

McKinney Housing Authority

A SMALL PHA'S JOURNEY FROM HOUSING ADMINISTRATOR
TO DEVELOPER

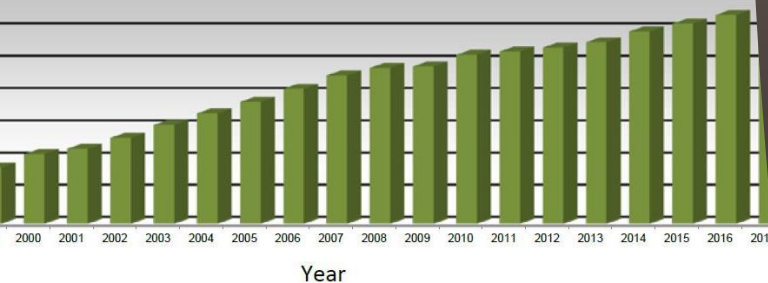


McKinney, TX



- ▶ The McKinney Housing Authority is in McKinney, Texas just 30 miles north of Dallas, TX.
- ▶ McKinney was listed as the #1 best place to live in the country in Money Magazine 2014.
- ▶ McKinney is the most affordable city in the U.S. due to a low cost of living and high median income according to a new analysis by The Motley Fool 2024.
- ▶ McKinney is a “High Opportunity Area.”

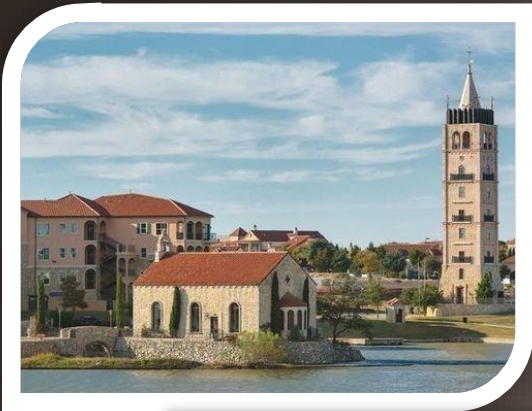
Population Estimates (1998-2018)



The population boom has resulted in development all over the city. The west side which was largely undeveloped farm land, has transformed the small country town. The heart of the city located downtown east of 75 holds fast to its older architecture and small town feel. The area surrounding it is slowly moving toward refacing and new development.

West of Hwy 75

East of Hwy 75



MHA Properties



1. Strategic Plan



Improve Aging Housing Stock

- ▶ In 2012, a new board and management staff sat down with residents and other city stakeholders to discuss options.
- ▶ We invited developers, energy efficient planners, choice neighborhood consultants and others to present model plans and ideas.

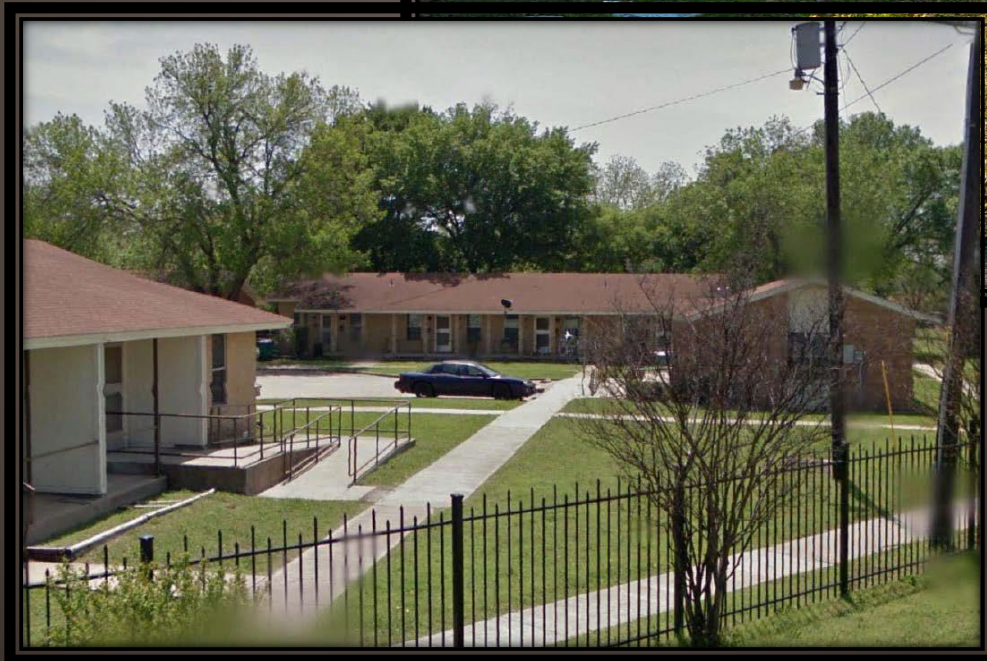
Explore Options

- ▶ MHA staff attended a RAD information session at Fort Worth HA along with other agencies.
- ▶ MHA challenged our city leadership teams to draft a model plan for our properties.
- ▶ MHA sat down with city leaders and non profits to discuss the state of affordable housing in our city.
- ▶ MHA worked with ICP to address housing choice in the city.
- ▶ MHA joined the regional AFFH committee to actively engage residents in the community and evaluate options for affordable housing across the region.
- ▶ MHA evaluated component unit options along with corporation formations.

