

JOINT MEETING

APRIL 24, 2017

The City Council and the McKinney Housing Authority of the City of McKinney, Texas met in joint session in the Council Chambers of the Municipal Building on April 24, 2017 at 5:30 p.m.

Council Present: Mayor Brian Loughmiller, Mayor Pro Tem Randy P. Pogue, Council members: Chuck Branch, Don Day, Tracy Rath, Rainey Rogers, and Travis Ussery.

McKinney Housing Authority members present: Chairman Justin Beller, Brenda Carter, and Tyree Byndom. Absent: Board members Gloria Evans and Debbie Roberts.

Staff Present: City Manager Paul Grimes; Assistant City Manager Barry Shelton; City Attorney Mark Houser; City Secretary Sandy Hart; Executive Director of Development Services Michael Quint; Housing and Community Services Manager Janay Tieken; Community Services Administrator Shirletta Best; Interim Director of Parks and Recreation Ryan Mullins; CIP and Transportation Engineering Manager Gary Graham; Facilities Construction Manager Patricia Jackson; Director of Strategic Services Chandler Merritt; and McKinney Community Development Corporation President Cindy Schneible.

There were nine guests present.

Mayor Loughmiller called the City Council to order at 5:31 p.m. after determining a quorum present.

Chairman Beller called the McKinney Housing Authority to order at 5:31 p.m. after determining a quorum present.

17-417 Mayor Loughmiller called for an Update on Newsome and Merritt Homes. McKinney Housing Authority Chairman Justin Beller presented an update on the McKinney Housing Authority (MHA) projects. The McKinney Housing Authority has four public housing properties. Merritt Homes is the largest with 86 units located on North Tennessee, Lloyd Owens on Throckmorton with 26 units, Cockrell Homes with 24 units, and Newsome Homes with 64 units. Those were all built between the 50s and early

60s. Some of the partnerships we benefited from in recent history, the Rental Assistance Demonstration Program, which allows us to convert public housing units to a project-based voucher. The 64 public housing units of Newsome Homes converted to the rental assistance program with 180 units of low-income housing tax credits and 64 project-based rental assistant vouchers. We opened the first building with a little over 60 units in December 2016. The second building will open May 1st and we are planning a grand opening and reception for the property on May 31st. Other recent projects, the Millennium McKinney is at capacity and has 25 applicants on the waitlist for project-based vouchers. Post Oak is the second one that was done with Ground-floor Development and is nearing capacity. As far as the low income housing tax credit stock that exists in McKinney, we currently have 13 properties that includes both general and elderly population. An issue we are having through our program is whether property owners will accept vouchers. They are able to get a higher rent through market rate rather than accepting vouchers. When we look at the housing tax credit stock, we see eight properties that were all built 16 to 20 years ago. That represents 64 of our low-income housing tax credit stock which, in the next four years, could be off-line. In the late 1990s to early 2000s after the addition of housing choice vouchers, we were at our peak in terms of subsidized units to population at about 3%. Due to population growth, we have declined from that number to about 1.5%. If there is no addition in affordable housing either through additional vouchers or through additional low-income housing tax credit properties, that number will continue to decline as the population grows and the number of units drops through the removal of the compliance properties. We are proud of the number of families that have gone on to not only self-sufficiency but home ownership through programs with partners, primarily through Habitat. Mr. Beller stated that included in the agenda item is a comparison of low-

income housing tax credit units per City to population so we can compare to neighboring cities, regional cities or comparable Texas cities. The other document is a snapshot of the current inventory in Collin County.

