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City of Plano, Texas *Housing Study*

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Each of the interviewees and focus group participants took time to speak with us and discuss the housing challenges and opportunities facing the City of Plano.

CITY OF PLANO HOUSING STUDY

STUDY STRUCTURE

This section of the study presents an overall introduction to the project, its purpose, and role in helping analyze and understand the housing market in the City of Plano, Collin County, and the Dallas Metropolitan Statistical Area (MSA) Region.

Introduction

Across the City of Plano, and nationally, home prices have risen over the last decade. The recovery from the Great Recession (2008) and the Covid-19 pandemic has led to a general uptick in homebuying and renting. In many markets, supply has not kept pace with demand, which is only expected to increase over time. Home values and rents have risen at a faster rate than wages in many communities, leaving families and individuals priced out of the housing market.

Housing affordability and price security are critical components for creating places where residents can live comfortably without feeling stretched financially. As housing prices and rents rise alongside most other monthly expenses, households are having a tough time adjusting to changes in the cost of living. This creates a situation where households become cost burdened and end up spending more than the recommended 30% of their monthly income on housing-related costs. For cost burdened households, this can create a ripple effect where other monthly expenses are scaled back or cut out completely. Food, healthcare and wellness, transportation, and childcare are some basic household needs that can go unmet in the face of rising housing costs.

Understanding the economic landscape including industry composition and wages can help policymakers identify needs and direct the requisite resources towards priority areas. Across the City of Plano, economic opportunity varies as do incomes, but a central commonality is that housing is a fundamental need which also defines a community – a collection of households living in an area. Ensuring that housing is available and affordable to all income levels is critical for growing and sustaining a community.

Project Purpose

The goal of the City of Plano’s Housing Study is to analyze, identify, and prioritize needs and gaps in the rental and for-sale housing market. This study, convened by the City of Plano, aims to paint a picture of the housing landscape for both the city and the Region through rigorous quantitative and qualitative data analysis and synthesis. The results will help decision makers adjust, add, or reconfigure existing programs and strategies to match the needs of current and prospective residents.

Role of Study

The City of Plano’s Housing Study is a compilation of city and regional analyses relating to demographics, socioeconomics, and housing. It identifies data points and highlights key findings.

The purpose of the document is to allow policymakers at the local and regional level to understand the historical, current, and future challenges to housing across the City of Plano. The quantification of issues, especially those related to housing supply and demand, are important for imparting regional change. Please note that the terms “affordable,” “attainable,” and “workforce” housing are used interchangeably throughout the document to generally describe housing that is priced to households with average or below average incomes.

The study utilizes knowledge gained from extensive data analysis to examine the challenges facing the housing market. The study identifies housing barriers and gaps and has a housing strategy section that groups strategies by topic which address identified issues in the housing market.

CITY OF PLANO HOUSING STUDY

PLANS DEVELOPMENT PROCESS

This section outlines the process and methodology undertaken to complete the City of Plano Housing Study. Information outlined in this section includes data gathering techniques and finding, general outcomes, and a description of the public participation process.

Study Methodology

To undertake the City of Plano Housing Study, a variety of methods and data sources were utilized to understand and analyze the existing demographic and housing needs, as well to project future housing needs. The methodology included both quantitative and qualitative research.

Data Gathering Techniques and Finding

Data was generally collected and used in a manner that allows for replication of the analysis. RKG mostly utilized public data sources to conduct the housing analysis. The key data sources used throughout the analysis were the American Community Survey, U.S. Census, OnTheMap, National Historic Geographic Information System, U.S. Department of Housing and Urban Development, Plano and Collin County Homelessness Data, Federal Reserve Bank of St. Louis, Collin County Assessment Database, Multiple Listing Service, and Zillow. The housing study heavily relied on these public data sources to investigate Plano’s demographics, socioeconomics, and housing supply and demand.

As part of the economic analysis, proprietary data was obtained from Lightcast. This data was used to understand the occupations and wages found in Plano and compare it to public data related to housing prices for an affordability analysis.

General Outcomes

The Plano Housing Study resulted in a rigorous and highly defensible and replicable analysis of the city’s housing needs and gaps. An outcome of the analysis was the creation of specific strategies and recommendations to address identified housing needs. Additionally, a step-by-step action matrix was created, along with a timeline and funding requirements to help policy makers actualize the recommendations.

CITY OF PLANO HOUSING STUDY

PRIOR PLANS AND KEY FINDINGS

Previous plans and market studies addressing housing issues have been completed in Plano over the last decade. This section of the study provides an overview of key findings from three prior studies that include:

- Plano 2021 Comprehensive Plan
- Housing Value Retention Analysis,
- Downtown Plano: Vision & Strategy Update, July 2019 Report

Housing Plano Comprehensive Plan

The Plano 2021 Comprehensive Plan is a detailed study that provides a framework to guide the city's development over the next two to three decades. It builds upon previous planning efforts, addressing key issues such as land use, transportation, housing, economic development, and sustainability and provides specific policies and action steps. These policies are aimed at ensuring balanced growth, enhancing quality of life, and maintaining economic resilience while adapting to the city's status as a mature, largely developed urban area.

The plan emphasizes redevelopment and growth management by promoting sustainable urban planning, improving transportation infrastructure, and revitalizing aging retail centers and neighborhoods. Housing diversity is a key focus, encouraging a mix of housing types to accommodate changing demographics, including younger professionals, and aging residents. Transportation strategies include expanding bike lanes, improving public transit, and implementing smart traffic management to enhance mobility and reduce congestion. Additionally, the plan incorporates environmental policies, such as water conservation, waste minimization, and stormwater management, to support long-term sustainability.

A major feature of the plan is the Future Land Use Map, which categorizes different areas of the city based on their development potential, zoning requirements, and environmental impact. The plan also emphasizes community engagement, ensuring that local residents and businesses have a voice in shaping the city's future. By integrating smart growth strategies, economic diversification, and sustainability initiatives, the plan hopes to help Plano maintain its reputation as a leading city for business, education, and quality of life.

Housing Value Retention Analysis

The Housing Value Retention Analysis examines the factors affecting Plano's housing market and provides strategies to maintain property values and neighborhood stability. With less than 1% of land available for new residential development, the focus has shifted to revitalizing aging housing stock built between 1970 and 2000. The study highlights concerns such as neighborhood decline, aging infrastructure, and shifts in demographics, which could negatively impact property values if not proactively managed. A key takeaway is that in some neighborhoods home values declined

between 2004 and 2011, which required strategic reinvestment to ensure long-term market competitiveness.

The analysis identifies several challenges, including a lack of housing diversity, deteriorating neighborhood entryways, declining retail centers, and the impact of rental properties on property values. Many of Plano's older neighborhoods feature aging retail centers with high vacancy rates and aging apartment complexes that contribute to neighborhood decline. To counter these challenges, the study suggests implementing rental property inspection programs, incentivizing homeownership, and redeveloping older shopping centers into mixed-use developments that integrate housing and retail.

The study also recommends leveraging data-driven neighborhood monitoring tools to track changes in property values, infrastructure conditions, and crime rates. Strengthening community outreach programs, such as home improvement assistance and neighborhood engagement initiatives, can help maintain property values and encourage reinvestment. Additionally, the report suggests that corporate partnerships can be used to incentivize employees to purchase homes in Plano, fostering local economic stability. By adopting proactive reinvestment strategies, the city can preserve neighborhood quality, sustain a strong tax base, and enhance overall livability for its residents.

Downtown Plano Vision & Strategy Update, July 2019

The Downtown Plano Vision & Strategy Update plan outlines a comprehensive vision for transforming the area into a vibrant urban center. This transformation began with the opening of the DART light rail station in 2002, which sparked renewed interest and investment. The plan emphasizes creating a lively environment with shopping, restaurants, entertainment, and nightlife, making Downtown Plano a regional hub of activity.

Key projects have been instrumental in this revitalization. The designation of the 12th Street Cotton Belt/Red Line Station and the purchase of land for commuter and business parking are significant milestones. The 15th Street Gateway project improved streetscaping and utilities, while an arts plan established Downtown Plano as an arts district, promoting various venues for creating, displaying, and performing arts. The Neighborhood Empowerment Zone and Public Improvement District provided incentives for development, and the Tax Increment Financing Districts supported economic reinvestment. Infrastructure improvements, such as enhancements to the U.S. 75/15th Street underpass and the reconstruction of 14th Street, have further improved connectivity and the pedestrian experience.

The City of Plano has implemented various incentives to encourage downtown development, including Tax Increment Financing, Chapter 380 Agreements, and Historic Preservation Tax Exemptions. These efforts were aimed to redefine Plano's future, emphasizing redevelopment and mixed-use urban development to improve quality of life and community sense. The vision for Downtown Plano includes expanding transit-oriented development, enhancing streetscapes, and creating pedestrian-friendly environments to further integrate and unify the area.

CITY OF PLANO HOUSING STUDY

DEMOGRAPHIC ASSESSMENT

This section of the study explores key data measures such as changes in population and population by age, changes in household composition, shifts in education levels, and a snapshot of populations with specialized needs. These data points are used to evaluate the housing needs of today's residents and those who may choose to locate here in the future. The heart of this analysis is based on empirical data coupled with knowledge gained from stakeholder interviews.

Key Findings

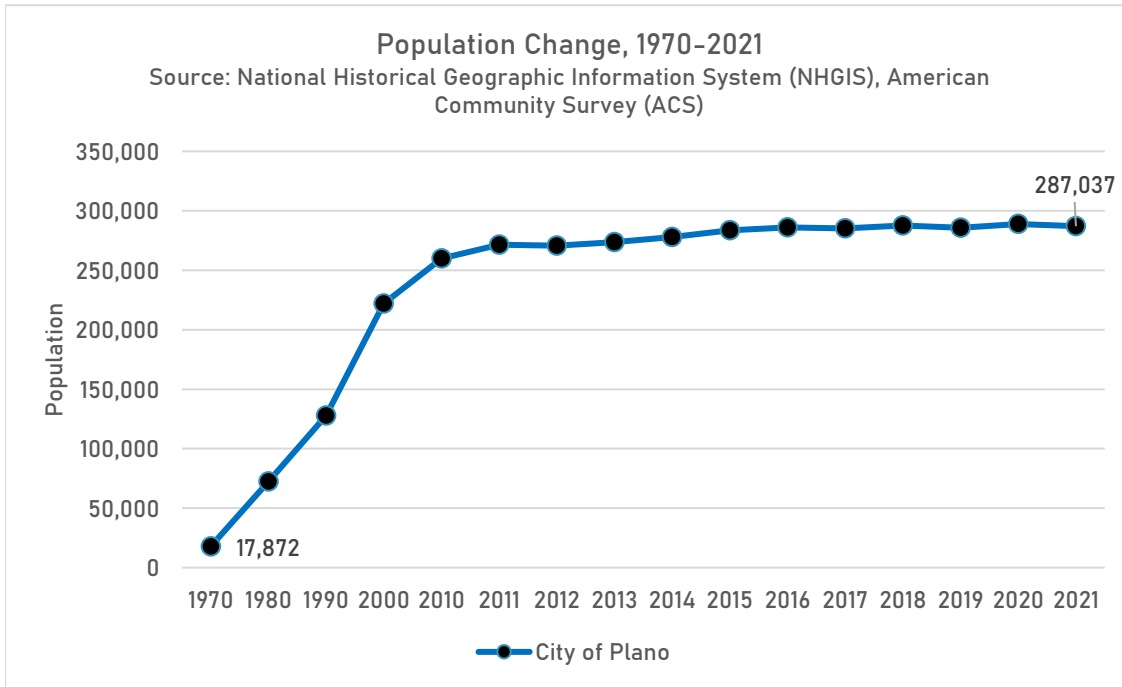
The following are key findings based on the demographic analysis conducted in this report:

- The City of Plano and Collin County are increasingly becoming more diverse, both in terms of residents and labor force.
 - There is a need to expand housing diversity to accommodate various household types.
 - The diversity found in the City of Plano across the education spectrum reflects different incomes and spending power.
 - Emerging smaller household sizes provides an opportunity for innovative housing typologies.
- The growing aging population is a mid-term and long-term consideration.
 - Baby Boomers are steadily entering retirement/semi-retirement but tend to want to age-in-place. Currently there is a lack of this type of age-appropriate housing in the city.
 - Rising housing costs affect the city's ability to attract new members of the workforce.
 - Housing diversity will continue to be an issue for seniors and new workers entering the market.
- City's approach to growth will be critical to long-term sustainability.
 - Embracing live-work-play market preferences can help address worker and retiree needs while also satisfying the emerging labor force's housing preferences.
 - Embracing higher density housing offers an opportunity to introduce price diversity within the market.
 - Increasing housing also creates benefits for existing retail/service businesses.

Population

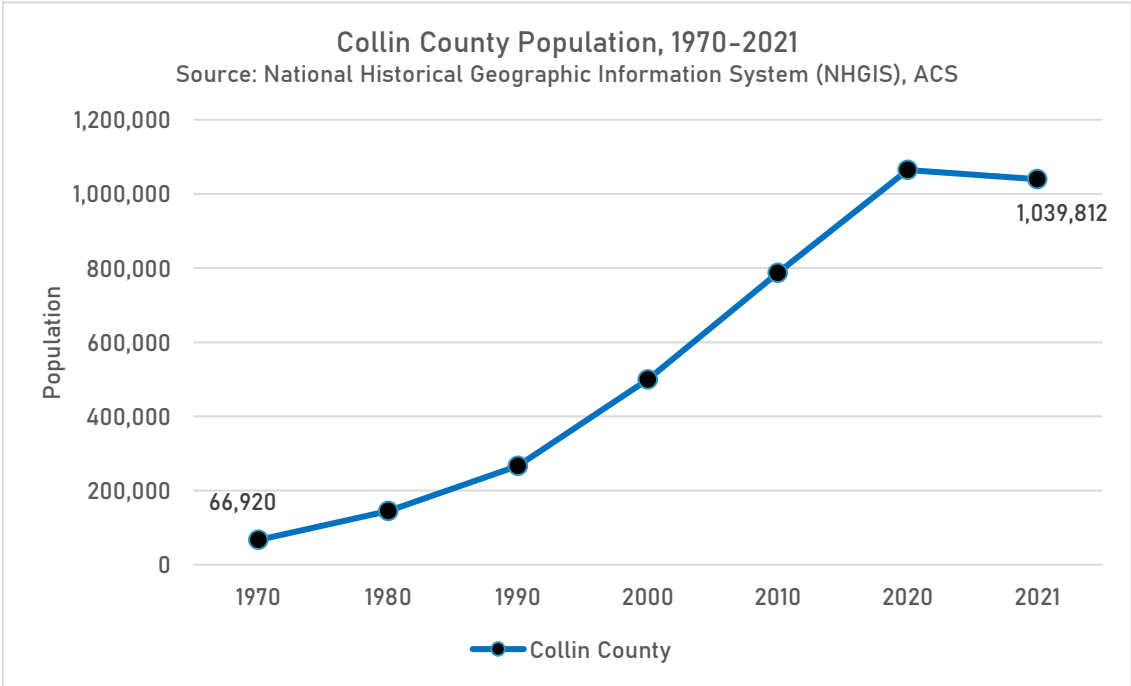
Between 1970 and 2010, the population of Plano grew by 1,354%, rising from 17,872 to 259,841. Over the previous decade (2010-2020), the City of Plano’s population increased by about 11% (29,029) and was driven in part by individuals looking for a great place to live and work. As of 2021, the population of Plano was 287,037. While the rate of population growth in Plano is not as rapid as it was in previous decades, Plano is still a growing community but just at a slower rate, as there is limited developable land available.

Figure 1: Population Change



Between 1970 and 2010, Collin County grew by an extraordinary 1,076%, with Plano, Frisco, and McKinney absorbing much of the population growth. The growth at the time coincided with the national trend of suburbanization, while also being influenced by new economic opportunities in sectors such as Professional Services, Manufacturing, Healthcare, and Education. During that period, Collin County experienced a large increase in jobs. To accommodate this growth in jobs and associated population, new housing units were created across Collin County, mostly in the form of single-family housing. Today, the population growth of Collin County remains strong as between 2010 and 2021 the population grew by 32%.

Figure 2: Regional Population Change



Population by Age

Population by age is one way to look at the demographic makeup of a community through the balance and growth of different age cohorts and life cycles. Like both Collin County and the Dallas Metropolitan Region, seniors are driving population growth in the City of Plano. While the overall population of Plano grew by 1% (3,093 individuals), persons over 65 years-old grew by 15% (4,959 individuals). The senior growth rate in City of Plano was slower than both Collin County (32%) and the Dallas MSA (19%). The growth in the senior population regionally will require communities to pay particular attention to building age-appropriate housing for individuals, especially since the 55-64 years-old age group is also growing and will soon become seniors.

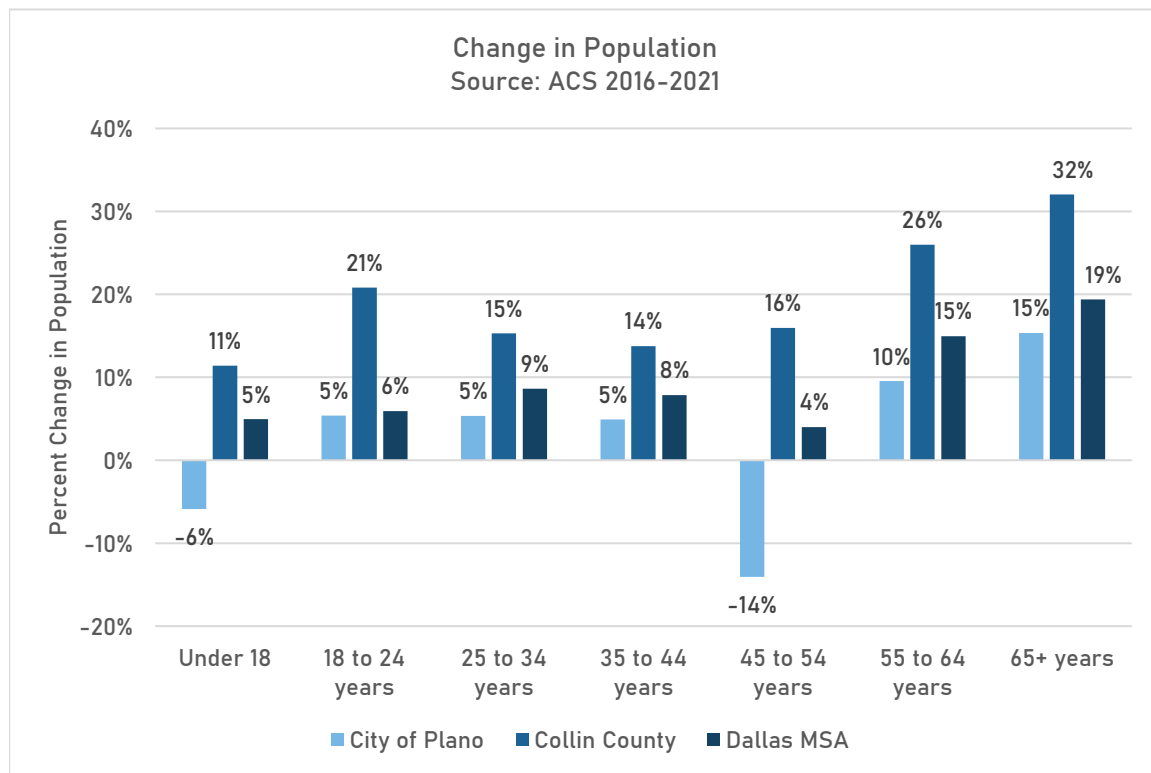
Table 1: City of Plano Population by Age				
Age	2016	2021	Change	Percent Change
Under 18 years old	67,331	63,364	-3,967	-6%
18 to 24 years	22,126	23,317	1,191	5%
25 to 34 years	36,371	38,316	1,945	5%
35 to 44 years	41,030	43,055	2,025	5%
45 to 54 years	45,245	38,882	-6,363	-14%
55 to 64 years	34,656	37,959	3,303	10%
65+ years	32,329	37,288	4,959	15%
Total	279,088	282,181	3,093	1%

Source: ACS 2016, 2021

Unlike Collin County and the Region, the City of Plano saw a decline in residents aged 45 to 54 years old. This age group is more likely to have children who are of college age or matriculating out of public schools and therefore may not need to be in Plano anymore given the high school tax rates. These individuals may also be looking to downsize as they are nearing retirement age.

Plano has also experienced a 5% decline in school age population, which contrasts sharply with Collin County (+11%) and the Region (+5) where the school age population is growing. In conversation with city officials, school enrollments are down particularly for elementary school. The decline in school enrollment can be related to the overall high cost of housing in the city as well as households being delayed or having fewer children because of the general high cost of living.

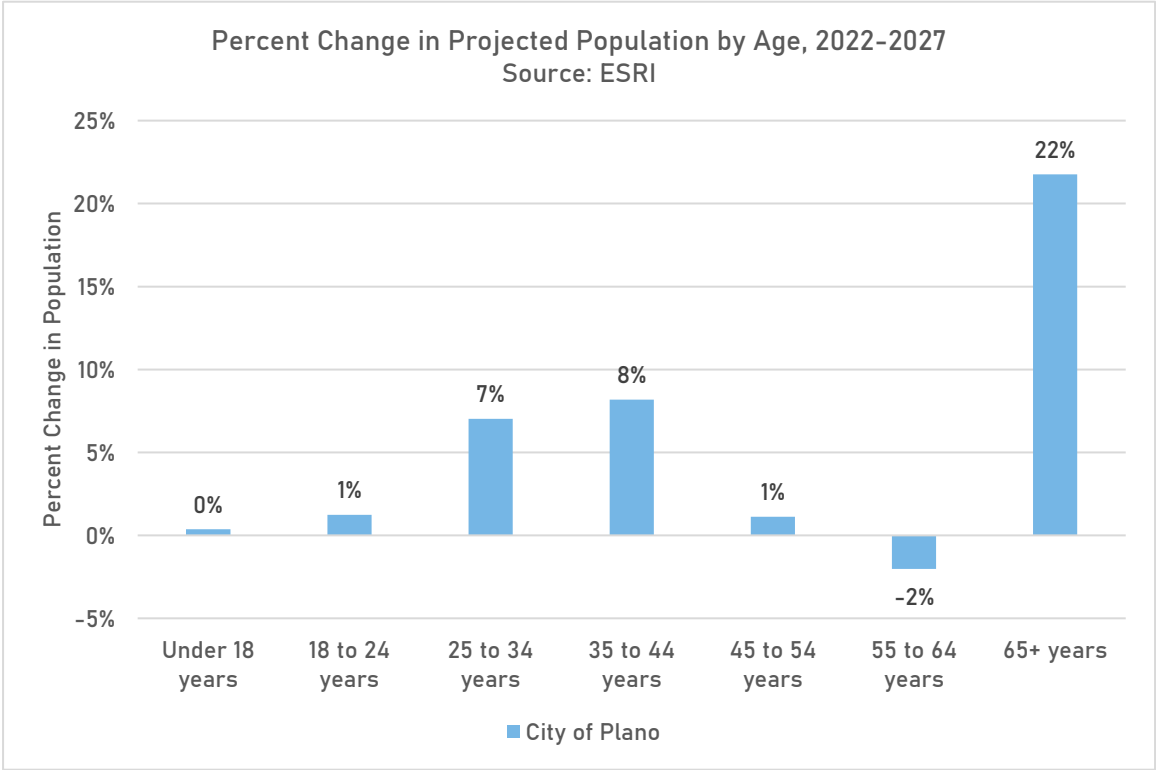
Figure 3: Plano Population by Age



Population projections indicate seniors (65 years and older) are expected to continue to lead population growth by age cohort through 2027. The growth in the senior population will have an impact on the housing supply as many seniors may like to age in place so long as adequate housing supply is available which meets their needs. If seniors are unable to age in place, the result would be a lack of housing turnover and a tightening of the available for-sale and rental supply.

Additionally, the 25- to 34-year old group is expected to grow by 7%, which has the potential to increase demand for rental units, as this group tends to be in the beginning of their careers or finishing professional or graduate degrees. These individuals may be more interested in downtown living, and access to public transportation and amenities.

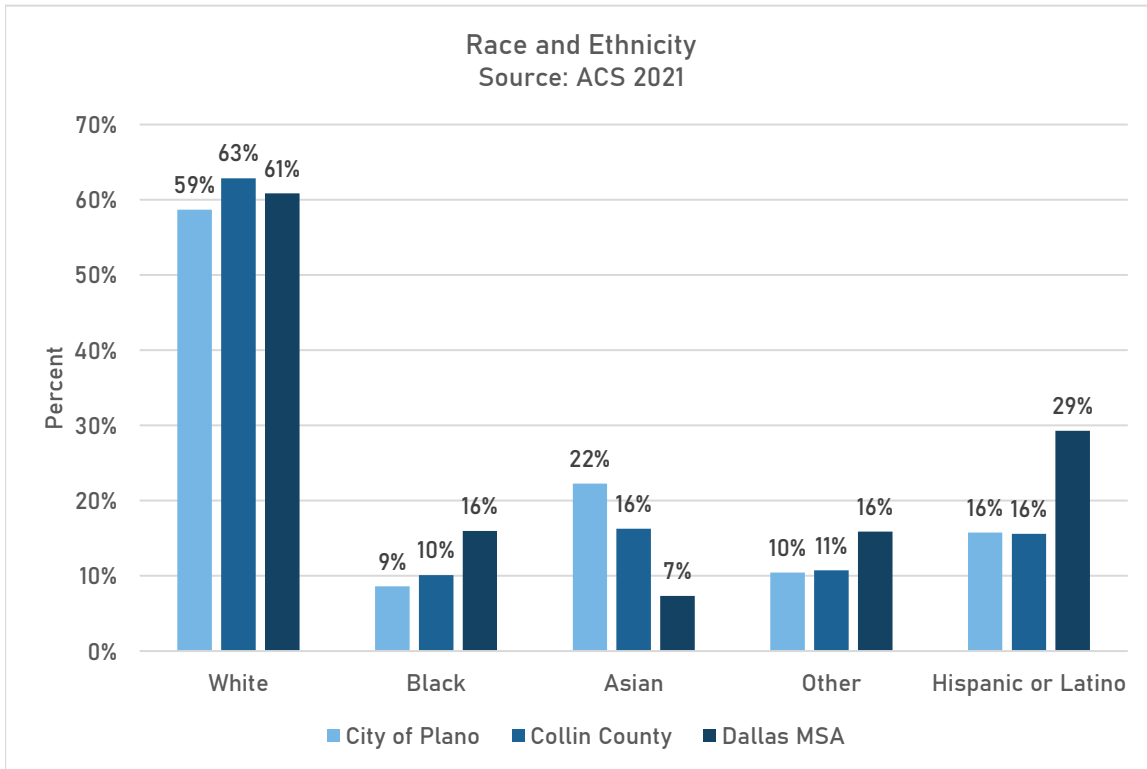
Figure 4: Projected Change in Population



Race and Ethnicity

The City of Plano’s resident population is diverse both racially and ethnically. As of 2021, 59% (165,606 individuals) of Plano residents identified as White while 9% (24,292 individuals) identified as Black or African American compared to 10% for Collin County and 16% for the Region. Asian residents comprise about 22% (62,879 individuals) of the city’s population compared to 16% across Collin County and 7% across the Region. Hispanic/Latino residents account for 16% (44,480 individuals) of all individuals in Plano, compared to 16% for Collin County and 29% for the Region. The diversity found in Plano is substantial, and results in specific housing needs for the differing communities, particularly among those in the Asian and Latino community.

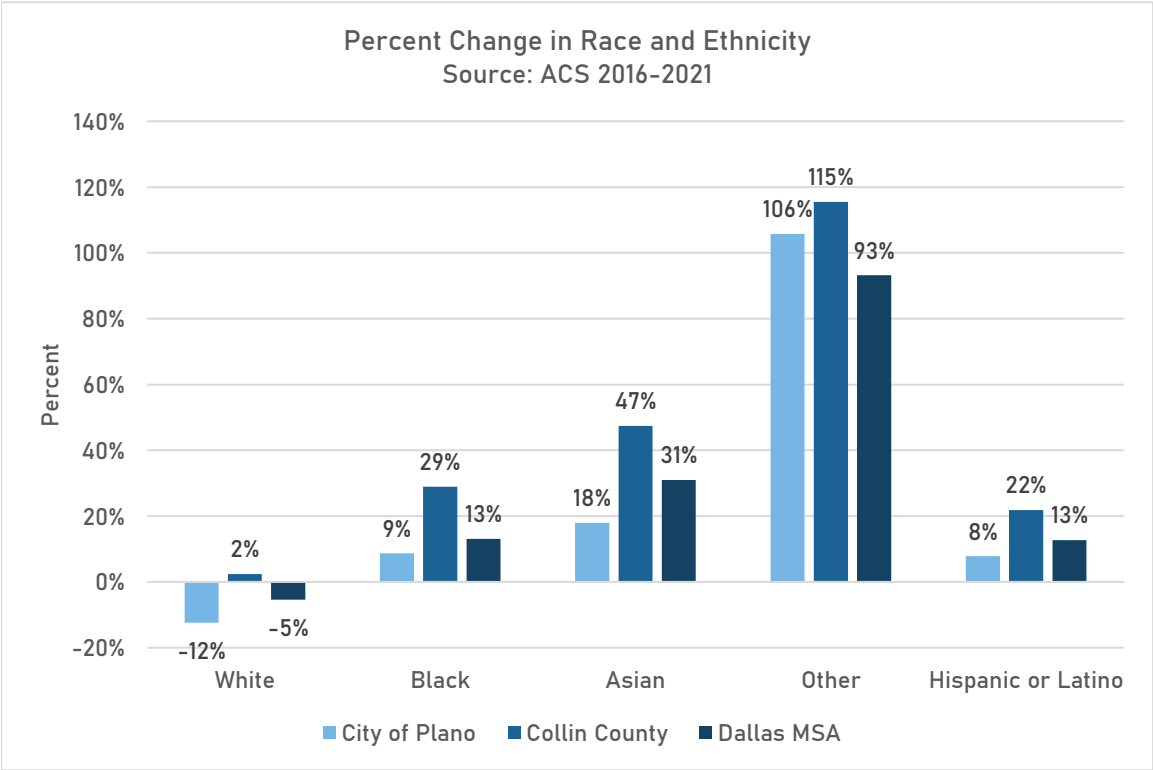
Figure 5: Race and Ethnicity



Between 2016 and 2021, Plano’s population continued to expand its diversity with Asian residents increasing by 18% (9,544 individuals) and Black residents increasing 9% (1,942 individuals). This growing demographic diversity necessitates the city to consider varying housing opportunities that cater to the needs of all residents. For instance, different cultural groups may have distinct preferences for housing types, sizes, and community amenities. Social diversity includes different family structures, such as multi-generational households and individuals living alone, all of which require different housing configurations. By providing a variety of housing options, Plano can ensure that all residents, regardless of their background, have access to suitable and affordable living spaces, fostering a more inclusive and cohesive community.

The city’s Hispanic/Latino population rose by 8% (3,231 individuals) between 2016 and 2021. This change was slower than both Collin County and the Region, which saw an increase of 22% and 13%, respectively.

Figure 6: Change in Race and Ethnicity



Education

The City of Plano, in comparison to Collin County and the Region, has a smaller portion of its population (19%) with a high school diploma or less, whereas Collin County and the Region’s portion is 21% and 35%, respectively. As a result, the city outpaces both Collin County and the Region in the percentage of individuals who have completed bachelor’s degrees or higher (58%). Educational attainment is often associated with higher earnings which can translate to a greater ability to pay for housing costs.

As the employment market changes over time, the skill sets needed for new employment opportunities require higher levels of education. Looking at changes in educational attainment over time shows Plano’s population with a bachelor’s degree or higher jumping by nearly 8% (8,283 individuals).

Figure 7: Educational Attainment

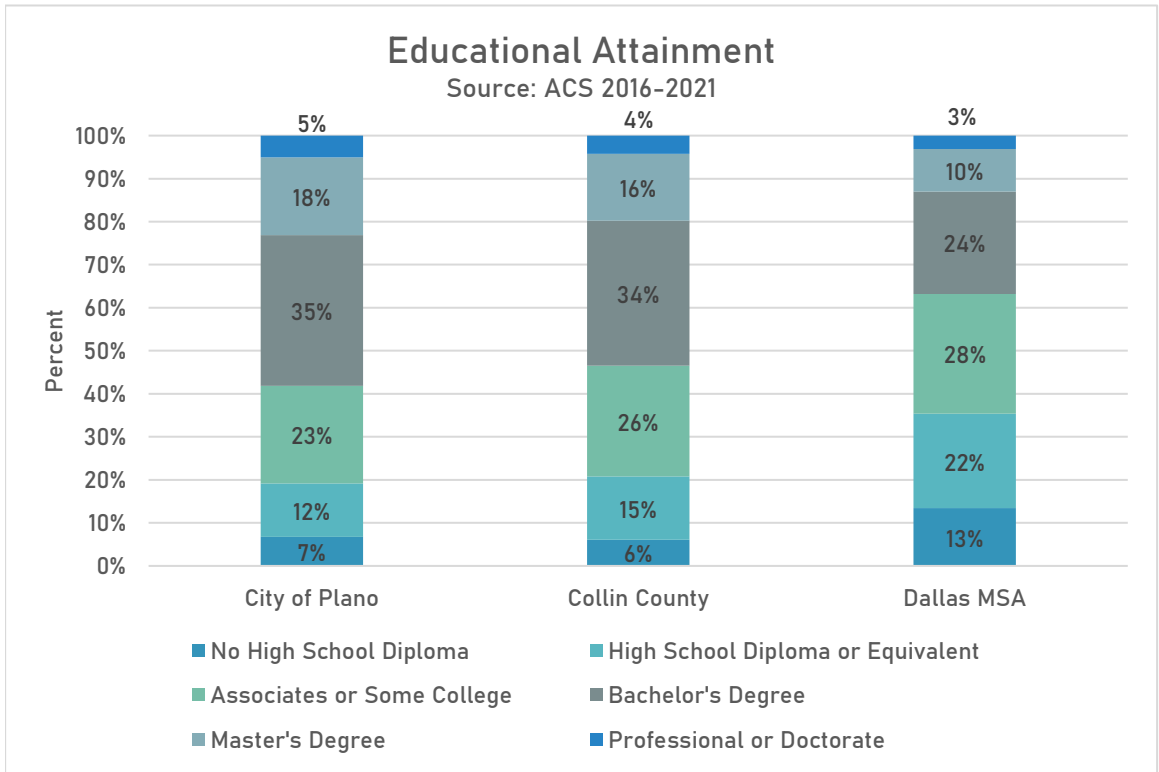
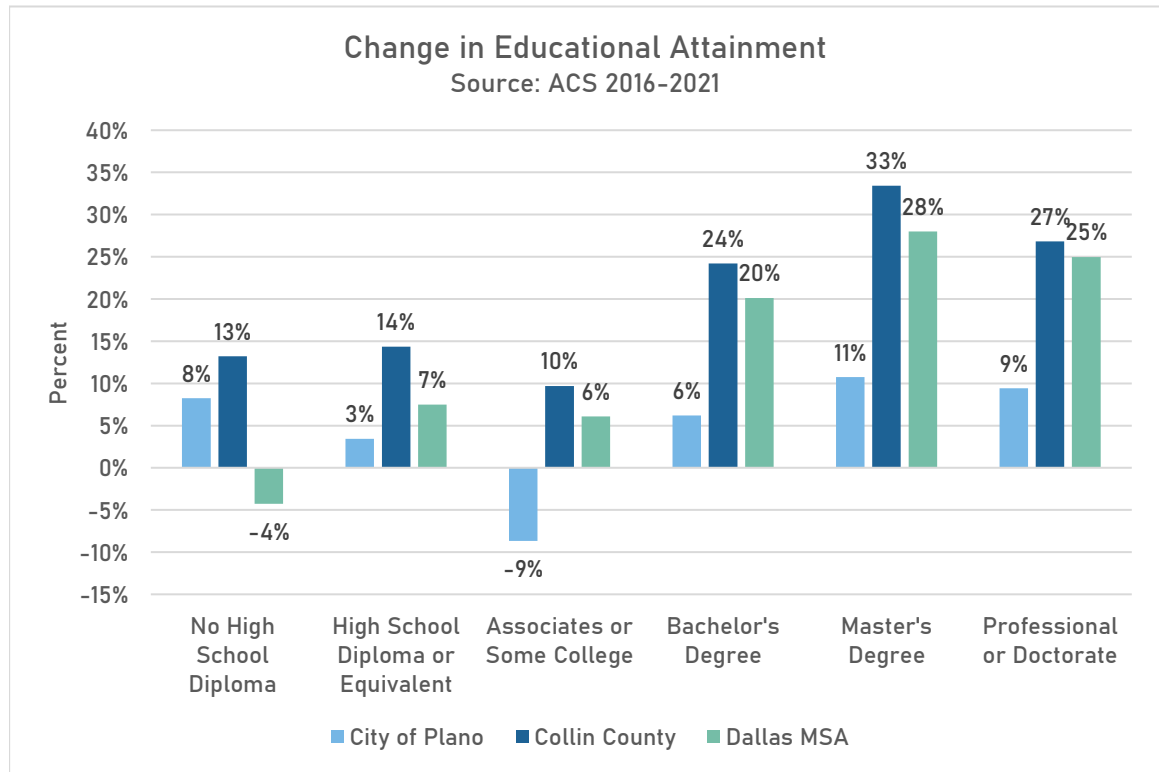


Figure 8: Change in Educational Attainment



Special Needs Population

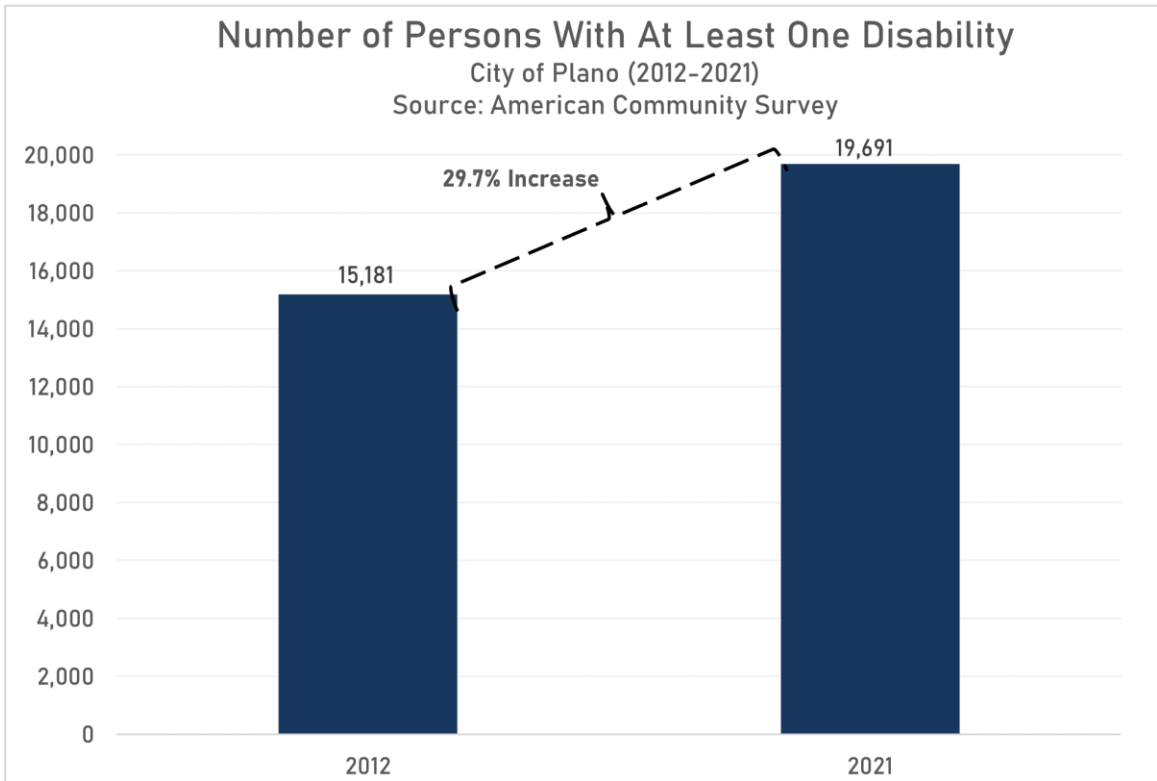
INTRODUCTION

Given the increasing interest among city representatives to provide special needs housing, RKG Associates assessed data relevant to population cohorts typically eligible for living accommodations. This includes individuals with disabilities, HIV patients, and homeless individuals and families. Data on Plano residents living with disabilities was available through the American Community Survey (ACS). Data on rates of homelessness in Plano was provided through the Collin County Homeless Coalition. Finally, data on rates of HIV were only available for Collin County, provided by the Center for Disease Control (CDC).

