

EAST MCKINNEY NEIGHBORHOOD PRESERVATION STRATEGY

City Council Work Session
December 6, 2022



Economic & Planning Systems, Inc.
The Economics of Land Use

730 17th Street, Suite 630 ■ Denver, CO 80202
303.623.3557 ■ www.epsys.com

ABOUT EPS

EXPERTISE

REAL ESTATE ECONOMICS

PUBLIC FINANCE

LAND USE & TRANSPORTATION

ECONOMIC DEVELOPMENT & REVITALIZATION

FISCAL & ECONOMIC IMPACT ANALYSIS

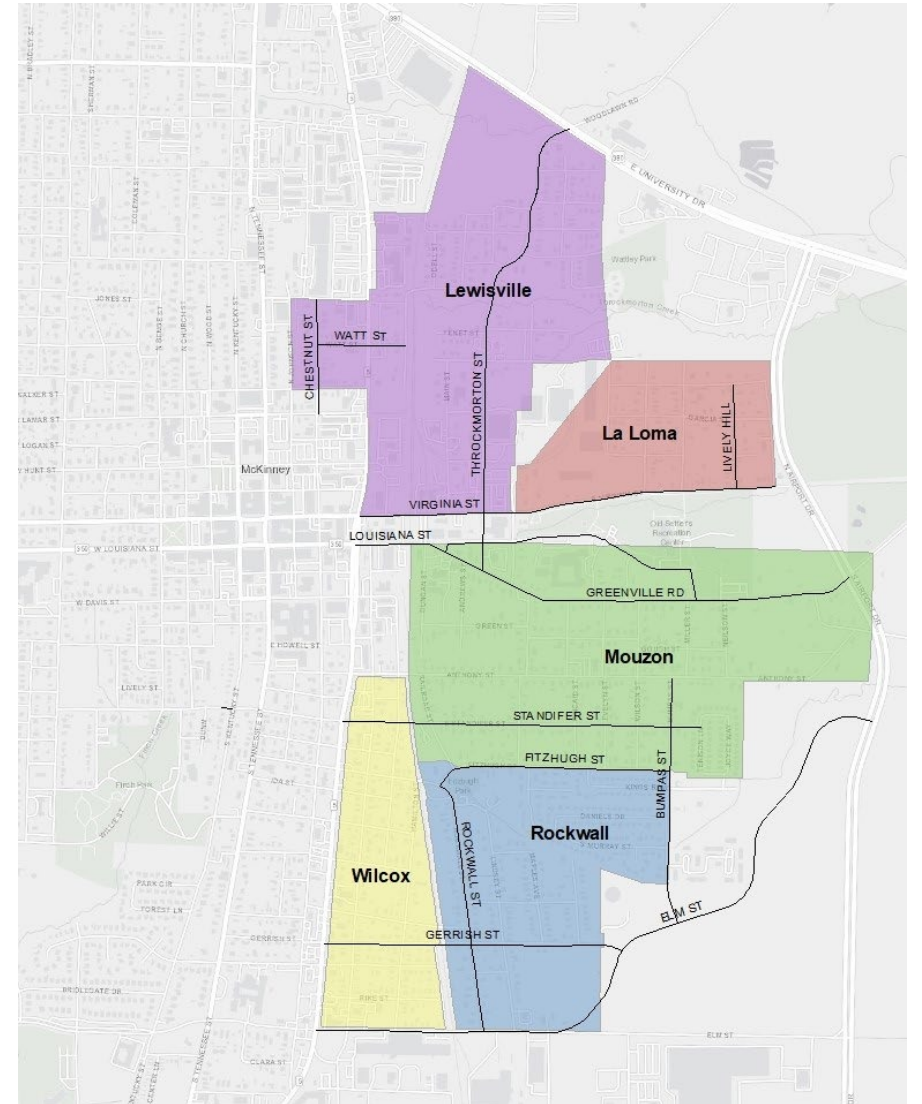
HOUSING POLICY

PUBLIC-PRIVATE PARTNERSHIP (P3)

