CITY COUNCIL WORK SESSION

NOVEMBER 15, 2022

The City Council of the City of McKinney, Texas met in work session in the City Hall Council Chambers, 222 N. Tennessee Street, McKinney, Texas on Tuesday, November 15, 2022 at 3:00 p.m.

This meeting was broadcast live on cable television and through the City's website on: Spectrum Channel 16; AT&T U-Verse Channel 99; and online at https://mckinney.legistar.com and the recording is available through the city of McKinney meeting archive.

Mayor George C. Fuller called the work session to order at 3:01 p.m. upon determining a quorum consisting of himself and the following members were present: Mayor Pro Tem Rainey Rogers, and Council Members Justin Beller, Rick Franklin, Charlie Philips, and Patrick Cloutier.

Council Member Geré Feltus joined the meeting during Executive Session.

These City of McKinney Staff were present: City Manager Paul Grimes, Assistant City Manager Kim Flom, Assistant City Manager Barry Shelton, Assistant City Manager Steve Tilton, City Attorney Mark Houser, City Secretary Empress Drane, City Secretary Administrative Assistant Blenda Sims, City Secretary Accreditation & Reporting Specialist Edith Ruiz, Director of Strategic Services Trevor Minyard, Director of McKinney National Airport Kenneth Carley, Facilities Construction Manager Patricia Jackson, Video Producer William Hicks, President of McKinney Community Development Corporation (MCDC) Cindy Schneible, Transportation Engineering Manager Thuan Huynh, Director of Finance Trudy Mathis, Financial Compliance Manager Chance Miller, Director of Housing & Community Development Janay Tieken, and Affordable Housing Administrator Cristel Todd.

There were approximately fifteen (15) members of the public in attendance, including Texas State House Representative of District 70 Scott Sanford and his wife Shelly Sanford, and Planning & Zoning Commissioner Scott Woodruff.

Mayor Fuller called for Public Comments on agenda items at which time no one requested to address the City Council.

Mayor Fuller called for discussion of Regular Agenda items for the City Council Regular Meeting to be held on Tuesday, November 15, 2022 at 6:00 p.m. at which time there was no discussion of said items.

Mayor Fuller called for the following Information Sharing item:

22-0976 Proclamation for Representative Scott Sanford, Texas House of Representatives District 70

Mayor Fuller presented Representative Sanford with a proclamation and gift, expressing thanks on behalf of the city for his service.

The proclamation text not included on the agenda for this work session is included in these minutes as *Appendix A – Sanford Proclamation*.

Mayor Fuller called for the following Work Session item:

22-1052 Request for City Council Feedback on Proposed Updates to Low Income Housing Tax Credit Policies and Procedures

The updated presentation related to this item is included in these minutes as *Appendix B – LIHTC Presentation (Revised)*.

Mayor Fuller called for Council Liaison Updates regarding city Boards & Commissions at which time there were no updates.

Mayor Fuller called for the Executive Session at 4:29 p.m. in accordance with the Texas Government Code:

A. Section 551.071(2) Consultations with Attorney on any Work Session, Special Session, or Regular Session agenda item requiring confidential attorney/client advice necessitated by the deliberation or discussion of said items (as needed)

B. Section 551.071 (A) Pending or contemplated litigation

C. Section 551.072. Deliberations about Real Property

- 0.4613 acres in the Meredith Hart Survey, Abstract No. 371, City of McKinney, Collin County, Texas
- Lots 7 and 9, Block A, McKinney Bridge Street Towne Center Addition, City of McKinney, Collin County, Texas

D. Section 551.074. Personnel Matters

- Police Chief Appointment Update

E. Section 551.087. Deliberation Regarding Economic Development Matters

- Project 20-09 TUPPS Brewery & Entertainment Destination

The Council returned to the open work session at 5:07 p.m. taking no action on items discussed in the Executive Session. Council unanimously approved the motion by Council Member Feltus, seconded by Council Member Cloutier to adjourn the work session at 5:07 p.m.

These minutes were approved by the City Council on December 6, 2022.