PERSONS WITH DISABILITIES

Between 2012 and 2021, Plano’s population with at least one disability expanded by roughly 30%, from 15,181 residents to 19,691 residents. Several of these residents live with more than one type of disability. Among the 19,691 residents with at least one disability in 2021, approximately 40% have two or more types of disability. There are six types of disabilities classified by the U.S. census— [1] Vision Difficulty, [2] Self-Care Difficulty, [3] Independent Living Difficulty, [4] Hearing Difficulty, [5] Cognitive Difficulty, [6] Ambulatory Difficulty.

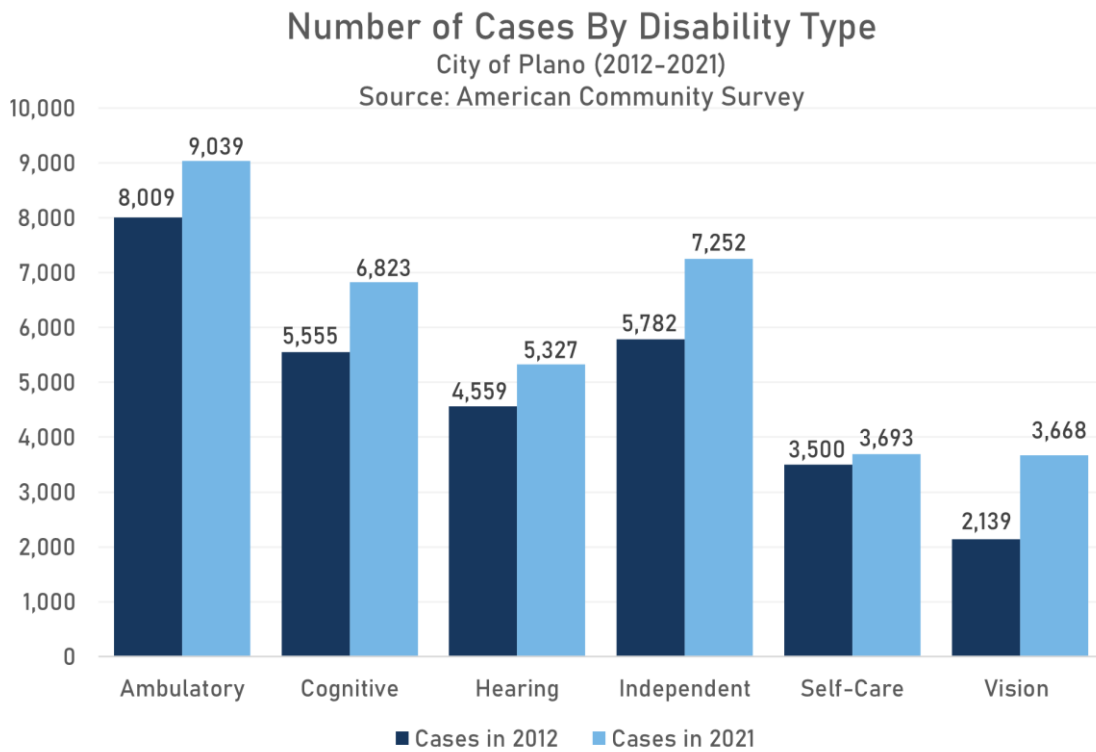
Figure 9: Number of Persons With At Least Disability



Accounting for the total number of cases for each type of disability in 2012 and 2021, approximately 6,300 additional disability cases were reported between this nine-year span. Independent Living Difficulty and Cognitive Difficulty combined for nearly half of new disability cases. This finding corroborates with age-related trends and real estate developments that have unfolded in Plano throughout the previous decade.

Since 2012, Plano’s senior population (aged 65 or older) increased by over 50%, from 23,716 seniors to 36,658 seniors (Source: American Community Survey). While aging itself does not guarantee developing a disability, it typically can be a strong contributing factor that may warrant supportive housing services. That said, most Plano residents with an Independent Living Difficulty are aged 65 or older (60%). Plano’s sizable market of seniors with an Independent Living Difficulty may have stimulated the recent development of assisted living/memory care facilities. In the previous decade, hundreds of assisted living units have been developed to accommodate seniors with physical and cognitive limitations. This includes HarborChase of Plano and Arbor Hills Memory Care.

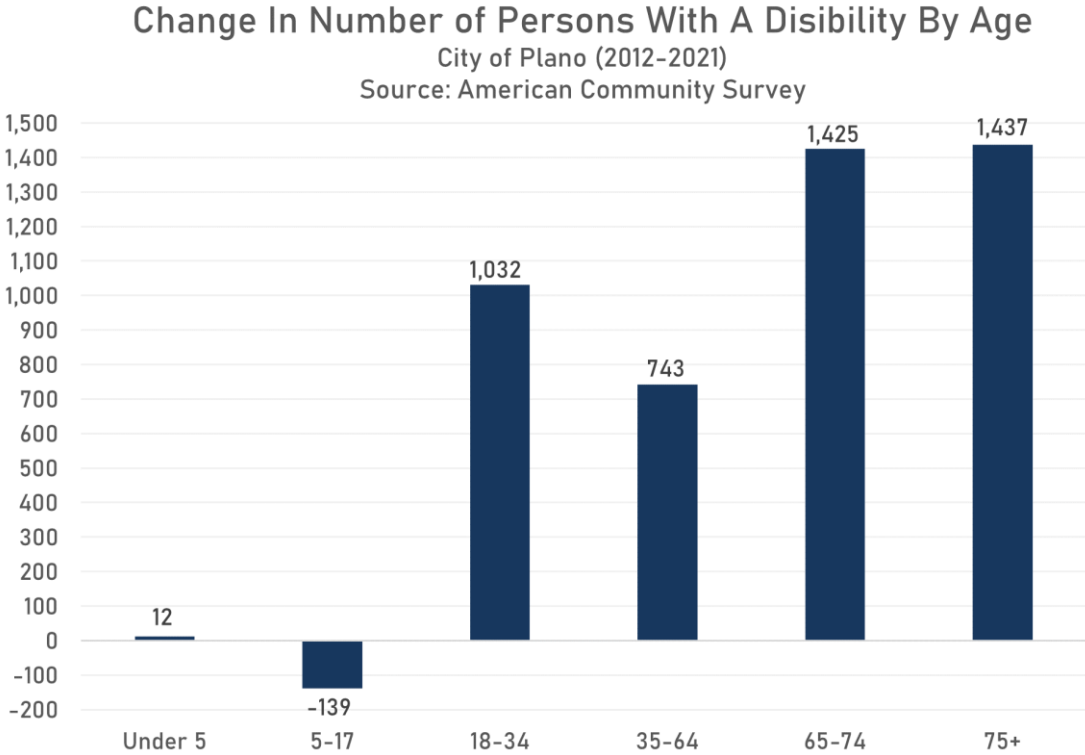
Figure 10: Number of Cases By Disability Type



The growth of senior residents could add pressure to Plano’s housing market. Since most seniors do not report having an Independent Living Difficulty, most housing units set aside for older residents will not need to be integrated into an assisted living/memory care facility. Most housing options for older residents will need to be retrofitted with accessibility features that can enable independent living opportunities. Examples of key accessibility features include step-free entry ways and handrails.

Plano’s population with disabilities extends beyond residents 65 or older. Other than seniors, the largest increase among disabled persons in Plano were aged 18-34. Among the expansion of 18-34 year old persons with disabilities, nearly half have a Cognitive Difficulty while roughly 40% are classified as having an Independent Living Difficulty (see Figure 11). Universal design of housing that accommodates younger persons with either Intellectual or Developmental Disabilities (IDD) is an emerging concept in the greater Plano region. My Possibilities, a city-based non-profit that focuses on continuing education programs for persons with IDD, has been planning a residential community in nearby Garland, Texas that provides inclusive living opportunities for adults with IDD.

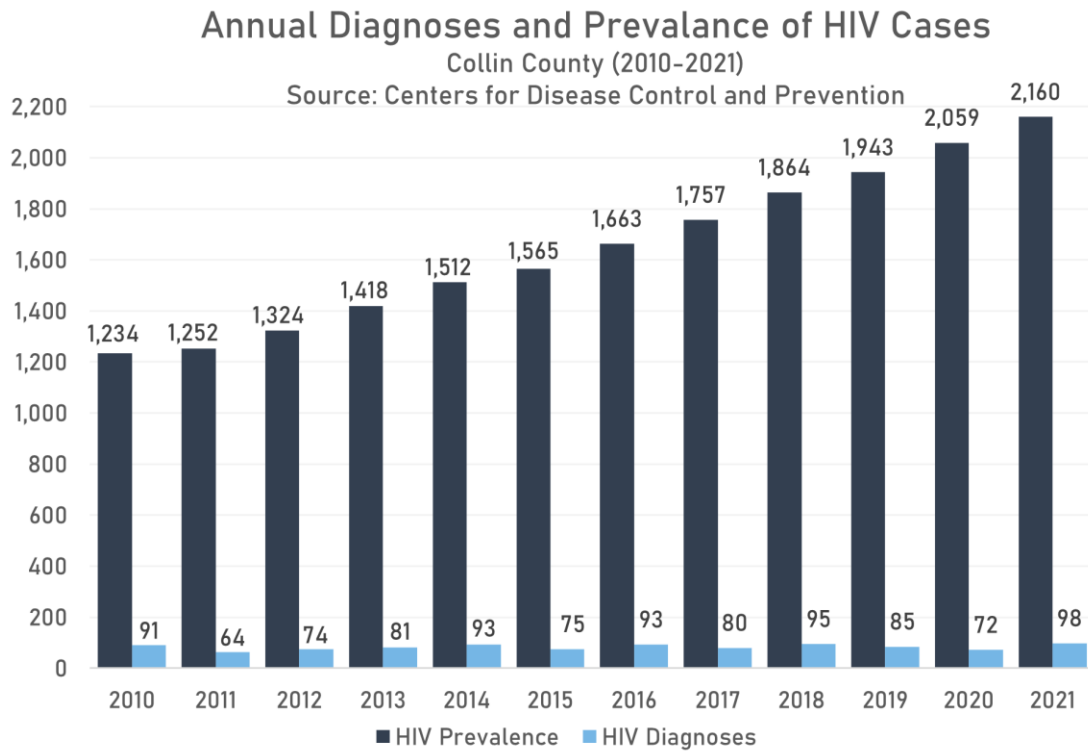
Figure 11: Change in the Number of Persons With A Disability By Age



PERSONS WITH HIV

Between 2010 and 2021, Collin County’s HIV population increased by nearly 930 persons, an 11-year growth rate of roughly 75% (Figure 12). As of 2021, the CDC estimates that 2,160 persons with HIV live in Collin County. The annual diagnosis rate has declined, however, from 14.6 per 100,000 persons in 2010 to 10.1 per 100,000 persons in 2021. Nonetheless, annual new diagnoses remained high between 2010 and 2021 as an average 84 new diagnoses occurred per year.

Figure 12: Annual Diagnoses and Prevalence of HIV Cases

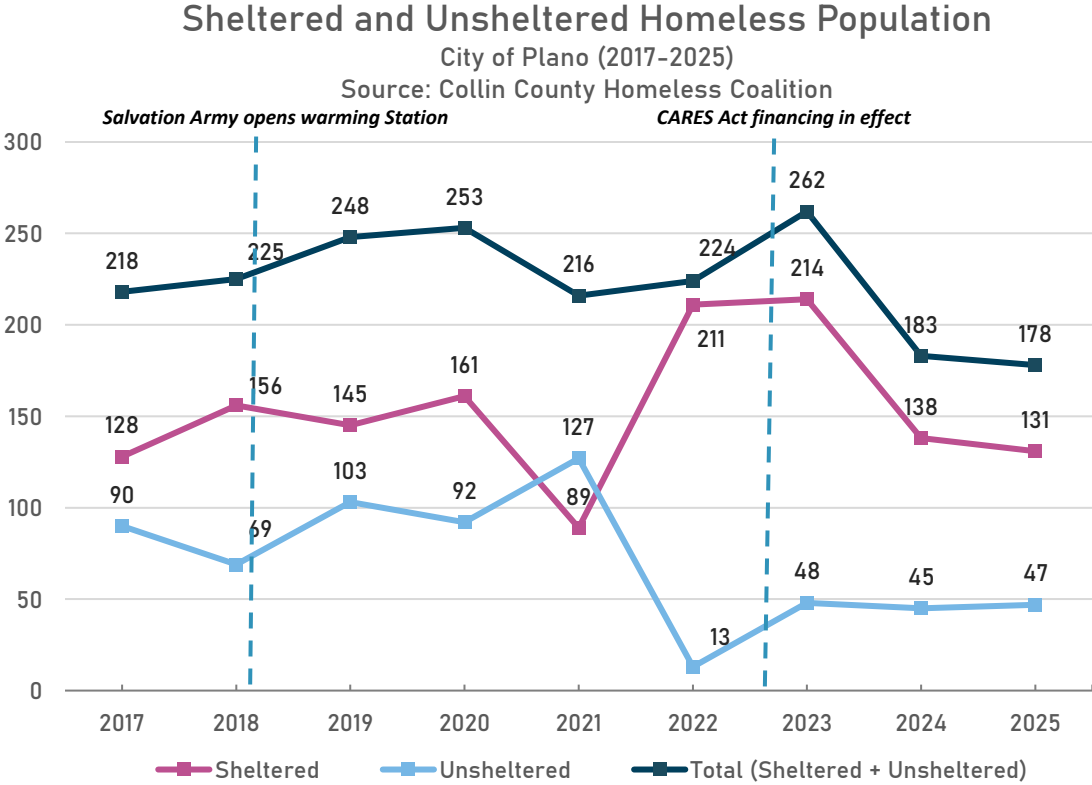


Persons living with HIV may struggle to meet their housing needs. Especially those unable to access stable housing units due to severe financial limitations. Housing Opportunities for Persons With Aids (HOPWA) is a federally funded program that serves to address this unmet demand. The program coordinates with local healthcare agencies to administer housing assistance vouchers that target severely low-income persons living with HIV. Health Services of North Texas (HSNT) is a major HOPWA agency in North Texas administers vouchers in Collin County reported that nearly 60% of its voucher recipients stem from the City of Plano. Although, HSNT only has the financial capacity to provide vouchers for a maximum of 70 persons with HIV—50 vouchers for long-term housing rental assistance and 20 vouchers for emergency short-term housing rental assistance. Given the 2,160 estimated persons with HIV living in Collin County (CDC), its apparent that a sizable unmet demand exists for HOPWA housing services in the City of Plano.

HOMELESS POPULATION

Point-in-time data collected by the Collin County Homeless Coalition, an organization focused on improving the living conditions of homeless persons in Collin County, reveals that the homeless population has increased in Plano over the previous few years. As of 2025, point-in-time data indicates that a total of 178 homeless persons reside in Plano while a total of 218 homeless persons resided in Plano in 2017 (Figure 13), a decrease of 18%. The share of unsheltered homeless persons living in places not meant for human habitation, such as a DART Train Station, rapidly decreased as well as the share of sheltered homeless persons.

Figure 13: Sheltered and Unsheltered Homeless Population



The increased share of sheltered homeless persons (74% in 2025) in relation to unsheltered homeless persons (26% in 2025) is the result of recent city-sponsored policies in effect when point-in-time surveys were conducted. This includes the expanded provision of overnight warming stations and/or use of available federal resources. Beginning in 2018, the reversal of more sheltered homeless persons (156) to unsheltered homeless persons (69) is due to the opening of the Salvation Army of Plano’s overnight warming station which provides temporary overnight respite for homeless persons when temperatures are forecasted to be 32 degrees or lower. For the 2024 point-in-time surveys, sheltered homeless persons represented 82% of the total homeless population. This is largely due to the substantial federal funds granted to the city via the CARES Act during the COVID-19 pandemic.

These city-sponsored policies that culminated in a greater share of sheltered homeless persons to unsheltered homeless persons over the previous few years were a result of recent funding increases from the CARES Act. As COVID-19 pandemic related funds are no longer distributed, fewer funds are available for local non-profits to provide emergency and transitional housing services. While the Salvation Army’s overnight warming/cooling (also offered in summer during extreme heat droughts) station provides temporary relief from hazardous weather conditions, it

does not provide the minimal services needed to bolster the living conditions of the city's homeless population.

Given the limited availability of shelter services in Plano, the city must consider other approaches to sustain long-term outcomes for the local homeless population. This could include the creation of a centralized 24-hour emergency shelter with functional resources (e.g., job training, laundry services) and additional funding set aside for rapid rehousing services. A stable housing environment is a prerequisite for any household to secure employment opportunities, and effectively, financial independence.

Households

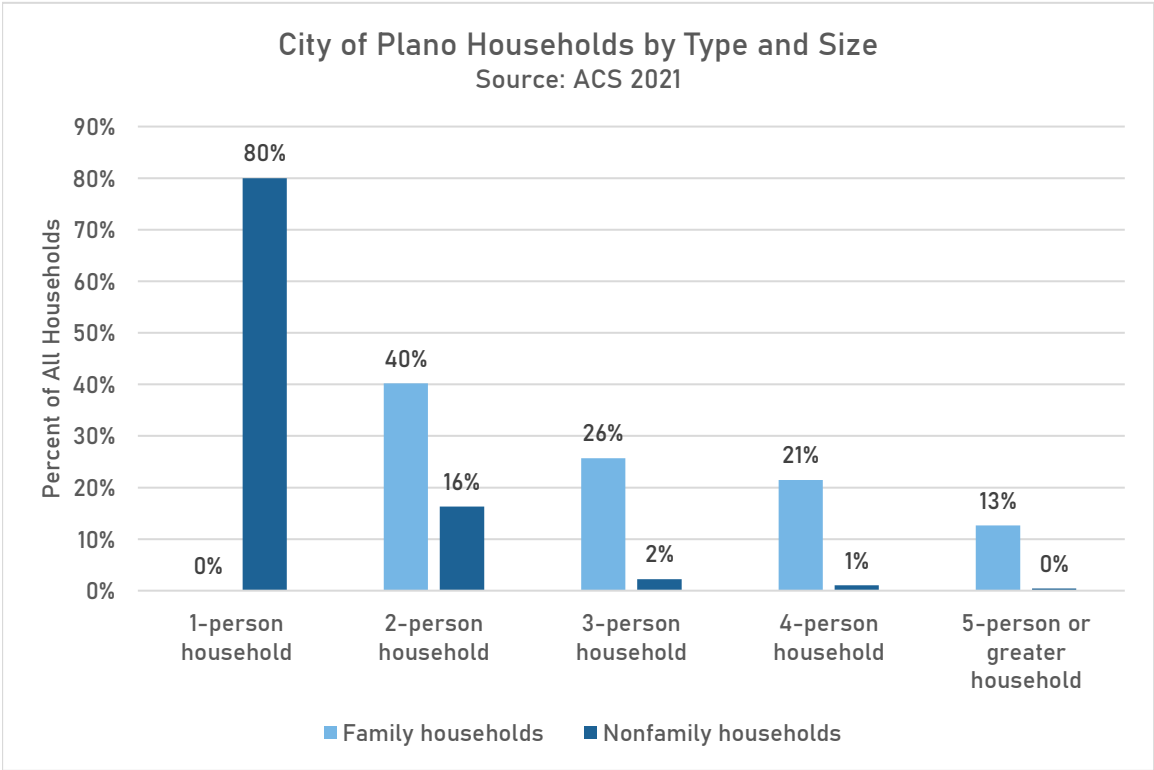
The Census Bureau defines a "household" as one or more people living in a housing unit and includes a variety of living arrangements. In 2021, the city had 106,022 households which is up from 105,189 households in 2016. Interestingly, between 2016 and 2021 the population of Plano grew by about 3,093 residents yet the number of total households increased by 833, or 2%. Typically, when population grows, there is a commensurate growth in households particularly with the national trends of smaller household sizes driven by the growth in younger and older householders. In the City of Plano, this trend is reversed as almost household growth is concentrated in larger households of 3-persons and greater.

HOUSEHOLD SIZE

Household size is an important consideration as it provides insight and an understanding of what types of housing units are needed to accommodate today's residents and those who may choose to locate here in the future. An example of this is a larger five-person household which would require more bedrooms than a two-person household. Traditionally in the city, owner-occupied single-family homes offer larger living spaces with more bedrooms and bathrooms, enough to accommodate the larger households with four or more members or more members.

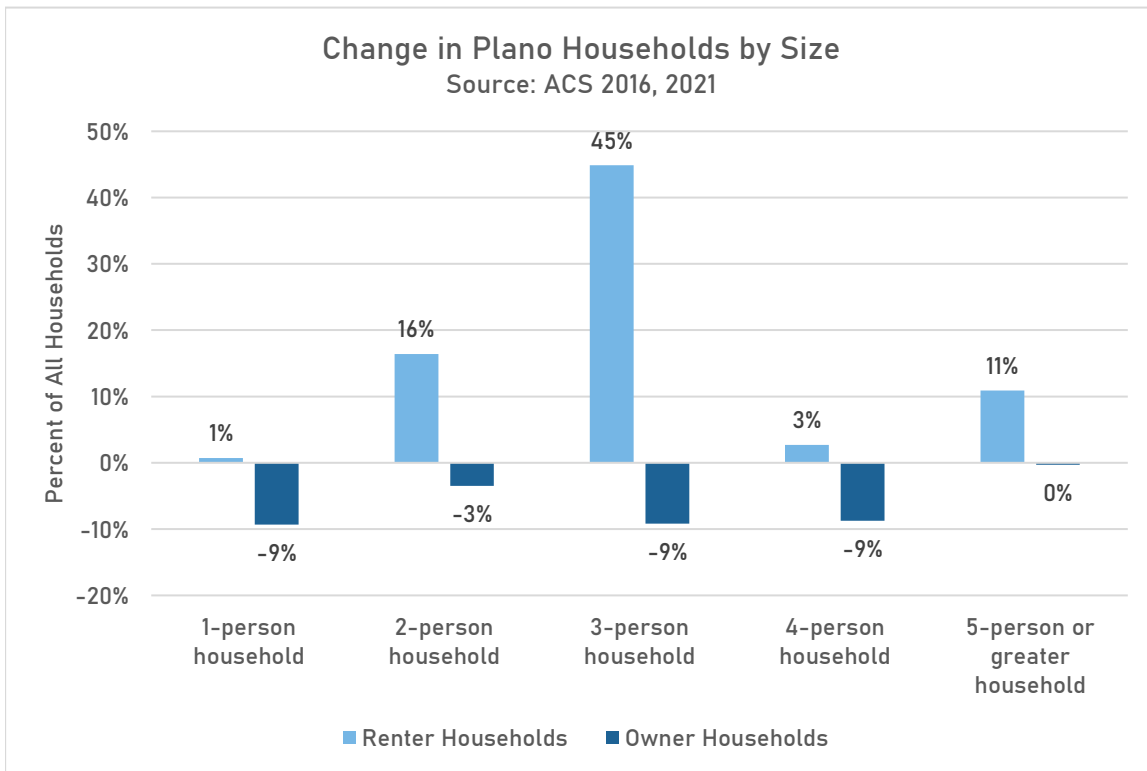
According to the Census, households can be defined as either family or non-family. Family households are comprised of two or more related individuals where non-family households are comprised of unrelated people living together (such as housemates), and single individuals. In the City of Plano, most family households (47%) are comprised of two or three members. Most non-family households are single individuals, which account for nearly 80% (24,619 individuals) of non-family households.

Figure 14: Households by Type and Size



Household size by tenure is an important measurement to understand where housing demand is growing or fading. Between 2016 and 2021, renter households have grown, while ownership households have fallen. Growth of the renter households tends to be found in larger households, with three-person households increasing by 45% (2,526 households). Ownership households have fallen across all cohorts, with three and four person households declining the most at 9%, respectively.

Figure 15: Change in Households by Size



CITY OF PLANO HOUSING STUDY

ECONOMIC ASSESSMENT

Economic issues such as changes in income, employment, commuting patterns, and the overall economy are explored in this section of the study. This analysis is grounded in data which is supplemented by knowledge gained from interviews with stakeholders described in more detail throughout this section of the study. The economic baseline analysis provides the context and history of the City of Plano to set the stage for the housing market analysis which follows.

Key Findings

The following are key findings based on the socioeconomic analysis conducted in this report:

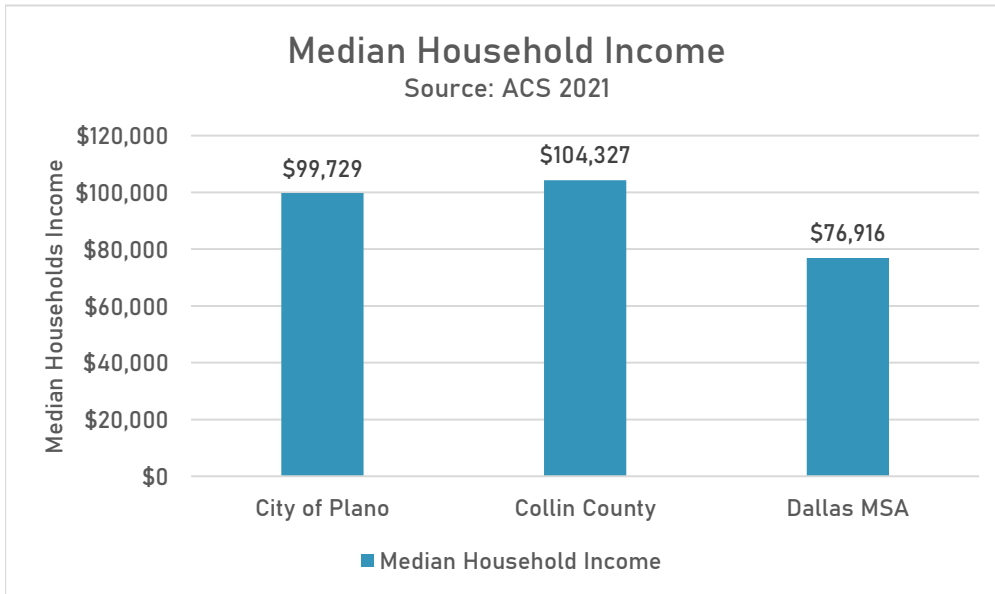
- Local economy experienced robust growth during the 2010s
 - Collin County experienced an 82% increase in employment.
 - The City and County are still at ‘healthy’ unemployment levels despite Covid-19 impacts.
 - The number of seniors aging-in-place is contributing to the housing shortage as there is a lack of senior housing which results in lower housing turnover of traditional units for families.
- The aging workforce and resident base create unique housing needs.
 - Seniors looking to downsize may not have a place to go within the City of Plano.
 - Homes owned by seniors may have deferred maintenance issues which are capital intensive and result in properties deteriorating beyond the point of livability.
- The mismatch between local workforce wages and housing prices is both a local and national challenge.
 - Lower-level positions are less specialized and offer lower pay.
 - Local wages in certain industries are not sufficient for the cost of housing within the city.
 - A pipeline of new price diverse housing is necessary to ensure the city continues to thrive economically and retain residents for the long-term.

Socioeconomics

INCOMES

Household income directly influences the ability of residents to secure housing that is affordable and available to them. Household income can influence housing prices if an influx of higher income households enters the market over time or conversely leaves the market over time. As of 2021, the median household income in City of Plano was \$99,729, which was about \$4,600 less than Collin County’s median income of \$104,327. This income differential is significant from a housing affordability perspective, as the County’s median income would add about \$120 per month in purchasing power for a renter household. It is important that overtime incomes are compared to housing costs to ensure increasing price points do not overburden low- and middle-income households.

Figure 16: Median Household Income

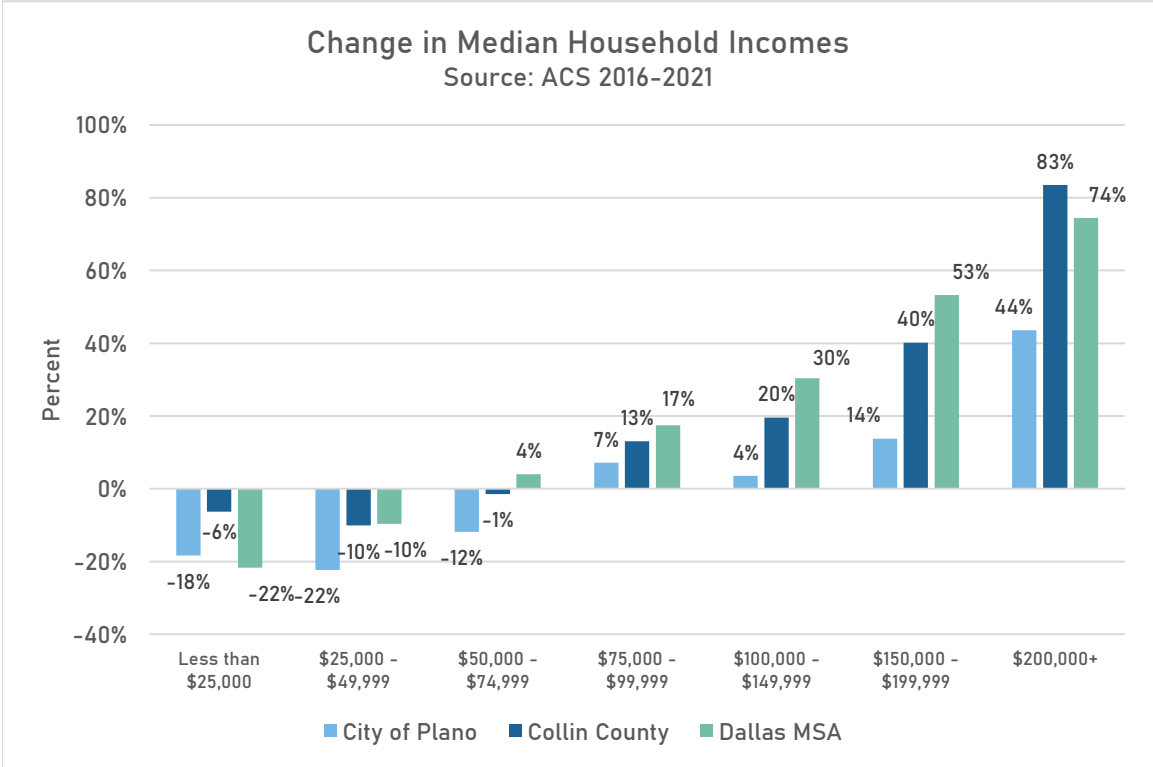


Cost burdening, which is circumstance where a household pays 30% or more of their income toward housing costs, is a reality for lower-income households across the city. Higher housing costs crowd out disposable income for other necessities such as food, healthcare, and transportation. About 29% of Plano households earn less than \$35,000 a year which mimics Collin County’s income distribution. This contrasts with the Dallas Region where 44% of households earn less than \$35,000 a year. While Plano has a lower percentage of extremely low-income households than the Region, proactive measures will need to be taken to ensure safe and affordable housing for households at all income levels.

The income distribution in Plano is changing rapidly. The desirability of Plano as a place to live given its location north of Dallas, its access to DART and the investment potential of several larger, underutilized properties is changing the socioeconomic makeup within the city. Looking at the distribution of households by income cohort over the last five years shows the city experiencing a

loss of households with incomes below \$25,000, with an 18% decrease in these households. While the city is losing households at the lower end of the income spectrum, it is gaining households earning more than \$150,000 per year. The increase of higher income households can be explained in part by the regional growth of higher paying industry sectors such as Finance and Insurance, Professional Services, and Healthcare. While Plano lags both Collin County and the Region in the percentage growth rate for high income households, it should be noted that Plano has a large population of high income households to begin with, which makes the percentage increase seem smaller in relation to both Collin County and the Region which are starting from a smaller base.

Figure 17: Change in Median Household Incomes



Modest growth of real incomes is a challenge both in the City of Plano and across the United States as a whole. The city saw median household incomes grow by 17% between 2016 and 2021, during which the Region grew by 25%. While impressive, the growth in income is not outpacing the cost of housing. As housing costs continue to rise, incomes must as well, or households will be forced to spend more on housing leaving less for other expenses.

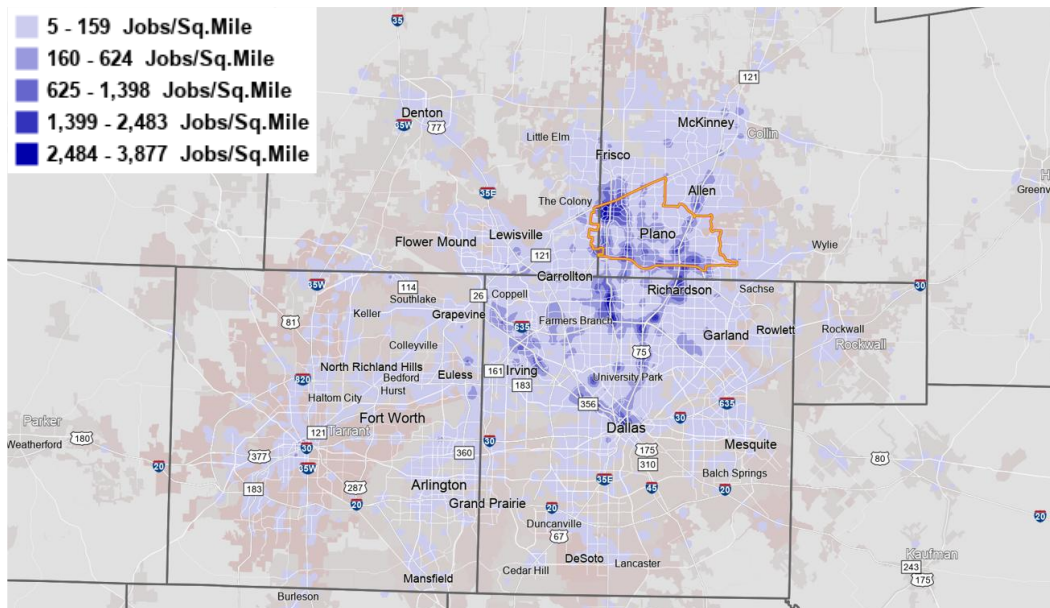
Table 2: Growth in Median Household Income, 2016-2021	
Community	Growth Rate
City of Plano	17%
Collin County	21%
Dallas MSA	25%

Source: ACS 2012-2016, 2017-2021, B19013, "Median Household Income in the Past 12 Months", and RKG Associates, Inc.

WORKERS

In the City of Plano, there are a total of 208,003 jobs which are inclusive of both private and government employment.¹ Of that total, 180,627 people come from outside the city to work, while 27,376 live and work within the city. Aside from those working within the city, approximately 90,833 residents travel outside for employment, making the City of Plano a net importer of labor. The large number of people entering the city for employment is due to an imbalance in the types of jobs and incomes between City of Plano residents and workers in Plano.