2. Choose a Target Project and Focus

- ▶ Newsome Homes
- ▶ Failing sewage and plumbing lines
- ▶ Blight
- ▶ The units have limited ventilation.
- ▶ The property is not ADA compliant.
- ▶ The overall infrastructure has exceeded its life expectancy





3. Engage Your Residents & Stakeholders



Residents & Advocates

Residents & Advocates joined MHA to petition the City to approve and help fund our Newsome project.



HUD RAD & Local Field Office

Like Star Wars, the RAD team and the local field office worked with us to help navigate the new dimensions of opportunity.



Consultants/Development Partners

Fort Worth Housing was a great partner and mentor to our board and staff in walking out the process. Our development team and consultants provided the expert capacity we lacked. This partnership carried us over the finish line.

When we work Together,
Nothing Is Impossible....



4. Increase Your Capacity



Where **there** is no counsel, the people fall; But **in the multitude of counselors there** is safety.

NAHRO and other industry advocates and consultants have tools, consultants and experience to help your agency to achieve project success.

Follow your procurement requirements and allow these vendors to present proposals to your board and residents.

Attend conferences and webinars. Educate the board, staff and residents.

Thoroughly vet your consultants and vendors!



5. Consider the Cost

Redevelop

For the building of an apartment building with twelve units, the typical costs include: With mid-range materials, a normal foundation with full basement, efficient doors and windows, all appliances, and "turnkey" finishing would run at an average of **\$64,575** to **\$86,100** per unit to complete.

Rehab

CFP Funds –
Grants
Aging Infrastructure
Asbestos Remediation
Physical Needs
Assessment

Funding Sources

OIG Finding
HUD
Grants
Community
Development
Corporation
CDBG Funds
CRA Funds
Tax Credits
Is your land your
Leverage



Consider the Cost

Agency Staff

How will this effect our staff/budget?

Will we have to lay off?

Do we have the capacity to manage?

Does my concern for my personal finances supersede the mission of the agency and the service to my community?

Management Companies

Who are the management companies doing this work?

Are they familiar with RAD?

Can they hire and train our staff?

Policies

What changes to our policies will we have to make?

How does RAD impact our residents?

Will HUD fund us during the transition?



Newsome Homes 4% Tax Credits 33% PBRA

Total Units

180

Uses

Sources

Demo Costs	500,000		
Construction Costs	14,754,726	Debt	9,466,333
Relocation Costs	460,800		Development Fee Waivers
			700,000
Other Soft Costs	3,499,670		Def Dev Fee
Development Fees	700,000	Tax Credit	360,000
			Equity
Reserve	598,990	MHA Funds	9,273,226
Developer Fees	1,800,000		500,000
			AHP Grant
			250,000
			MCDC (Awarded)
			450,000
			CDBG (Awarded)
			100,000
			TIRZ
			125,000
			Required City Commitment
			1,089,627
<i>Total Uses</i>	<i>\$22,314,186</i>	<i>Total Sources</i>	<i>\$22,314,186</i>

6. Evaluate Your Efforts



Pros:	Cons:
Community Support	Insurance Cost since 2021
Dignity & Quality of Life	Labor Cost since 2021
Decreased Health Risk	Management Fit
Increased Quality Housing Stock	Resident Transition
Asset Value	PBRA OCAF Adjustment



NEWSOME HOMES

A MCKINNEY HOUSING AUTHORITY & CARLETON
RESIDENTIAL PROPERTIES DEVELOPMENT





55 & Older – 180 unit property

This RAD development allowed MHA to redevelop 31% of our aging housing stock and increase the number of affordable housing units in our city by 116 units.

Project Time Line – 2012-2017

Fitness Room

Community Room

Media Room



The Grand Opening

The event was held 14 months after the ground breaking. It was 93% leased at that time and currently has a waiting list. This project helped the housing authority and the city's housing development department to develop an affordable housing development policy. Together we are proudly working to serve McKinney.





*Merritt McGowan Manor
McKinney, TX.*

Print #191202047

Date: 12/02/19

Lat/Lon: 33.209128 -96.613831

Order No. 6635



Aerial Photography, Inc. 954-568-048

PHASE II – Merritt Homes



RAD in McKinney, Texas

DIGNITY AND PRIDE IN PUBLIC HOUSING

Community Support