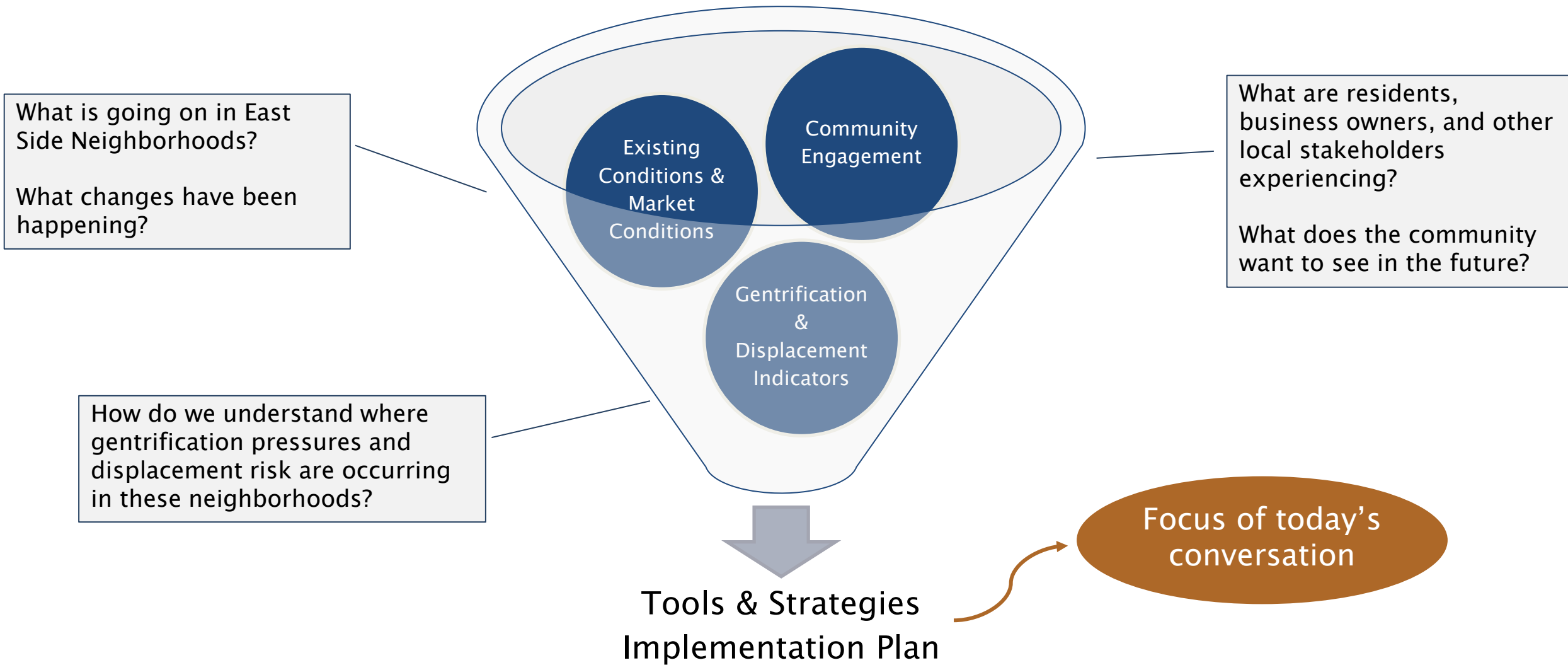
PARKS & OPEN SPACE ECONOMICS

WHY A NEIGHBORHOOD PRESERVATION STUDY?

- Growth pressure in East McKinney
 - TUPPS Brewery
 - Municipal Complex
 - Other new projects and redevelopments
- Need to ensure preservation of neighborhoods – housing and residents
- Develop strategies that allow for new development that keeps with the character of existing neighborhoods
- Identify tools to prevent displacement



PROJECT OVERVIEW



PROJECT OUTCOMES

Neighborhood Preservation Study



KEY QUESTIONS FOR TODAY'S SESSION

- What are priority areas to address?
 - City
 - Nonprofits
 - Private sector
- How can the City make each entity as effective as possible?
 - What combination of incentives, requirements, and investments will the City consider?
 - What are the most effective tools for the City to utilize?
- How does the City prioritize these goals?
 - How do we phase actions? (short / long term)
 - Considerations include community need, Council priorities, resource availability, and partnership opportunity

EXISTING STRATEGIES AND RECENT CONSIDERATIONS

Longstanding programs

- Rehab/repair program
- MHFC co-development
- Surplus and tax-foreclosed land disposition policy
- Historic Neighborhood Improvement Zone (property tax relief)

New Considerations

- Neighborhood association
- Access to attorney support for title issues
- Community Land Trust (CLT)
- Public Facilities Corporation (PFC)

Which are relevant to East McKinney needs and opportunities?
What should be expanded/enhanced? What else can be done?

EXISTING CONDITIONS – KEY THEMES

Residents of East McKinney are vulnerable to displacement in several ways

- East McKinney lags the rest of the City in terms of economic and social well-being.