Figure 18: Plano Employee Labor Shed, 2020

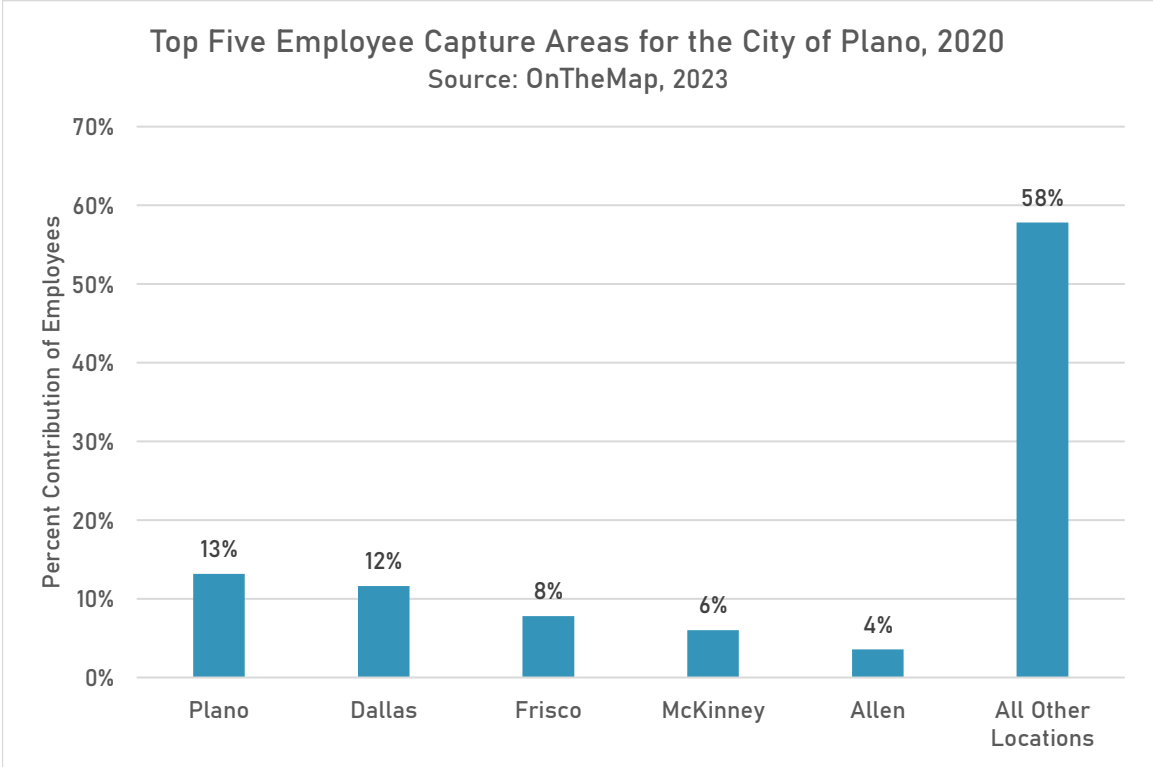


Understanding the number of employees in the city and what types of employment opportunities exist can help explain the activity within the housing market. One of the key linkages between employment and housing is the number of individuals employed in an area and from where they commute. This is important because it reflects whether the city can attract and retain workers locally, and what role housing may play in workers being able to live and work here. If workers are also residents, then their disposable income gets circulated locally, otherwise the city may not

¹ OnTheMap, 2023

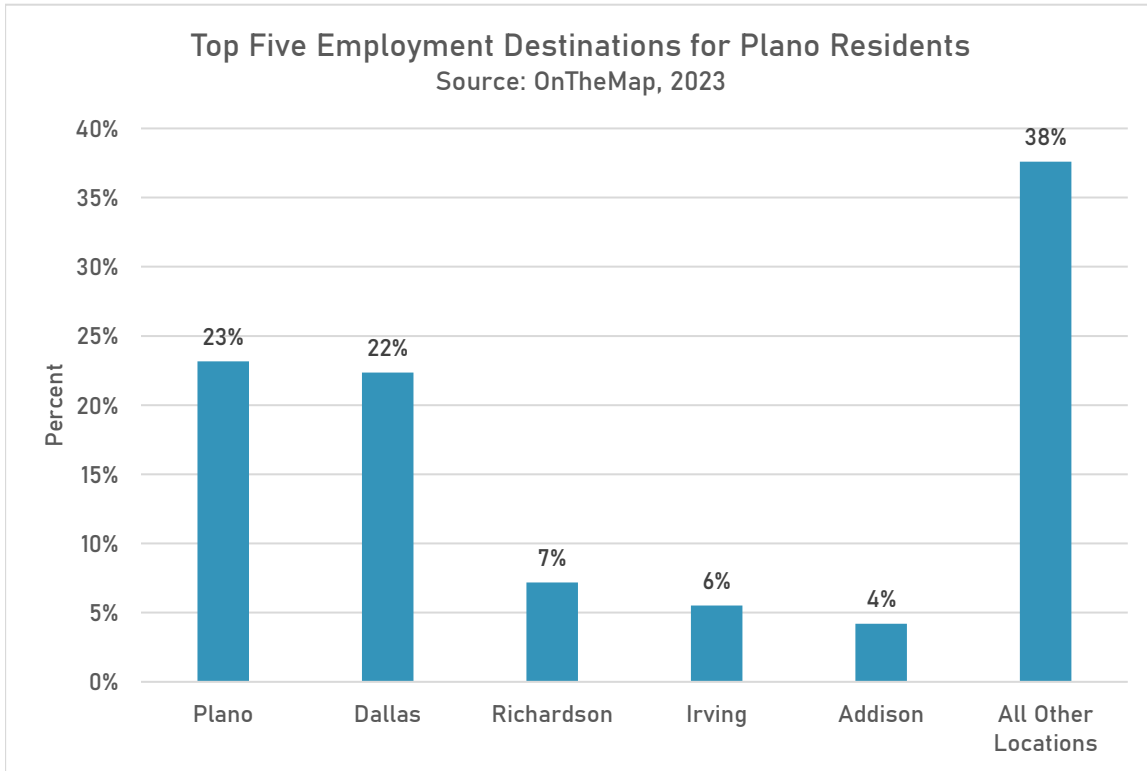
capture that direct impact on the local economy. In contrast, when workers commute to an employment destination, their personal spending tends not to occur in the community where they work, but rather where they live.

Figure 19: Top Five Employee Capture Areas



As mentioned previously, 180,627 workers commute to the city from communities and counties outside of Plano, with the highest percentages coming from places like Dallas, Frisco, and McKinney. Residents who both live and work in Plano comprise 13% of the workforce, or 27,376 resident workers. This is not surprising as Plano historically has been a major regional employment center, with many Fortune 500 corporate headquarters locations as well as various science and technology companies.

Figure 20: Top Five Employment Destinations

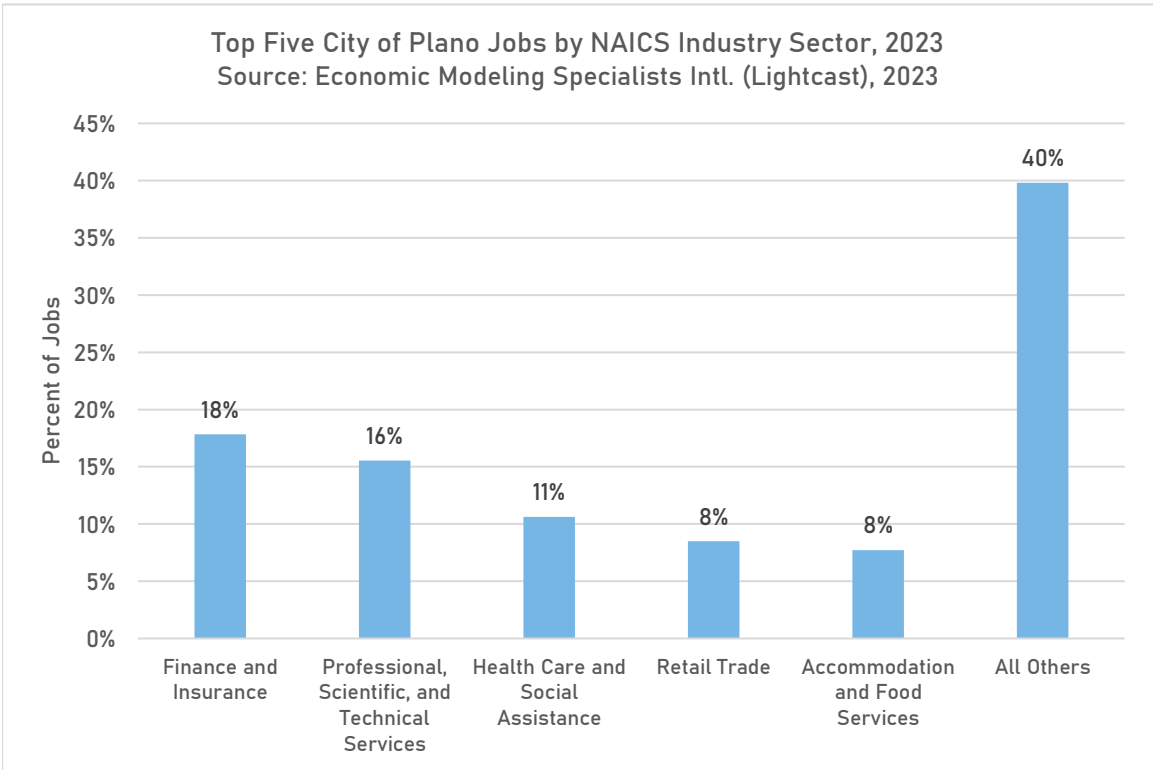


When looking at the top commuting destinations for city residents, the President George Bush Turnpike, Dallas North Tollway, Sam Rayburn Tollway, and Interstate-75 corridor provide convenient access to employment opportunities in the Dallas Metro Area. About 22% of Plano residents commute to jobs in Dallas, while 7% of residents commute to Richardson. Major employers in the Region include Toyota, Texas Instruments, Medical City, Southwest Airlines, JP Morgan, and Baylor Scott & White.

INDUSTRIES

In the City of Plano, about 60% of all jobs are clustered in five industry sectors. Figure 21 presents the top five employment sectors across the city. As a percentage of total employment, Finance and Insurance is the largest industry sector with 18% of all jobs. The second largest employment sector is Professional, Scientific, and Technical Services, which accounts for 16% of all jobs. The Other category is made up of the remaining North American Industrial Classification System (NAICS) sectors not in the top five job producing industries. This category accounts for 40% of the total employment in the city.

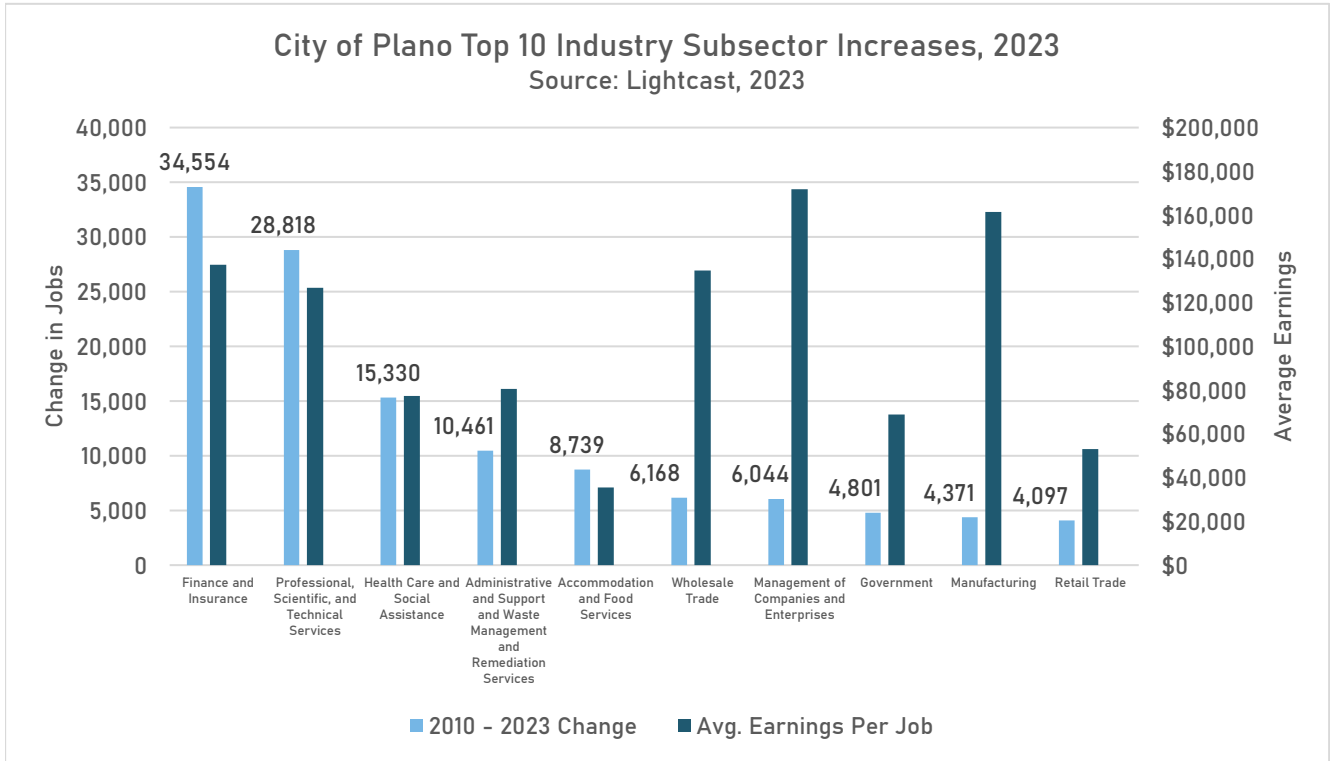
Figure 21: Top Five Jobs by NAICS Industry Sector



CHANGES IN INDUSTRY

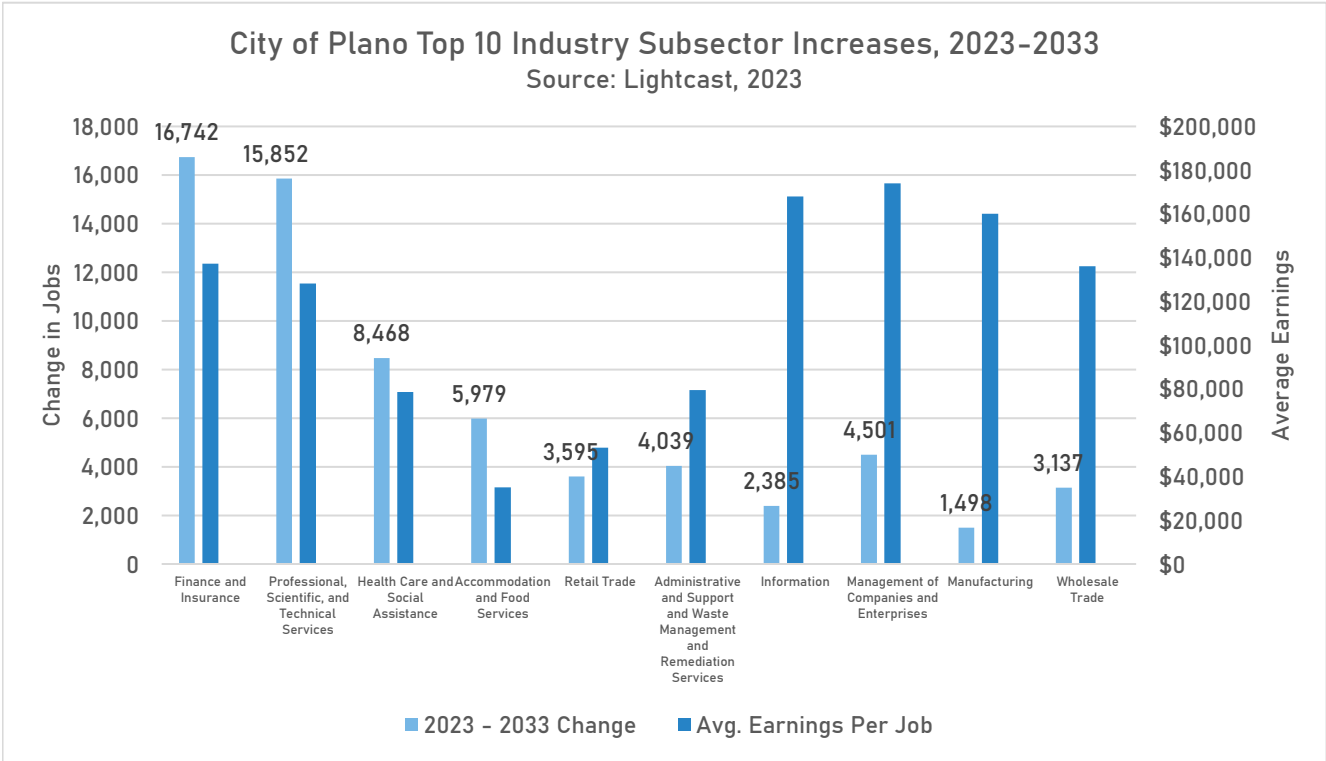
Between 2010 and 2023, employment data for the City of Plano shows that the top 10 employment subsectors have added 123,382 jobs, with an average wage of \$104,713. The sector which experienced the largest gain was Finance and Insurance, adding 34,554 jobs over the decade with an average wage of \$137,313. One interesting trend to watch in the city is the growth in high wage jobs and low wage jobs. Sectors like Finance and Insurance, Professional Service, and Healthcare are all growing and have average wages between \$80,000 and \$137,000. At the same time, the city is experiencing growth in sectors like Accommodation and Retail Trade. These sectors have average wages between \$35,541 and \$53,004, which is lower than the previously described sectors which have a direct correlation to what a person or family could afford for housing.

Figure 22: Top Ten Industry Subsector Increases, 2010-2020



Between 2023 and 2033 the City of Plano is projected to see employment growth in Finance and Insurance (+16,745 jobs), Professional Services (15,852 jobs), Healthcare and Social Assistance (8,468 jobs), Accommodations (+5,979 jobs), and Retail Trade (+3,595 jobs). Jobs in these industry sectors pay varying wages, with some higher like in Finance and Insurance and some lower like in Accommodation and Food Services.

Figure 23: Top Ten Projected Industry Subsector Increases, 2023-2033



INDUSTRY WAGES AND HOUSING AFFORDABILITY

Across the city, the median sales value of a home is around \$530,900, while the median gross rent is about \$1,814 per month. Based on these metrics, only a few existing industries and growing industries pay wages which could afford these housing prices. However, most industries do not have sufficient pay rates for workers to rent or own a home, and even within industries which have high average wages, pay varies based on occupation. For example, within the Healthcare industry physicians may earn over \$200,000 but there may be janitorial staff earning less than \$30,000 a year.

Table 3 illustrates the affordable home price and affordable rent by industry sector based on the average earnings within each sector. It is important to note these represent average earnings and not the earnings across different occupations within industry sectors.

Table 3: Housing Affordability Based on Top 10 Industry Sectors, 2023				
Industry	Industry Jobs	Average Earnings	Affordable Home Price	Affordable Rent
Finance and Insurance	49,303	\$137,241	\$480,342	\$3,431
Professional, Scientific, and Technical Services	42,994	\$128,168	\$448,588	\$3,204
Health Care and Social Assistance	29,348	\$78,603	\$275,112	\$1,965
Retail Trade	23,502	\$53,151	\$186,027	\$1,329
Accommodation and Food Services	21,341	\$35,054	\$122,689	\$876
Administrative and Support and Waste Management and Remediation Services	18,857	\$79,454	\$278,088	\$1,986
Information	16,344	\$167,910	\$587,687	\$4,198
Manufacturing	14,354	\$160,034	\$560,120	\$4,001
Management of Companies and Enterprises	12,864	\$173,961	\$608,864	\$4,349
Wholesale Trade	11,475	\$136,153	\$476,534	\$3,404
Source: Lightcast, and RKG Associates, Inc., 2023				
Note: Rent payment accounts for utilities. Home price accounts for mortgage, taxes, and insurance.				

Based on the industry employment data, what is apparent is that most jobs in the City of Plano do not provide sufficient incomes to own a home in the city. The rental market is markedly different as median rents are generally affordable based on average industry earnings, however as noted previously, occupational wages within each industry vary, and may not be sufficient to afford the median rent. The mismatch between income and housing prices results in an affordability issue for households.

CITY OF PLANO HOUSING STUDY

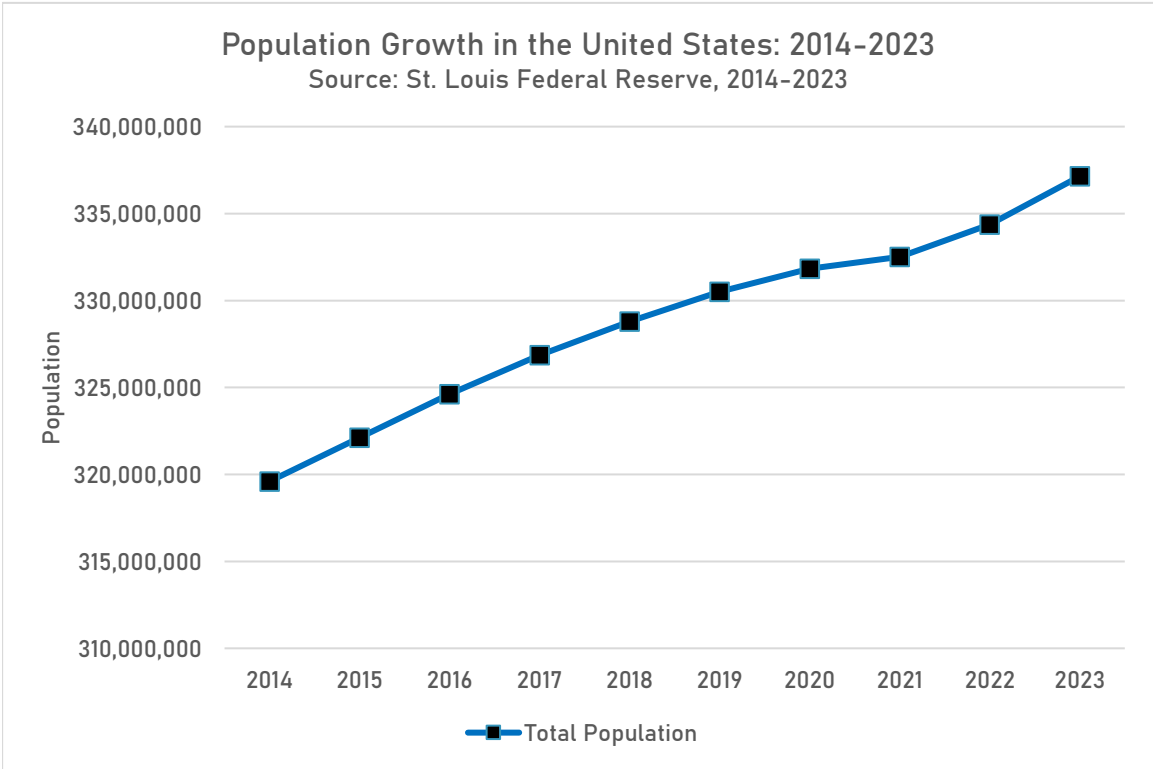
NATIONAL TRENDS

This section describes national trends in demographics such as population and household growth, as well as trends in both owner- and renter-occupied housing. The trends related to housing include an examination of issues affecting housing types, price points, and affordability. This section also discusses the relationship of national trends to those seen in the City of Plano.

Population

The population of the United States has grown by 5% over the last decade, rising from 320 million to nearly 337 million. This population growth is driven in part by overall longer life expectancies, population reproduction rates, and immigration. The growth in population impacts the demographics associated with the housing market.

Figure 24: Population Growth in the United States

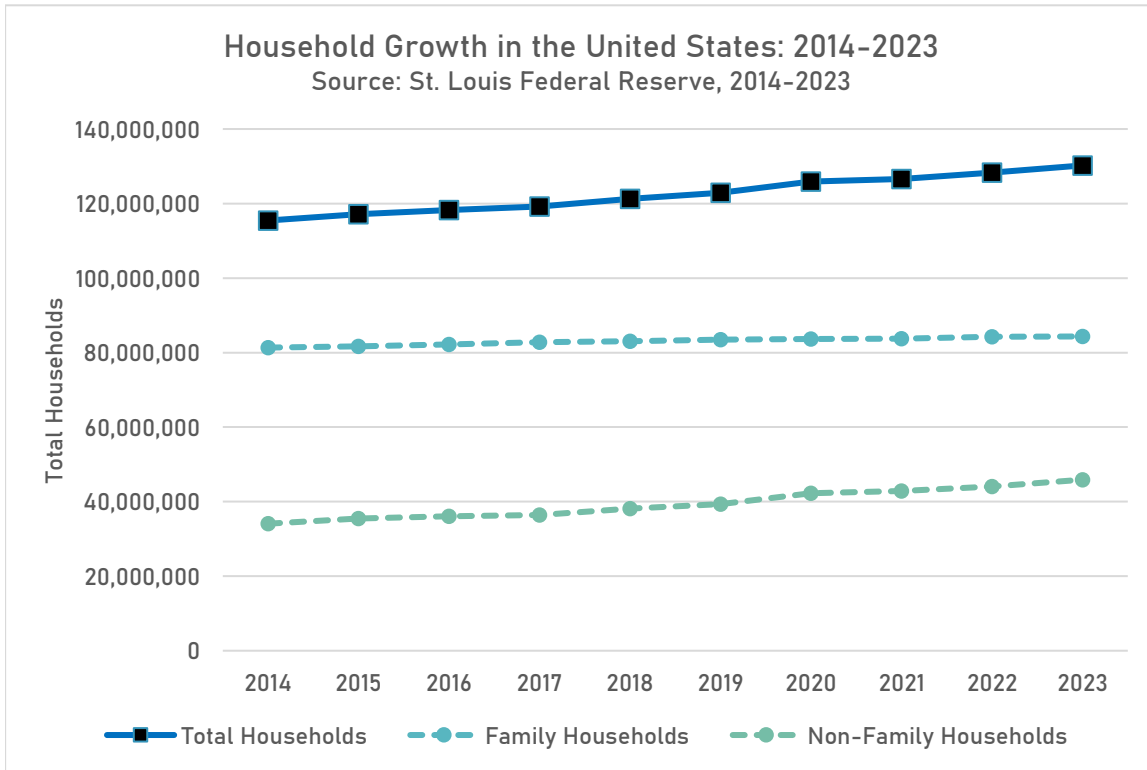


The City of Plano has seen its population increase more than 16-fold over the last 50 years. Between 1970 and 2021, the population of the City of Plano rose from 17,872 to 287,037. This population growth is attributed to the suburbanization of the Dallas metro region as well as Plano’s economic development strategy of becoming a city open to corporate headquarters.

Households

The number of households in the United States has increased by nearly 15 million over the last decade. In 2023, there are 123 million households, an increase of 13% over 2014. The growth in households is driven by demographic changes within household composition. Households can be classified as family or non-family, with non-family households being defined as unrelated individuals living together, either through partnership or a roommate type situation. Over the last decade the growth in non-family households has been nearly nine times that of family households. Between 2014 and 2023 non-family households grew by 35%, rising from 34 million to 46 million, compared to family household which grew by 4% over the same period. The change in household composition is partially a result of a changing social structure (e.g., delayed marriage, longer life expectancy) as well as the economics associated with housing. Housing prices and rents have escalated in recent years, such that non-family households are formed so that they can afford housing. This generally occurs in highly urban areas where the cost of housing is substantial relative to incomes.

Figure 25: Households in the United States

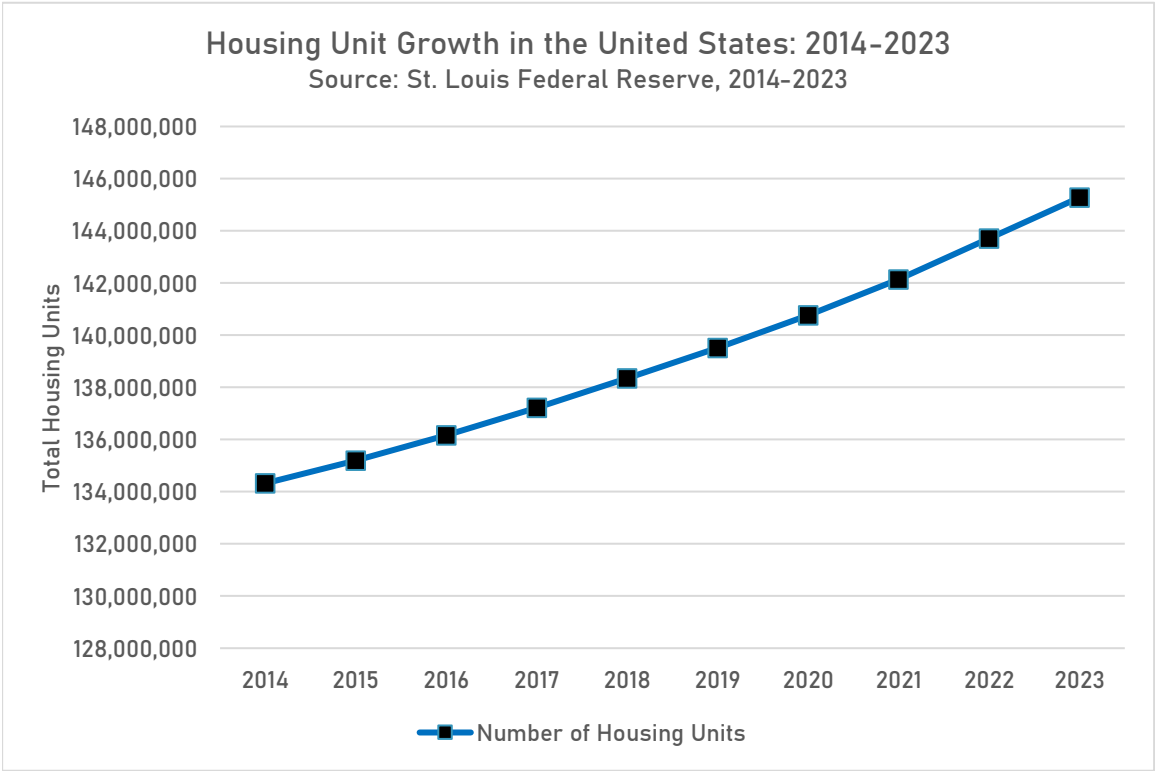


In the City of Plano, the total number of households has increased over the last five years, with larger households of 3-persons and greater leading the growth.

Housing Units

The number of housing units in the United States has increased by 1 million over the last decade. In 2023, there are 145 million housing units, an increase of 8% over 2014. The growth in housing units is driven by demographic demand as total households are increasing. This growth in housing units also coincides with the recovery from the Great Recession and Covid-19, and the expansion of both the economy and monetary policy (i.e., low interest rates). This period also coincided with the revitalization of cities, where dense housing development helped transform underdeveloped areas.

Figure 26: Housing Unit Growth in the United States



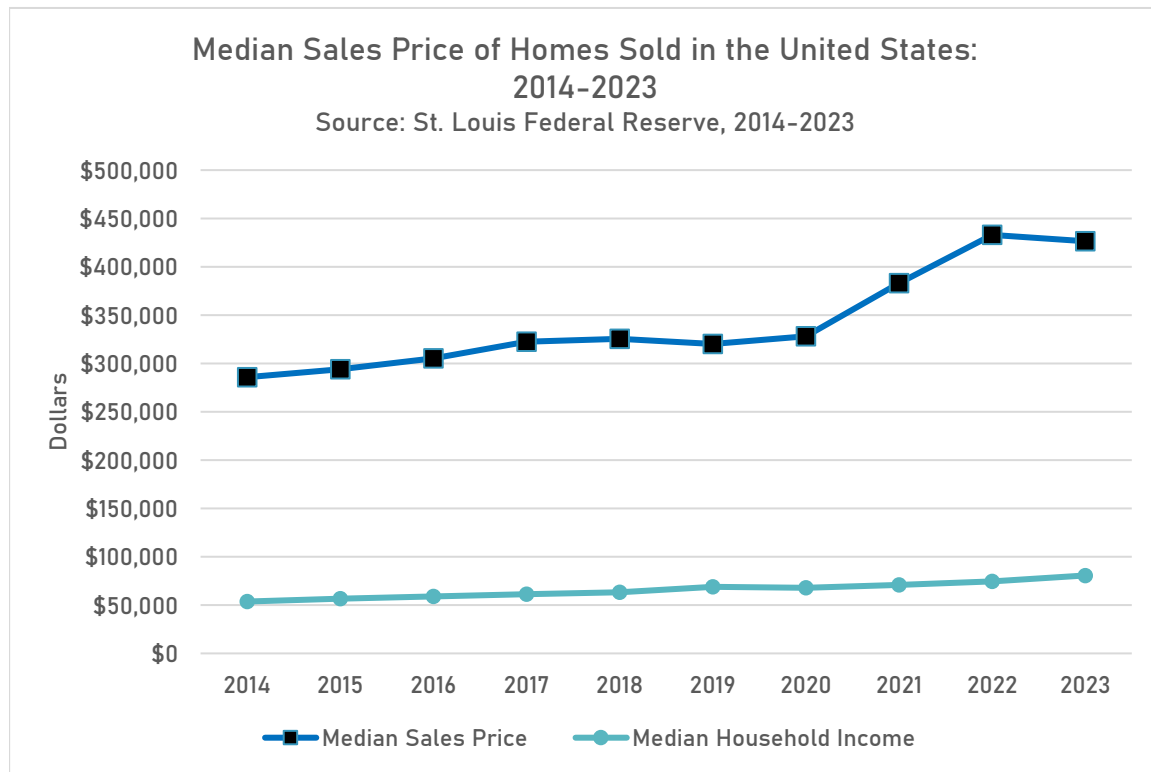
Like national trends, the City of Plano has seen an increase in the total number of housing units, particularly multifamily apartments.

Single Family Market

Across the United States single family home prices have escalated substantially since the Great Recession. Key contributing factors include demographic changes, low interest rates, lack of supply, and a lag in new construction which has resulted in increasing prices. Since 2014, home prices have risen by 49%, or \$141,000 nationally. In 2016, the national median sales price eclipsed \$300,000 for the first time, and in 2022 eclipsed \$400,000. The continual growth in home prices creates challenges for households across the nation as the median home price is now out of reach for households at or below the nation’s median income. During the same 10-year period, median

household income grew by 50%, or \$26,950, however, the price of homes is still out of reach for a median income household.

Figure 27: Median Sales Prices of Homes Sold in the United States

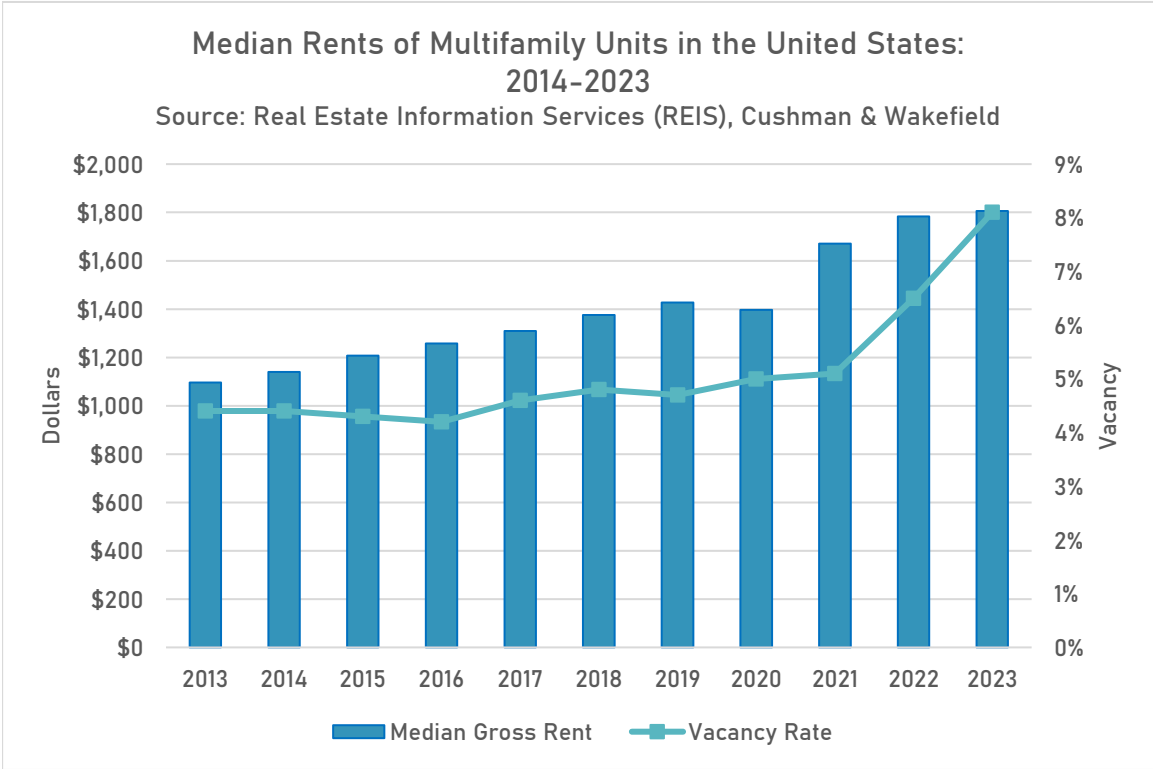


Home prices have increased across the city with a median sales price of around \$530,000, up from \$339,000 in 2014. Like other parts of the country, and even other parts of the Dallas metro region, home prices have become less obtainable in the City of Plano.

