

City of McKinney

2010-2014 Consolidated Plan and 2010 Action Plan

Presented to:



McKinney City Council



Presented by:



Rachel Thompson, Associate

BBC Research & Consulting
3773 Cherry Creek North Dr., Suite 850
Denver, Colorado 80209

1-800-748-3222

thompson@bbcresearch.com

www.bbcresearch.com

September 7, 2010

Agenda

- ① Introductions
- ② Background on the Consolidated Plan
- ③ Presentation of public input and research findings
- ④ Consolidated Plan goals and objectives
- ⑤ 2010 Funded activities (Action Plan)

Purpose of the Consolidated Plan

In 1995, the U.S. Department of Housing and Urban Development (HUD) began requiring states and local communities to prepare a Consolidated Plan in order to receive federal housing and community development funding.

The purpose of the Consolidated Plan is:

- To identify a jurisdiction's housing and community development needs, priorities, goals and strategies; and
- To stipulate how Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds will be allocated to housing and community development needs in the community.

Other HUD documents:

- Action Plan
- Analysis of Impediments to Fair Housing (AI)

Community Development Block Grant Program (CDBG)

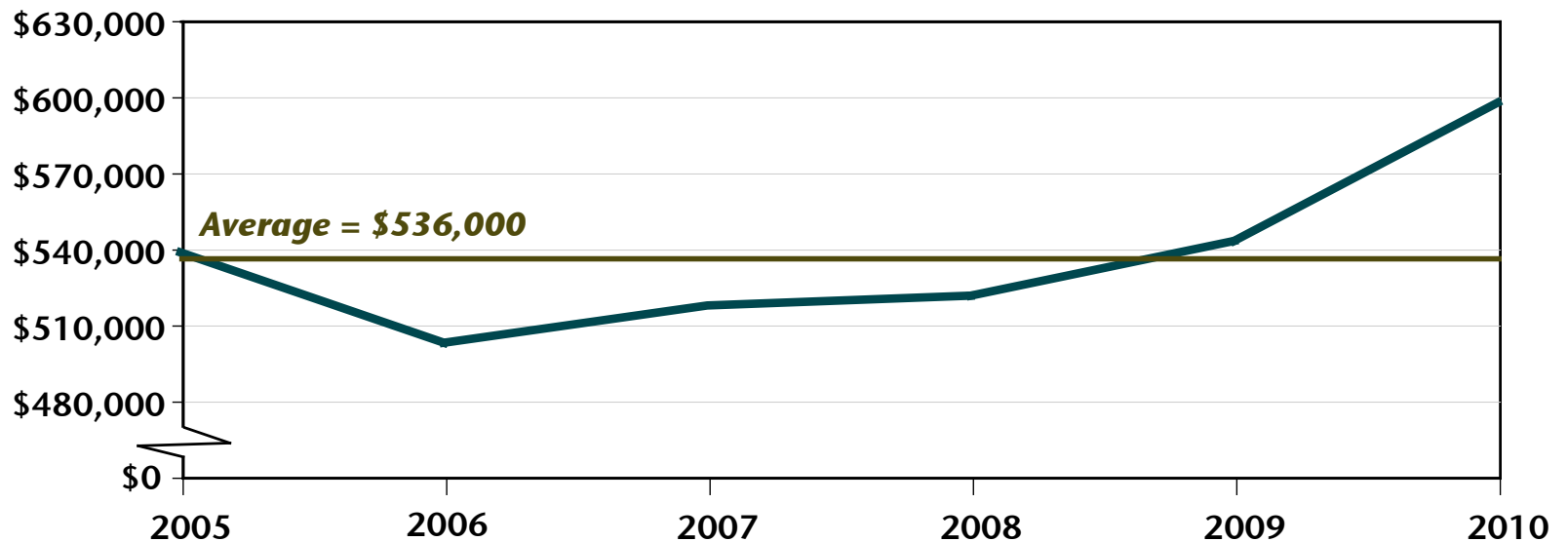
- National objectives:
 - Benefit low and moderate income persons;
 - Prevent or eliminate slums or blight; and
 - Meet other urgent community development needs.

- Can meet objectives by benefitting low to moderate income households directly or by providing funds to low to moderate income areas.



Historical Amounts of McKinney HUD Funds

- Administered by the McKinney Community Services Dept.
- Received an average of \$536,000 over the last 5 years
- FY2010 allocation: \$597,046
- City also applies for HOME funds from the state for their Down Payment Assistance program



Consolidated Plan Research Process

- **Citizen Participation Plan**
 - Community meeting – July 8th
 - Stakeholder meeting – July 9th
 - Key person interviews
 - Resident survey
 - Draft plan and comment period

- **Demographic and socioeconomic analysis**

- **Housing market analysis**

- **Analysis of special needs populations**

- **Five-year strategic plan**

Who Lives in McKinney?