SIGNED:

_____
GEORGE C. FULLER, Mayor

ATTEST:

_____
EMPRESS DRANE, City Secretary

City of McKinney, Texas

Appendix A – Sanford Proclamation

WHEREAS, the City of McKinney is the heart of Texas House District 70, and state representation for McKinney is vital to the needs of our residents, economic prosperity, and community development; and

WHEREAS, a life-long Texan, State Representative Scott Sanford, was first elected to District 70 in 2012, serving five consecutive terms and being an active member of the 83rd through 87th State Legislative sessions; and

WHEREAS, Representative Sanford has been actively engaged with issues affecting McKinney voters and served on numerous committees including Public Education, Health & Human Services, Urban Affairs, Land & Resource Management, Juvenile Justice & Family Issues, and Corrections, and most recently Insurance, House Administration Committees, and Ways & Means; and

WHEREAS, Representative Sanford resides in McKinney, Texas, with his wife Shelly, is the father of two children, all of whom are proud Baylor Bears. Professionally, Representative Sanford has served the Cottonwood Creek Church with his family in Allen, Texas, since 1997, where he is currently the Executive Pastor; and

WHEREAS, in his retirement from the State House of Representatives, we thank Scott Sanford for his contributions to the betterment of all Texans and wish him the very best in enjoying time with his family and continuing his faith-led service.

NOW, THEREFORE, I, GEORGE C. FULLER, BY THE POWER VESTED IN ME AS MAYOR OF THE CITY OF MCKINNEY, TEXAS, DO HEREBY PROCLAIM NOVEMBER 15, 2022, AS THE DAY RECOGNIZING

STATE DISTRICT 70 REPRESENTATIVE

SCOTT SANFORD

OF THE TEXAS HOUSE OF REPRESENTATIVES

IN MCKINNEY, TEXAS, WITNESS MY HAND AND SEAL THIS DAY, NOVEMBER 15, 2022.

(end of Appendix A)

Begin *Appendix B – LIHTC Presentation (Revised)* on next page

City of McKinney

Low Income Housing Tax Credit (LIHTC) Program and Policies

Janay Tieken

Housing & Community Development Director

November 15, 2022

Agenda

- Low Income Housing Tax Credit (LIHTC) Program Overview
- Low Income Housing Tax Credits in McKinney
- McKinney Low Income Housing Tax Credit Policy

Low Income Housing Tax Credit (LIHTC) 9% and 4%

- What is a LIHTC?
  - Tax credits are awarded to eligible participants to offset a portion of their federal tax liability in exchange for the production or preservation of affordable rental housing. The value associated with the tax credits allows residences in HTC developments to be leased to qualified households at below market rate rents.
  - Two types: 9% and 4%
    - 9% tax credits are competitive and will be received in January and will require a Resolution of Support from City Council by March 1, 2023 to move forward in the process
    - 4% tax credits are "non-competitive" and may be applied for at any time during the year but must apply for and receive an allocation from the state tax-exempt multifamily housing bond program.
    - 4% tax credits = MHFC Co-development – receives 4% tax credits AND receives tax exemption from partnership. MHFC Corporation receives developer fee and cash flow from project which can be used to "further affordable housing"
  - 9% require a Resolution of Support from City Council
  - 4% require a Resolution of No Objection from City Council

What is "affordable" and who can afford it?

For a Family of Four (4):

- 30%: $29,200 Personal care aides, fast food workers, housekeepers, childcare workers, teachers aides, manicurists
  - $729 Monthly Housing Payment
- 50%: $48,700: Maintenance workers, construction workers, machine operators, salespersons, administrative staff
  - $1,217 Monthly Housing Payment
- 80%: $77,900: Government employees, teachers
  - $1,947 Monthly Housing Payment
- 100%: $97,400: Healthcare professionals, legal
  - $2,435 Monthly Housing Payment
- 120%: $116,880: Computer and mathematical, architects, engineers
  - $2,919 Monthly Housing Payment

Earnings reflect % of Average Median Income (AMI).

McKinney Multifamily Rents

FY2023 Small Area FMRs For Dallas, TX HUD Metro FMR Area

Dallas, TX HUD Metro FMR Area Advisory Small Area FMRs By Unit Bedrooms					
ZIP Code	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
75069	$1,250	$1,320	$1,560	$1,970	$2,560
75070	$1,560	$1,640	$1,940	$2,440	$3,190
75071	$1,720	$1,810	$2,140	$2,700	$3,520
75072	$1,480	$1,560	$1,840	$2,320	$3,020