Multifamily Market

Like the national for-sale housing market, the multifamily rental market has also seen prices escalate since the Great Recession. Since 2013, rents nationally have risen by 65%, or \$710 per month. The continued growth in rent is a perennial challenge for renter-households as there is a higher propensity of lower-income households and cost burdened households comprising the renter market versus the owner market. As rents continue to climb, added financial burdens on renter households force a reallocation of household income from other spending categories like food, transportation, and healthcare over to housing. Contributing factors to increasing prices in rental housing include demographic and economic changes placing more renters in the market, regulatory barriers for new construction keeping supply low, and high costs of construction requiring higher rents in certain markets.

Figure 28: Median Rents of Multifamily Units in the United States

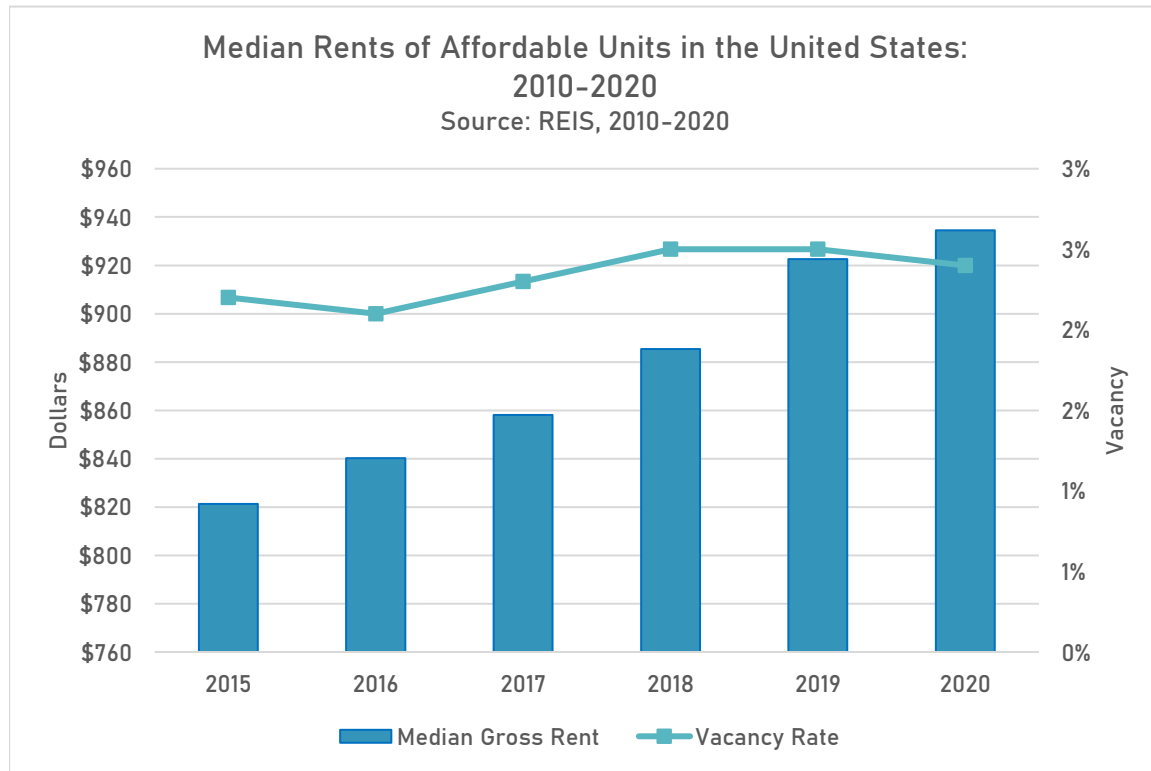


Compounding the problem in the rental market are generally low levels of vacancy for rental units. Rental unit vacancy rates have remained close to 5% over the last 10 years, however, vacancies have increased steadily to nearly 8% in 2023. In the City of Plano, the median rents in multifamily buildings averaged \$1,814 per month. The multifamily sector comprises the majority share of all rental units at 80% of rental units and 45% of units are found in structures with fewer than twenty units.

Affordable Housing Market

Access to affordable housing across the United States is a pressing issue. The production of price appropriate housing units for low- and moderate-income housing has lagged demand. There are a variety of reasons for this occurrence, primarily a lack of funding for affordable housing at the Federal and State levels, the competitive nature of tax credits as a key source of financing, regulatory barriers regarding density at the local level, and the long-term financial feasibility of constructing and operating affordable units without subsidies. Since 2015 rents of affordable units have risen by 14%, or \$113 nationally. The continued rent growth has the potential to increase the number of households experiencing cost burdening, impacting our lowest income households and households most vulnerable to displacement and homelessness.

Figure 29: Median Rents of Affordable Units in the United States



Compounding the problem in the affordable rental market are low levels of vacancy across the board. Low vacancy levels and the lack of new affordable housing create competition amongst households looking to secure unoccupied units. Waiting lists for affordable housing and housing vouchers have become longer as more households apply for the few units that may turnover each year. In certain markets, the waiting lists for deed restricted housing can be greater than ten years. A competitive market like the Dallas Metro Region most likely is more strained than the average community. The escalation of pricing in Plano typifies this challenge, as all new development is targeted at the highest income thresholds (detailed in the following section).

CITY OF PLANO HOUSING STUDY

HOUSING MARKET ANALYSIS

The housing market analysis section describes the market characteristics associated with both owner-occupied and renter-occupied housing units in the City of Plano. This section contains a description of housing types, price points, and affordability in addition to other topics.

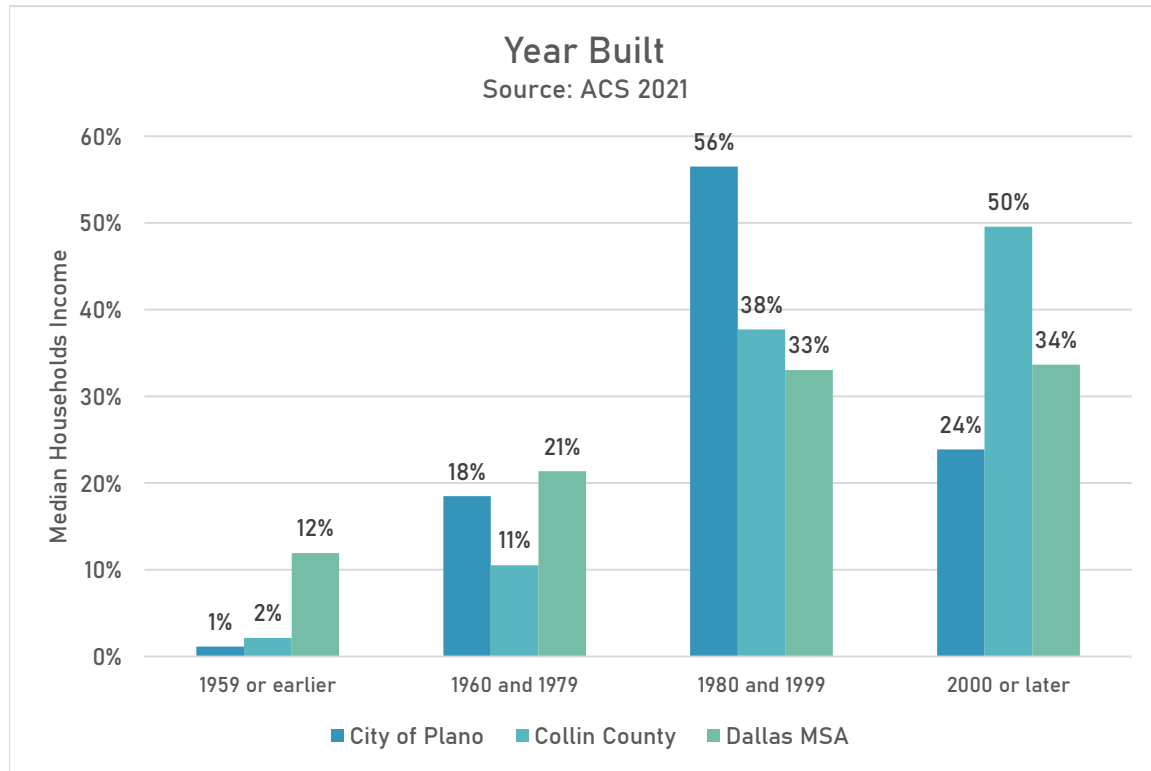
City-Wide Housing Market

The City of Plano has 112,373 housing units, of which 106,022 (94%) are occupied and 6,351 (6%) are vacant. Of the occupied housing units, 58% are owner-occupied, and 42% are renter-occupied. Housing development patterns have changed over time across the city as the population has grown. This city-wide housing market analysis examines both the historical and current market conditions and uses that information to inform strategies for addressing future housing needs.

YEAR BUILT AND HOUSING UNIT GROWTH

The City of Plano's housing growth history shows a steady transformation over the decades. Between 1980 and 1999 the City of Plano experienced a period of extreme housing unit growth, as 59,898 housing units (56% of all units) were constructed during that period. This was a result of Plano capturing households looking to move outside of Dallas and into a suburban environment. In Plano after the year 2000, population and housing unit growth tapered because of other communities within Collin County ramping up housing development. Cities such as Allen, Frisco, and McKinney had abundant greenfield developments sprout up after the year 2000 resulting in about 50% of the housing units being built between 2000 and 2023.

Figure 30: Year Built



Major Development Projects in Plano

Plano's development projects include a sizable number of multifamily units, with a total of 7,153 units planned across various locations. Notable projects include the Collin Creek Mall Redevelopment, which will offer 2,300 main street-style multifamily units, and the Willow Bend Mall Redevelopment, which will add 1,200 mid-rise multifamily units. Other developments, such as The Almanac, Beacon Square, and the EDS Headquarters project, contribute to the diverse range of multifamily housing options available in the city.

In addition to multifamily units, Plano is also seeing the development of single-family attached and detached units. The Collin Creek Mall Redevelopment will include 500 single-family units, while The Almanac and Fry's Electronics Redevelopment will add 90 and 33 single-family attached units, respectively. Heritage Creekside will contribute 32 single-family attached units, further diversifying the housing options in the area.

Table 4: Planned and Permitted Development Projects		
Project Name	Location	Housing Units
The Almanac	South of W Spring Creek Pkwy & Parkwood Blvd	700 main street-style multifamily units (approx. 90 single-family attached units in future phase)
Beacon Square	Northwest of Coit Rd & Mapleshade Ln	632 main street-style multifamily units (539 units already under construction)
Collin Creek Mall Redevelopment	Southwest of 15th St & Alma Dr	2,300 main street-style multifamily units 500 single-family attached & detached units 300 independent living units
Fry's Electronics Redevelopment	Southwest of E Plano Pkwy & Executive Drive	501 mid-rise multifamily units 33 single-family attached units
Heritage Creekside	Southeast of W Plano Pkwy & Custer Rd	338 main street-style multifamily units 32 single-family attached units
Plaza at Spring	Northeast of W Spring Creek Pkwy & Communications Pkwy	520 independent living units
TRG J Place Addition	Northwest of J Pl & PGBT	307 mid-rise multifamily units
EDS Headquarters	Northeast of Parkwood Blvd & Tennyson Pkwy	775 mid-rise multifamily units (approved by P&Z, yet to go to Council)
Railside Addition	Southeast of Municipal Ave &	400 mid-rise multifamily units (approved by P&Z, yet to go to Council)
Willow Bend Mall Redevelopment	Northwest of DNT & W Park Blvd	1,200 mid-rise multifamily units Zoning case under review
Source: City of Plano, 2024		

Independent living units are another important typology being developed in Plano, with a total of 820 units planned. The Plaza at Spring will provide 520 independent living units, and the Collin Creek Mall Redevelopment will add 300 units. These projects cater to the growing demand for senior living options, ensuring that Plano offers a comprehensive range of housing types to meet the needs of its diverse population.

Housing Tenure

As of 2021, 54% (61,067 units) of the city's housing stock was owner-occupied, with 40% (44,955 units) renter occupied. The city's housing stock more closely reflects the greater

Table 5: Housing Tenure, 2021			
	City of Plano	Collin County	Dallas MSA
Owner-Occupied	54%	61%	56%
Renter-Occupied	40%	33%	37%
Vacant	6%	6%	7%
Source: ACS 2017-2021			

metropolitan housing tenure despite its location north of Dallas. In contrast, Collin County has a larger percentage of owner-occupied units (61%), however, given the general increase in housing prices regionally, more apartments are being built in Collin County to absorb household demand.

Units in Structure

In the City of Plano, 63% of residential units are in single family detached structures.² The second largest residential typology is multifamily structures with 50 or more units accounting for 11% of all units. The City of Plano's housing stock generally has a more diversified mix than other locations in the Region. While it does have a lower percentage of single-family homes, it instead offers a wider range of housing choices from attached single family to duplexes, to mid-scale multifamily, and even larger scale multifamily with structures of 50 or more units. The historical development pattern, especially in the Downtown, combined newer development in the Legacy area creates a diverse stock of building types and units.

The breakdown of units in structures changes drastically when comparing owner-occupied units to renter-occupied units. Within the city, 94% of owner-occupied units are single family homes, and 4% are single family homes. Contrast this with renter-occupied units, where 20% are single family homes, 4% are attached homes, and 76% are in structures with two or more units. The housing diversity noted above is predominately in the renter market with units spread across the various typologies like duplexes and mid- to large-scale apartment buildings.

² ACS 2017-2021

Owner-Occupied Housing Market

This section provides a more in-depth analysis of the owner-occupied housing market including supply, demand, and pricing across the city.

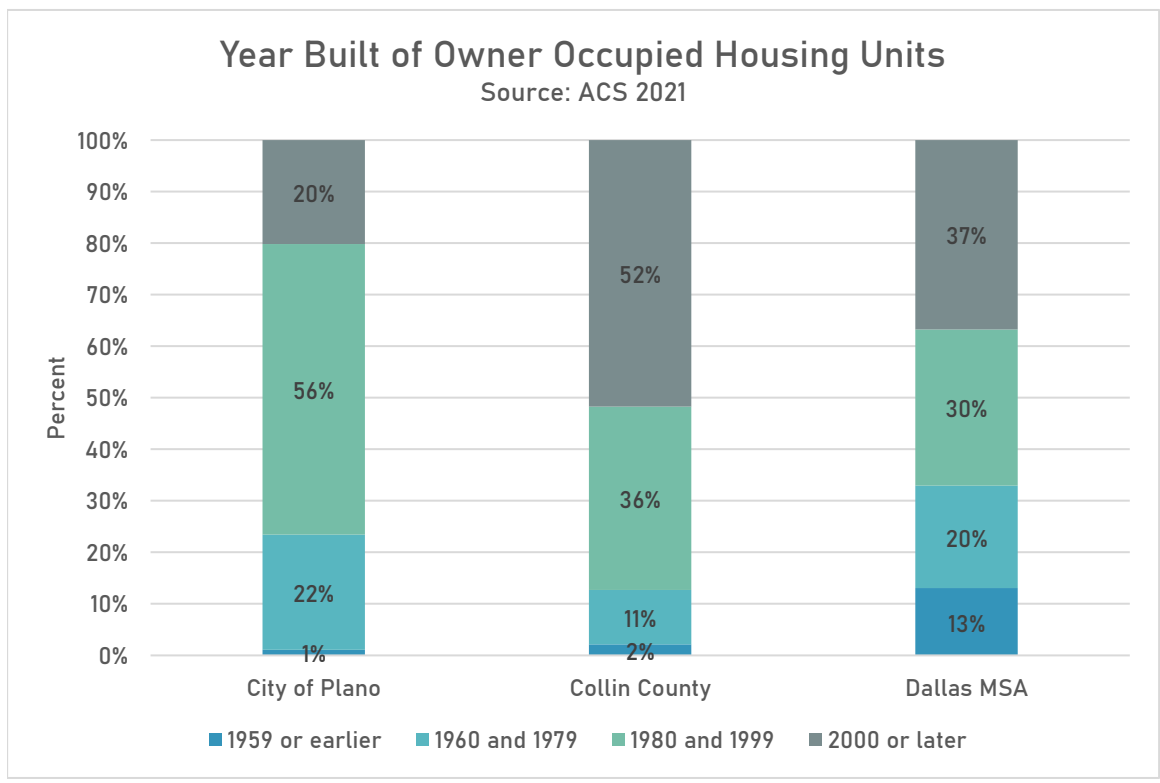
SUPPLY

As was noted earlier, owner-occupied units comprise 54% of the city’s housing stock with 98% of units being single family homes, 1 % in multifamily structures, and 1% in mobile homes. The single-family percentage in the city is comparably much higher than the Region, and the percentage of multifamily homes is about half.

Owner-Occupied	City of Plano	Collin County	Dallas MSA
Single family	98%	94%	94%
Multifamily	1%	2%	2%
Mobile Home/RV/Other	1%	4%	4%

Source: ACS 2017-2022

Figure 31: Year Built of Owner-Occupied Housing Units

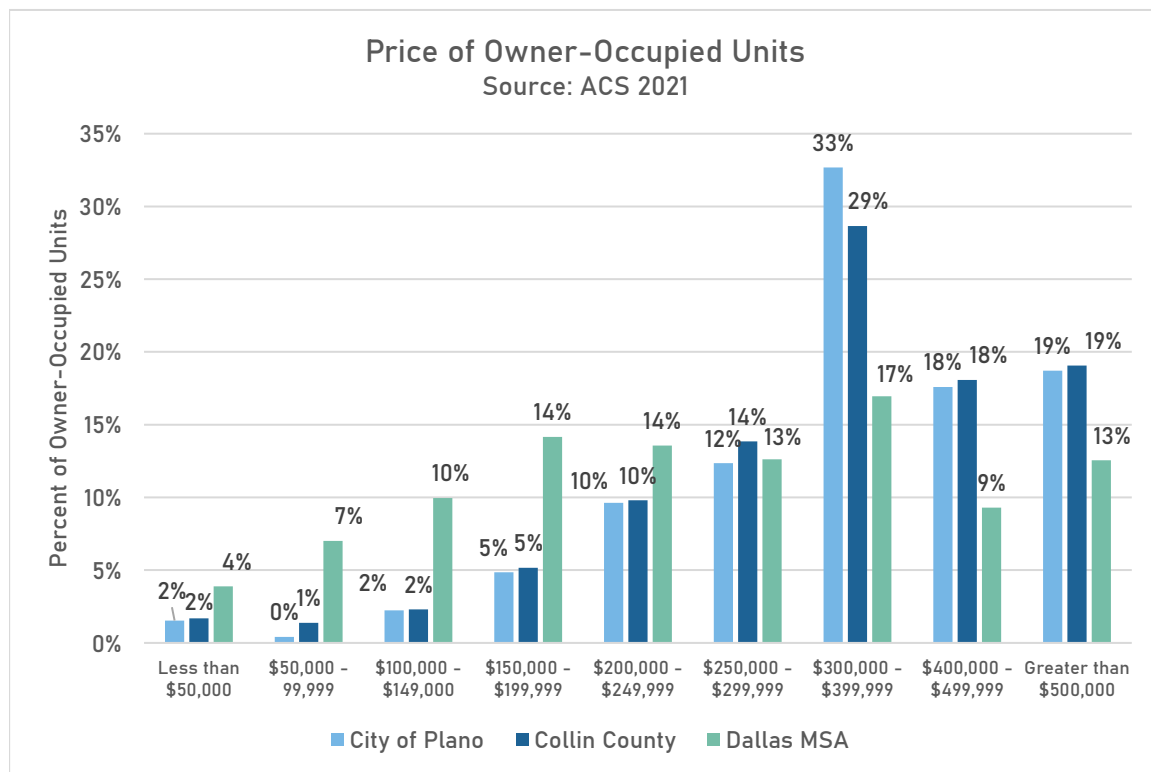


The age of Plano’s owner-occupied housing stock shows that it is significantly older than the regional housing stock. About 56% of ownership units in Plano were built between 1980 and 2000. This compares to 36% for Collin County and 30% for the Region. Prior to the Region becoming a major economic hub, Plano was just a small community just north of Dallas. However, its location coupled with the ability in attracting large corporations to locate their headquarters in the city allowed Plano to grow substantially. At the time during the 1980’s there was a national trend of suburbanization, Plano was able to capitalize on this trend as the city was looked at the next place to build housing after Richardson and Garland developed.

Pricing

In 2021, the median value of an owner-occupied housing unit in the City of Plano was \$387,200.³ While sale prices for owner-occupied units have been rising, the Great Recession hit the city particularly hard, driving both values and sale prices downward. It took until about 2013 for the median sales price to begin rising again. Figure 32 compares the number of owner-occupied housing units by value range across the city and the Region. Generally, Plano’s housing stock is less affordable compared to the Region with 69% of all owner-occupied units valued at greater than \$300,000 versus 39% for the Region.

Figure 32: Percent of Owner-Occupied Units by Price Range



³ ACS, 2017-2021.

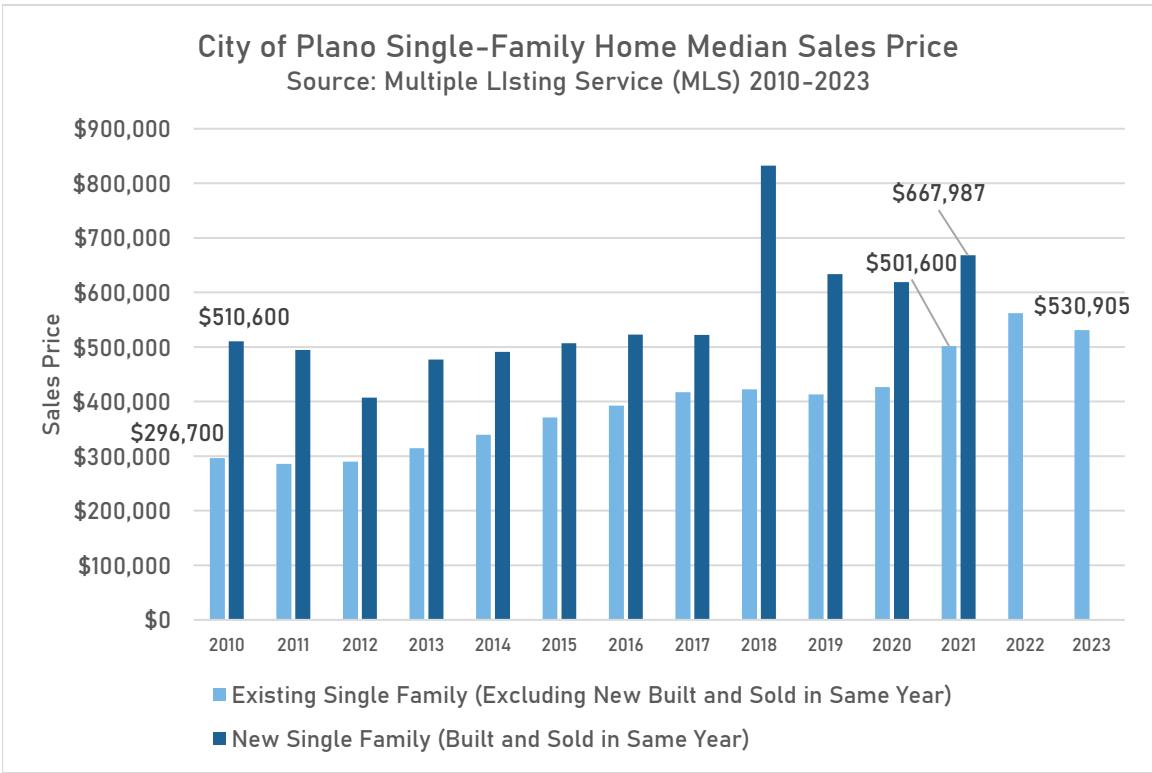
For Sale Market

To provide accurate data on owner-occupied sales in the City of Plano, Multiple Listing Service (MLS) data for the period 2010 to 2023 was analyzed.⁴ Over this period, there were about 43,708 sales with an average of 3,122 sales annually. While the Great Recession impacted sales prices in the beginning part of the decade (2010-2012), the number of sales per year and prices have increased since. This is true for both detached single family housing as well as townhomes.

Detached Homes Pricing

RKG looked at a comparison of sales for existing single-family homes that sold versus brand-new single-family homes (ones that were built and sold in the same year) to better understand the price differential between the two. In 2021 (the latest year where data was available for new homes built and sold in the same year), new single-family homes on average sold for 33% more than existing single-family homes. The median sales price of a new home in 2021 was \$667,987 compared to \$501,600 for an existing home. Figure 33 shows median sales price for existing and new homes sold by year.

Figure 33: Sales Price



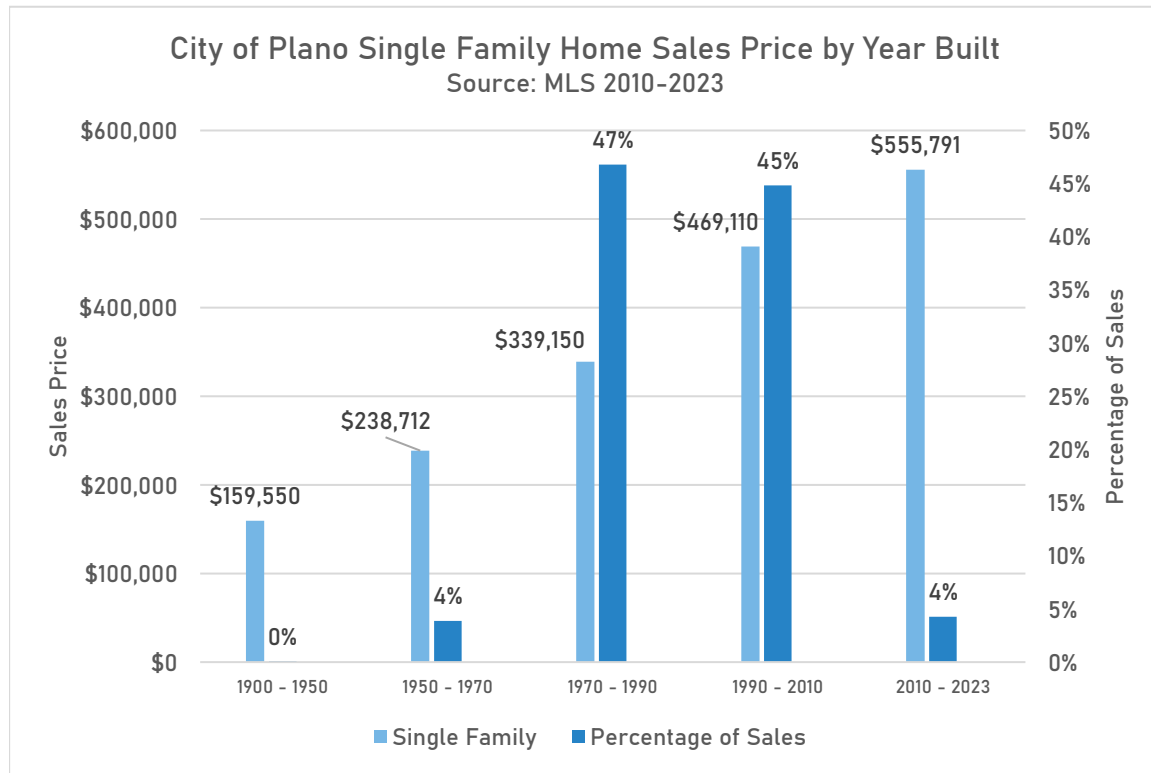
Homes built between 1970 and 1990 accounted for 47% of all sales activity. Based on the pricing data, older homes do not garner nearly the same price for a variety of reasons including overall

⁴ MLS data provided by City of Plano. Data was made available between 2010 and June 2023. Due to 2023 being a partial year, this reference reports uses both 2022 and 2023 as a point of reference.

size, potential rehabilitation needs, location or school district, and modernized layout and amenities. Interestingly, homes built after 2010 are priced nearly 64% more than those build in the 1970's. This is based on newer homes having layouts and amenities which are in demand. Homebuyers today may place more consideration on the location, age, condition, and layout of the home than the space and price.

Anecdotally, real estate professionals have noted that the rise in existing home values is due, in part, to limited supply and the results of rehabilitation and investment in properties by investors. To this point, not only is ownership housing becoming less affordable, those units most affordable (older, smaller houses) are being rehabilitated and flipped at a substantial profit.

Figure 34: Sale Price by Year Built

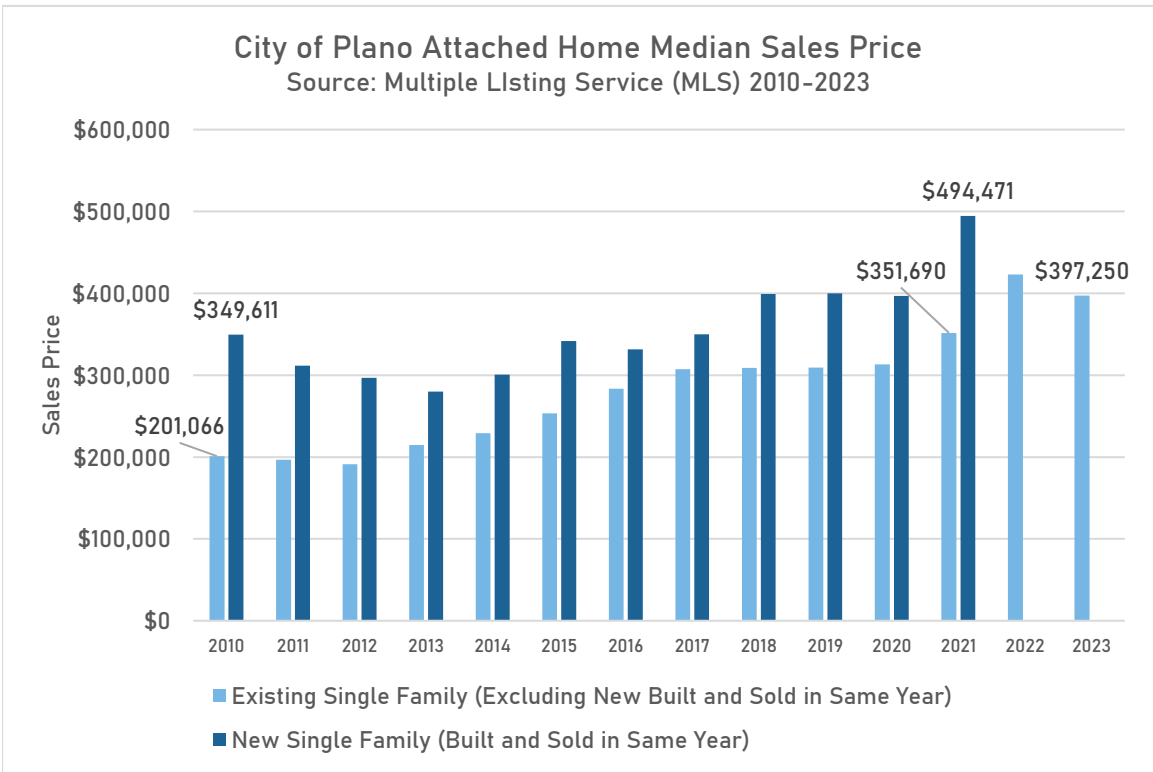


Between 2010 and 2023, the median days on market for single family homes has declined from 41 days in 2010 to 13 days in 2023. This shows that demand has increased and supply has lagged. Additionally, newer product has been slower to come online give the current supply chain issues related to lumber, materials, and labor. The average days on market varies by product type with new homes selling slower than existing homes, which makes sense given the significant differential in price point. In 2022, the median days on market for a new construction home was 21 days compared to 8 days for an existing home.

Attached Homes Pricing

RKG looked at a comparison of sales for existing attached homes (duplexes and townhomes) that sold versus brand new attached homes (ones that were built and sold in the same year) to better understand the price differential between the two. In 2021, new attached homes on average sold 41% more than existing attached homes, with the median sales price of a new home being \$494,471 compared to \$351,690 for an existing home. In 2023, the median sales price for an existing attached home was \$394,250. Figure 35 shows median sales price for existing and new construction attached homes.

Figure 35: Sales Price

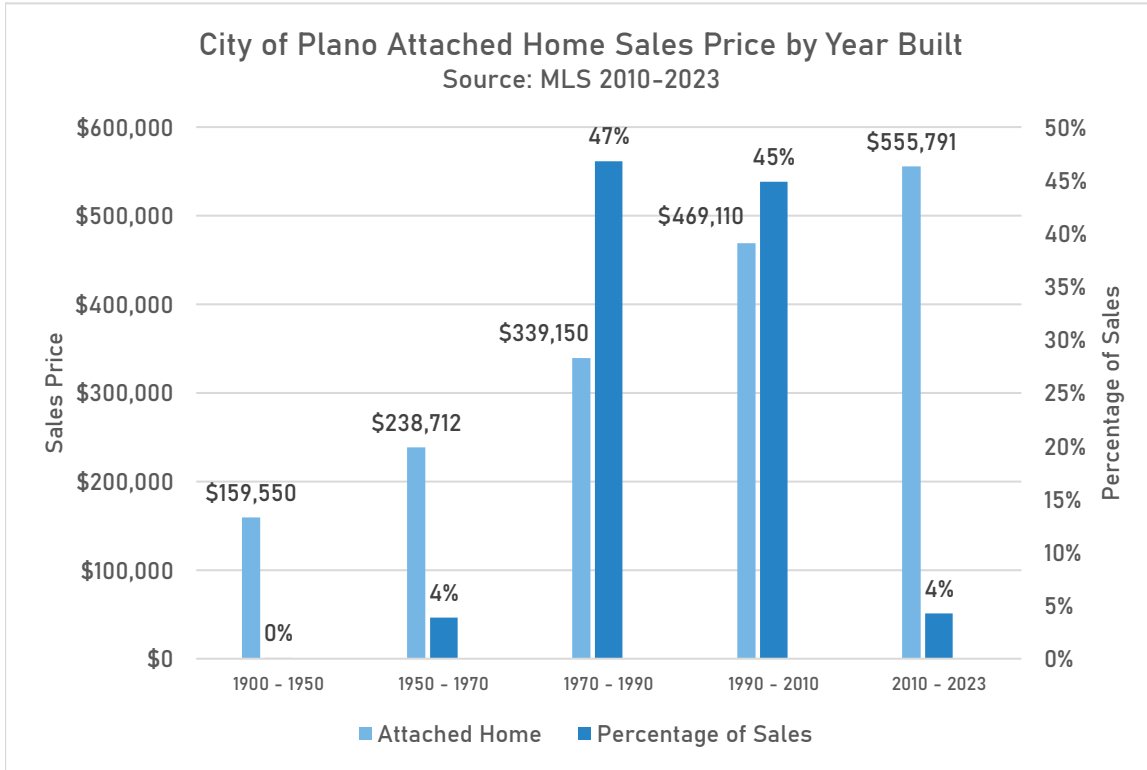


Homes built between 1990 and 2010 accounted for 59% of all attached home sales activity while 21% of homes sold were built between 2010 and 2023. Attached homes are a relatively new product in the City of Plano as traditionally most homes are single family style. Based on the data there were no sales of attached homes built prior to 1970, which indicates the typology was not prevalent in the past. Attached homes in the City of Plano offer an attractive price point for homebuyers looking for a more affordable alternative to single family homes.

Over the period of 2010 to 2023, the median days on market for attached home has declined from 48 days in 2010 to 19 days in 2021. This shows that demand has increased and supply has lagged. Additionally, newer product has been slower to come online given the current supply chain issues related to lumber, materials, and labor. The average days on market varies by product type with new homes selling slower than existing homes, which makes sense given the significant

differential in price point. In 2022, the median days on market for a new construction home was 23 days compared to 10 days for an existing home.

Figure 36: Sale Price by Year Built



Renter-Occupied Housing Market

This section provides an analysis of the renter-occupied housing market including supply, demand, and pricing across the city.

SUPPLY

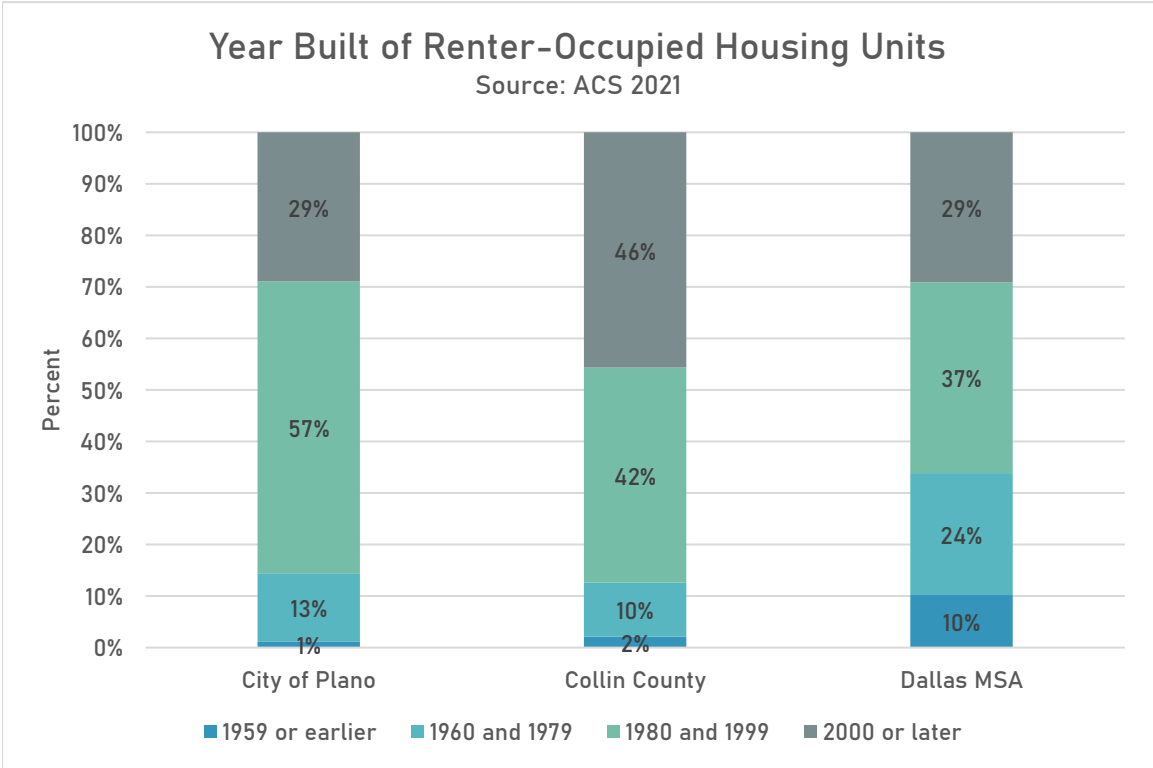
In 2021 about 42% of the city’s households were renters, with 24% of rental units in single family homes and 76% in multi-unit structures. These percentages contrast with Collin County and the Region where there is a greater stock of single-family rental units and mobile homes.

