

Root Policy Study Implementation Strategies

City Council Work Session Presentation
September 28, 2021



McKinney's Top Housing Needs

The needs summarized at right were identified through extensive data analysis along with community engagement of residents and stakeholders through focus groups and the Resident Survey.

1

Additional affordable rentals, particularly for residents earning less than \$35,000.

2

Starter homes and workforce housing priced near or below \$200,000.

3

Increase ownership product diversity (e.g., "missing middle").

4

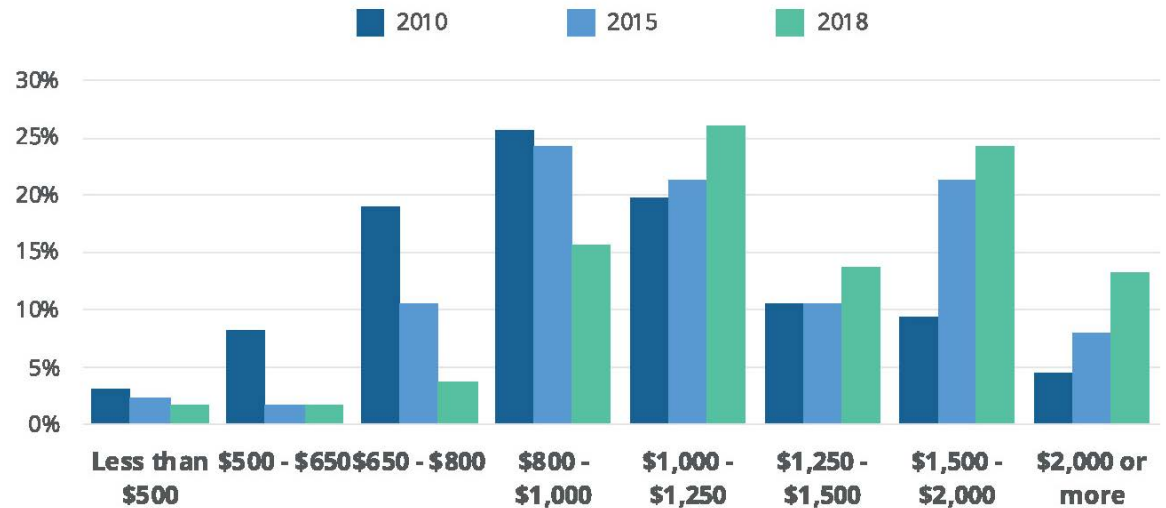
Strategic redevelopment and condition improvements.

*Additional
affordable
rentals for
households
earning
less than
\$35,000*

RENTAL GAP



RENTAL DISTRIBUTION



1

**Additional affordable rentals,
particularly for residents
earning less than \$35,000.**

Homelessness Prevention Programs:

- Tenant Based Rental Assistance
 - Eight families currently receiving assistance
- Community Development Block Grant (CDBG-CV) - FY22 \$1,597,948
- Community Support Grant (General Fund) – FY22 \$159,700
- CARES Act – Treasury – FY22 \$2,847,528 remaining

Homeless Programs:

- FY22 Rapid Rehousing Program - \$328,098

1

**Additional affordable rentals,
particularly for residents
earning less than \$35,000.**

- Low Income Housing Tax Credit (LIHTC) Programs
 - Developer initiated MF affordable to those earning 60% or less of Area Median Income (AMI)
 - Requires City Council and neighborhood support
 - MHFC issues bonds and earns issuer fee
 - Convert older, existing market rate MF to LIHTC units
 - Provides funding to rehab existing MF units
 - Guarantees affordability of units at 60% AMI for up to 30 years
 - Requires City Council support
 - MHFC issues bonds and earns issuer fee
 - Developer/MHFC partnership MF developments
 - The Independence (aka McKinney Flats)
 - MHFC currently working on a new RFQ for Project #2
 - City Council review/approval of RFQ

2

Starter homes and workforce housing priced near or below \$200,000.