Population:

Fast growing city!

- 2010 population: 126,900
- 2000 population: 54,400

Race and Ethnicity:

- Race: 80% White; 13% African American; 4% Asian
- Ethnicity: 84% Non-Hispanic; 16% Hispanic

Age:

- Large proportion of young adults (aged 25 to 44)
- Since 2000, population has aged into Baby Boomers

Who Lives in McKinney?

Income:

- 2008 median household income: \$82,403
- Higher than the State (\$50,043); equal to Collin County (\$82,395)

Poverty:

- 8% of residents living in poverty
- Highest poverty rates were for college aged adults (18%) and school aged children (12%)

Economy:

- Collin County and McKinney are attractive places for employees to locate. Economy is diverse; jobs are high paying
- Unemployment rates around 8%; better than the U.S. as a whole

Housing Characteristics

Tenure:

- 74% owner; 26% renter
- Renter concentrations in eastern portion of McKinney

Housing characteristics:

- Most housing is new, consistent with growth trends
- Primarily single family homes

Building Permits, City of McKinney, 2000 to 2009

Type	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Single family	2,239	2,554	2,150	2,795	3,005	3,400	2,978	1,662	987	943
2 to 5 units	4	0	14	0	0	0	20	22	0	0
5 or more units	0	1,109	248	280	0	434	316	54	807	1,008
Total	2,243	3,663	2,412	3,075	3,005	3,834	3,314	1,738	1,794	1,951
Single family	100%	70%	89%	91%	100%	89%	90%	96%	55%	48%
2 to 5 units	0%	0%	1%	0%	0%	0%	1%	1%	0%	0%
5 or more units	0%	30%	10%	9%	0%	11%	10%	3%	45%	52%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Census Building Permit Estimates.

Cost of Housing

Rent:

- Median rent of \$948 (2008). Would need to earn \$37,900 to afford median rent. Affordable to 42% of renter households
- Shortage of affordable rental units (1,400) for renters earning less than \$25,000 in McKinney

Owner:

- Average sales price of homes in the last 2 ½ years:
 - \$214,839 (2008)
 - \$211,233 (2009)
 - \$196,959 (2010)

Cost of Housing

Owner (cont.):

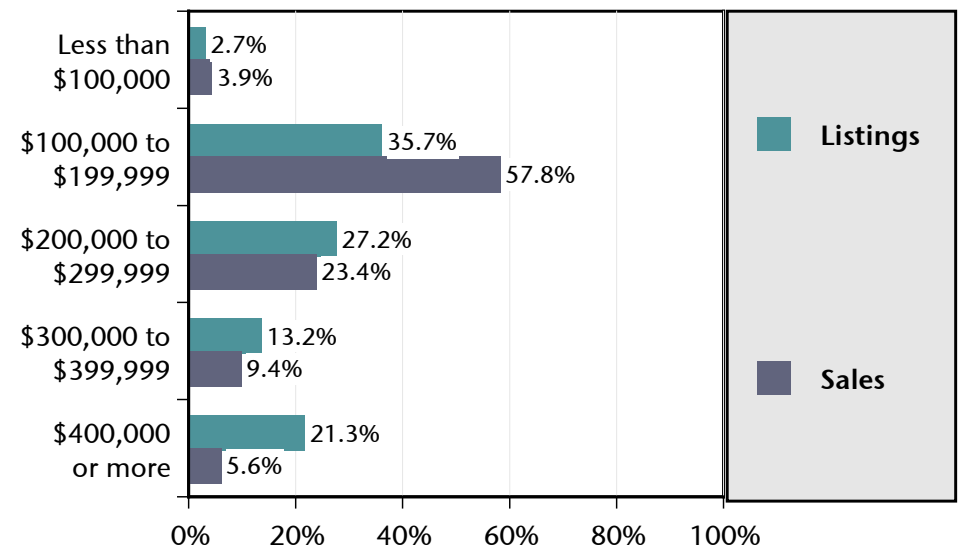
Current Listings, City of McKinney, 2010

	Number on the Market	Median Listing Price	Average Listing Price	Average Square Feet	Average Days on the Market	Average Year of Construction
Condo	6	\$ 172,450	\$ 225,150	1,997	41	2007
Half-Duplex	1	\$ 226,500	\$ 226,500	1,550	10	2010
Single Family	961	\$ 240,000	\$ 316,038	3,056	86	1998
Townhome	40	\$ 129,900	\$ 157,720	1,652	88	2006
All Listings	1,008	\$ 239,000	\$ 309,119	2,992	86	1998

Source: MLS, 2010.