Table 7: Housing Tenure, Renter			
Renter-Occupied	City of Plano	Collin County	Dallas MSA
Single family	24%	29%	29%
Multifamily	76%	70%	69%
Mobile Home/RV/Other	0%	2%	2%

Source: ACS 2017-2021

The rental housing stock across the city is relatively newer with 14% of rental housing units built before 1980. This compares to the Region where 34% of rental units were built before 1980. More than half of all rental units (57%) in the city were constructed between 1980 and 1999 compared to only 37% in the Region. Newer rental units tend to have more up-to-date maintenance and modern amenities which make them ideal for tenants.

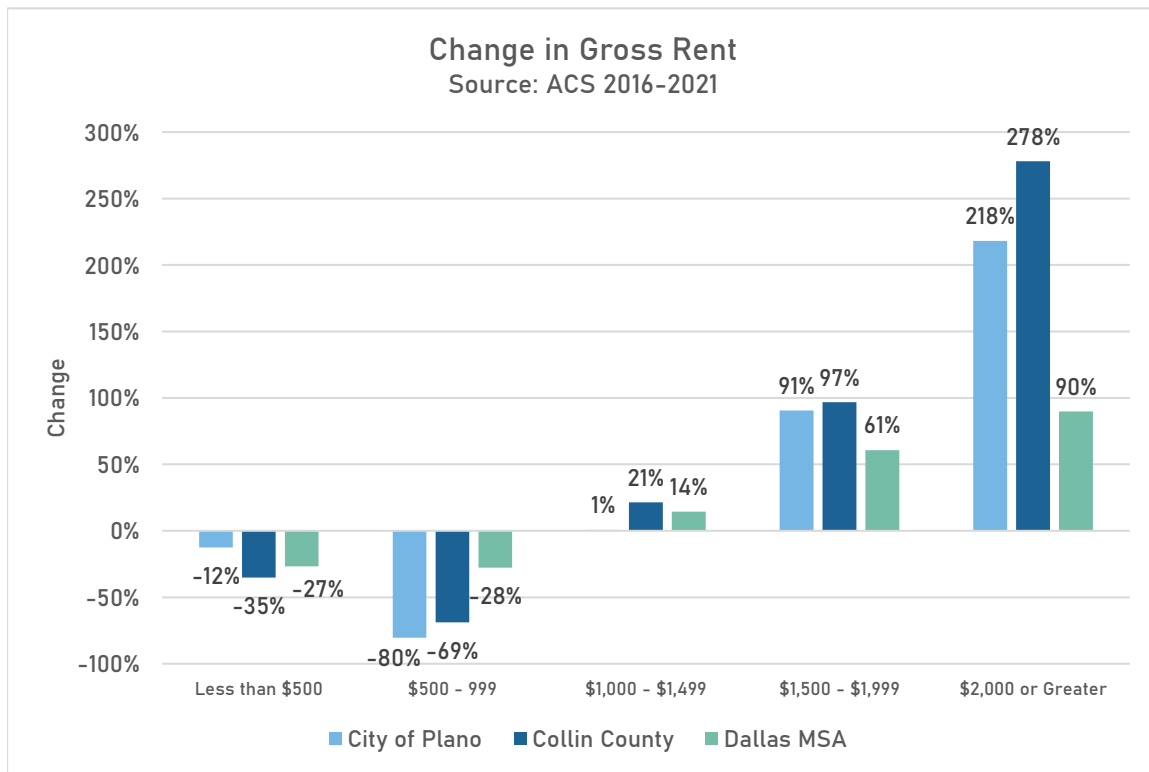
Figure 37: Rental Structures by Year Built



Pricing

In 2022, the median gross rent in the city was \$1,541, which was an increase of 29% from 2016.⁵ Gross rent is a measure of the monthly contract rent plus an estimated average utility cost paid by the renter. Utilities factored in include electric, gas, water, sewer, and fuel. Figure 38 shows the change in gross rent between 2016 and 2021 by price range. The number of households paying rent at the very low end (less than \$500 a month) has declined by 12%, while the number of households paying rent at the higher end (over \$2,000 a month) has grown by 218%. Households paying moderate rents, between \$1,000 and \$1,999 per month, have also increased, driven mostly by renter households paying between \$1,500 and \$1,999 per month. Some of this rent growth may be attributed to new product coming on the market which could coincide with the sharp increase in rents given the tight market.

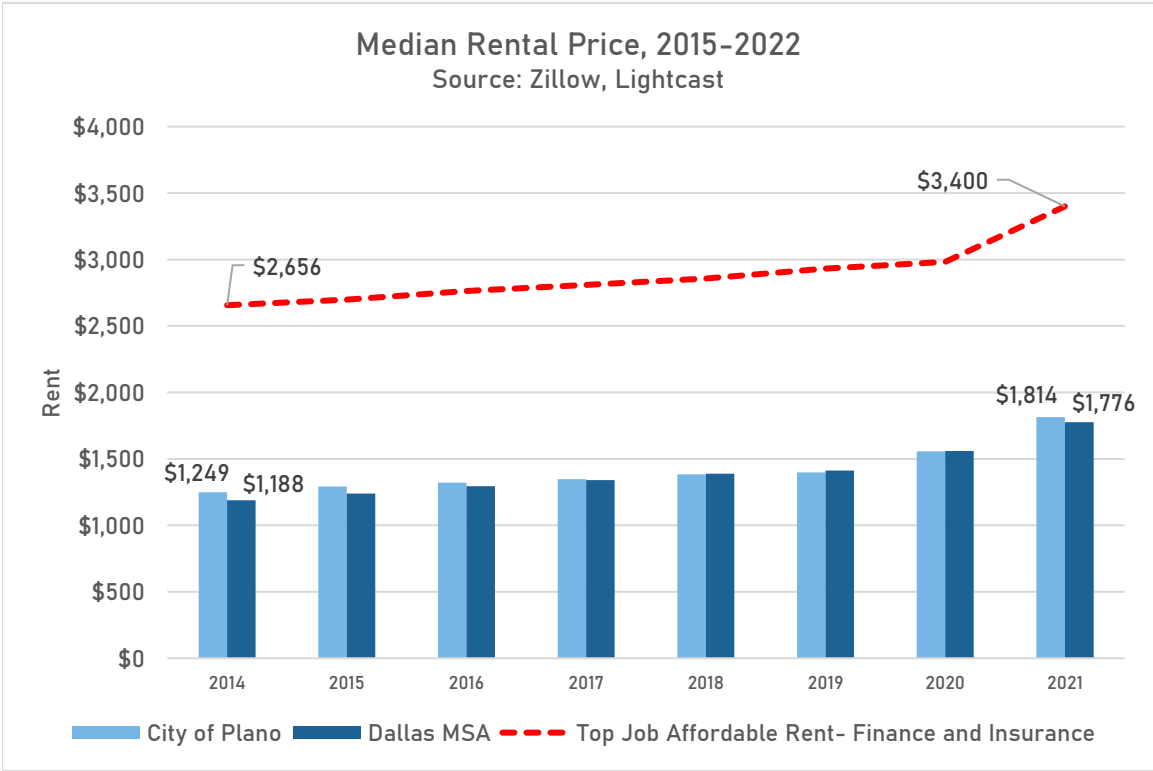
Figure 38: Change in Gross Rent



Median rents in the City of Plano have increased nearly 50% over the last eight years, with the median rent in Plano overtaking the median rent in the Dallas Metro Region. The cause of this is a combination of impact from new construction (exclusively high end) and price escalation for existing properties. Rental affordability has become a serious issue because median rents were already unaffordable for many households.

⁵ ACS 2016 and 2021.

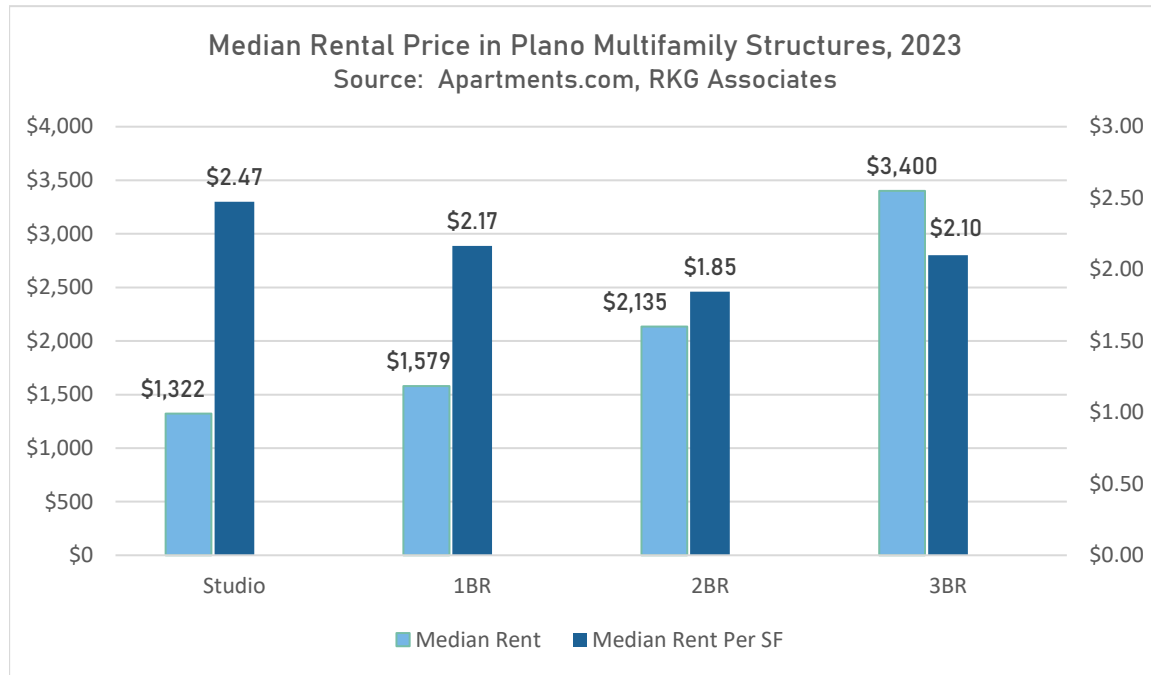
Figure 39: Median Rental Price



A recent scan of rental listings showed the median rent in Plano is \$1,814 while the median rent for the Region was \$1,776 per month.⁶ Rental prices in the larger apartment complexes vary significantly depending on the location, quality, and amenities offered. This is also because new luxury apartments have been created in the city. In the City of Plano, an average worker in the city’s largest industry sector (Finance and Insurance) can afford to pay \$3,400 a month in rent, which is significantly more than the median rent. Households with lower incomes have difficulties securing housing in the city.

⁶ Apartments.com, June 2023.

Figure 40: Median Rental Price in Plano Multifamily Structures, 2022



Multifamily units in Plano are attracting higher income households. Nearly all new multifamily development occurring in and around Plano over the last decade has been in the high-end/luxury market; examples include:

- Bel Air Downtown
- Legacy North
- MAA Market Center
- One90 Gateway

Rents in new multifamily structures vary by unit type, with the median studio rent being \$1,322 (\$2.47 per square foot) while three-bedroom units rent for \$3,400 (\$2.10 per square foot) per month. On a per square foot basis, smaller units generate greater revenues for developers than larger family units. Based on these market dynamics, there are fewer family sized units being built in Plano which is exacerbating the affordability problem.

Affordable Rental Units

Within the City of Plano, there is a general lack of deed restricted affordable housing because there are no statutory requirements. As such, only a limited number of affordable housing developments have been built over the years, some financed in part by Low-Income Housing Tax Credits (LIHTC). These affordable units tend to target seniors and between 30% and 60% of Area Median Income (AMI).

The pipeline of affordable housing developments in the city of Plano has effectively been turned off as of 2023, because a new city policy has been introduced declining to offer a letter of support from the city endorsing any proposed affordable housing developments. As part of the competitive LIHTC process, an application is scored based on the entirety of their project as well as the receptiveness of the community. Based on Plano's change in policy, affordable developers in Plano become uncompetitive for LIHTC because letters of support from the community result in additional points in the scoring rubric and it is customary for a developer to receive a letter of support from the community in which they are willing to build.

In Plano, there are 1,793 affordable units which utilize LIHTC or Private Activity Bonds (PAB) to finance affordable housing. Of the units, 1,179 are for low-income seniors, while 614 are targeted toward low-income households. Table 8 presents data provided by the Plano Housing Authority regarding the types and number of units of affordable housing.

In addition to LIHTC, the Plano Housing Authority has been able to generate affordable housing by creating public facility corporations (PFC). Under Chapter 303 of the Texas Local Government Code, PFC is a PFC can be created by a municipality, county, school district, housing authority, or special district, for the purposes to acquire, construct, rehabilitate and otherwise operate a public facility, which is property devoted to a public use.⁷ The PFC rules recognizes affordable housing as a public use.

Under the PFC rules, if a PFC owns a multifamily residential development utilized for the purpose of affordable housing with at least 50% of the units reserved for households having an income less than 80% of AMI and leased the property to a for-profit entity for operation, the property would

Figure 41: Plaza at Chase Oaks for Active Adults 55+



⁷ <https://statutes.capitol.texas.gov/Docs/LG/htm/LG.303.htm>

be receiving a 100% property tax exemption.⁸ This law has enabled real estate developers and property owners partnered with PFCs to construct new affordable housing, acquire existing multifamily residential developments, or impose affordability restrictions on existing multifamily residential developments they already owned. In Plano this has resulted in a significant increase in the number of affordable units available (+1,871 units), however, the Texas legislator has recently amended the legislation and now requires a PFC to obtain approval from the governing body of the municipality, in the case of Plano the City Council will have control.⁹

Table 8: Affordable Housing Developments in Plano			
Name of Project	Population Served/Unit Type	Total Units	Affordable Units
Villas of Mission Bend	Elderly	135	101
Evergreen at Plano Parkway	Elderly	250	250
The Plaza at Chase Oaks	Elderly	240	240
Tuscany Villas	Elderly	90	90
Villas at Plano Gateway Senior Living	Elderly	292	233
Gala at Premier	Elderly	97	77
Mariposa Apartments Homes at Communications Parkway	Elderly	180	108
Parmore Jupiter Road	Elderly	100	80
Garden Gate Apartments	General	240	240
The Veranda Townhomes	General	40	20
Patriot Park	General	139	111
K Avenue Lofts	General	226	179
Juniper Apartments	General	80	64
Total LIHTC/PAB Units			1,793
Enclave Gateway	PFC	350	179
Alexan Legacy	PFC	385	203
Opal Legacy	PFC	310	161
Steeplechase	PFC	368	318
Oak Tree Village	PFC	272	159
McDermott Crossing/Park	PFC	267	154
Bel Air 16	PFC	152	104
Bel Air Oaks	PFC	474	295
Latitude	PFC	304	154
Collin Creek	PFC	314	160
Total PFC Units			1,871
Total Affordable Units			3,664

Source: Plano Housing Authority, RKG Associates, 2023

⁸ [https://www.jdsupra.com/legalnews/2023-changes-to-texas-law-property-tax-9562715/#:~:text=A%20public%20facility%20corporation%20\(%E2%80%9CPFC,\(the%20%E2%80%9CCode%E2%80%9D\).](https://www.jdsupra.com/legalnews/2023-changes-to-texas-law-property-tax-9562715/#:~:text=A%20public%20facility%20corporation%20(%E2%80%9CPFC,(the%20%E2%80%9CCode%E2%80%9D).)

⁹ [https://www.jdsupra.com/legalnews/2023-changes-to-texas-law-property-tax-9562715/#:~:text=A%20public%20facility%20corporation%20\(%E2%80%9CPFC,\(the%20%E2%80%9CCode%E2%80%9D\).](https://www.jdsupra.com/legalnews/2023-changes-to-texas-law-property-tax-9562715/#:~:text=A%20public%20facility%20corporation%20(%E2%80%9CPFC,(the%20%E2%80%9CCode%E2%80%9D).)

Future Housing Demand

To accommodate new population growth, RKG Associates developed a methodology for calculating the number of new households based on the increase in population which then translates into estimates for future housing demand. RKG assumes that future household composition and housing tenure will follow a similar pattern to today and used household sizes and tenure splits to allocate future household growth.

To accommodate the population projected for 2027, RKG estimates the city may need to produce an additional 6,342 housing units above what exists today. This assumes current housing vacancy rates continue to hold steady. RKG also assumed that the split between owner and renter households would remain at its current split of 56% owner-occupied and 44% renter occupied. Under these assumptions, RKG projects the city would need to add another 3,531 owner-occupied housing units and 2,811 renter-occupied units.

Table 9 shows the allocation of households by household size for the projected new households across the city. This allocation assumes that trends will remain constant until the year 2027. For example, in 2021, 23% of all households were 1-person and 33% were 2-person. These percentages are applied in the same way to the total households projected for 2027 which results in 3,595 additional 1- and 2-person households over the next five years. Since 3, 4, and 5+ person households comprise a lower percentage of the city's household composition, those percentages are lower than 1- and 2-person households.

Table 9: 2027 Projections of 2021 Household Composition Held Constant		
Household Size	Households	% of Total
1-person household	1,497	24%
2-person household	2,098	33%
3-person household	1,196	19%
4-person household	980	15%
5-or-more person household	571	9%
Total	1,497	24%

Source: ESRI, ACS 2016, 2021, RKG Associates

Table 10 shows the breakdown of owner and renter households by household size. With housing tenure held at the 56/44 split based on 2021 data, there is a projected need for an additional 3,531 owner-occupied housing units and 2,811 renter-occupied housing units through the year 2027. The new households are skewed toward one- and two-person households which are the two predominant household size categories in the City of Plano as of 2021.

Table 10: 2027 Projections of 2021 Household Composition Held Constant				
Household Size	Owner Households	Total % of Owner	Renter Households	Total % of Renter
1-person household	523	15%	974	35%
2-person household	1,327	38%	771	27%
3-person household	686	19%	510	18%
4-person household	609	17%	371	13%
5-or-more person household	386	11%	185	7%
Total	3,531	100%	2,811	100%
Source: ESRI, ACS 2016, 2021, RKG Associates				

Based on the projection data, the City of Plano will need to consider how to increase the production of smaller units to accommodate the increase in 1- and 2-person owner-occupied households. In addition to housing production, the city should consider rehabilitation programs to bring older owner and renter housing units up to the standards of today's buyers.

CITY OF PLANO HOUSING STUDY

HOUSING MARKET AFFORDABILITY ANALYSIS

This section explores key housing market gaps based on demographic analysis and owner and renter market analysis. Gaps focus on the type of housing that may be needed in the City of Plano going forward and the price points that appear to be underserved in today's market.

Key Findings

Housing is becoming unaffordable for most households living or looking to live in Plano.

- The real estate market is very strong due to the local/regional market imbalance.
- Housing prices and rents have nearly doubled over the last decade.
- Prices for rentals and ownership units have become out of reach for average wage workers.

The market will not address housing price diversity on its own, the City of Plano will need to intervene to ensure long-term affordability exists.

- Nearly unlimited demand allows developers to target highest income households.
- City intervention will be required to slow the impacts of supply/demand imbalance.

Median income differential between owners and renters in Plano is nearly double.

- About 61% of owner households are above 120% of AMI.
- About 46% of renter households are below 80% of AMI.
- Households in the middle- and lower-income brackets must compete with higher income households looking for rental and for-sale product.

Cost burdening affects both owner and renter households.

- Renter households are more severely cost burdened than owners, but do not have options given the limited affordable housing stock.
- Lack of sufficient demand creates extra pressure on more affordable options, as rent and purchase prices escalate due to new residents' ability to pay.

Data Sources and Methodology

RKG Associates used the most recent market data available at the time of this analysis. For the demand analysis, RKG Associates relied on the U.S. Census American Community Survey (ACS) 2021 5-Year estimates. Most notably, the ACS data provides estimates for the total number of households, household income, household size and housing tenure (renters and owners). The Census data was analyzed at the subarea level and then summarized for citywide totals.

For the housing supply analysis, RKG Associates relied on a variety of sources. The housing unit count by housing type was identified from the City's 2023 property tax assessment database. The City's database identifies properties by total number of housing units, and property type. RKG Associates used recent property sales and current assessment data to determine ownership housing market values. For rental pricing, RKG did an extensive rental housing price analysis using secondary data sources such as Apartments.com, and Zillow to augment the Census rent levels to refine price points by location and size of housing unit (e.g., 1-bedroom, 2-bedroom).

A supply and demand analysis to identify housing affordability ultimately is determined by the amount a household can pay for housing. To that end, RKG use the U.S. Department of Housing and Urban Development (HUD) Income Limits for the Dallas, TX HUD Metro FMR Area. The Fair Market Rent (FMR) thresholds are based on the AMI for a 3-person household (closest to the average household size in Plano). The 2021 median household income for a 3-person family is \$97,400. Based on average household size for renter and owner households in the City of Plano, the rental affordability analysis uses the income limits calculated by HUD for 3-person households and the ownership affordability analysis uses the income limits calculated for 3-person households.

Low- and Moderate-Income Limits and Affordable Housing Costs

Most communities have a mix of modestly priced housing that is more affordable to low- and moderate-income households: small, older single-family homes that are naturally less expensive than new homes; multifamily condominiums; or apartments that are leased for lower monthly rents. This type of affordable housing often stays affordable where the market will allow it, and redevelopment or rehabilitation pressures are not as high. In the city today, there is a mix of housing at a variety of price points which is income restricted and others that are at a price point that is affordable to low- and moderate-income households.

Deed restricted housing (e.g., LIHTC projects) provides protection from escalating price increases than through regulatory controls for low-income households those households could otherwise afford. These units remain affordable because their resale prices and rents are governed by a deed restriction that lasts for many years, if not in perpetuity. There are other differences, too. For example, any household – regardless of income – may purchase or rent an unrestricted affordable unit, but only a low- or moderate-income household is eligible to purchase or rent a deed restricted unit. Both types of affordable housing meet a variety of needs. The primary difference is that the market determines the price of unrestricted affordable units, while a recorded legal instrument determines the price of deed restricted units.

Low and moderate incomes are based on percentages of the U.S. Department of Housing and Urban Development (HUD) Area Median Family Income (HAMFI) and adjusted for household size. Table 11 illustrates HUD's income breaks for the City of Plano showing income limits by household size.

Table 11: HUD Income Limits	Persons in Family			
FY 2022 Income Limit Category	1	2	3	4
Extremely Low (30%) Income Limits (\$)	\$20,450	\$23,400	\$26,300	\$29,200
Very Low (50%) Income Limits (\$)	\$34,100	\$39,000	\$43,850	\$48,700
Low (80%) Income Limits (\$)	\$54,550	\$62,350	\$70,150	\$77,900
Source: HUD, 2023				

For example, in the City of Plano, if the household income for a three-person household did not exceed \$70,150 that household could qualify for a deed restricted affordable unit. Maximum housing payments are typically set by HUD at no more than 30% of household income, or in this case \$1,754 per month. The income limitations and maximum payment thresholds ensure that households are not overburdened with housing expenses.

Affordability Analysis

Housing affordability can be defined as a household having sufficient income to afford housing (ownership or rental) in a particular area. The City of Plano has a housing affordability problem which has become worse as home prices have increased during the Covid-19 pandemic. The overall lack of supply and increased demand has exacerbated this problem. In Plano, there are distinct breaks for household income and purchasing power based on AMI. The purchasing power of the top 48% of households (Households above 120% of AMI) is more than \$100,000 greater than the bottom 33% of households. Households in the middle- and lower-income brackets must compete with higher income households looking for rental and for-sale product in the City of Plano. Table 12 presents the renting and purchasing capacity of Plano households.

Based on the data in Table 12, households below 100% of AMI are experiencing affordability issues related to rental and homeownership. The growth in housing prices coupled with slower or stagnant growth in incomes contributes to a housing affordability problem known as housing cost burden. HUD defines housing cost burden as the condition in which households spend more than 30% of their gross income on housing. When low- or moderate-income households are spending more than 50% of their income on housing costs, they are severely housing cost burdened.

Table 12: Renting and Purchasing Capacity of Plano Households, 2021

Area Median Income	Household Income	Households		Maximum Affordable Rent Range	Home Purchasing Power
		%	#		
120% +	\$105,241 +	48%	50,676	\$2,921+	\$305,000 +
100 - 120%	\$87,701 - \$105,240	9%	9,337	\$2,435 - \$2,290	\$254,000 - \$305,000
80% - 100%	\$70,151 - \$87,700	10%	10,429	\$1,949 - \$2,434	\$203,000 - \$254,000
50% - 80%	\$43,851 - \$70,150	15%	16,323	\$1,219 - \$1,948	\$127,000 - \$203,000
30% - 50%	\$26,301 - \$43,850	9%	9,270	\$731 - \$1,218	\$76,000 - \$127,000
0 - 30%	\$0 - \$26,300	9%	9,989	\$0 - \$730	\$0 - \$76,000

In the City of Plano, 14% of all households are cost burdened under HUD’s definition and 11% are severely cost burdened. The percentage of cost burdened households in Plano closely mirrors Collin County where 16% of households are cost burdened and 11% are severely cost burdened. Table 13 shows the percentage of cost burdened owner and renter households. Renters in the City of Plano have a higher tendency to be cost burdened than owners which is typical in most markets. In City of Plano, 35% of renter households are cost burdened and 17% of owner households are severely cost burdened. The percentage of renter households that are severely cost burdened is more than twice as high as owner households which correlates with lower household incomes for renters and rising rent rates.

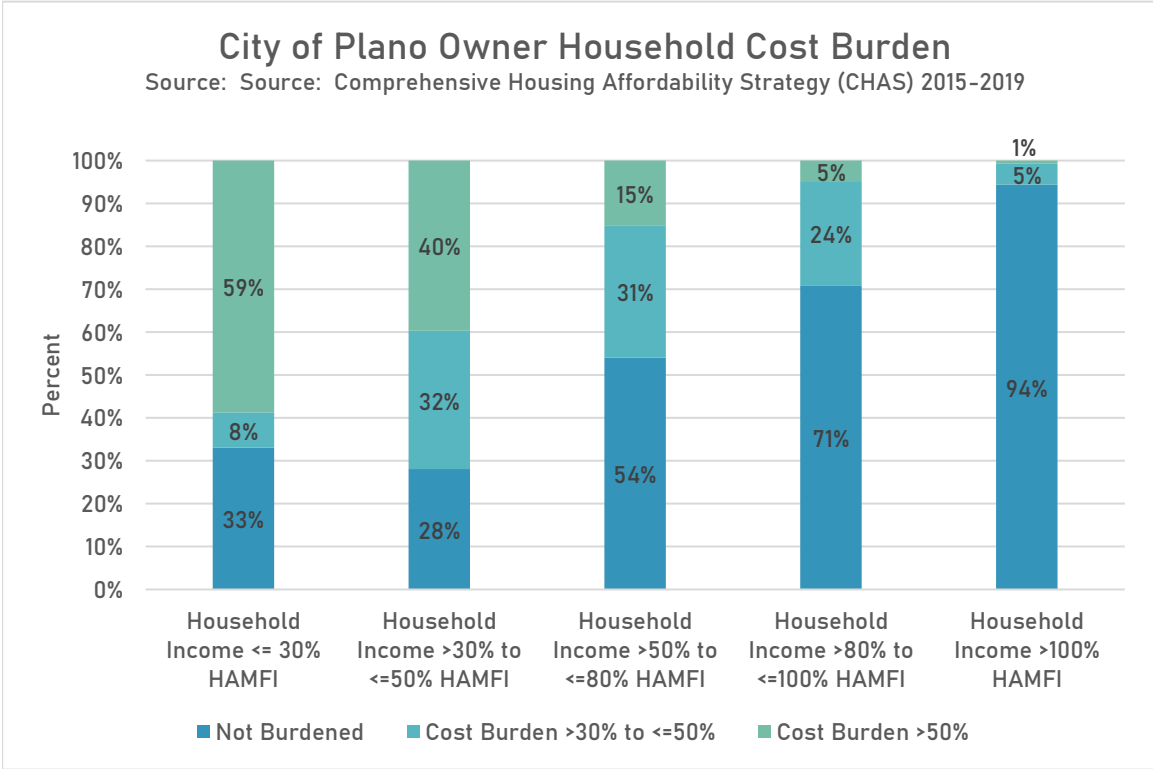
Table 13: Housing Cost Burden Overview, City of Plano, 2015-2019

Cost Burden	Owner Households		Renter Households		Total Households	
	Est.	% of Total	Est.	% of Total	Est.	% of Total
<= 30%	50,760	81%	27,100	63%	77,860	74%
>30% to <=50%	6,505	10%	8,680	20%	15,185	14%
>50%	4,480	7%	6,685	15%	11,165	11%
Cost burden not available	815	1%	835	2%	1,650	2%
Total:	62,560	100%	43,295	100%	105,855	100%

Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Data; Note: Totals may not sum due to statistical margin of error in CHAS data; and RKG Assoc.

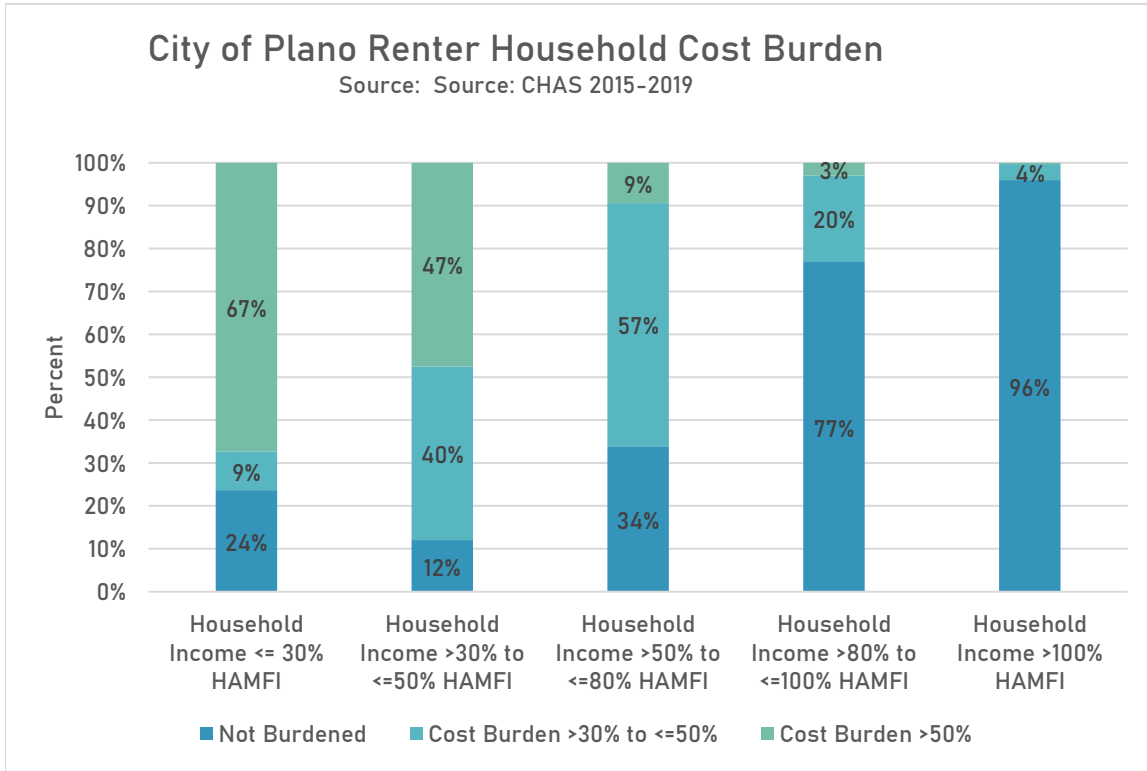
The cost burden data by income tells the story of how lower-income households are struggling with affordability in the City of Plano. Low-income owner and renter households are more prone to experiencing cost burdening than higher income households. For owner households at 30% of AMI (which equates to under \$30,396) in the City of Plano, about 59% of households are severely cost burdened. Figure 41 shows that as incomes rise for owner households, cost burdening decreases. For households under 80% of AMI, cost burdening is a real threat because there is a lack of affordable housing.

Figure 41: City of Plano Owner Household Cost Burden



For renter households at 30% of AMI (which equates to under \$30,396) in the City of Plano, about 67% of households are severely cost burdened. Figure 42 shows that as incomes rise for renter households cost burdening decreases but not as drastically as for owner households. The lack of affordable rental housing is so severe that at 80% of AMI, 66% of renter households are cost burdened, which indicates there is a severe mismatch between wages and rents.

Figure 42: City of Plano Renter Household Cost Burden



Viewing housing affordability in terms of income and cost (affordability threshold) serves as a proxy for understanding the challenges households face to afford adequate housing. This is particularly true in understanding the supply and demand imbalance that exists in the marketplace. While the City of Plano has older, more modestly priced homes and rental units, these units may not be occupied by low- or moderate-income households. Bridging the gap in the market is the key to ensuring the City of Plano has housing affordable and available to all income groups.

Renter-Occupied Housing Supply

HOUSING BY TYPE

Based on property assessment and Census data for the City of Plano, there are 44,955 rental housing units in Plano. Rental units are diverse, with 55% of all units found in structures with 10 or greater units. About 20% of rental units are found in smaller buildings, those with between 3 and 9 units. Single family attached units account for 20% of all rentals, and duplexes account for only 5% of rental units. Apartments, especially those found along the main throughfares of the city (I-75, Dallas Tollway, Plano Parkway, Avenue K) make up a significant component of the housing in the City of Plano.

RENT THRESHOLDS

As noted, the rental analysis used the HUD 3-Person household income thresholds shown in Table 11. These thresholds were then correlated to rent levels using HUD’s cost burdened income ratio of 30% of gross income. The corresponding rent levels for the Dallas, TX HUD Metro FMR Area are detailed in Table 14. As seen, a 3-person household at 100% of AMI in Plano who earns \$87,700 can afford a monthly rent of \$2,193 without being cost burdened.

Table 14: Monthly Gross Rent Thresholds Based on HUD Income Thresholds

**Monthly Gross Rent Thresholds Based on HUD Income Thresholds
City of Plano, TX (2022)**

Income Bands	Persons in Household	
	3	4
Extremely Low (30%) Income Limits	\$658	\$730
Very Low (50%) Income Limits	\$1,096	\$1,218
Low (80%) Income Limits	\$1,754	\$1,948
100% AMI	\$2,193	\$2,435
120% AMI	\$2,631	\$2,922

Source: HUD AMI 2022 and RKG Associates, Inc..2023

RENTAL PRICING

The City’s rental housing supply is comparatively more expensive than other areas in the Region, especially due to the newly revitalized Downtown and Legacy area. ACS data indicate that 63% of renter households pay more than \$2,000 a month for their housing (Table 15). The data indicates that prices increase based on size of unit, which is typical given units with more bedrooms are generally larger.

Table 15: Rental Units by Bedroom County by Monthly Gross Rent

**Rental Units by Bedroom Count by Monthly Gross Rent
City of Plano , TX (2021 ACS Estimates)**

Rent Levels	Studio		1 Bedroom		2 Bedrooms		3 or More Bedrooms		Total	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Thresholds	2,435	100%	15,490	100%	15,338	100%	11,692	100%	44,955	100%
Percent	2,393	98%	15,473	100%	15,201	99%	10,810	92%	43,877	98%
<\$300	0	0%	237	2%	30	0%	8	0%	275	1%
\$300-\$499	37	2%	124	1%	21	0%	132	1%	314	1%
\$500-\$749	28	1%	209	1%	183	1%	116	1%	536	1%
\$750-\$999	258	11%	664	4%	339	2%	163	2%	1,424	3%
\$1,000-\$1,499	1,683	70%	10,670	69%	4,924	32%	952	9%	18,229	42%
\$1,500-\$1,999	387	16%	3,204	21%	3,633	24%	0	0%	7,224	16%
\$2,000-\$2,499	0	0%	129	1%	3,766	25%	1,287	12%	5,183	12%
\$2,500-\$2,999	0	0%	108	1%	1,418	9%	3,003	28%	4,529	10%
>=\$3,000	0	0%	129	1%	886	6%	5,149	48%	6,164	14%
No Cash Rent	42	2%	17	0%	137	1%	882	8%	1,078	2%

Source: U.S. Census and RKG Associates, Inc. 2023

RKG Associates research through secondary data sites such as Zillow confirmed the general findings of the Census analysis (Table 16 on the next page). First, the most desirable areas such as Legacy West have the highest rent per square foot in the City. Second, rental units with more bedrooms are generally more expensive than smaller units. Finally, rents can vary greatly based on the size of the unit, the relative location of the unit, and the amenities offered with that unit.

