

# **Perspective:** Data Briefing - Housing, Transportation and Economic Development

## **City Council Presentation**

**Housing & Community Development  
Department**

**July 16, 2018**



# Presentation Format

- Briefing: McKinney Community Meetings
  - Comments from Businesses and Residents
- Data Analysis and Feedback
  - Key Insights
- Council Input & Recommendations

7 Focus Groups	2 Public Meetings
301 Attendees	
208 Surveys	7 Interviews

# 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:		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)

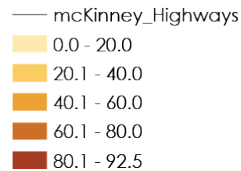
Income by Household	# 50% or more of income	# 30-50% of income	# less than 30%	Total
≤\$25,100	2,390	50	730	3,170
≤\$38,600	1,640	1,480	650	3,770
≤\$61,750	905	<b>2,890</b>	2,150	5,945
≤\$77,200	215	1,570	2,845	4,630
Over \$77,200	165	1,930	27,880	29,972
Total Households	5,315	7,920	34,255	47,490



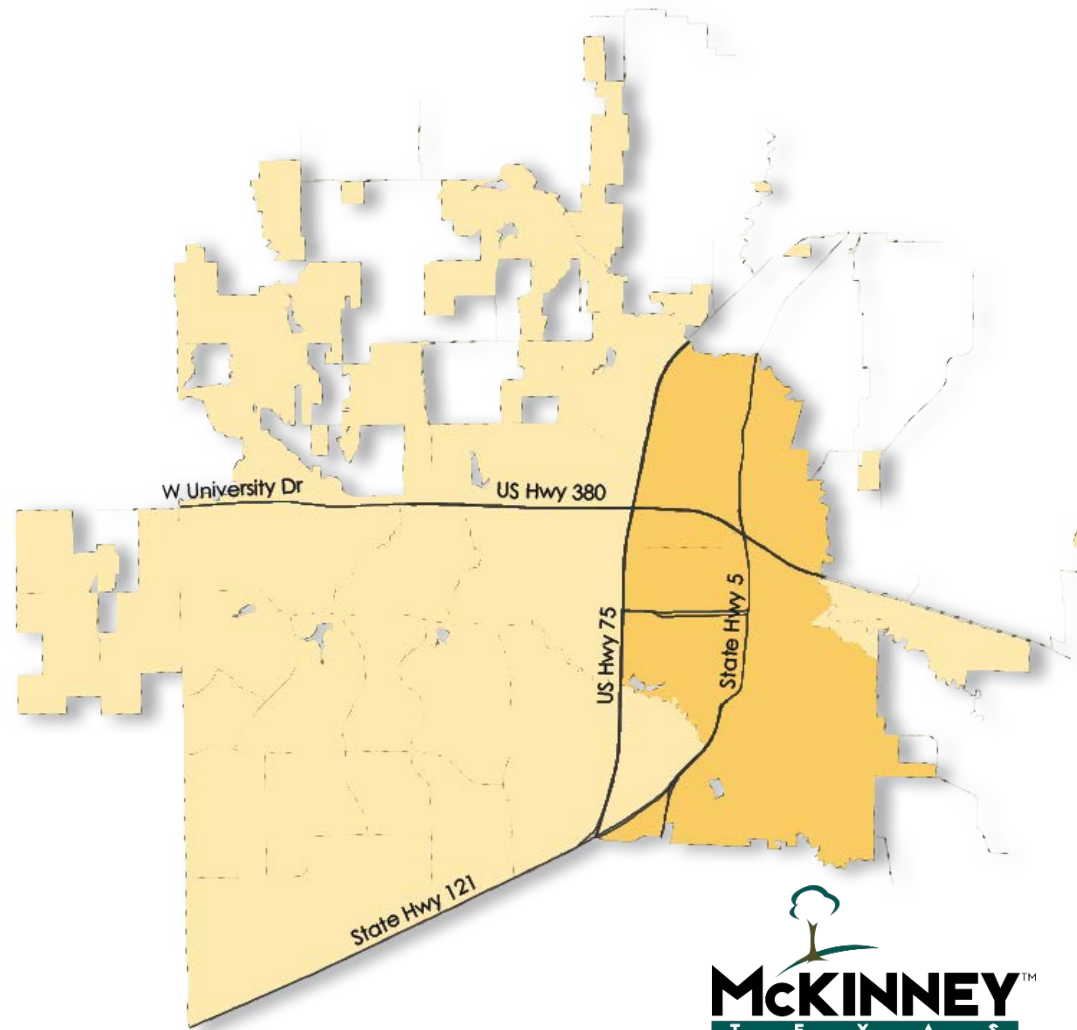
# Concentrated Areas of Poverty

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)