Home sale prices are high and have been increasing, particularly relative to household incomes, and are especially high when considered per square foot

- Market pressure in East McKinney is increasingly limiting the ability for residents to move from renting into homeownership. At the same time, rents in the area are high and so the cost increase from renting into owning may not be as significant as it used to be.

Since 2010 there has been a significant shift to rental from homeownership in East McKinney, increasing the vulnerability of the population to displacement

- This shift, particularly in conjunction with other trends and factors, makes preservation and stabilization more important but also more challenging.

As the City reaches buildout of greenfield development sites, pressure will increase on infill locations

- East McKinney has a significant amount of land in and around the area, and proximity to the successful historic Downtown area is likely to fuel ongoing demand pressures.

When developers look for redevelopment opportunities, given cost differential and availability of tracts of scale, they are more likely to seek out industrial/commercial sites

- Given the availability of these sites in the East McKinney area, the desired future of these areas will be a key consideration in development of the preservation plan.

COMMUNITY NEEDS

1. Improve housing quality

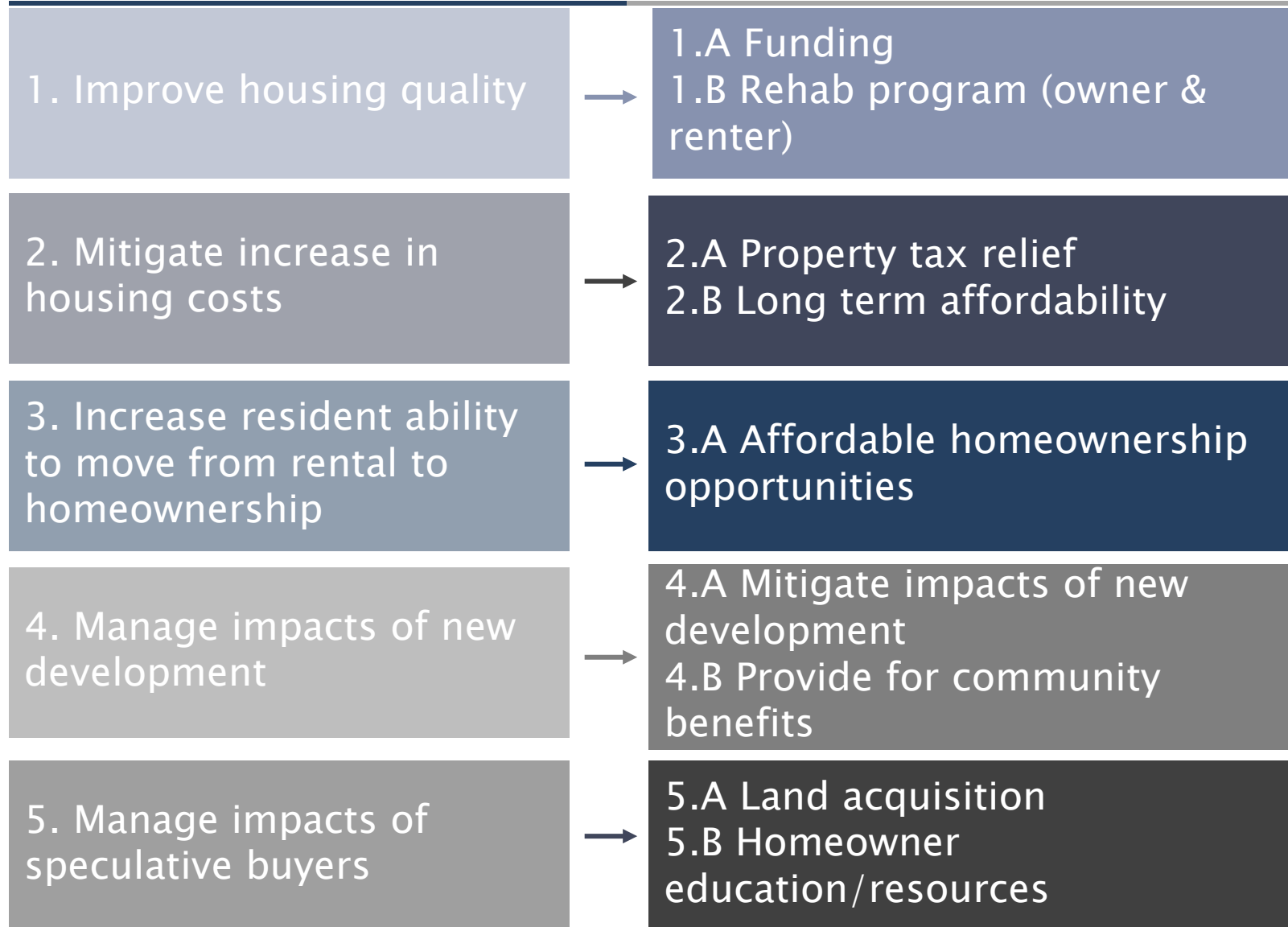
2. Mitigate increase in housing costs

3. Increase resident ability to move from rental to homeownership

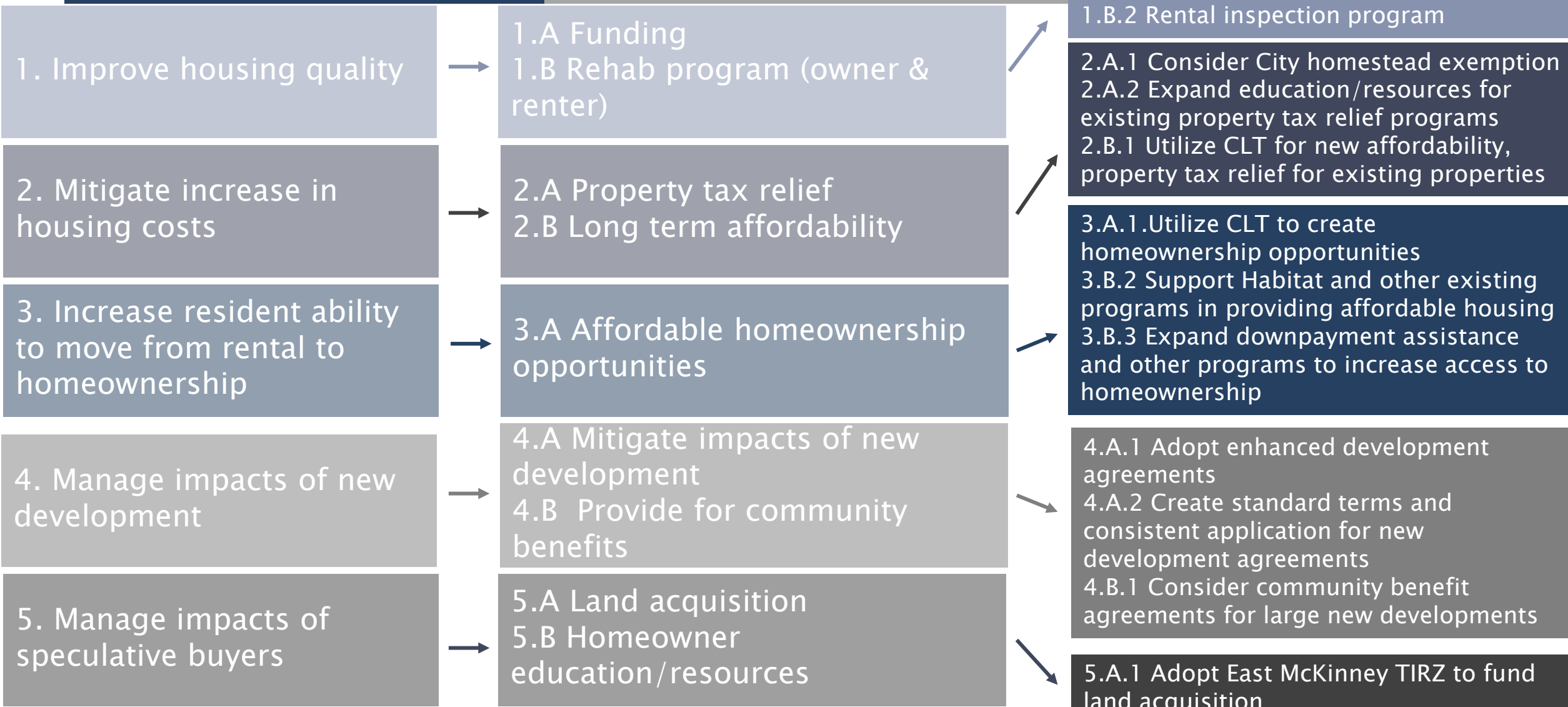
4. Manage impacts of new development

5. Manage impacts of speculative buyers

POLICY AND STRATEGY NEEDS



POLICY AND STRATEGY ACTIONS



CITY CAN SUPPORT MULTIPLE ENTITIES IN TAKING ACTION

Public

- Invest in existing structures and residents
- Address public infrastructure needs
- Seek opportunity for property acquisition/ownership