RENTAL UNITS BY AMI THRESHOLD

RKG Associates calculated the number of rental units that fall within each HUD-defined AMI income band for the City of Plano. The largest concentration of rental units is affordable to households earning between 50% of AMI (\$1,096 per month) and 80% of AMI (\$1,754 per month). The blended analysis indicates that 80% of rental units are priced below the 100% of AMI affordability threshold. That said, only 2%, or 928 units, are priced to be affordable to households earning less than 30% of AMI (Table 16).

Table 16: Rental Units by Bedroom County by AMI Monthly Gross Rent

**Rental Units by Bedroom Count by Monthly Gross Rent
City of Plano, TX (2021 ACS Estimates)**

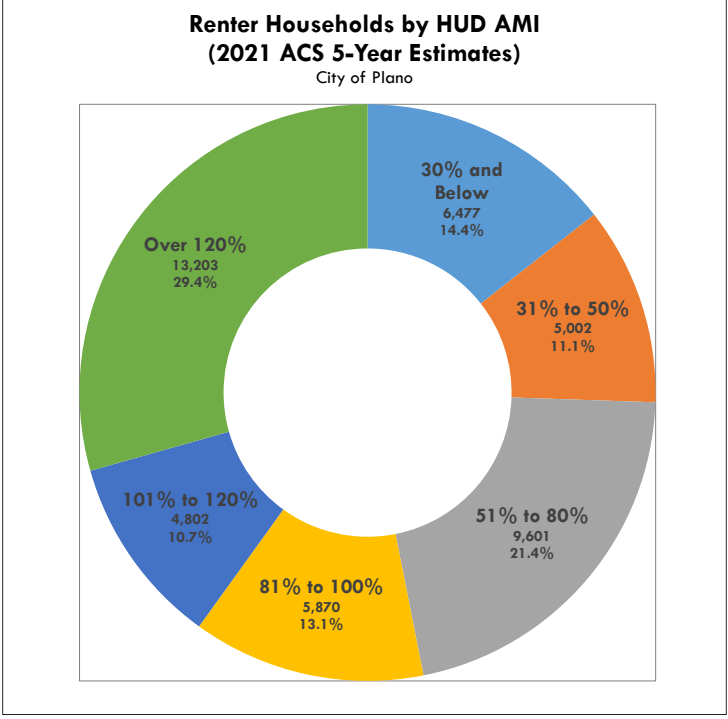
Rent Levels	Studio		1 Bedroom		2 Bedrooms		3 or More Bedrooms		Total	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Total	2,393	100%	15,473	100%	15,201	100%	10,810	100%	43,877	100%
Under 30% of AMI	55	2%	493	3%	167	1%	213	2%	928	2%
30% to 50%	593	25%	2,799	18%	1,356	9%	389	4%	5,137	12%
50% to 80%	1,555	65%	10,241	66%	5,822	38%	768	7%	18,386	42%
80% to 100%	190	8%	1,624	10%	3,239	21%	497	5%	5,550	13%
100% to 120%	0	0%	107	1%	2,686	18%	1,579	15%	4,372	10%
Over 120% of AMI	0	0%	208	1%	1,932	13%	7,363	68%	9,504	22%

Source: U.S. Census and RKG Associates, Inc. 2023

Renter-Occupied Housing Demand

Although renter household incomes skew above 100% of AMI within the City of Plano, demand for rental housing is strong across all income thresholds. Renter households earning below 100% of AMI total approximately 60% of all demand (Figure 43). More importantly, households earning between 50% of AMI and 80% of AMI (\$51,650) account for the largest share of renters in Plano, totaling almost 21% of all households (9,601 households). This finding makes sense as about 42% of rental units are appropriately priced for these households.

Figure 43: Renter Households by HUD AMI



While these findings are unsurprising given the relative cost of housing and incomes reported in the socioeconomic analysis, they reveal that diversity of housing choice is not evenly distributed throughout the City. At a base level, the data indicate that additional efforts need to be pursued to provide greater price diversity in certain parts of Plano while initiatives to bring better services/amenities are necessary to make other areas equally beneficial for existing residents.

It is important to note that the demand data does not include households that currently do not live in the City of Plano. Excluding households that do not live in the City but might choose to relocate to the community if given the opportunity, substantially reduces the potential demand. That said, this strategy first seeks to serve existing households already living in Plano and to understand their needs relative to price appropriate housing. Any additional demand coming from the Region will only increase the potential shortage of affordable housing.

Rental Housing Gap Analysis

The strength of the affordability analysis as a tool for understanding current rental housing dynamics lies in the comparison of the existing rental supply of units distributed across the affordability thresholds to the corresponding demand by existing renters within each threshold. This comparison highlights rent ranges where there is either a surplus of units or a shortage of units to meet existing demand, and the impact these discrepancies can have on current renters, particularly if they lead to cost-burdened households.

AFFORDABILITY GAP BY AMI

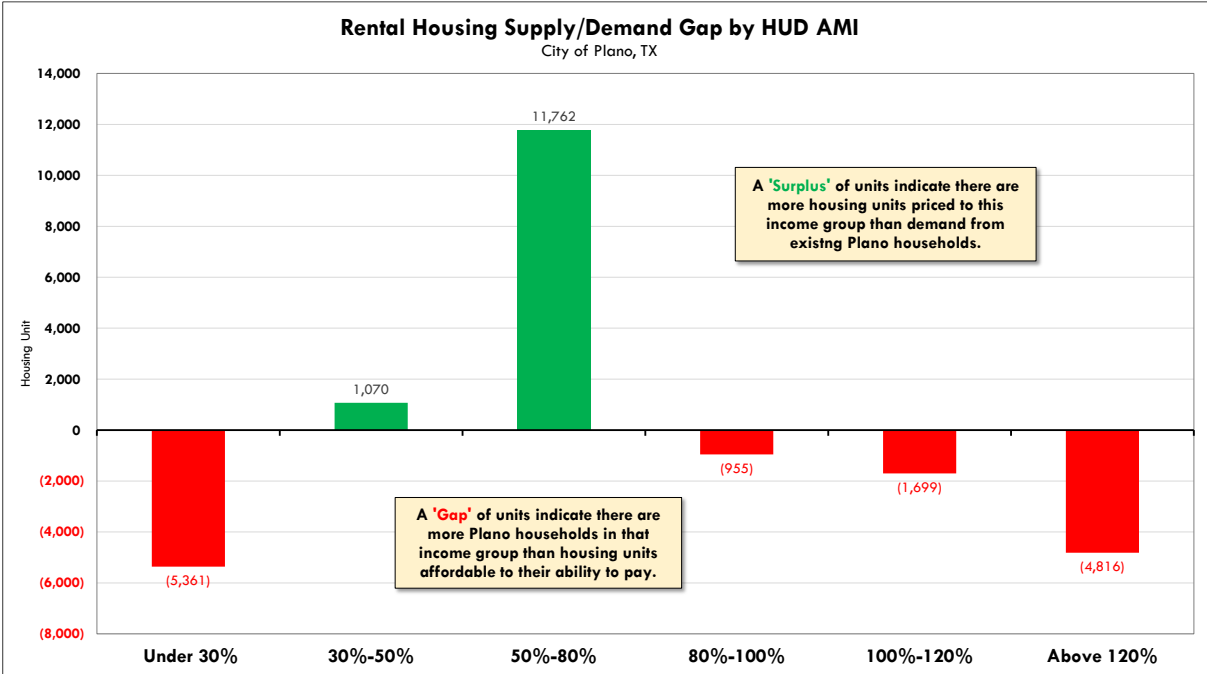
Overall, the City of Plano has a surplus of rental housing units. Similar to the ACS data results presented earlier in this analysis, the affordability analysis indicated the City has a vacancy rate above 6%. Having a surplus of units is typical, as all markets have vacancy due to turnover, rehabilitation, and demand preference. And while there is a perception that the City's rental housing vacancy rate is substantially lower than data analyses indicate, the balance of supply and demand varies greatly over the various HUD AMI income thresholds.

As with most communities in the United States, City of Plano households earning less than 30% of AMI (a household of three people earning less than \$26,300 annually) have the greatest affordability challenges and least housing choice. About 14% of the City's renter households earn less than 30% of AMI, while less than 3% of units are priced to this income level (which includes all subsidized housing units). The affordability analysis identified almost 5,361 more renter households in Plano earning less than 30% of AMI than there is rental housing units priced appropriately for them (Figure 44). The challenge is particularly acute for larger households (three or more people), where there is even less price-appropriate supply.

An affordability gap also exists in the higher income groups. From a cost perspective, there are more high-income households than there are units priced to maximize their ability to pay despite recent development focusing on the luxury market. There are approximately 4,816 more Plano renter households earning above 120% of AMI than there is rental housing units priced for those income groups. The affordability analysis revealed there are unit shortages for below 30% of AMI

(5,361 units), the 80% to 100% of AMI group (955 units), the 100% to 120% of AMI group (1,699 units), and the above 120% of AMI group (4,816 units).

Figure 44: Rental Housing Supply/Demand Gap by HUD AMI



At a base level, having more affluent households renting below their ability to pay is not a challenge. However, it does adversely impact low income households. The lack of housing choice for higher-earning households forces them into choosing between three different alternatives: [1] rent a unit that does not allow them to maximize their ability to pay; [2] rent a unit that maximizes their ability to pay, but not necessarily fits their space need; or [3] find a traditional ownership unit in that price point to rent. Each of these scenarios place additional pressure on the market, which adversely impacts lower-earning households seeking suitably sized and priced housing.

Ultimately, the market imbalance at the higher income levels results in pricing pressure on low- and moderate-income households, enabling rent levels to rise faster than annual income growth for modest income households. This downward pressure in the rental market is particularly challenging because households at the lowest income levels have the greatest barriers to homeownership (e.g., credit history, available down payment).

Thus, there is little option for the latter, other than paying for housing above the HUD-defined threshold (becoming cost-burdened) or finding housing outside the City of Plano. The lack of market rate two+ bedroom units priced below 50% of AMI exacerbates the challenge for modest income families that choose or are forced to rent. Anecdotally, real estate professionals have noted that households are combining to have income sufficient to rent larger apartments. This arrangement has direct and indirect impacts on the physical housing market, as these larger units, which tend to be much older, are not designed for multiple households.

AFFORDABILITY GAP BY AMI AND BEDROOM COUNT

Households and housing units within each HUD AMI income group vary. Within the rental housing market, HUD has established occupancy limitations. For example, a 3-person household is not allowed to occupy a 1-bedroom housing unit using federal grant money. To this point, the analysis includes an assessment of the supply-demand balance by size of household/unit as well.

For households earning below 30% of AMI, there is a housing shortage for all unit sizes (Table 17). The unmet demand is greatest for larger households, as there is a 4,264 unit gap for 3-bedroom units. While these units exist within Plano, they are predominantly priced for households earning at or above 120% of AMI. To this point, these households are cost burdened, as they already reside in the City. This point is corroborated with the HUD Comprehensive Housing Affordability Strategy (CHAS) data, which shows lower income households have a substantially higher incidence of being cost burdened than higher-earning households.

The unmet demand for higher-earning households (over 120% of AMI) ranges all rental housing unit sizes except for 3-bedroom units. The largest gap is in 1-bedroom units (4,267 units), with the smallest gap in studio units. The comparatively limited demand for large rental units is not surprising, as higher-earning, large households oftentimes have greater choices for homeownership.

Table 17: Rental Housing Supply and Demand by HUD AMI Income Threshold and Bedroom

Rental Housing Supply and Demand by HUD AMI Income Threshold
City of Plano

AMI Threshold	Under 30%	30%-50%	50%-80%	80%-100%	100%-120%	Above 120%	Total
Annual HH Income	\$26,300	\$43,850	\$70,150	\$87,700	\$105,240	\$82,801+	
Rent Level	\$658	\$1,096	\$1,754	\$2,193	\$2,631	\$2,071+	
Studio							
Supply	56	608	1,594	195	0	0	2,453
Demand	224	173	333	203	166	458	1,558
Gap	(168)	435	1,261	(8)	(166)	(458)	895
1 Bedroom							
Supply	505	2,868	10,492	1,664	110	214	15,853
Demand	2,198	1,698	3,258	1,992	1,630	4,481	15,256
Gap	(1,693)	1,170	7,234	(328)	(1,520)	(4,267)	597
2 Bedrooms							
Supply	171	1,389	5,965	3,318	2,752	1,979	15,574
Demand	1,844	1,425	2,734	1,672	1,367	3,760	12,801
Gap	(1,673)	(36)	3,231	1,646	1,385	(1,781)	2,773
3 or More Bedrooms							
Supply	219	399	787	509	1,618	7,544	11,076
Demand	2,210	1,707	3,276	2,003	1,639	4,505	15,340
Gap	(1,991)	(1,308)	(2,489)	(1,494)	(21)	3,039	(4,264)
TOTAL							
Supply	951	5,264	18,838	5,686	4,480	9,737	44,956
Demand	6,477	5,002	9,601	5,870	4,802	13,203	44,955
Gap	(5,526)	262	9,237	(184)	(322)	(3,466)	1

Source: City of Plano, 2021 ACS Estimates, Apartments.com, HUD and RKG Associates, Inc. 2023

When looking at the data as a whole, the analysis indicates the City does not have enough 2-bedroom units and 3-bedroom units. Combining 2-bedroom and 3-bedroom data, the City is short more than 8,494 units. The challenge with building these types of units is that developers make more money on a per square foot basis with smaller units, and developers also seek to increase density to increase the overall total number of units. Given the limited developable land left in Plano, the economic incentives do not exist to build larger units.

Owner-Occupied Housing Supply

HOUSING BY TYPE

Based on the Census data for the City of Plano, there are 61,067 ownership housing units in Plano. Ownership units are not as diverse as rental units, with single family homes accounting for 98% of all ownership units in the city. Attached homes accounted for 4% of ownership units, and buildings with 3 to 9 units account for 1% of ownership units. Mobile homes account for 1% of ownership units.

PRICE POINT THRESHOLDS

The owner-occupant analysis was performed using the HUD 3-Person household income thresholds shown in Table 18. These thresholds were used because the average owner-occupant household had 2.84 persons, based on the 2021 Census ACS data. Like the rental analysis, these income thresholds were then correlated to a price point that was affordable based on HUD’s cost burdened income ratio of 30% of gross income. Unlike the rental housing analysis, RKG had to calculate price point thresholds for ownership housing. The method of calculating affordable purchase prices was based on correlating a house value to the corresponding income threshold based on current marketplace borrowing standards (e.g., interest rates, down payment requirement, and insurance rates)

Traditional home mortgages vary in type, term, and down payment requirements. It is impossible to know the borrowing capabilities and mortgage type for all existing homeowners within the City of Plano. To calculate purchase prices for each income level, RKG had to assume the type of mortgage used by a borrower. For this analysis, RKG used a traditional 30-year fixed mortgage based on Federal Housing Administration (FHA) standards. This approach is the most conservative, as it requires a lower down payment (3.5% of the purchase price). While not all

Table 18: Maximum Purchase Prices Based HUD Income Thresholds

**Corresponding Single Family Home Maximum Value Thresholds
Dallas, TX HUD Metro FMR Area (FY 2022)**

Income Bands	3-Person Household	
	Income Threshold	FHA Buyer
Extremely Low (30%) Income Limits	\$26,300	\$76,365
Very Low (50%) Income Limits	\$43,850	\$127,323
Low (80%) Income Limits	\$70,150	\$203,688
100% AMI	\$87,700	\$254,610
120% AMI	\$105,240	\$305,532

Source: HUD AMI 2022 and RKG Associates, Inc., 2023

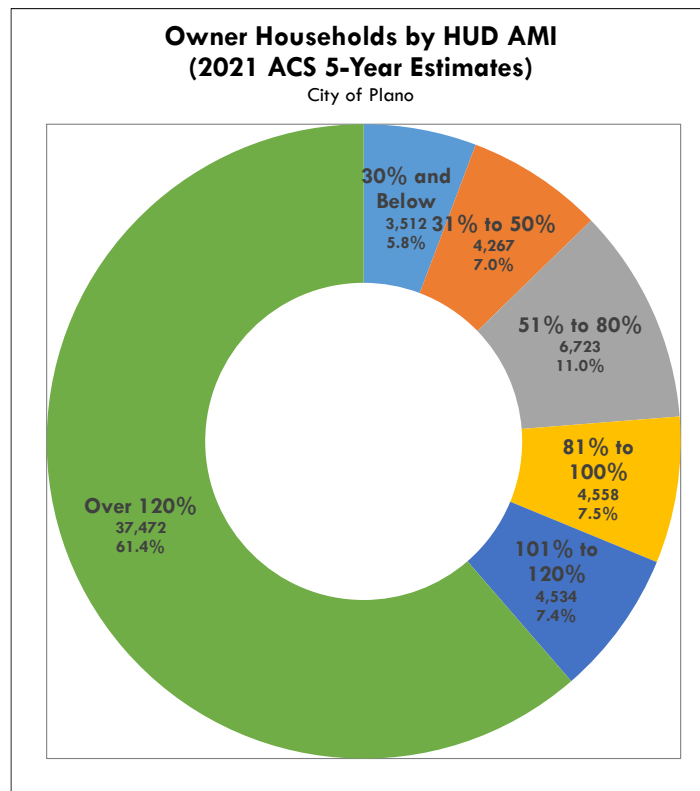
buyers use FHA mortgages, it has been the most common type of mortgage nationwide. The corresponding purchase price levels for each housing type and Dallas, TX HUD Metro FMR Area income threshold is detailed in Table 18.

It is important to note that the ownership analysis does not consider households earning less than 50% of AMI. Purchasing a home requires more than just being able to make the monthly mortgage payment. The ability to purchase a home requires a qualifying credit score, the necessary down payment, separate capital reserves for renovation/rehabilitation costs, upkeep and maintenance costs, and homeowners' association fees. Households earning less than 50% face significant barriers to becoming homeowners.

Homeownership Demand Analysis

Unlike renter households, homeowner households tend toward the more affluent, with more than 61% of ownership households earning above 120% of AMI. In contrast, only 13% of homeowner households earn below 50% of AMI (Figure 45). The ACS socioeconomic data indicates the vast majority of these are senior households that have been homeowners for a long time and are now retired. These households purchased their homes when the City of Plano was seen as a new suburban community within the Dallas Metro Region, but as time progressed development pressures have increased regionally, making

Figure 45: Owner Households by HUD AMI

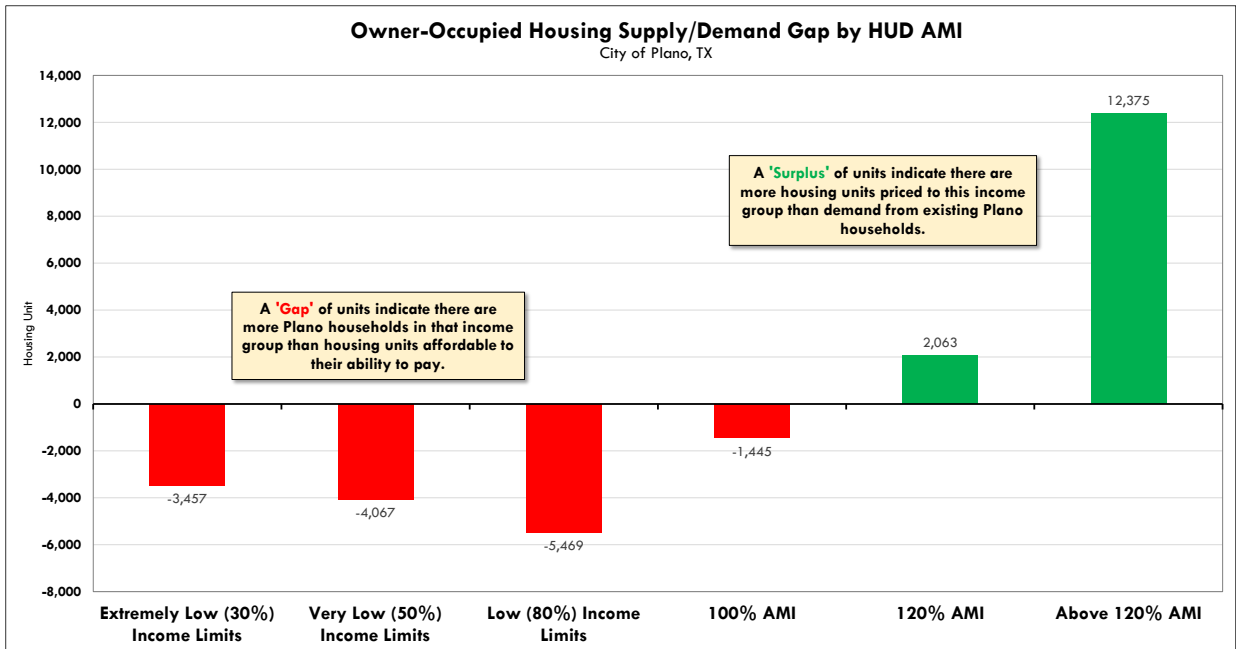


the City of Plano more a part of the Region than before. Home prices have increased to such an extent that only affluent households can realistically afford to own a home in the City of Plano. These findings are consistent with national trends, as homeowners tend to have higher incomes than renter households due to the barriers to ownership detailed in the previous section.

Ownership Housing Gap Analysis

Based on the ownership housing supply and demand analysis, there are more potential buyers in higher incomes brackets than there are housing units which fall between AMI thresholds. Households earning at or below 100% of AMI account for 31% of all owner households, but supply accounts for 8% of units resulting in a gap of 14,434 units. For households earning more than 120% of AMI, there is a supply of about 12,375 housing units. Cost of ownership impacts true ‘affordability’ for low- and moderate-income households. Households earning between 50% and 100% of AMI have fewer financial resources to be able to manage and maintain units.

Figure 4.6: Owner-Occupied Housing Supply/Demand Gap by HUD AMI



In the City of Plano, homeownership units are typically single-family homes, or more recently townhomes. Based on the recent price escalations in the marketplace, these units have become prohibitively expensive for all households under 120% of AMI. Different housing typologies and greater density will be required to satisfy market demand for ownership units in the City of Plano.

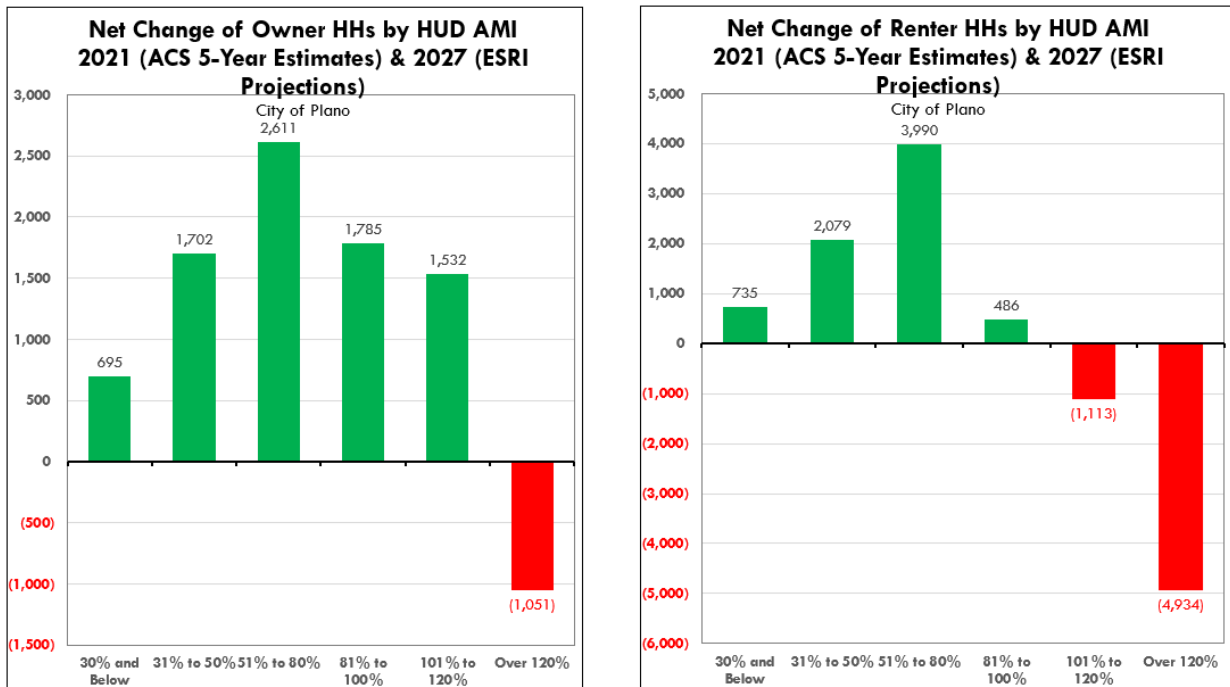
Future Supply and Demand Analysis

RKG Associates performed a future supply and demand analysis, projecting household and housing unit growth in the City of Plano. RKG obtained household projection data from Esri, a national provider of demographic data (Esri data does not account for the substantial development and permit activity within the past three years), and supplemented the analysis with Census and HUD AMI data to estimate future household and income changes in the City of Plano. The analysis forecasts change in both owner and renter households to the year 2027 and looks at any potential impact on the housing supply/demand equilibrium.

PROJECTED HOUSING DEMAND

The analysis indicates that the city’s total household count is projected to increase by 8,518 households (8% increase) between 2021 and 2027. Projected net growth rates are drastically different by housing tenure. Owner households are expected to increase by 7,274 households while renter households are expected to grow by 1,244 households. Homeowner households are projected to increase in all income groups except over 120% AMI (Figure 47). The strongest growth is projected to be in households earning between 50% to 80% AMI (2,611 households).

Figure 47: Projected Net Change of Households by Tenure, 2021 -2026



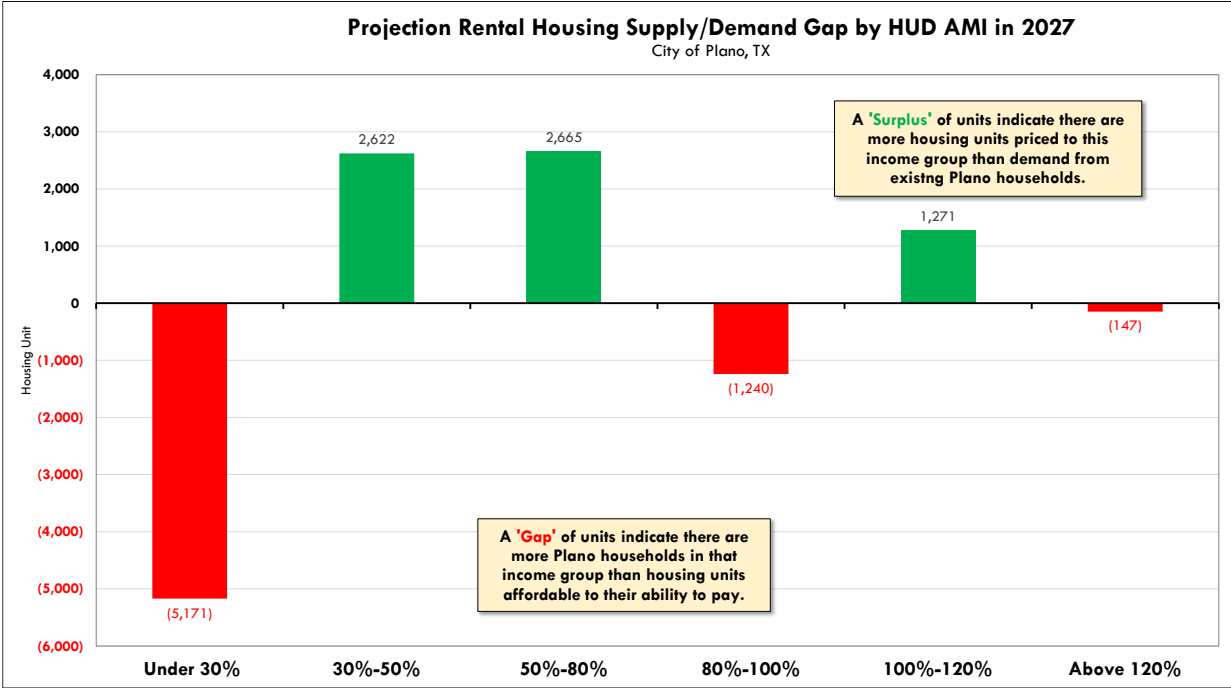
Conversely for renter households, the city is expected to see a net change in renter households of 1,244 households. Based on the projections data, the change can be attributed to higher income renter households leaving the city, or potentially purchasing a home, while there is an increase in the number of low-income households, those under 80% of AMI. The potential increase of low-income households will require the city to commit towards enabling greater housing choice and affordability within the city. Simply put, the data reveal the changing landscape of Plano going a typical suburban environment to a more urban environment.

PROJECTED GAP ANALYSIS

The analyses reveal a mismatch between new construction development patterns and projected demand. From a rental housing perspective, households earning between 30% and 80% of AMI are expected to increase by almost 5,287 households. This contrasts with the fact that almost all new rental construction is expected to price above 120% of AMI. To this point, the city is projected

to experience a net increase in rental housing shortage for low to moderate income households. (Figure 48).

Figure 48: Projected Renter-Occupied Housing Supply/Demand Gap by HUD AMI, 2027



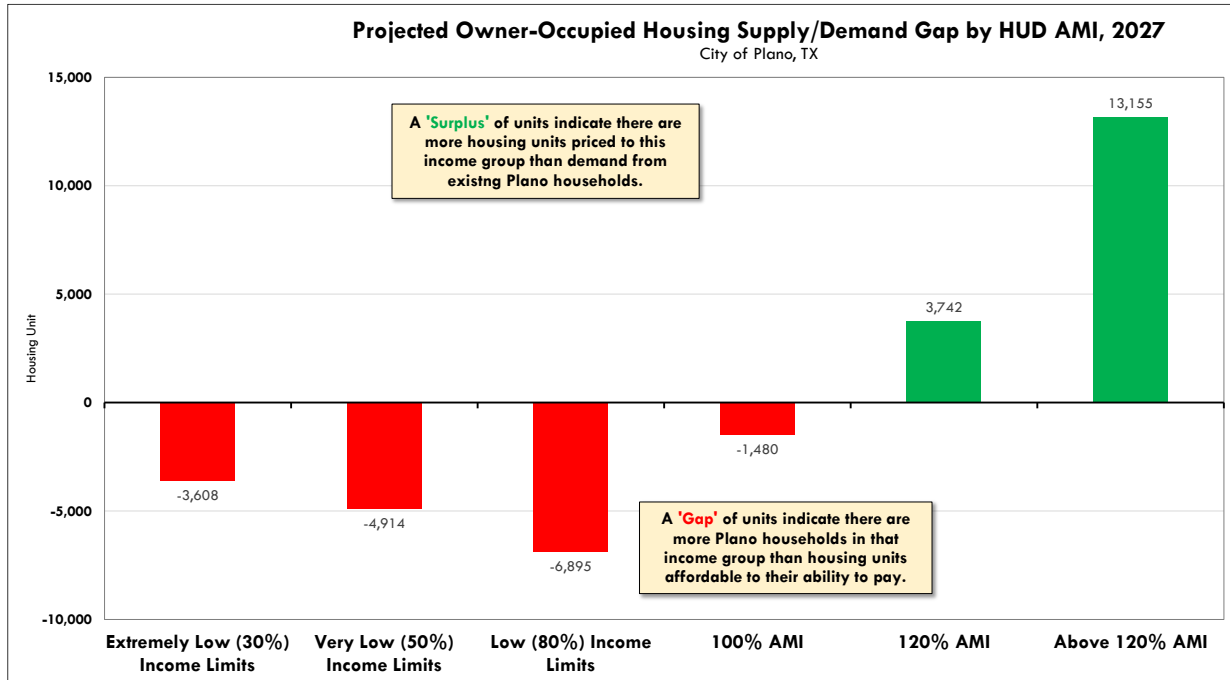
From an ownership perspective, only those households earning above 100% of AMI will have better housing choice (Figure 49). The tightening marketplace, particularly for those households earning at or under 100% of AMI, will continue to limit choice and opportunity given the estimated shortfall of 16,898 housing units.

The projected gap analysis indicates that current market conditions most likely will continue without an adjustment in housing approach by the City and its implementation partners. The marketplace is responding to Plano’s unmet housing needs. Most notably, the demand for higher-end rental and ownership housing in highly desirable locations (i.e., Downtown, and Legacy) drives the marketplace. This is not surprising, as private sector developers and investors seek to maximize their return on investment.

While higher-end rental development in areas like Downtown and Legacy West are feasible by high demand for these areas, other areas of Plano may be challenged to realize the projected growth due to existing—and likely worsening—market conditions. The combination of high costs

for land, labor, and material make construction challenging in other parts of the City given the relatively lower potential revenue opportunities.

Figure 49: Projected Owner-Occupied Housing Supply/Demand Gap by HUD AMI, 2027



Ultimately, the city faces two distinct new construction housing challenges. First, incorporating additional affordable units into new projects within areas that have very little opportunities for lower-earning households creates a financial hardship on new development without some form of cost relief (i.e., incentives or density bonuses). Secondly, attracting market-rate development in less competitive areas is challenging due to the financial gap between development costs and potential returns. To make these strategies sustainable in the long term, greater subsidies (either financial or regulatory) and neighborhood revitalization will be necessary. However, efforts to enhance the availability and quality of amenities in less competitive areas risk gentrification, as these areas become more appealing to higher-income renter households. Development in these areas must balance investment by ensuring existing residents have the opportunity to remain in their community.

CITY OF PLANO HOUSING STUDY

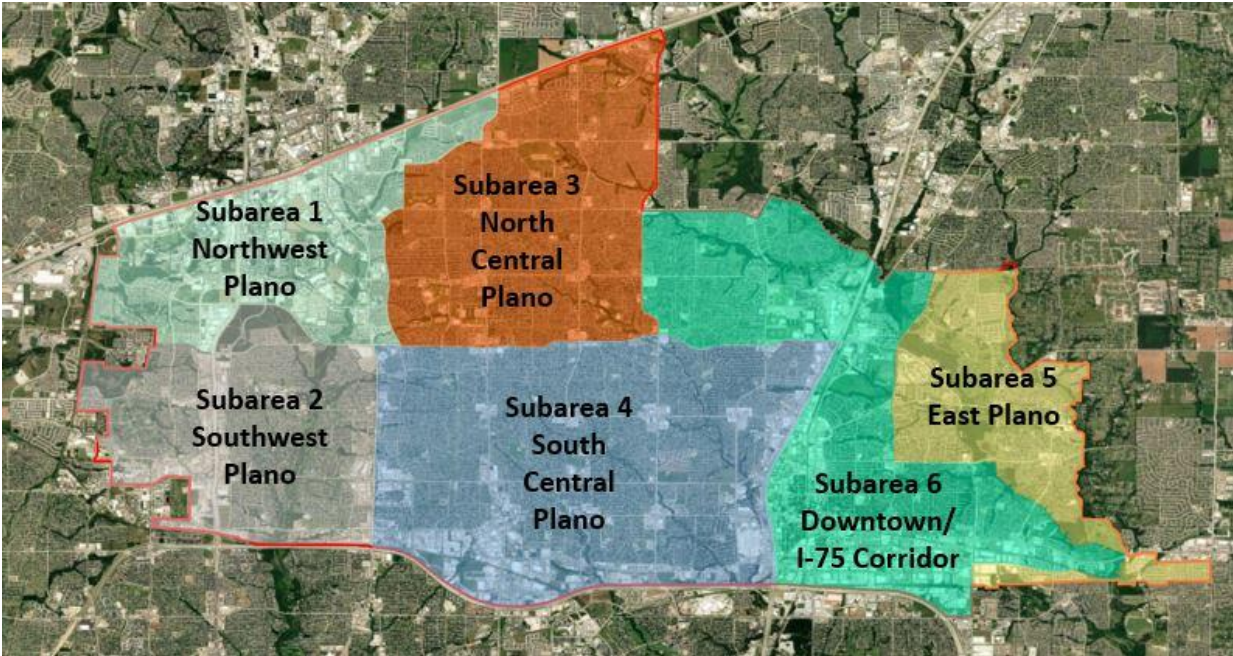
SUBAREA ANALYSIS

Given that there is tremendous demographic, economic, and housing typology variation within the City of Plano, RKG engaged in a subarea level of analysis to examine these characteristics further. The following section presents the methodology used to define the subareas as well as the findings. The information presented in this section helps to inform the housing supply and demand analysis at the subarea level.

City Defined Subareas

To develop the subareas, RKG worked with the city staff, and utilized data from the U.S. Census to break up the city into six subareas, with demographic and housing data being the driving factors. The boundaries of each Census Tract conform (with few exceptions) to the City of Plano’s geographic boundary. In addition to using Census data, local knowledge was utilized to aggregate the Census Tracts into the subareas based on existing economic clusters, established neighborhoods, and physical and natural boundaries. Figure 50 below presents the six different subareas.

Figure 50: City of Plano Subareas



The six subareas are defined as:

- Subarea 1 – Northwest Plano
- Subarea 2 – Southwest Plano
- Subarea 3 – North Central Plano
- Subarea 4 – South Central Plano
- Subarea 5 – East Plano
- Subarea 6 – Downtown/I-75 Corridor

Each of the subareas have unique demographic, economic, and housing typologies. An example being the Downtown/I-75 Corridor Subarea (Subarea 6) which includes the downtown and surrounding neighborhoods. This subarea includes Plano’s major industrial area, as well as a significant commercial corridor. This subarea contrasts greatly with North Central Plano (Subarea 3) which is highly residential and generally has 4-corner retail and commercial developments at each major intersection. By using the subarea approach toward the analysis, the strategies and recommendations that result are tailored to the realities of a particular subarea rather than the city.