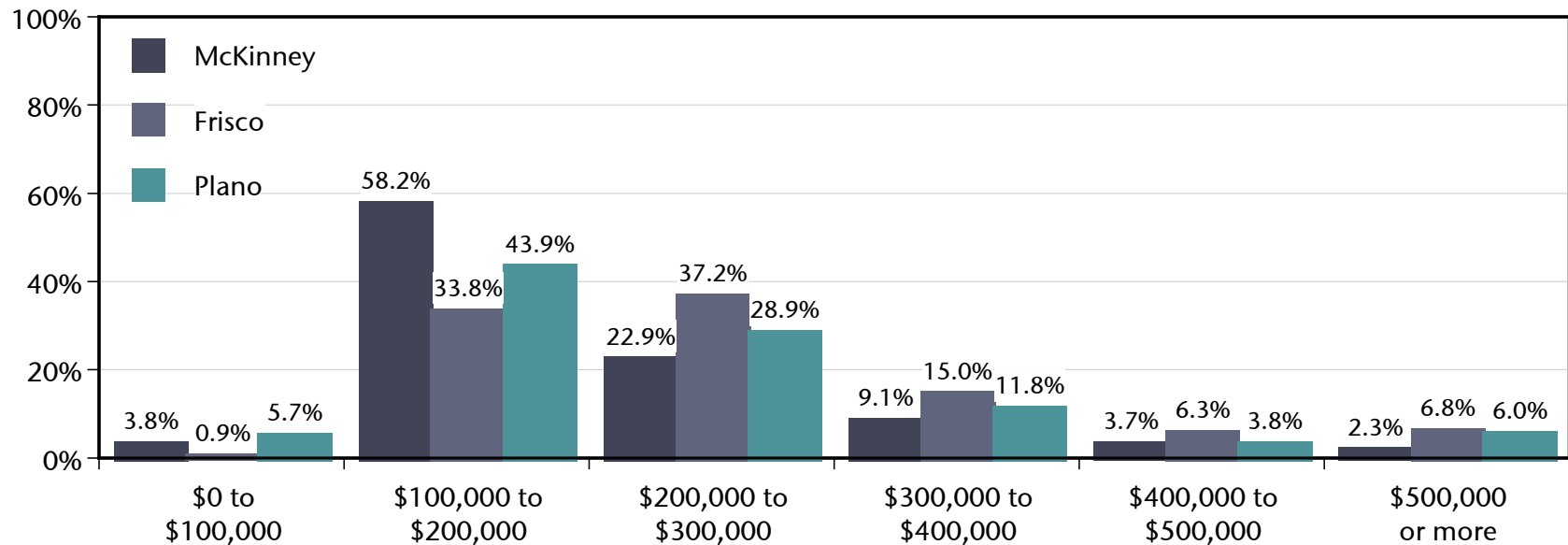
Price Distribution of 2010 MLS Listings and 2008 to 2010 MLS Sales, City of McKinney

Source: MLS, 2010.



Cost of Housing

Price Distribution of 2009 MLS Sales, Frisco, McKinney Plano, 2009



Source: MLS, 2009.

Housing Needs

How do we evaluate housing needs?

- Renters looking for affordable rental units
- Renters looking for a home to purchase
- Owners looking for another affordable home
- Level of cost-burden of renters and owners



Housing Needs

■ Renters looking for rental units:

Rental Gaps Analysis, City of McKinney, 2008

Income Range		Renters		Maximum Affordable Rent	Total Rental Units and Vouchers		Rental Gap
		Number	Percentage		Number	Percentage	
\$0	\$14,999	939	9%	\$ 275	582	5%	-357
\$15,000	\$24,999	1,917	18%	\$ 525	1,131	9%	-786
\$25,000	\$34,999	1,057	10%	\$ 775	5,340	45%	4,283
\$35,000	\$49,999	2,659	25%	\$ 1,150	2,692	22%	33
\$50,000	\$74,999	1,767	17%	\$ 1,775	1,962	16%	195
\$75,000	\$99,999	1,505	14%	\$ 2,400	279	2%	-1,226
\$100,000	\$149,999	639	6%	\$ 3,650	0	0%	-639
\$150,000	\$500,000	0	0%	\$ 3,651	0	0%	0
Total		10,483	100%		11,985	100%	

Source: 2008 American Community Survey and BBC Research & Consulting.