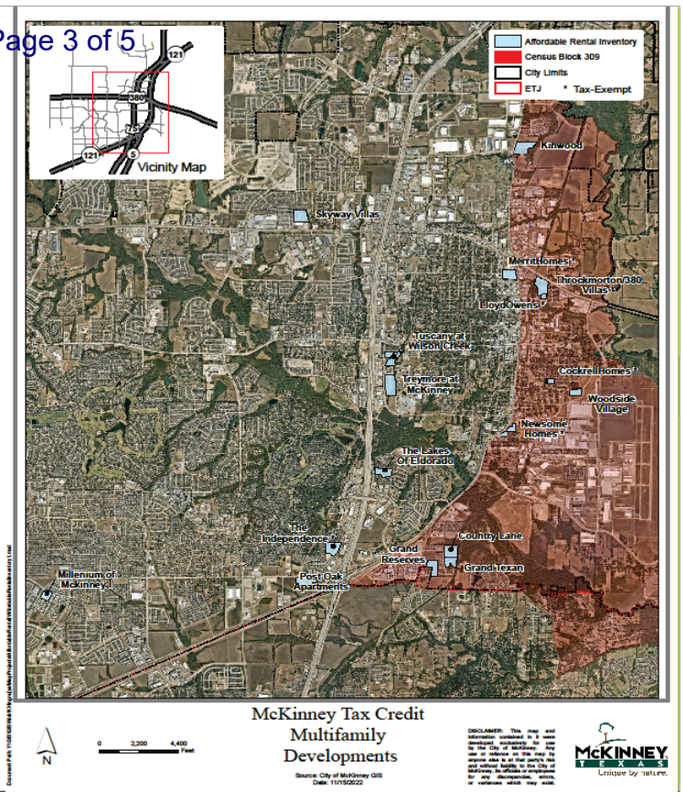
Fair Market Rents: Effective 10/1/22 Department of Housing and Urban Development

McKINNEY TEXAS
Unique by nature.

Collin County Low-Income Tax Credit Housing Units

	Est. 1/1/2022 Population (NCTCOG)	# of LIHTC Units	# of LIHTC Units per capita	Tax Credit Units per Capita - Rank
Anna	20,980	593	1 for 35	1
Farmersville	4,290	85	1 for 50	2
McKinney	206,460	2,549	1 for 80	3
Melissa	18,030	175	1 for 103	4
Plano	290,850	1,918	1 for 151	5
Princeton	21,760	107	1 for 203	6
Frisco	217,470	404	1 for 538	7
Allen	104,870	94	1 for 1,116	8

McKinney LIHTC Property Map



McKINNEY TEXAS
Unique by nature.

Possible LIHTC Metrics

Case by Case

No Metric

Decrease

1/150 (Plano)

Maintain

1/80 (McKinney)

Grow

1/50 (Farmersville)

Council Direction Requested

LIHTC Policy

- Provides the administrative procedures by which the City will review Low Income Housing Tax Credit project resolutions
- Requires an application
- Requires an evaluation of different criteria
- Some non-substantive changes proposed to provide clarity.
- Two substantive changes for Council consideration.

McKINNEY TEXAS
Unique by nature.

Substantive Issue #1 – Zoning

Current Policy Language
Whether the development at the proposed location constitutes an approved land use under the City's zoning ordinance provisions and whether the development's proposed land use change, if applicable, at the proposed location, is consistent with the City's Comprehensive Plan and housing priorities.

Whether the applicant is in process of seeking the appropriate zoning from the City and has signed and provided to the City a release agreeing to hold the City and all other parties harmless in the event that the appropriate zoning is denied.

Current Practice
Zoning in place prior to resolution review.

Substantive Issue #1 - Zoning

Maintain
(Not Recommended)

Align Policy with Practice

Amend policy language to reflect requirement that Zoning is in place first.

Align Practice with Policy

Maintain policy language. Implement use of hold harmless for projects in zoning process.

Council Direction Requested

Substantive Issue #2 -Income

Issue

Some properties use minimum income requirements to disqualify voucher applicants, even though voucher program would pay for rent. This has also been a challenge in finding Rapid Rehousing units.

Possible Policy Addition

Does developer pledge that development will not impose minimum income requirements on potential residents utilizing Housing Choice Vouchers, Tenant Based Rental Assistance voucher or other government funded rental assistance programs?

Council Direction Requested

Next Steps

- Revised LIHTC Policy language per direction on Council Regular Agenda for 12/6/22.

McKINNEY TEXAS
Unique by nature.

(end of Appendix B)