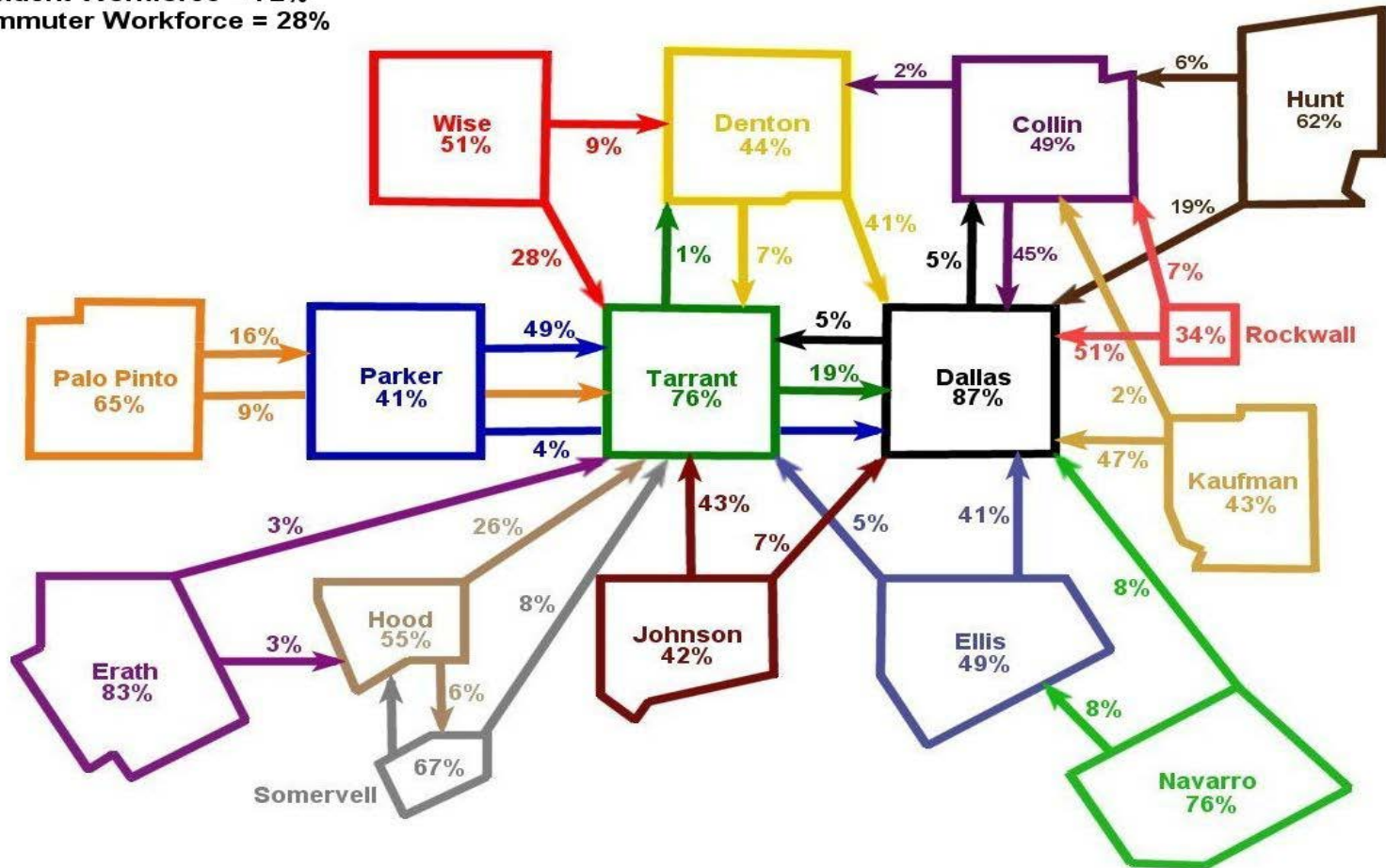
**Accessibility to  
Opportunity** (Parks,  
Schools, Retail,  
Health)

**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	2013 ACS Median McKinney
▪ Health & Social Services 36%	▪ \$22,168
▪ Construction 31%	▪ \$26,219
▪ Prof & Business Services 28%	▪ \$78,110
▪ Leisure & Hospitality 27%	▪ \$15,051
▪ Transport/Whse 25%	▪ \$32,244
▪ Trade & Utilities 21%	▪ \$26,420
▪ Other Services 21%	▪ \$20,156
▪ Education 20%	▪ \$47,938
▪ Finance/Insurance 19%	▪ \$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) and based on community feedback and need, explore reinstating two (2) fixed routes
- 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



# Council Guidance and Questions?