17-418 Mayor Loughmiller called for the 2018 McKinney Housing Authority Annual Plan. Chairman Beller stated the Rental Assistance Demonstration Program is new. It's fairly unfamiliar to not only Housing Authority staff but, also to a certain extent, HUD. When HUD reviews the audit, they will issue a letter that we are in compliance. That audit has been approved by the MHA Board but we have not received the response from HUD. But at some point, there will be a written document from HUD indicating whether we took the appropriate steps to correct the deficiencies. The Rental Assistance Demonstration Program was a program HUD rolled out in 2012 and it was a red tape cutting program that allowed you to transition public housing units to some type of voucher based project. We applied to and participated in that program with Newsome Homes and we would have to use this program for Merritt and any other project we take out of the public housing category and into a voucher category. The rehab units are specific to the former public housing units. The options that ours have are project-based vouchers that cannot leave Newsome.

17-419 Mayor Loughmiller called for Consideration/Discussion on Regional Fair Housing Assessment. Mayor Loughmiller stated that one purpose of tonight's meeting is to make sure we are in agreement as it relates to the Resolution to participate in a collaborative agreement with several neighboring cities and neighboring housing authorities for regional fair housing assessments and collaboration for fair housing. When you consider that McKinney has 2,146 low-income housing tax credit units compared to 1,842 in Plano, Frisco, Allen and Richardson combined, I would like to know what efforts, if any, or what the processes for our Housing Authority to reach out to these other authorities to suggest they

should be doing more to help share the load. My concern is Frisco has a population of 155,000 with only 404 units available. Allen only shows 94 units with a population of almost 100,000 people. The City of McKinney and the City Council have been supportive of rehabilitation projects like Newsome Homes but there is a potential for a point in time that there won't be the financial capability of this City to jump in and fund every project that potentially is desired. Mr. Loughmiller stated that his general sense is that demand will go where the units are available and at some point, you will not be able to meet the demand of the McKinney residents who need affordable housing if you are picking up demand from other communities. Housing and Community Development Manager Janay Tieken stated that in terms of this collaborative assessment, it is the City of McKinney and the McKinney Housing Authority looking at regional affordable housing and affordable housing within the City. What we did with the low-income housing tax credit policy was set the number of reportable units and tied it to a percentage of population so we are looking at the needs on a regional basis but also saying we want to have a variety of housing choices in a variety of price points throughout the City. Ms. Tieken stated that if Merritt is awarded a tax credit, we will have a net of about 50 subsidized units, or 1% of the population. In terms of the consortium and any potential recommendation they make, I think there are two potential recommendations that would require some sort of action. One is a recommendation that we need more affordable housing in McKinney, and two, where is the best and fair place for the housing. That is a discussion that needs to happen not only between the City Council but also with the school district and other parties in the City. MHA Board member Byndom stated that McKinney's land mass is only one-third built out. Discussion should be on how you mix in individuals that are of modest means and what the benefit of having that mix is in the future. McKinney should be in a position of leadership to create a

template for the future, looking at the past and also trying to make sure we leave it better for our kids. Mayor Loughmiller stated he struggles with the fact that the reputation is that McKinney does not do its fair share and is not providing for people of moderate means or low-income. Mr. Loughmiller stated that when he looks at the projects over the years that have not been included in the statistics compared to other cities, how can the perception be that McKinney has not done its fair share? We have the only homeless shelter in the county and the City is supporting the expansion of that shelter. The issue going forward as we build out the remainder of the City will ultimately come down to what we can afford to do. Council member Branch stated we are all in agreement we need more affordable housing but there needs to be redistribution across the county. Council member Rogers stated we are doing more than our fair share in the county and that needs to be evaluated because one of the things we hear every day is that our taxes are little bit higher than everybody else's. Chairman Beller stated the consortium provides an opportunity to shine light on the fact that McKinney has made accommodations to further fair housing and we are on the forefront of that because we understand the consequences. Mayor Loughmiller stated he feels the goal of this meeting today is that as we go forward and work in collaboration as a region, that the McKinney Housing Authority and the McKinney City Council are aligned on any recommendations that are made.

McKinney Housing Authority unanimously approved the motion by Board member Carter, seconded by Board member Byndom, to adjourn. Chairman Beller adjourned the McKinney Housing Authority meeting at 6:45 p.m.