Housing Needs

■ Renters looking for homeownership opportunities:

Homeownership Gaps for Renters, City of McKinney, 2008

Income Range	Renters		Maximum Affordable Home Price	Current MLS Listings	Percent All Units	Cumulative Percentage Available	Units Available per Renter Household	Difference in Proportions
	Number	Proportion						
\$0 - \$14,999	939	9%	\$ 42,686	0	0%	0%	0.00	-9%
\$15,000 - \$24,999	1,917	18%	\$ 81,494	10	1%	1%	0.01	-17%
\$25,000 - \$34,999	1,057	10%	\$ 120,303	42	4%	5%	0.04	-6%
\$35,000 - \$49,999	2,659	25%	\$ 178,516	334	33%	38%	0.13	8%
\$50,000 - \$74,999	1,767	17%	\$ 275,538	230	23%	61%	0.13	6%
\$75,000 - \$99,999	1,505	14%	\$ 372,559	141	14%	75%	0.09	0%
\$100,000 - \$149,999	639	6%	\$ 566,603	139	14%	89%	0.22	8%
\$150,000 - \$500,000	0	0%	\$ 566,604	111	11%	100%	0.00	11%
Total	10,483	100%		1,007	100%			

Source: 2008 American Community Survey and BBC Research & Consulting.

Public Input Process

- **Community Meeting July 8th**
 - **Approximately 50 people in attendance**
- **Stakeholder focus group**
- **Resident survey**
 - **Online—64 surveys**
 - **Community mailing—10 surveys**
 - **Stakeholder focus group**
- **Key person interviews**

Public Input Findings

- Community facilities
- Infrastructure
- Special needs
- Community services
- Neighborhood services
- Businesses and jobs
- Housing



Public Input Findings

Identified needs:

- Special needs
 - Youth services
 - Mental health services
 - Homeless and homeless prevention services
- Community services
 - Public transportation
- Housing
 - Energy efficiency
 - Affordable rentals



Five Year Strategic Plan

Strategy 1. Improve the condition of housing occupied by the city's lowest income homeowners and preserve affordable housing stock

Strategy 2. Support organizations that assist the city's special needs populations

Strategy 3. Provide supportive services for residents who encounter homelessness or have a need of prevention

Strategy 4. Increase homeownership opportunities for low and moderate income households

Five Year Strategic Plan: Strategy 1

Improve the condition of housing occupied by the city's lowest income homeowners and preserve affordable housing stock

Objective 1: Continue to administer the home rehabilitation program, with an emphasis on the older and historic neighborhoods east of McDonald Street

2010 Goal: 16 to 20 units, \$349,081 of CDBG

Objective 2: Support programs that develop and preserve affordable housing. Continue to implement the Land Disposition Policy

2010 Goal: 40 homebuyers, \$35,000 of CDBG for lot acquisition

Five Year Strategic Plan: Strategy 2

Support organizations that assist the city's special needs populations

Objective 1: Allocate 15% of CDBG to fund the operations of a variety of social service and housing providers who assist the city's special needs populations

2010 Goal: Provide \$89,500 to local organizations

Objective 2: Continue the P.R.I.D.E. program in CDBG eligible areas

2010 Goal: Continued administration

Five Year Strategic Plan: Strategy 3

Provide supportive services for residents who encounter homelessness or have a need of prevention

Objective 1: Be involved in the Collin County Continuum of Care

2010 Goal: Monthly meeting attendance

Objective 2: Participate in homeless count

2010 Goal: Participation in subcommittee

Objective 3: Provide supportive service funds for shelter residents

2010 Goal: \$7,500

Objective 4: Continue funding programs that provide short-term rental, mortgage and utility assistance

2010 Goal: \$12,000

Five Year Strategic Plan: Strategy 4

Increase homeownership opportunities for low and moderate income households

Objective 1: Down payment assistance program

2010 Goal: 30 homebuyers, HOME estimated at \$312,000 over 2-year grant cycle

Objective 2: Provide or support housing education for low and moderate homebuyers

2010 Goal: 30 homebuyers

Objective 3: Continue the Affordable Housing Builder's Incentive program

2010 Goal: Administer the policy

Organizations funded in PY2010

City is allocating maximum 15% of CDBG for public services

<i>Organizations funded:</i>	CDBG Funding
05M — Health Services	
Community Dental Health	\$6,700
Physicians for Children, McKinney Clinic	\$5,400
Children & Community Health Center	\$7,700
5 — Public Services	
The Samaritan Inn*	\$7,500
05A — Senior Services	
Collin County Committee on Aging *	\$12,600
05D — Youth Services	
Boys & Girls Clubs of Collin County	\$6,300
Communities In Schools	\$5,400
Collin County Adventure Camp, YMCA of Metropolitan Dallas	\$5,800
05L — Child Care Services	
Holy Family School	\$5,500
05N — Abused/Neglected Children	
Children’s Advocacy Center of Collin County*	\$6,700
05O — Mental Health Services	
Health Services of North Texas*	\$6,400
05Q — Subsistence Payments	
Community Lifeline Center	\$5,200
The Salvation Army, McKinney Corps	\$6,800

Next Steps

**HUD submittal of
2010-2014
Consolidated Plan
and 2010 Action
Plan on August 16th**



Questions?