



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 21-1087, **Version:** 1

Consider/Discuss Potential Updates to the McKinney Historic Neighborhood Improvement Zone (HNIZ) Program

COUNCIL GOAL: Enhance the Quality in McKinney
(5D: Promote reinvestment activities and ordinance changes in McKinney's historic downtown that balance preservation of historic character and current market needs)

MEETING DATE: December 7, 2021

DEPARTMENT: Development Services - Planning Department

CONTACT: Paula Nasta, AIA , Planning Manager
Jennifer Arnold, Director of Planning

RECOMMENDED CITY COUNCIL and HPAB ACTION:

- Consider/discuss options for updating the Historic Neighborhood Improvement Zone (HNIZ) Program.

ITEM SUMMARY:

- Earlier this year, Staff presented an update on the current state of the HNIZ Program, including considerations for improving the overall longevity and administration of the program.
- Since that time, staff has worked to research and develop options to improve the HNIZ Program.
- During tonight's Joint Meeting, we look forward to receiving feedback and direction from the Council and Historic Preservation Advisory Board on these potential improvements.

BACKGROUND INFORMATION:

- In 2007, the McKinney City Council worked through a committee to create a program to support investment in the diverse housing mix in historic McKinney.
- In 2008, the McKinney City Council approved a three-tiered, time limited tax exemption program, known as the Historic Neighborhood Improvement Zone (HNIZ) program, offering ad

valorem tax exemptions for residential property owners that invested in maintenance and/or rehabilitation of their property.

- As part of the HNIZ program, an aggregate cap of \$50,000 of the total amount of City property taxes which could be exempted in any budget year was established to limit potential budgetary concerns. The annual cap would be reached on a “first come, first served” basis. The program could also be suspended for budgetary considerations.
- In 2013, 2015, and 2018 the City Council approved amendments to raise the aggregate cap from \$50,000 to \$250,000. Program amendments also included reducing the number of years for the 100% Level 1 exemption from 15 years to 7 years for any new Level 1 exemption.
- The program has grown from 3 homes in 2008 to 137 properties today. On average, the program, has added 10 houses per year.