17-442 Mayor Loughmiller called for Consideration/Discussion/Action on the Award of a Transit Service Agreement to the Denton County Transportation Authority (DCTA) and Authorizing the City Manager, or his Designee, to Negotiate and Execute an Agreement. Director of Strategic

Services Chandler Merritt stated that at the direction of the McKinney Urban Transit District Board, City Staff solicited for best and final proposals from the two major transit authorities operating in our region to provide limited public transportation for those identified by the policy. Mr. Merritt stated that those proposals were received, a week ago Friday. Staff has reviewed the proposals based on six criteria which were given to both of the transit providers for inclusion in their proposal. Based on the panel review, there was a clear front runner which was the DCTA. Three of the criteria - the qualifications, the project manager, and scope of services, they both came in very close. Two of the criteria - the project schedule and project costs, DCTA came out on top. Three of the primary goals of the Urban Transit District discussed at the April 5, 2017 meeting was to start service as quickly as possible, to provide service as efficiently and effectively as possible, and provide those services to those who needed it the most, namely the seniors and individuals with disabilities. Regarding the project schedule, DCTA proposed a 30 day start time from execution of contract. DART was looking at a 60 day implementation time. Another point considered was regarding the project cost and the total trips provided based on \$350,000 a year budget. Using DCTA instead of DART we would get about 5,000 trips more per year between both types of services. The advance fee, overhead charges for providing services, DCTA is at 5%, which is half of DART's proposed 10%. Ms. Michelle Bloomer, Denton County Transportation Authority, stated that based on the \$350,000 a year budget, it would translate into 14,000 taxi voucher trips assuming average cost of \$20 and 1,650 demand response trips for a total of 16,007 trips annually. Ms. Bloomer stated that the MUTD asked for a hybrid approach with taxi voucher and demand response service for individuals that the taxi vouchers did not meet their needs. The Board adopted policies as to the parameters you would set for who was and was not eligible. DCTA will follow that policy.

You have seven criteria that would qualify an individual with a disability so we will look at that and what form of documentation will meet the criteria. DCTA will have an application for individuals to fill out and they can do that over the phone. Prior to the launch of the service to the communities participating, we will hold local fairs or outreach events where they can come to us and we will walk them through the application process and approve them on the spot. Once they are qualified, they will be identified to Irving Holdings as a qualified participant in the taxi voucher program. At that point, they will be given the phone number to call and schedule a trip. The last thing we want is to start on June 1 and start certifying people on June 1. DCTA President Mr. James Cline, Jr. stated that a similar item will go before the DCTA Board next Thursday. Council unanimously approved the motion by Mayor Pro Tem Pogue, seconded by Council member Branch, to approve the Award of a Transit Service Agreement to the Denton County Transportation Authority (DCTA) and authorizing the City Manager, or his Designee, to negotiate and execute an agreement.

Mayor Loughmiller recessed the meeting into executive session at 7:05 p.m. per Texas Government Code Section 551.071 (2) Consultation with City Attorney on any Work Session, Special or Regular Session agenda item requiring confidential, attorney/client advice necessitated by the deliberation or discussion of said items (as needed), Section 551.071 (A). Litigation / Anticipated Litigation, Section 551.072 Discuss Real Property, Section 551.074 Discuss Personnel Matters, and Section 551.087 Discuss Economic Development Matters as listed on the posted agenda. Mayor Loughmiller left the meeting at 7:18 p.m. Mayor Pro Tem Pogue recessed back into open session at 7:19 p.m.

Mayor Pro Tem Pogue called for discussion on the following work session item with no action taken:

17-420 CIP Program Updates

Council unanimously approved the motion made by Council member Rogers, seconded by Council member Branch, to adjourn. Mayor Pro Tem Pogue adjourned the meeting at 7:58 p.m.

BRIAN LOUGHMILLER
Mayor

RANDY P. POGUE
Mayor Pro Tem

JUSTIN BELLER
MHA Chairman

ATTEST:

SANDY HART, TRMC, MMC
City Secretary