- Maintain Existing Affordable Single-Family Housing
 - Property Maintenance Program in conjunction with Code Services
 - CDBG funded emergency repairs, rehabilitation and reconstruction for income eligible residents
- New Affordable Single-Family Ownership Housing
 - Update current Affordable Housing Development Incentives from 80% to 120% of Area Median Income
 - Down-payment and closing cost assistance (MHFC funded)
 - \$10,000 down payment/closing cost assistance for households up to 120% of AMI (25 households)
 - MCC program – provides up to \$2,000 per year credit on federal income taxes

2

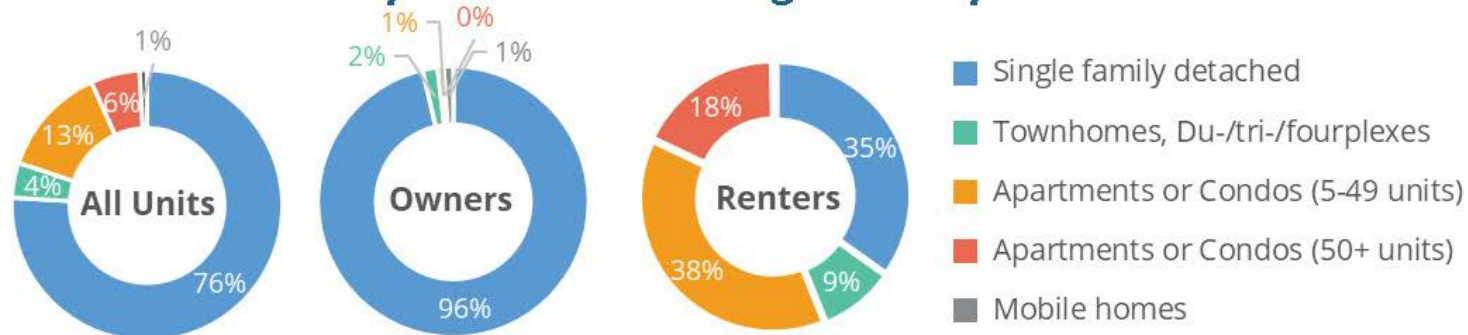
Starter homes and workforce housing priced near or below \$200,000.

Use Public Funds/Development Agreements to Decrease the Cost of New Single-Family Residential

- Allocate publicly owned land for affordable housing development
 - Identify “buildable” properties in tax foreclosure
 - Use CDBG funding for lot acquisition in exchange for affordable product sold to income eligible buyer.
 - Negotiate affordability as part of residential development agreements – by Council Policy or on an opportunity basis
 - Community Land Trust

Increase Ownership Product Diversity

McKinney's Current Housing Stock by Tenure:



3

Increase ownership product diversity (e.g., “missing middle”).

Home Ownership Product Diversity and Accessory Dwelling Units: New Code McKinney

- New zoning districts and standards for accessory dwelling units
 - Update to Joint Meeting of City Council and Planning and Zoning Commission occurred on July 27, 2021
 - Joint Council and Planning & Zoning Commission meetings are scheduled
 - Currently preparing Draft Development Code

3

Increase ownership product diversity (e.g., “missing middle”).

Housing Diversity in New SF Residential Development

- Include housing diversity targets in residential partnership projects that require Development Agreements
 - By Council Policy or as opportunities arise?
- Include housing diversity targets in certain types of Planned Developments. Possibly based on size, geographic location, or other factors
 - By Council Policy or as opportunities arise?

4

Strategic redevelopment and condition improvements.

Neighborhood Preservation Study:

On August 3, 2021, City Council selected Economic and Planning Systems to complete City of McKinney Neighborhood Preservation Study

- Task 1: Project Management
- Task 2: Outreach and Community Engagement
 - Outreach and engagement plan
 - Neighborhood Survey
 - Stakeholder interviews, focus groups, public outreach meetings
- Task 3: Existing Conditions and Market Assessment
 - Housing inventory: parcel-level lot and home information
 - Identify demographic, economic and market variables – gentrification pressures
- Task 4: Strategies and Implementation
 - Regulatory or zoning limitations
 - Incentives and public financing tools to offset displacement

4

Strategic redevelopment and condition improvements.

- Several capital improvement projects planned and underway.
- Communication and engagement for Large Scale Projects
- Engagement to identify small scale projects
- Funding sources for small scale projects
 - CDBG
 - TIRZ
 - CIP
 - ARPA funding