Summary of Key Demographic and Housing Metrics

The subareas have notable differences in population, income, and housing characteristics. Subarea 4 has the largest population (86,143) and number of households (33,202), while Subarea 5 has the smallest population (20,528) and households (6,751). Subarea 2 has the highest median owner income (\$181,250) and median sales price (\$1,000,000), reflecting its affluent homeowner market, whereas Subarea 6 has the lowest median owner income (\$85,480) and median sales price (\$429,000), indicating greater affordability. Table 19 below presents the key metrics which tell the story of each of the subareas.

Key Metrics	Subarea 1	Subarea 2	Subarea 3	Subarea 4	Subarea 5	Subarea 6
Population	27,123	26,151	67,661	86,143	20,528	63,718
Households	11,880	10,854	24,020	33,202	6,751	22,604
Median Income Owner	\$149,107	\$181,250	\$171,484	\$119,497	\$131,963	\$85,480
Median Income Renter	\$86,689	\$77,052	\$84,577	\$65,306	\$92,110	\$66,713
Owner Occupied Units	2,942	6,714	15,557	21,075	6,062	10,549
Renter Occupied Units	8,938	4,140	8,463	12,127	689	12,055
Median Rent	\$1,370	\$1,361	\$1,752	\$1,404	\$1,684	\$1,324
Median Sales Price	\$821,000	\$1,000,000	\$633,000	\$509,000	\$495,000	\$429,000

Source: ACS 2021, MLS 2023, RKG Associates

Subarea 1 has the highest proportion of renter-occupied units (8,938), with renters earning a median income of \$86,689, while Subarea 5 has the lowest number of renter-occupied units (689) but the highest renter median income (\$92,110). Median rents range from \$1,324 in Subarea 6 to \$1,752 in Subarea 3, further illustrating the diverse affordability and housing market dynamics across the subareas.

Methodology of Subarea Needs and Gaps Analysis

For the housing demand analysis, RKG Associates relied on the U.S. Census American Community Survey (ACS) 2021 5-Year estimates. Most notably, the ACS data provides estimates for the total number of households, household income, household size and housing tenure (renters and owners). The ACS data was analyzed at the subarea level and then summarized for citywide totals.

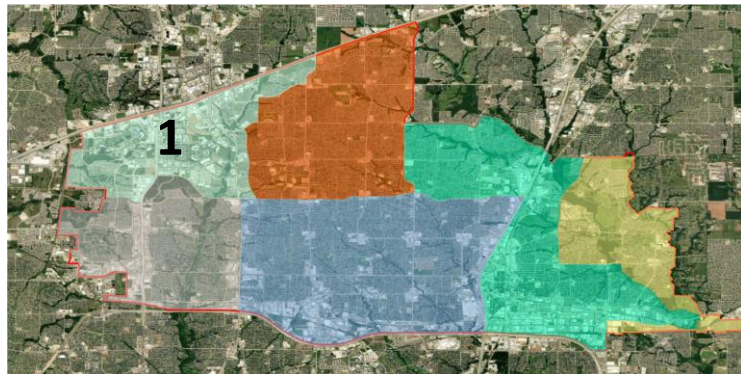
For the housing supply analysis, RKG Associates used recent property sales and current assessment data to determine ownership housing market values. For rental pricing, RKG did an extensive rental housing price analysis using secondary data sources to refine price points by location and size of housing unit (e.g., 1-bedroom, 2-bedroom).

To determine the amount a household can pay for housing, RKG used the U.S. Department of Housing and Urban Development (HUD) Income Limits for the Dallas, TX HUD Metro FMR Area to quantify the number of households falling within affordability thresholds.

Subarea 1 Affordability Analysis

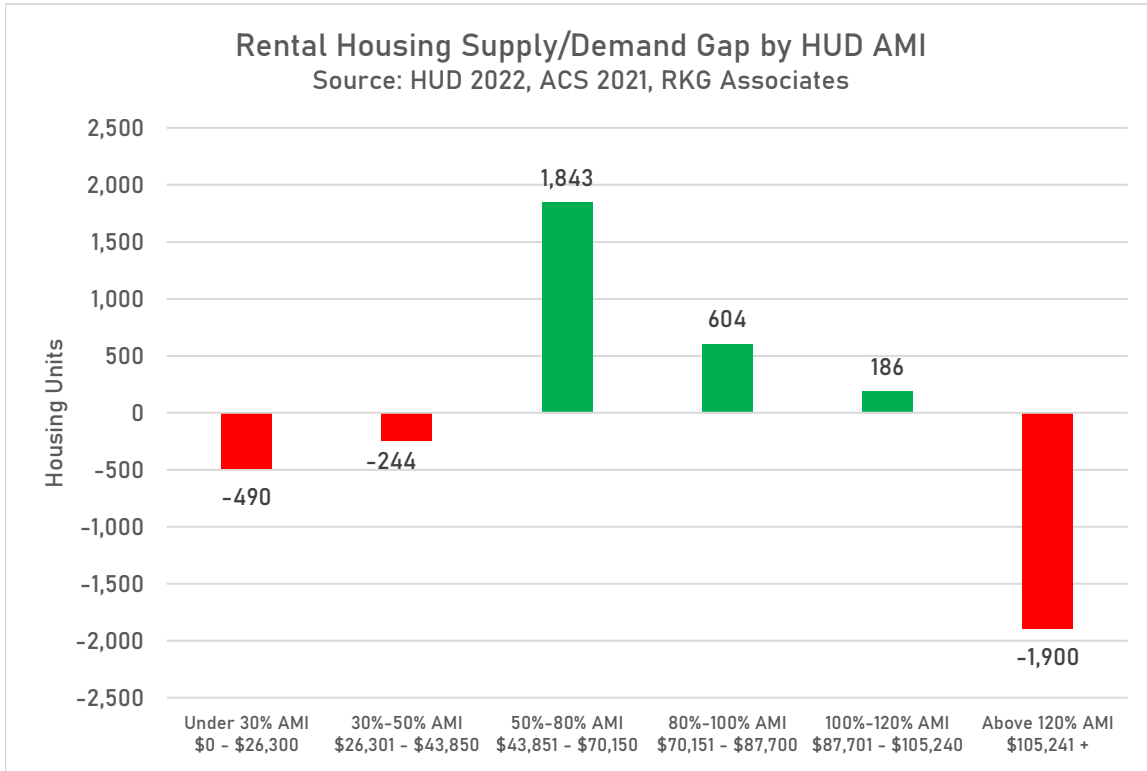
Subarea 1 (Northwest Plano), which includes Legacy West, is a thriving employment and economic hub characterized by a significant presence of large corporate headquarters and campuses. Over the past two decades, the area has experienced remarkable growth, driven in part by the development of higher-end housing options. Currently, 75% of the housing stock in Subarea 1 is renter-occupied. Both owner and renter households in the area boast high median incomes, with owner households earning nearly \$150,000 annually.

Figure 51: Subarea 1 – Northwest Plano



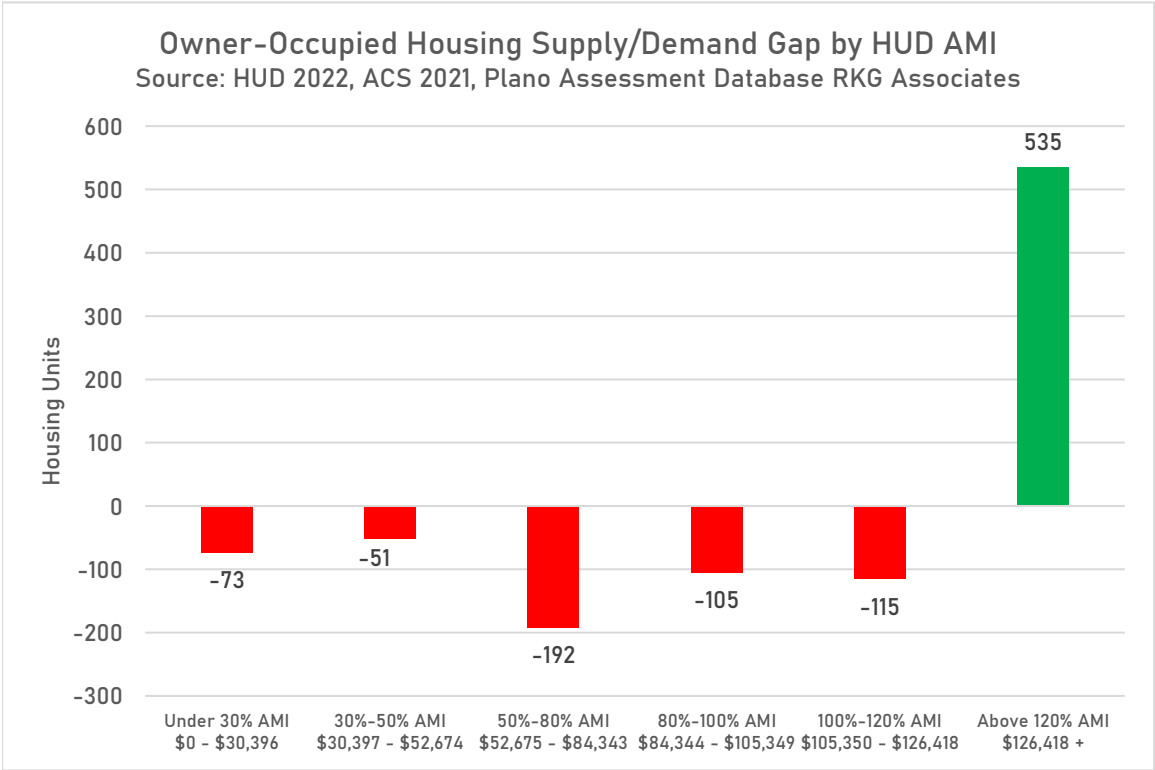
However, the housing market in Subarea 1 faces notable challenges, particularly for low-income households. There is an insufficient supply of rental housing at lower price points, primarily because higher-income households are occupying units priced well below what they could afford. Households earning more than 120% of AMI comprise 38% of all renter households, yet only 17% of rental units cater to this income group, resulting in a shortfall of approximately 1,900 units. This mismatch forces higher-income renters to occupy units intended for lower-income households, further limiting options for those in need.

Figure 52: Subarea 1 Rental Housing Supply/Demand Gap by HUD AMI



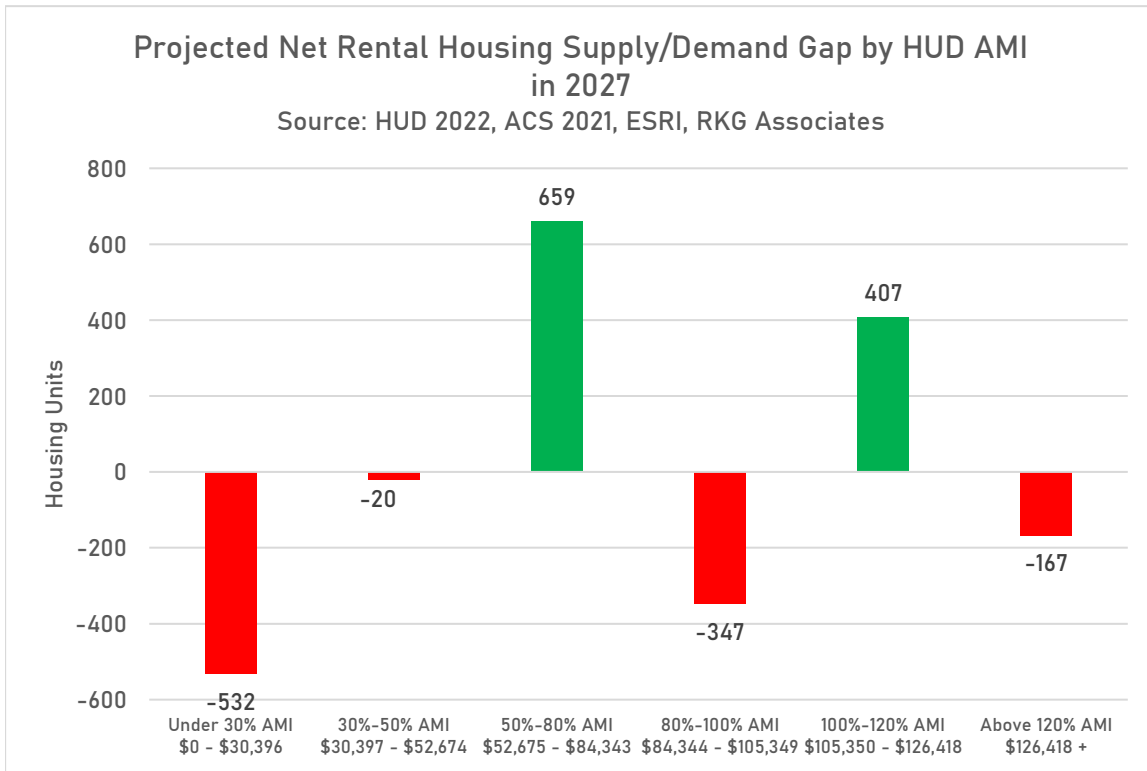
The challenges extend to lower-income households as well. For households earning at or below 120% of AMI, there is a net deficit of rental housing units. In contrast, among owner households, those earning more than 120% of AMI represent 78% of the total but have access to 96% of owner-occupied units, creating a surplus of 535 units. As a result, lower-income households in Plano and Subarea 1 face limited housing options across both rental and ownership markets.

Figure 53: Subarea 1 Owner-Occupied Housing Supply/Demand Gap by HUD AMI



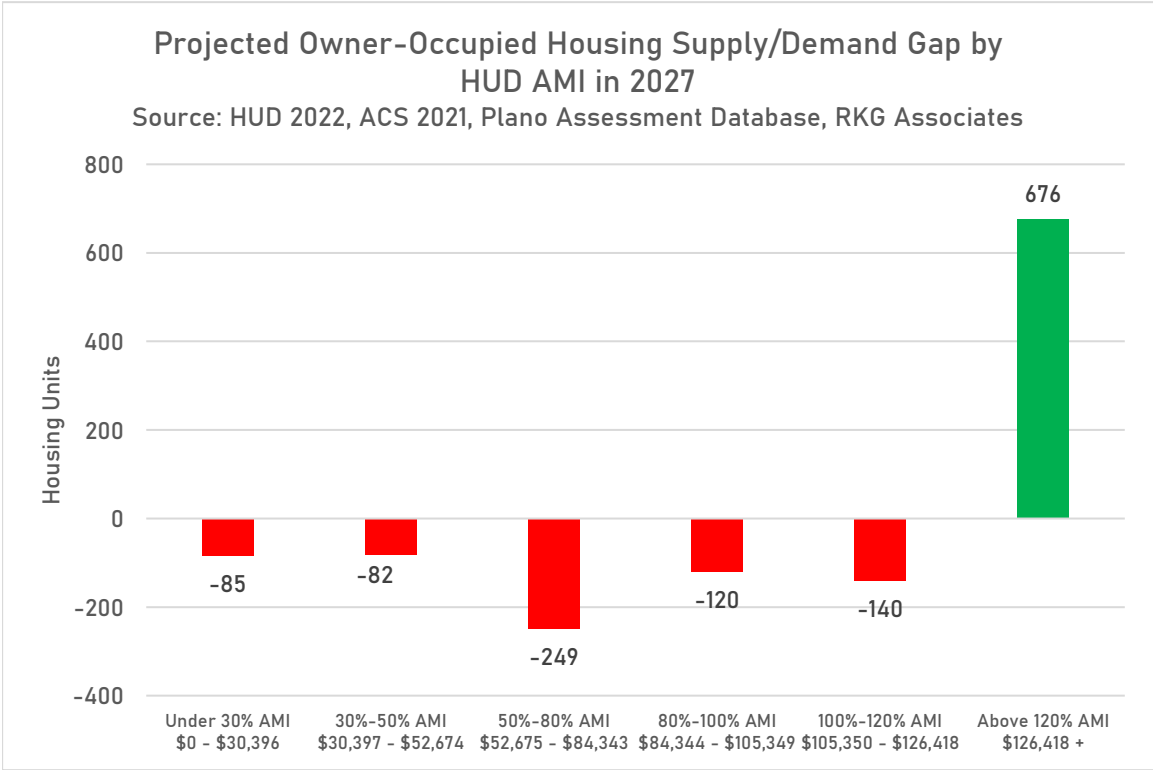
Looking ahead, Subarea 1 is projected to see growth in middle- and moderate-income renter households. Renter households earning between 80% and 100% of AMI are expected to increase by 11% by 2027. However, the area will face deficits in rental housing supply at multiple price points, including a projected shortfall of 1,066 units for households earning below 50% of AMI, between 80% and 100% of AMI, and above 120% of AMI.

Figure 54: Subarea 1 Projected Net Rental Housing Supply/Demand Gap by HUD AMI in 2027



On the ownership side, home values are expected to rise by 45% over the next five years, with the projected value of a 100% AMI home reaching \$368,000 in 2027. Despite this growth, a deficit of 676 ownership units priced at or below 120% of AMI is anticipated by 2027, further emphasizing the housing affordability challenges in the area.

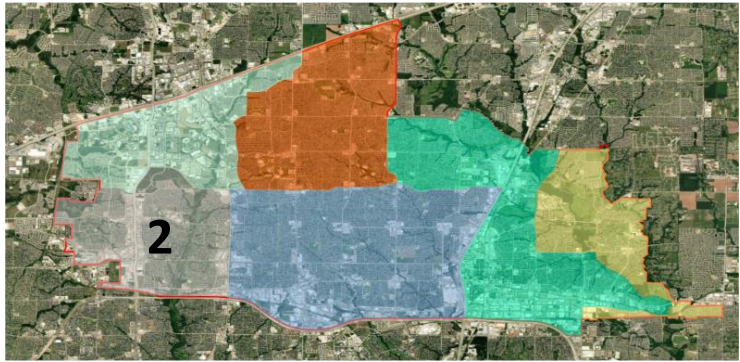
Figure 55: Subarea 1 Projected Owner-Occupied Housing Supply/Demand Gap by HUD AMI in 2027



Subarea 2 Affordability Analysis

Subarea 2 (Southwest Plano), located along the Dallas Tollway and Preston Road is a key area of the city containing major employment and retail hubs, and high-end homes. Over the past two decades, the area has experienced significant growth, becoming a highly sought-after location due to its excellent public schools, community amenities, and reputation as a premier residential area.

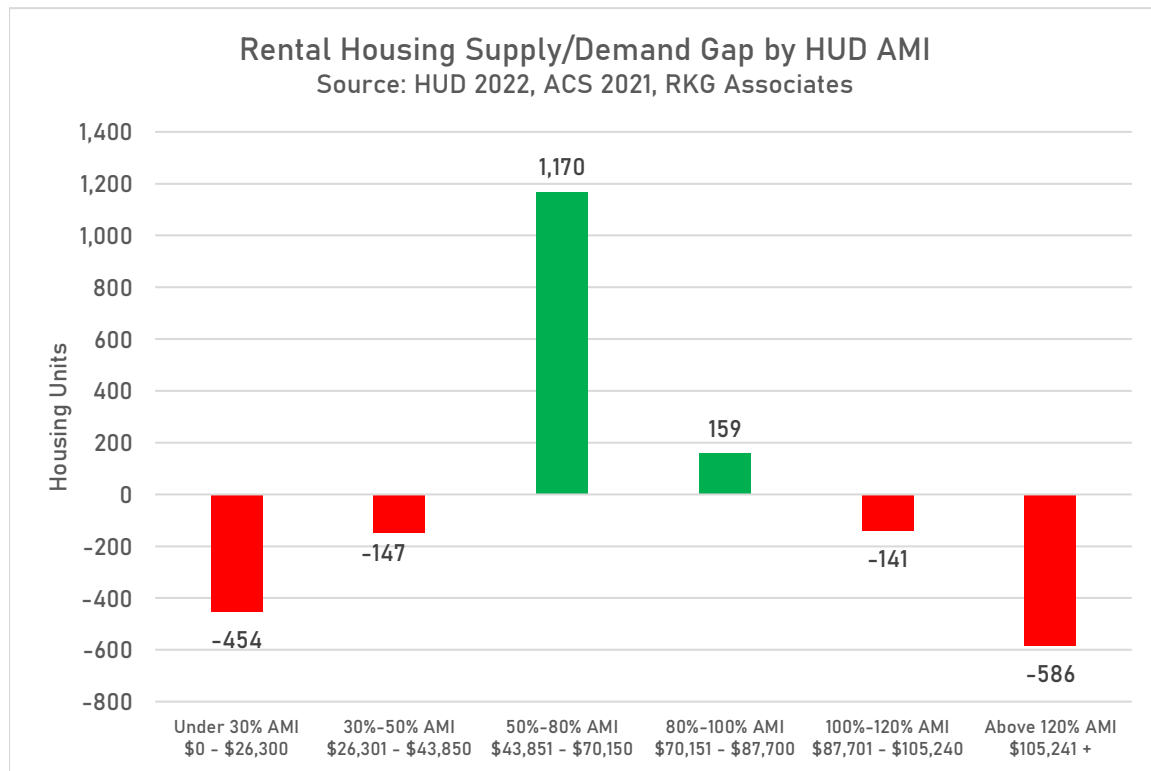
Figure 56: Subarea 2 – Southwest Plano



The housing market in Subarea 2 is predominantly owner-occupied, with 62% of housing units owned and occupied, while the remaining 38% are renter-occupied. This underscores the affluence of the area, where owner households earn a median income of \$181,000, more than double the median income of renter households, which is \$77,000.

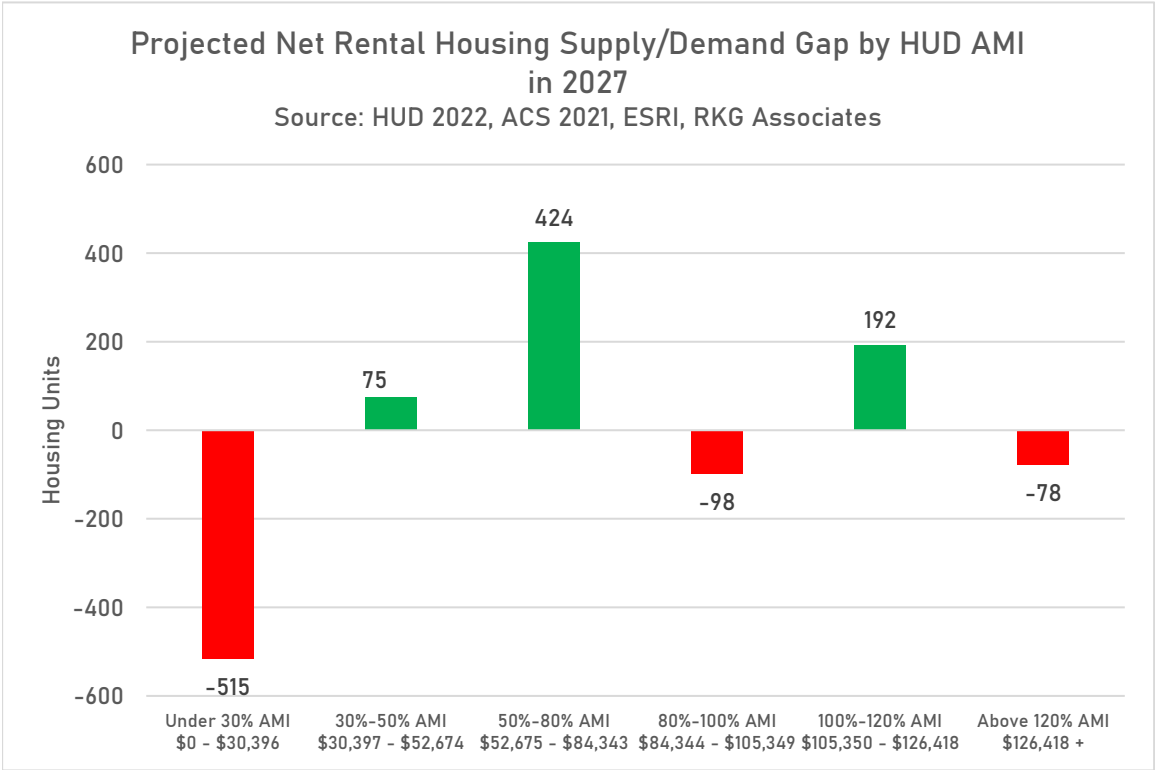
Despite its affluent reputation, Subarea 2 faces significant housing challenges, particularly for lower-income households. There is an insufficient supply of affordable rental housing, as higher-income renters occupy units priced below their affordability level. Households earning more than 120% of AMI account for 30% of all renter households, but only 16% of rental units are priced for this income level, resulting in a shortage of 586 units. This forces higher-income renters to compete for units meant for lower-income households, leaving those in lower income brackets with limited options. For households earning at or below 120% of AMI, there is an overall deficit of housing units, making it increasingly difficult for these households to find affordable options in the area.

Figure 57: Subarea 2 Rental Housing Supply/Demand Gap by HUD AMI



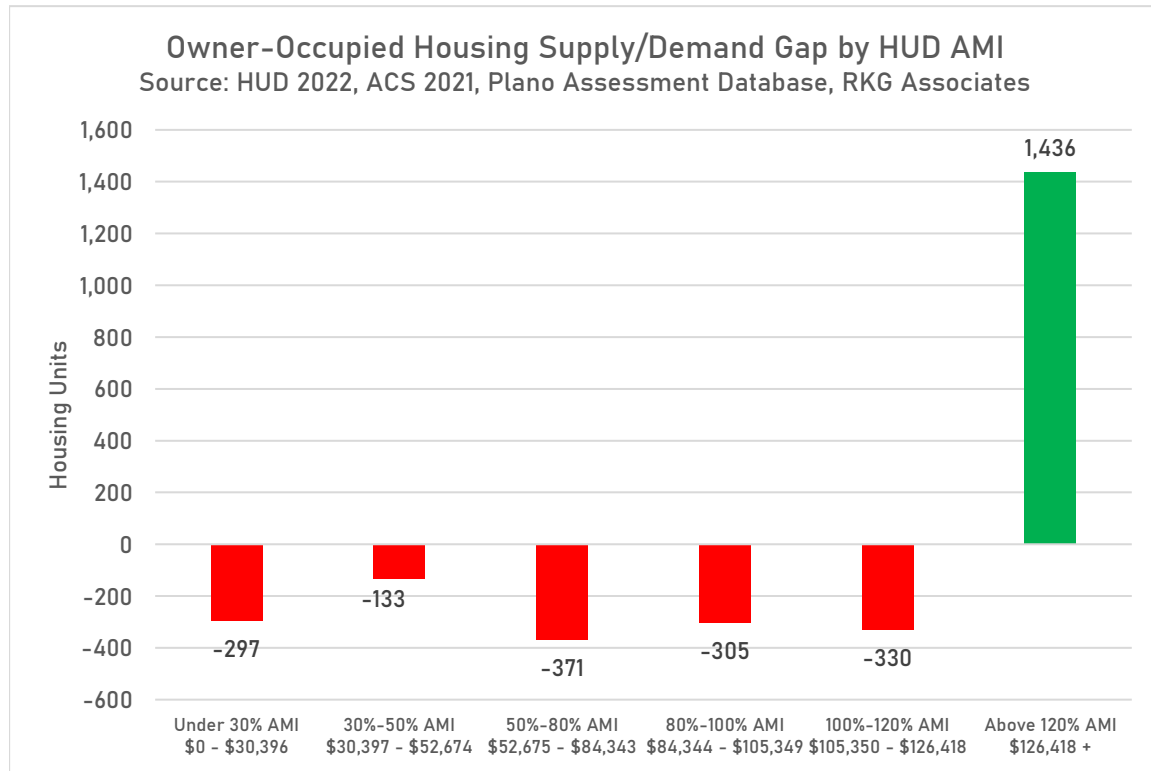
Subarea 2 is projected to experience growth in both low- and middle-income renters by 2027, with renter households earning between 50% and 80% of AMI expected to increase by 8%. However, there will be a significant housing deficit of 691 units across income levels, particularly for households earning below 30% of AMI, 80%-100% of AMI, and greater than 120% of AMI.

Figure 58: Subarea 2 Projected Net Rental Housing Supply/Demand Gap by HUD AMI in 2027



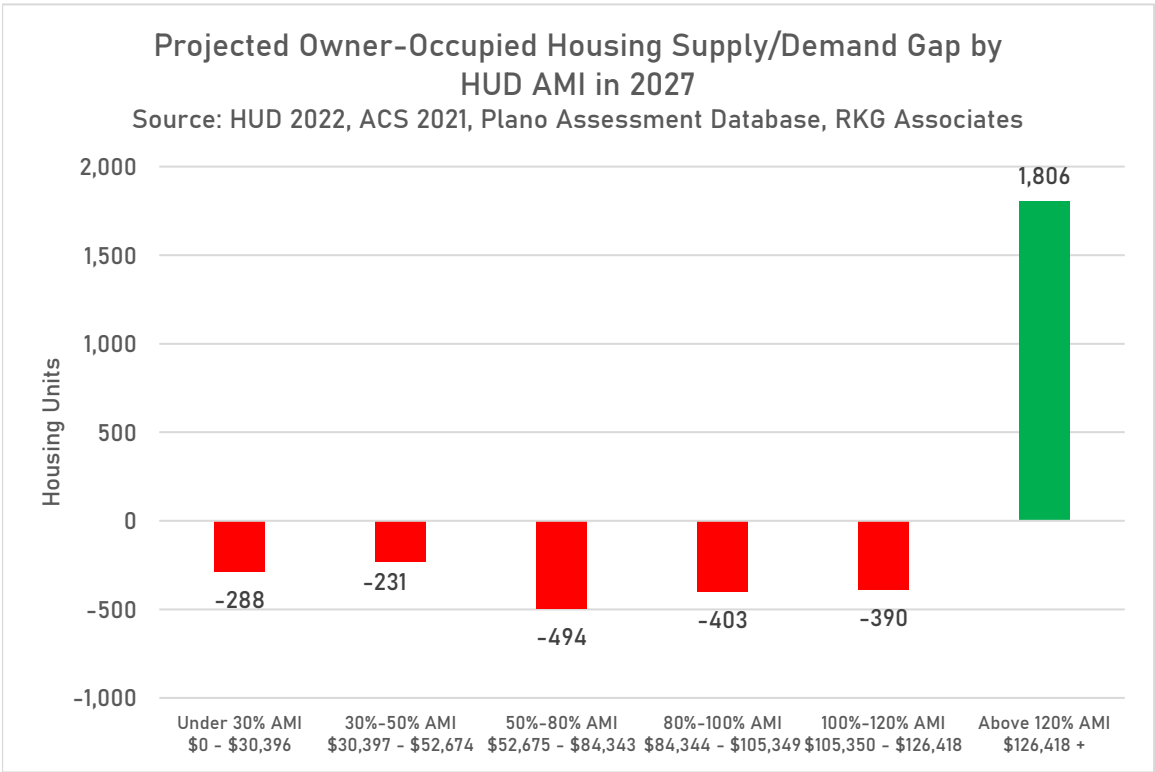
On the ownership side, households earning more than 120% of AMI make up 78% of all owner households, but the supply of owner-occupied units exceeds demand for this income group, resulting in a surplus of 1,436 units. However, this surplus does not alleviate the housing issues for lower-income households, who continue to face a lack of affordable ownership options. By 2027, Subarea 2 is projected to experience a further increase in low- and middle-income renters, with renter households earning between 50% and 80% of AMI expected to grow by 8%. This demographic shift will likely exacerbate the existing housing deficits, particularly for households earning below 30% of AMI, 80%-100% of AMI, and more than 120% of AMI, which are projected to face a combined shortfall of 691 rental units.

Figure 59: Subarea 2 Owner-Occupied Housing Supply/Demand Gap by HUD AMI



The affordability challenges extend to the ownership market as well, with a projected deficit of 1,806 ownership units for households earning at or below 120% of AMI by 2027. Adding to these challenges, home values in Subarea 2 are expected to rise by 45% over the next five years, driven by its desirability as a residential and economic hub. By 2027, the projected value of a home priced at 100% of AMI is anticipated to reach \$368,000, further straining affordability for moderate-income households. These trends highlight the growing need for targeted housing policies and strategies to address the area’s affordability gaps, ensuring that Subarea 2 can continue to support a diverse range of households while maintaining its reputation as a premier community.

Figure 6o: Subarea 2 Projected Owner-Occupied Housing Supply/Demand Gap by HUD AMI in 2027



Subarea 3 Affordability Analysis

Subarea 3 (North Central Plano) is a highly residential area with the second-largest concentration of households. Unlike other parts of the city, it features more neighborhood-level retail rather than large shopping and employment centers. The area was developed primarily in the 1990s, and homes here are relatively large and priced above \$500,000. A majority (65%) of the housing

stock is owner-occupied, and owner households tend to have significantly higher incomes than renters, with median earnings of \$171,000 compared to \$85,000 for renter households.

