



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 22-0699, **Version:** 1

Consider/Discuss/Act on an Ordinance Amending the Fiscal Year 2021-2022 Annual Budget to Provide Funds for the Community Land Trust

COUNCIL GOAL: Enhance the Quality of Life in McKinney
5E: Develop Sustainable Quality of Life Improvements Within the City of McKinney

MEETING DATE: August 2, 2022

DEPARTMENT: Housing and Community Development

CONTACT: Janay Tieken, Director of Housing and Community Development

ITEM SUMMARY:

- This Ordinance amends the Fiscal Year 2021-2022 Annual Budget by appropriating \$1,000,000 from the General Fund balance to provide funding support to qualified and approved Community Land Trusts (CLTs).
- A Community Land Trust (CLT) was identified as a tool by the Root Policy Study for the development and preservation of affordable, single-family homes.
- The Council approved program guidelines for qualified CLT's earlier this year.
- Habitat for Humanity is creating a nonprofit Community Land Trust to develop and preserve affordable housing for those earning 80% - 120% of Area Median Income, within the City of McKinney. They are interested in requesting some of the City funds.
- The terms and conditions of the Community Land Trust agreement between the City of McKinney and Habitat for Humanity of North Collin County, including recommended amounts, will come to City Council at a later date.
- City funds may be used to support several CLT efforts depending on interest and qualifications.

BACKGROUND INFORMATION:

- Approved Community Land Trust organizations will set the terms for the ground lease (usually 99 years) and options for resale to maintain affordability under the CLT.
- The Community Land Trust organization locks the subsidy and part of the appreciation into the assisted homes, thereby maintaining affordability and lowering their price for the next income qualified homebuyer.

FINANCIAL SUMMARY:

- Initial funding for the Community Land Trust land purchase is \$1,000,000.
- This Ordinance amends the Fiscal Year 2021-2022 Annual Budget by appropriating \$1,000,000 from the General Fund balance to provide funding for the Community Land Trust.

BOARD OR COMMISSION RECOMMENDATION: N/A