



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 14-1294, **Version:** 1

Provide Information to City Council and Receive Feedback on a Proposed Community Revitalization Plan

MEETING DATE: December 15, 2014

DEPARTMENT: Housing and Community Development

CONTACT: Janay Tieken, Housing and Community Development

RECOMMENDED CITY COUNCIL ACTION:

- Provide guidance to staff on whether or not to proceed with the development of a Community Revitalization Plan (CRP).
- If yes, provide feedback to staff on the proposed boundaries of the CRP.
- If yes, provide feedback to staff on five factors identified as issues within the CRP.

ITEM SUMMARY:

- 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.
- Staff has proposed boundaries for the Community Revitalization Plan (CRP) area based loosely on the Town Center Plan and encompassing target redevelopment areas.
- TDHCA funding and tax credits may be used for the development of single family and multi-family 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) versus the 4% non-competitive, tax exempt bonds.
- The proposed boundaries of the CRP include McKinney Housing Authority properties to be redeveloped.
- 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.
- City Council does not have to support developments simply because they are within the boundaries of the CRP.

BACKGROUND INFORMATION:

- The LIHTC program's structure as part of the tax code ensures that private investors have an interest in the success of the development.
- The Community Revitalization Plan must address five of eight factors. Issues identified within the target area include: adverse environmental conditions, presence of blight (including obsolete land use or conditions that impede growth), presence of inadequate transportation or infrastructure, lack of local business providing employment, and the lack of diversity (economic, racial or multigenerational diversity).

FINANCIAL SUMMARY:

- There will be no cost, outside of staff time, for the creation of the Community Revitalization Plan.
- Plans must have funding committed to them. Any city money spent in the previous four years, within the designated boundary, on one of the factors being addressed, counts toward this requirement.

BOARD OR COMMISSION RECOMMENDATION:

- N/A