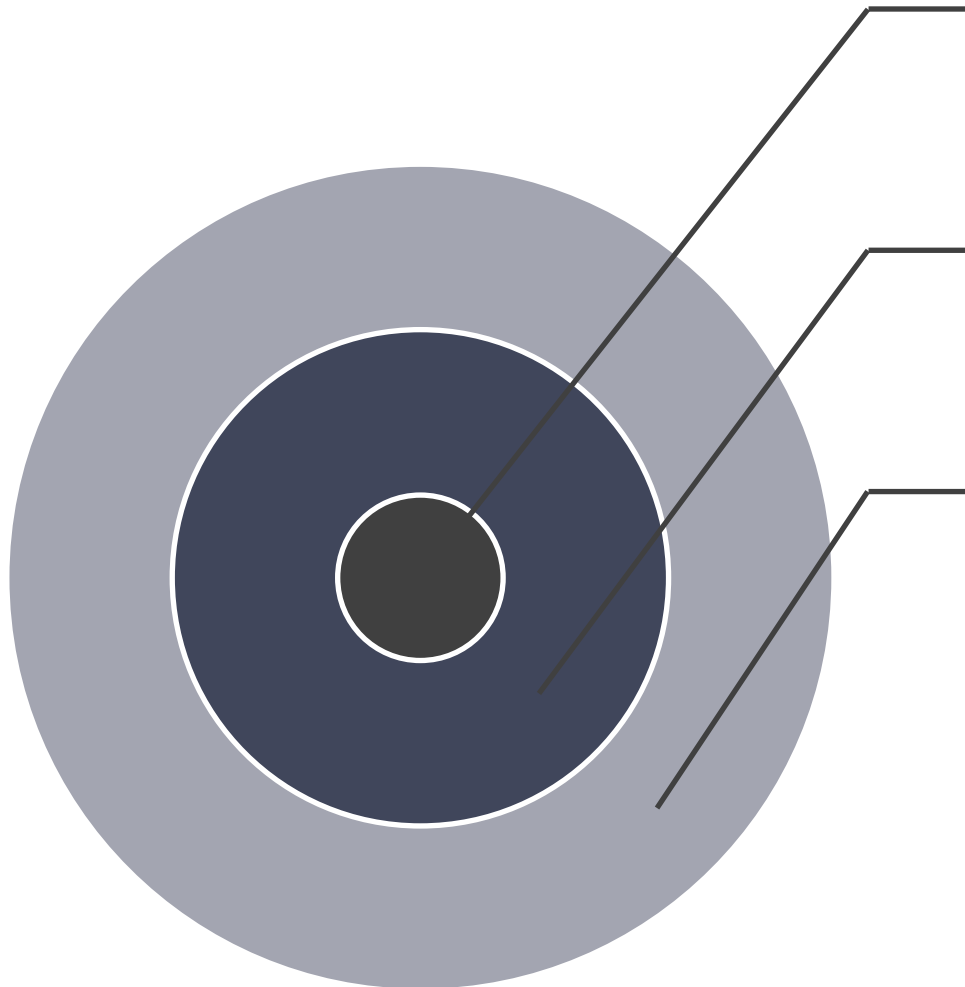
Private

- Land use policy that, in turn, creates affordable housing
- Funding and financing tools and policy to leverage private capital
- Leverage market conditions to advance community goals

Nonprofit

- Securing land for future development
- Targeted programs for lower income residents
- Partnerships that bridge different entities

PRIORITIZATION & ACTION PLAN



Expand Existing Tools

- Build off current success
- Utilize existing infrastructure
- Enhance funding to expand programs

Adopt New Tools

- Address challenges specific to East McKinney
- Utilize City resources and capacity

Partnerships

- Provide support to organizations working in East McKinney
- Work together with organizations to best utilize strengths and capacities of each group (e.g. funding, program flexibility, etc.)

KEY QUESTIONS FOR TODAY'S SESSION

- What are priority areas to address?
 - City
 - Nonprofits
 - Private sector
- How can the City make each entity as effective as possible?
 - What combination of incentives, requirements, and investments will the City consider?
 - What are the most effective tools for the City to utilize?
- How does the City prioritize these goals?
 - How do we phase actions? (short / long term)
 - Considerations include community need, Council priorities, resource availability, and partnership opportunity

NEXT STEPS

- Incorporate Council feedback and priorities, along with community input, into draft action plan
- Work with staff to refine action plan
- Compile full Neighborhood Preservation Study report