



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 16-898, **Version:** 1

Provide Information to City Council and Receive Feedback on a Proposed Community Revitalization Plan for the Redevelopment of Merritt Homes

COUNCIL GOAL: Direction for Strategic and Economic Growth

MEETING DATE: September 6, 2016

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) to assist in the redevelopment of McKinney Housing Authority property Merritt Homes.
- If yes, provide feedback to staff on the proposed boundaries of the CRP.
- If yes, provide feedback to staff on five factors to be addressed 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.
- 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 Merritt Homes and other McKinney Housing Authority properties to be redeveloped.
- If directed by Council, the Community Revitalization Plan (CRP) will be brought back to City Council for final approval before the end of 2016.
- 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 IRS tax code ensures that private investors have an interest in the success of the development during the compliance period - a minimum of fifteen years.

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 within the designated boundary, in the last four years, on one of the factors being addressed, counts toward the funding commitment.

BOARD OR COMMISSION RECOMMENDATION:

- N/A