeowners association (HOA). Ms. Cox said yes.

Commission Member Smith asked if the proposed amenity center would only be available to the residents of the proposed development. Ms. Cox stated that their goal was to make the amenity center available to the entire community. Mr. Lockley stated that typically an amenity center within subdivisions were developed for that subdivision only. He stated that to open it up to others would make it another use and would require different standards and requirements. Mr. Lockley stated that right now the proposed amenity center would be for this development and used by these residents of this development.

Commission Member Kuykendall asked if the property owners to the north would still be as excited about the project after learning that they were not able to have access to the proposed amenity center. Mr. Lee said absolutely. He stated that they personally went house to house speaking to those residents about the project. Mr. Lee stated that the overwhelming response was that they loved the idea and were waiting for something to happen to spruce up the neighborhood. He stated that there was a lack of quality and care that exists on that side of town. Mr. Lee stated that they hope this development helps catch fire in the hearts of the existing residents to see a positive movement in upgrading properties. Ms. Cox stated that the subject property was presently a brownfields with a condemned house. She stated that they were working with the United States Environmental Protection Agency (EPA) to abate. Ms. Cox stated that the surrounding property owners were very excited about getting rid of this house on the subject property. She stated that they were excited that the property was being developed.

Commission Member Smith asked where other similar communities had been created. Mr. Lee gave examples of single family and multi-family developments made

with shipping containers in Houston and San Antonio, TX. He stated that it was happening in and around Texas. Mr. Lee stated that it was an emerging trend in America. He stated that the land availability was shrinking. Mr. Lee stated that Habitat for Humanity tried to create more with less. He stated that was an opportunity to bring something unique and with a high quality to the equitation.

Commission Member Kuykendall asked if Habitat for Humanity was looking at doing this in any other city in Collin County. Ms. Cox stated that they hoped so, after this development was complete.

Alternate Commission Member McReynolds asked about the examples shown during Mr. Lee's presentation. Mr. Lee stated that those were examples of what was going on in America and not something that Habitat for Humanity developed. He stated that no one company has a long resume of these types of developments using shipping containers, since it is a fairly new trend. Mr. Lee stated that he and Ms. Cox had toured and visited with many of these developers around the country to help address any unforeseen problems of doing it for the first time. He stated that they were staying on board as connected parties to the project to ensure that what is being done in McKinney goes off without a hitch.

Commission Member Kuykendall what to clarify that they had never done this type of project before. Mr. Lee said no.

Commission Member Kuykendall asked about the unforeseen problems that happened in the other communities. Mr. Lee gave an example of the total cost of the units once developed possibly being an issue where the price becomes too high that it could no longer be an affordable housing development. He also gave an example of Adriatica in McKinney being an excellent example of a very dense, mixed-use

environment. Mr. Lee stated that he had been involved with that development for the past six years in several capacities. He stated that some of the leading advisors on this project have done some amazing work. Mr. Lee stated that the proposed development would not be managed by novices.

Commission Member Kuykendall asked if they might want to bring this type of development to other parts of McKinney. Mr. Lee stated that they would need the blessing of the Planning Department and City of McKinney to do so. He stated that they had done their homework as best as they could for this project. Mr. Lee stated that if it was done again then it would need to meet the same or greater criteria.

Chairman Cox opened the public hearing and called for comments.

The following people turned in speakers cards in support of the request; however, did not wish to speak during the meeting.

- Matt Hilton, 2150 S. Central Expressway, McKinney, TX
- Rache Barnette, 450 Sloan Creek Pkwy., Fairview, TX
- Kimberly Kimmons, 1500 Preston Road, Plano, TX
- Bryant Knepp, 3412 Ruidoso Lane, McKinney, TX
- JR Russell, 2603 Sunny Meadows, McKinney, TX
- Yvette C. Powers, 1723 N. McDonald Street, McKinney, TX

On a motion by Vice-Chairman Mantzey, seconded by Alternate Commission Member McReynolds, the Commission unanimously voted to close the public hearing, with a vote of 7-0-0.

Commission Member Cobbel stated that the proposed development was exciting. She stated that this was definitely unique by nature. Commission Member Cobbel stated

that it was moving forward to helping McKinney's affordable housing crisis. She stated that she felt it was a cool looking project for McKinney.

Vice-Chairman Mantzey stated that workforce housing was becoming a bigger and bigger issue for McKinney. He stated that pricing continues to go up. Vice-Chairman Mantzey stated that this was a unique project. He stated that Habitat for Humanity has put a lot into this project and has plans to grow this into other communities. Vice-Chairman Mantzey stated that he has faith that they will put in a full effort to make sure that it is a show community and one that is better for the neighborhood. He stated that there is no doubt that our employers are seeing a deficient of employment due to the housing shortage. Vice-Chairman Mantzey stated that he was excited that Habitat for Humanity was leading it.

On a motion by Commission Member Cobbel, seconded by Commission Member McCall, the Commission voted to recommend approval of the proposed rezoning request as recommended by Staff, with a vote of 6-1-0. Commission Member Kuykendall voted against the motion.

Chairman Cox stated that the recommendation of the Planning and Zoning Commission will be forwarded to the City Council meeting on December 5, 2017.