There is an insufficient supply of rental housing for low-income households, as higher-income renters are occupying units priced below what they can afford. Households earning more than 120% of AMI make up 40% of all renter households, but only 29% of available rental units cater to this income bracket, creating a shortage of 982 units. As a result, higher-income households are occupying units meant for lower-income households, further limiting housing options for those in need

Figure 61: Subarea 3 – North Central Plano

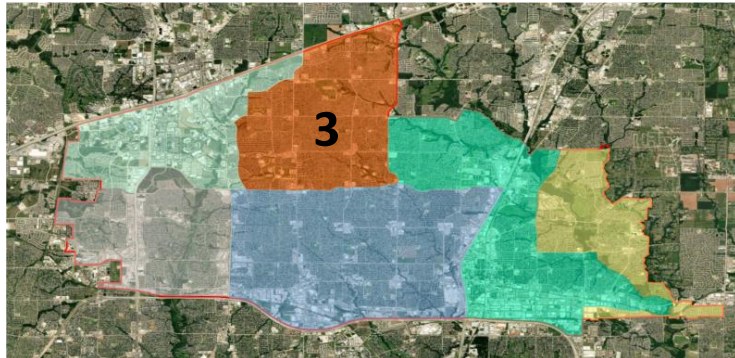
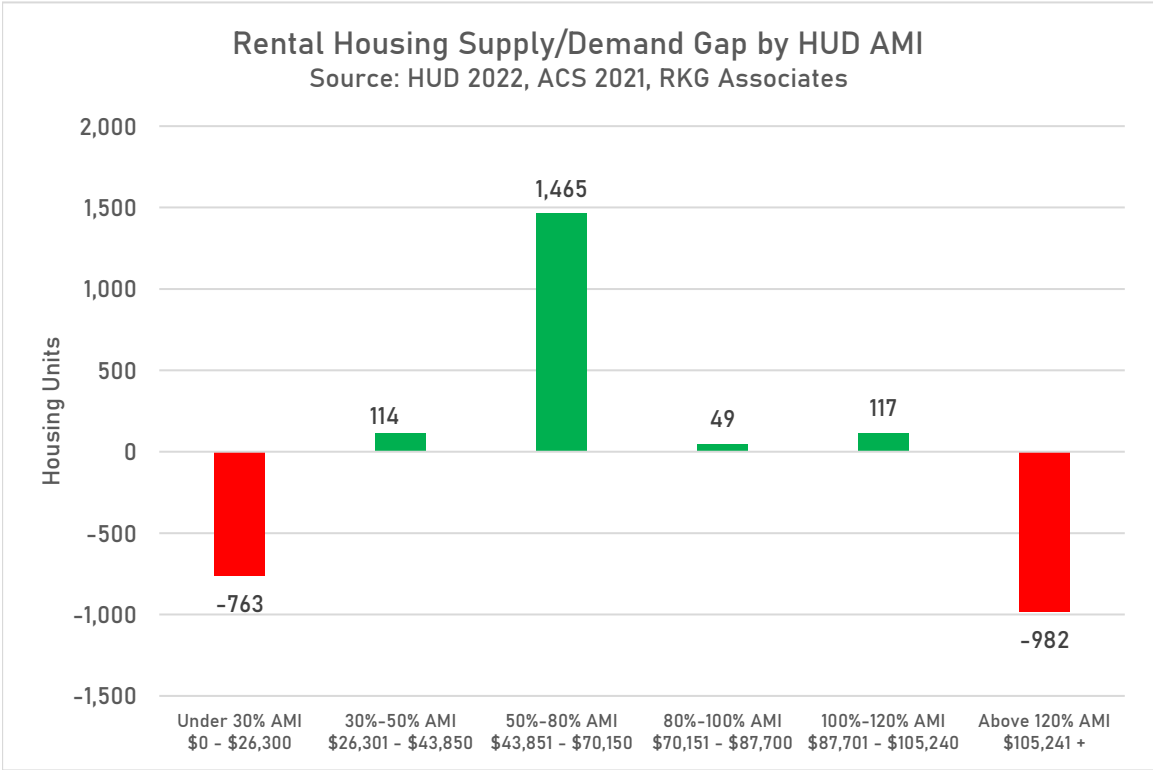
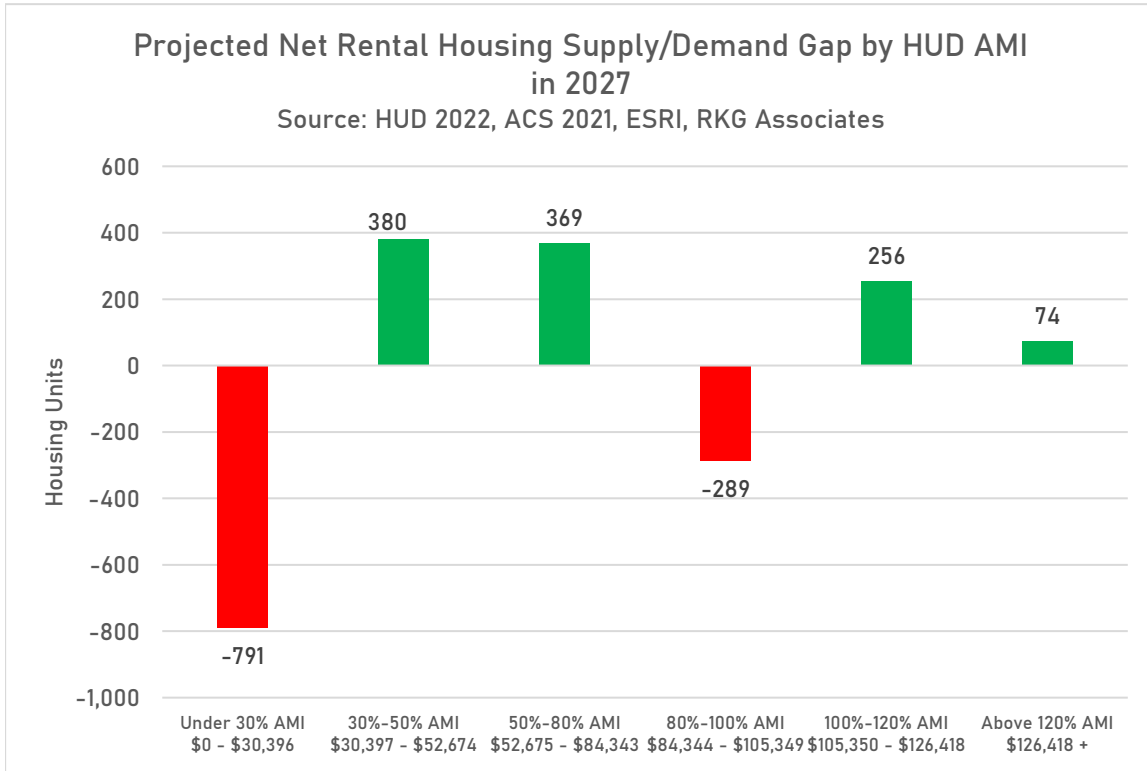


Figure 62: Subarea 3 Rental Housing Supply/Demand Gap by HUD AMI



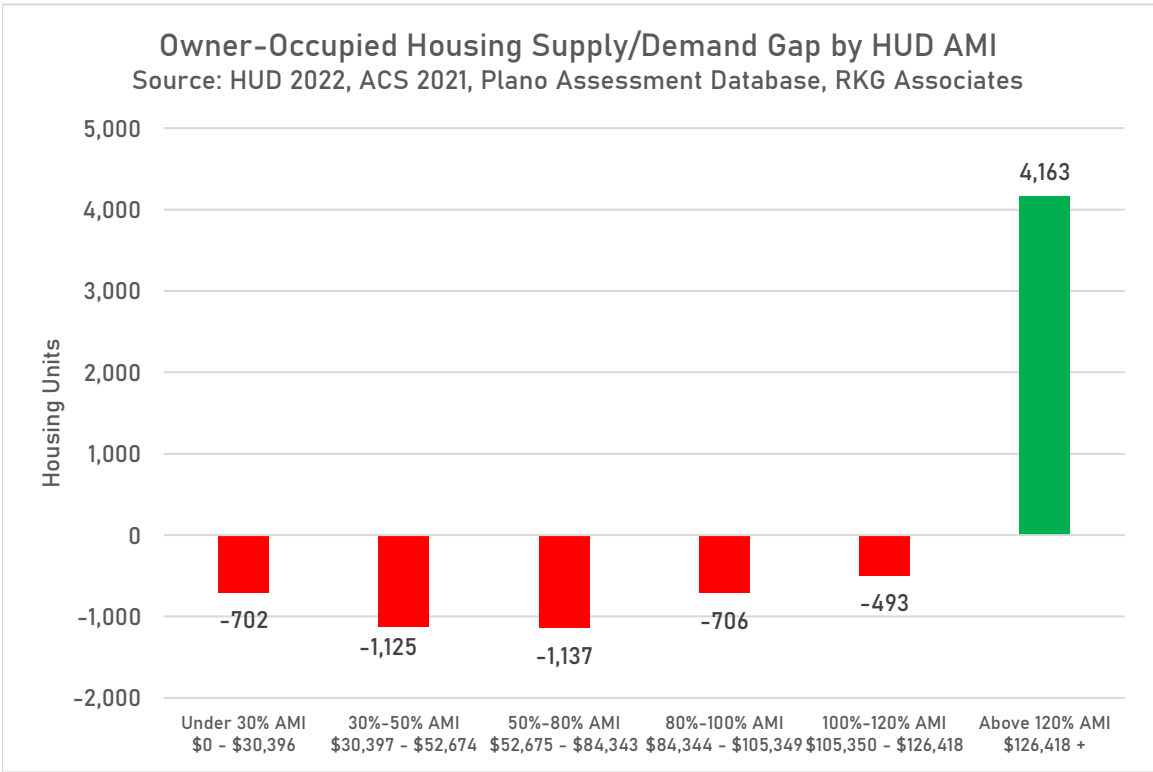
Looking ahead, Subarea 3 is expected to see an increase in both low- and middle-income renter households due to projected income growth. Renter households earning between 50% and 80% of AMI are expected to grow by 9% by 2027. However, a significant housing shortfall is projected, with a deficit of 1,080 units for those earning below 30% of AMI and between 80% and 100% of AMI.

Figure 63: Subarea 3 Projected Net Rental Housing Supply/Demand Gap by HUD AMI in 2027



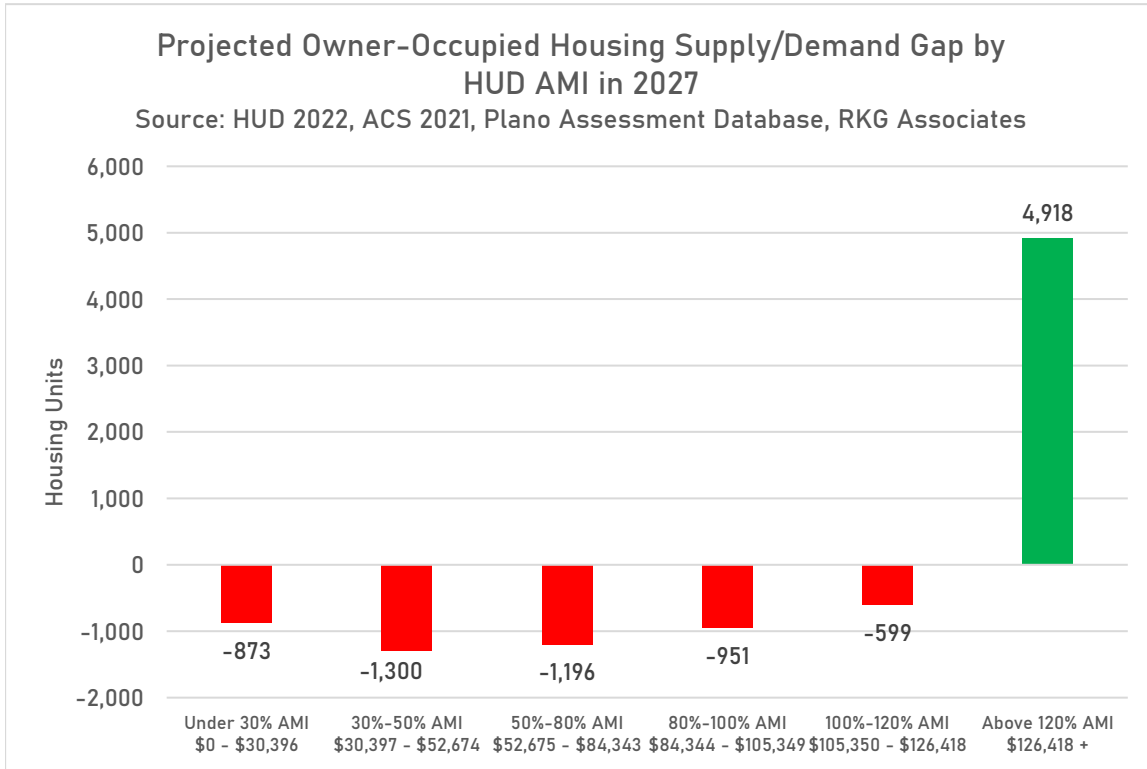
Lower-income owner households face a severe shortage of housing options in Plano. For those earning at or below 120% of AMI, there is an overall net deficit of housing units. In contrast, households earning more than 120% of AMI represent 71% of all owner households, but the supply accounts for 97% of owner-occupied units, creating a surplus of 4,163 units in this category. This imbalance contributes to affordability challenges for lower-income buyers.

Figure 64: Subarea 3 Owner-Occupied Housing Supply/Demand Gap by HUD AMI



Home values in Subarea 3 are projected to rise significantly in the coming years. Based on MLS data from the past five years, ownership housing values are expected to increase by 45% over the next five years. By 2027, a home affordable to a household earning 100% of AMI is projected to cost \$368,000. Additionally, a substantial deficit of 4,918 ownership units at or below 120% of AMI is anticipated, further exacerbating the affordability challenges for potential homebuyers.

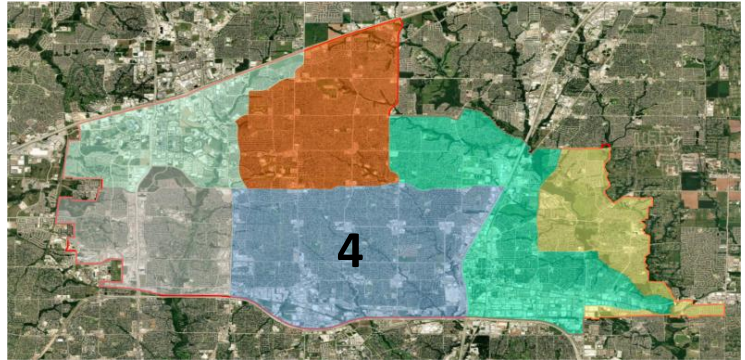
Figure 65: Subarea 3 Projected Owner-Occupied Housing Supply/Demand Gap by HUD AMI in 2027



Subarea 4 Affordability Analysis

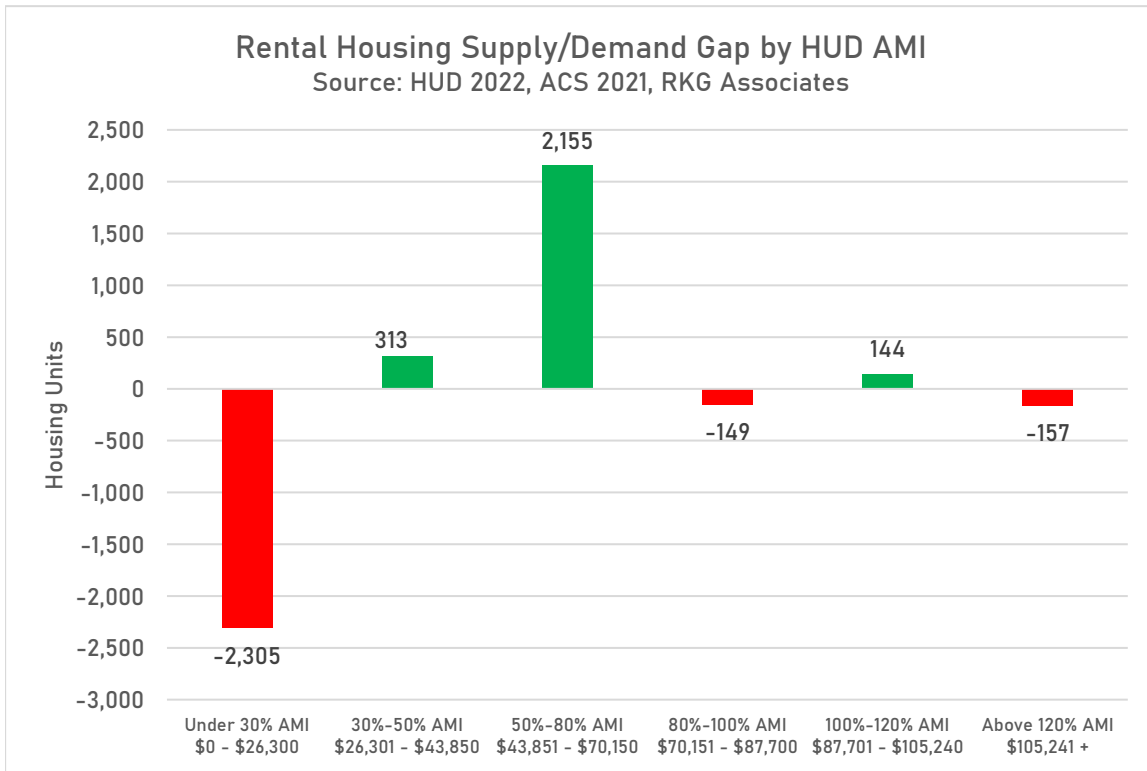
Subarea 4 (South Central Plano) is a predominantly residential area with the largest concentration of households in the city. Unlike other subareas, it features a diverse mix of neighborhood-level retail, large shopping centers, hospitals, and commercial and industrial employment centers. The area was developed primarily in the 1970s and 1980s, with modestly sized homes that are generally priced above \$400,000. The majority (63%) of the housing stock is owner-occupied. However, both owner and renter household incomes in this subarea are lower than in all other subareas except for Subarea 5. Owner households have a median income of nearly \$120,000, while renter households earn around \$65,000.

Figure 66: Subarea 4 – South Central Plano



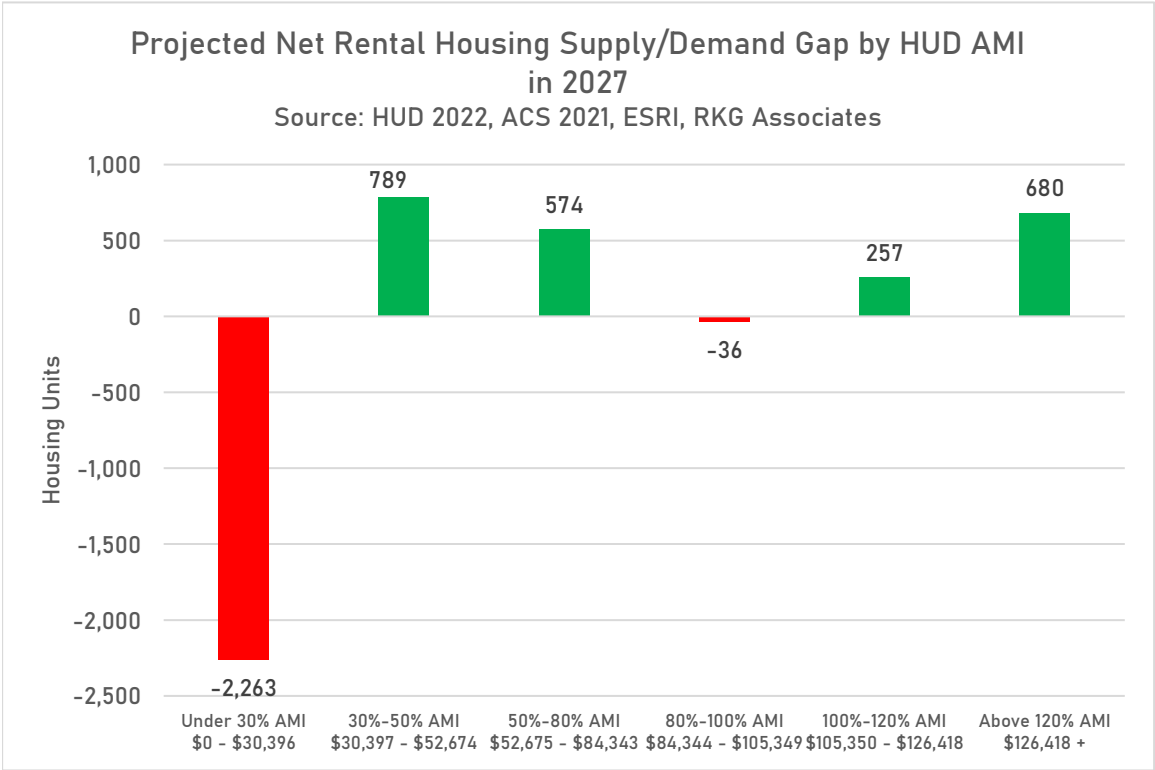
There is a significant shortage of rental housing for low-income households, as higher-income renters are occupying units that are priced well below what they can afford. This trend further limits options for lower-income households. Households earning less than 30% of AMI represent 20% of all renter households, yet only 1% of available rental units are affordable for this income group. This discrepancy has resulted in a shortfall of 2,305 units, resulting in low-income households renting units that are well above what is reasonable for them to afford.

Figure 67: Subarea 4 Rental Housing Supply/Demand Gap by HUD AMI



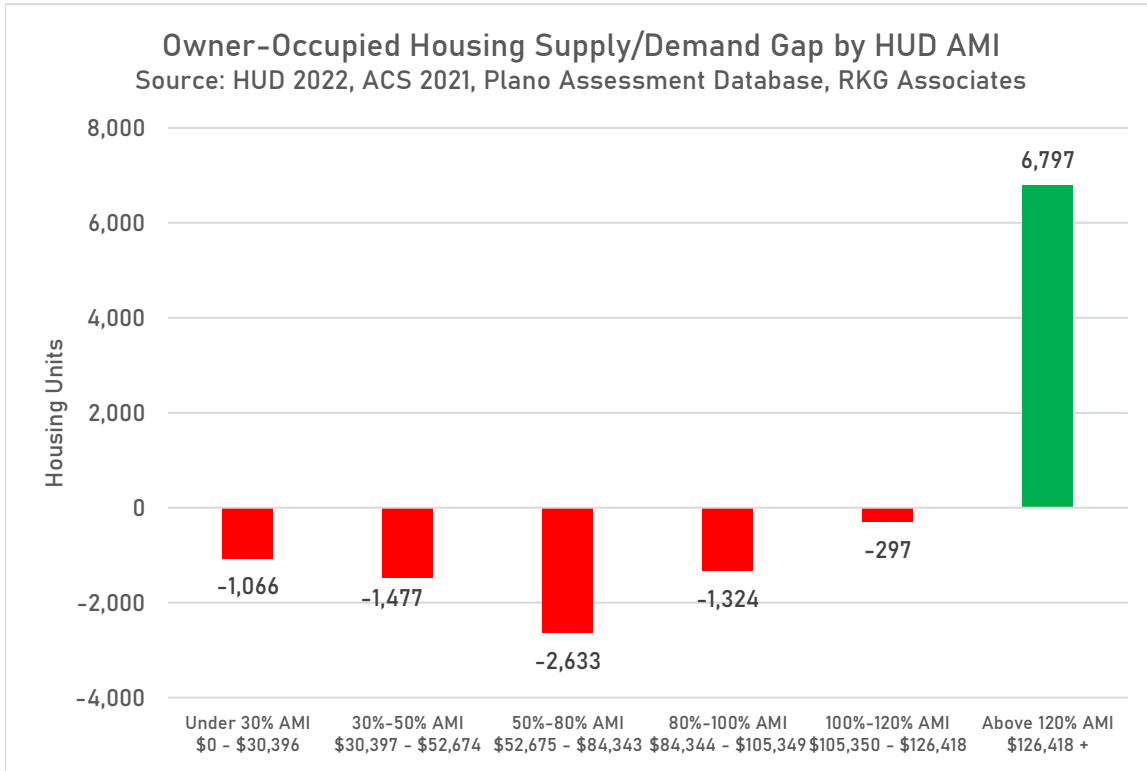
Looking ahead, Subarea 4 is projected to experience income growth across nearly all brackets, except for extremely low-income renters. By 2027, the shortage of rental units affordable to households earning below 30% of AMI is expected to increase to a deficit of 2,263 units. Additionally, lower-income households in Plano continue to face limited housing options, as the overall supply of units affordable to those earning at or below 120% of AMI remains insufficient.

Figure 68: Subarea 4 Projected Net Rental Housing Supply/Demand Gap by HUD AMI in 2027



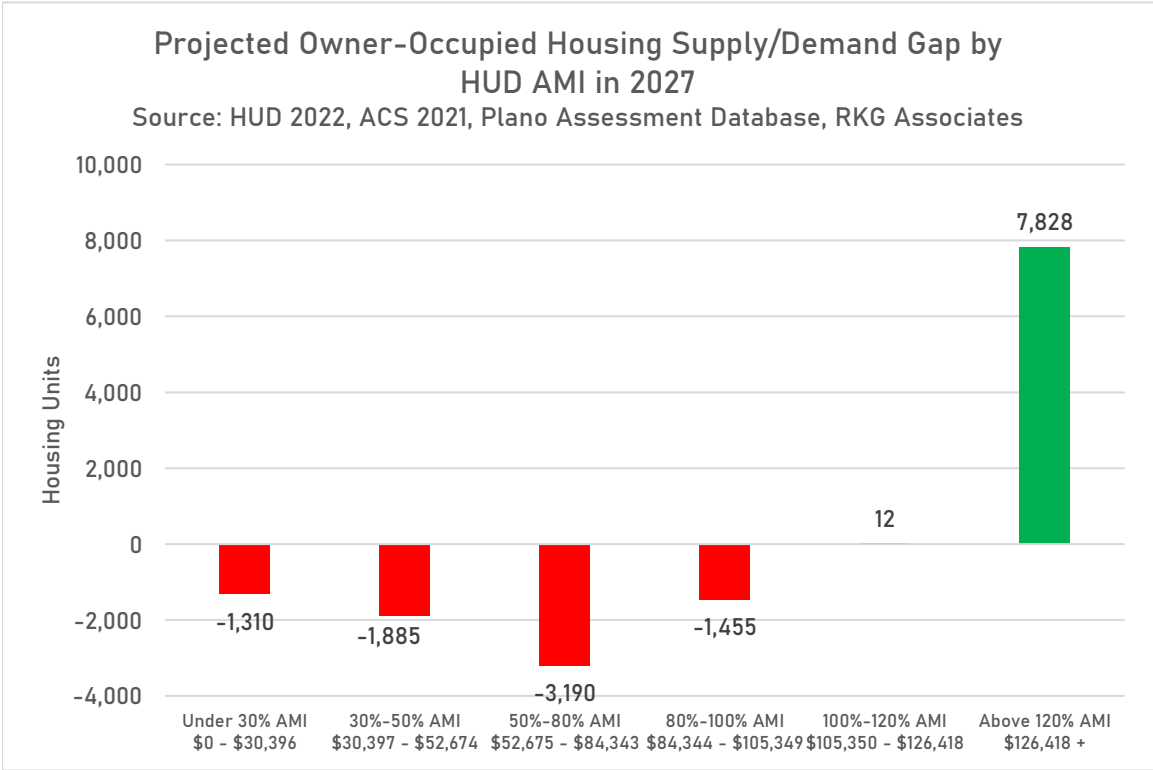
For owner households the story regarding affordability is stark. For households earning below 120% of AMI, which accounts for 42% of all owner households, there is a deficit of 6,797 units. This indicates that housing is not affordable or attainable for some households.

Figure 69: Subarea 4 Owner-Occupied Housing Supply/Demand Gap by HUD AMI



Homeownership affordability is expected to decline as property values rise. Based on MLS data from the past five years, ownership housing values are projected to increase by 45% over the next five years. By 2027, a home affordable to a household earning 100% of AMI is expected to be valued at \$368,000. Furthermore, there is a projected shortfall of 7,828 ownership units priced at or below 100% of AMI, which will further exacerbate affordability challenges for prospective homebuyers.

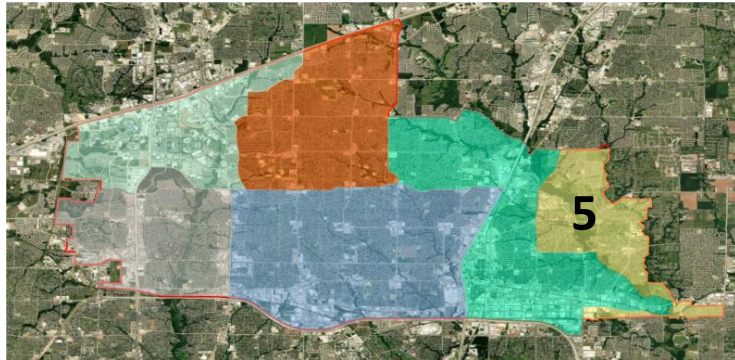
Figure 70: Subarea 4 Projected Owner-Occupied Housing Supply/Demand Gap by HUD AMI in 2027



Subarea 5 Affordability Analysis¹⁰

Subarea 5 (East Plano) is a highly residential area with a limited number of large tracts of land still available for development. Unlike other parts of the region that feature major commercial or employment hubs, this subarea is characterized by smaller-scale neighborhood retail rather than large shopping centers or business districts. The area was largely developed during the 1990s and early 2000s, with moderately sized homes that typically have price points exceeding \$400,000. Housing in this subarea is overwhelmingly owner-occupied, with 90% of the housing stock consisting of ownership units. Both owner and renter household incomes in Subarea 5 are relatively high compared to other areas, with owner households earning a median income of approximately \$132,000 annually.

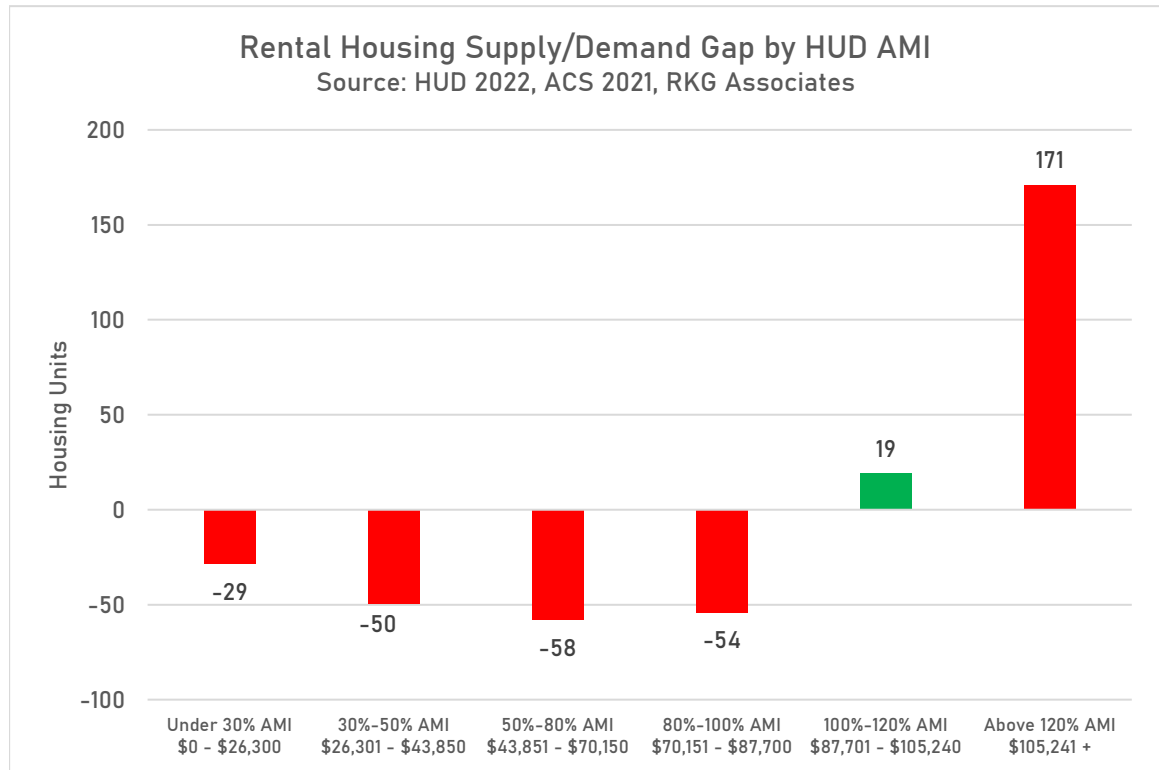
Figure 71: Subarea 5 – East Plano



Despite the strong income levels in this subarea, there is a shortage of rental housing available for low- and moderate-income households. Higher-income renters are occupying units that are priced significantly below what they could afford, thereby limiting the availability of lower-priced housing for those in need. Households earning less than 100% of AMI represent only 5% of all renter households, yet only 1% of the available rental housing stock is affordable to them. This imbalance results in a rental housing gap of approximately 190 units, forcing lower-income households to rent units that are priced above their financial means.

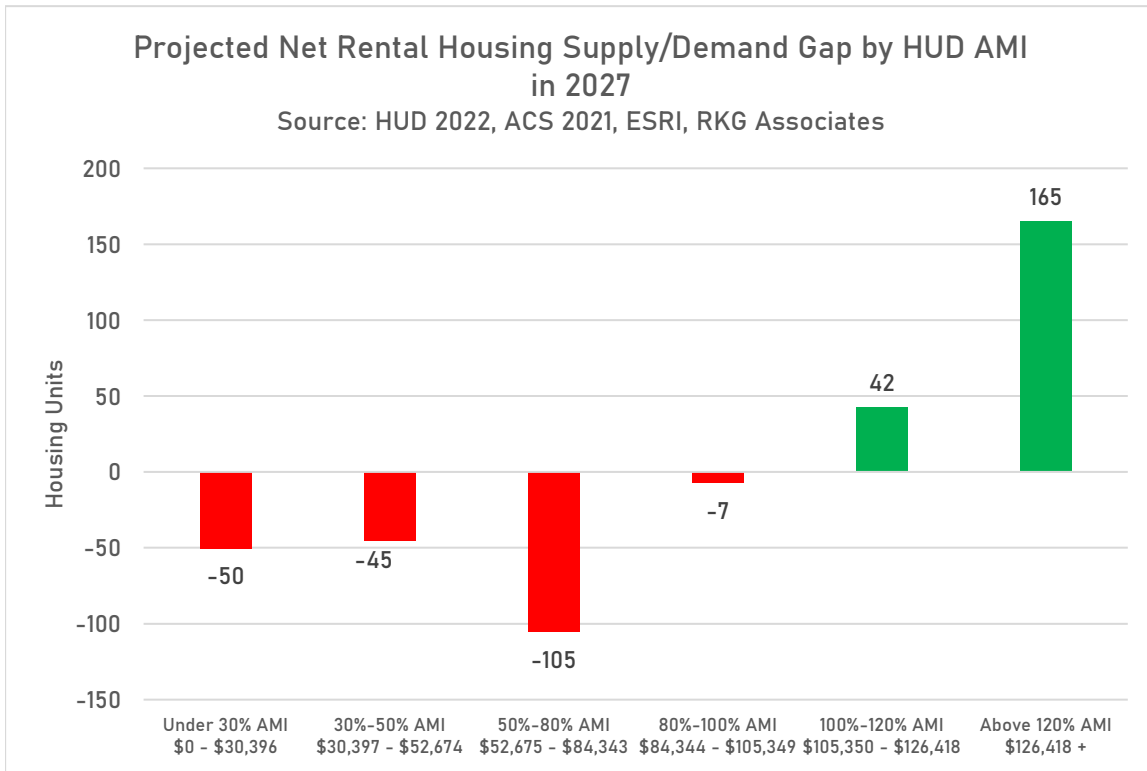
¹⁰ Data limitations for Subarea 5, result in amplified supply/demand gap numbers because the Census Tracts which make up Subarea 5 changed between 2016 and 2021. In 2016, the Census Tracts included a portion of Parker, TX which skewed population, household, and housing numbers upwards.

Figure 72: Subarea 5 Rental Housing Supply/Demand Gap by HUD AMI



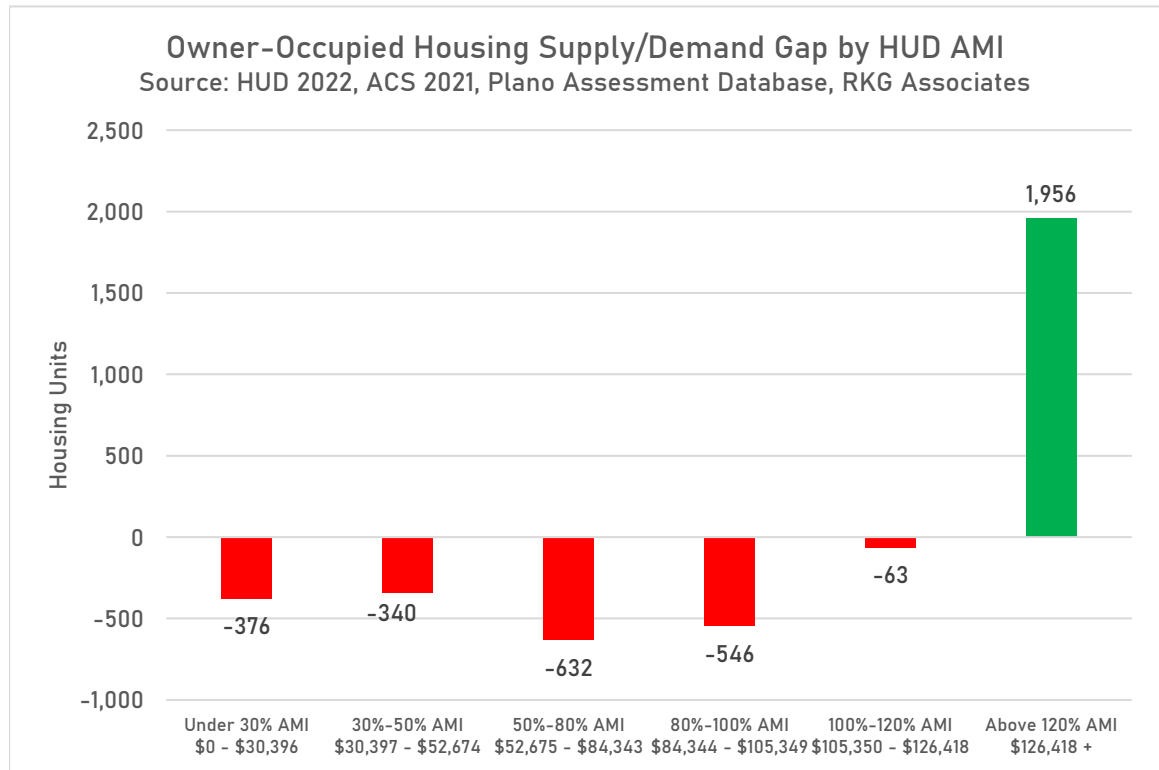
Looking ahead, income growth projections indicate that Subarea 5 will see an increase in the number of renter households earning more than 100% of AMI. However, for those earning below 100% of AMI, the rental housing deficit is expected to grow, reaching a shortfall of approximately 207 units by 2027. This ongoing shortage will continue to put pressure on lower-income renters, further limiting their housing choices in the area.

Figure 73: Subarea 5 Projected Net Rental Housing Supply/Demand Gap by HUD AMI in 2027



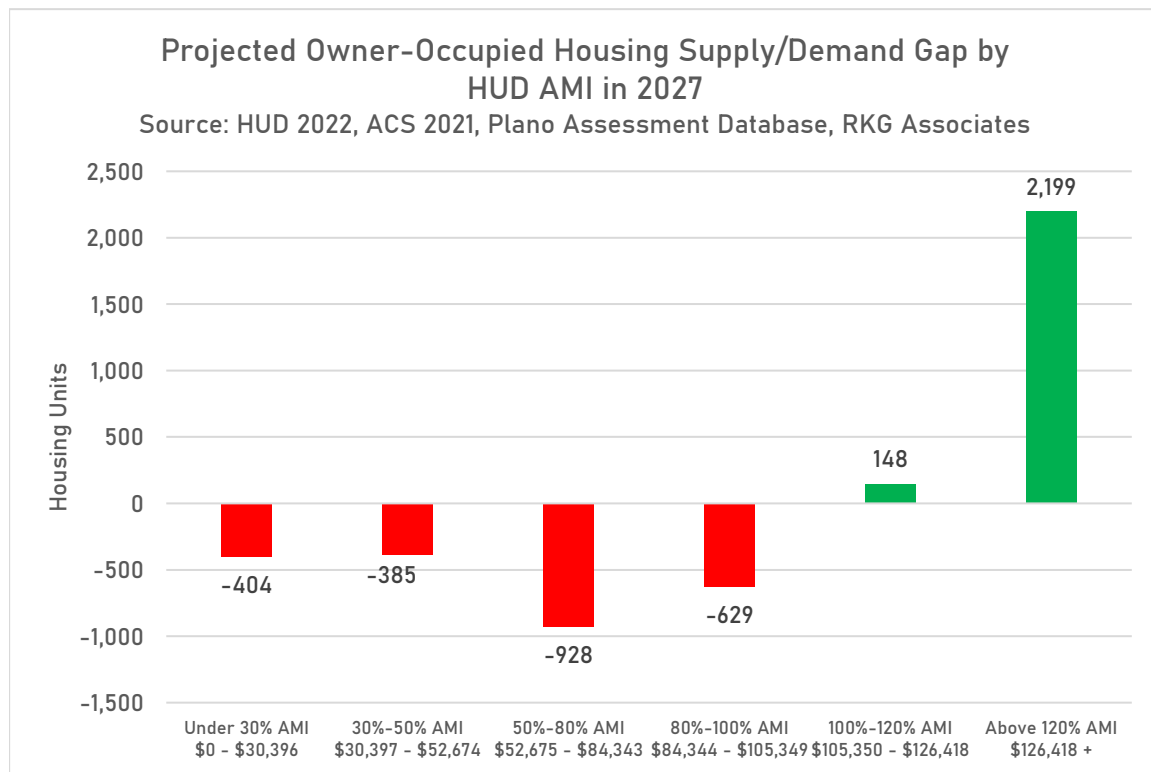
The challenges extend beyond the rental market, as homeownership opportunities for lower-income households in Plano remain limited. There is a net deficit of housing units available for households earning at or below 120% of AMI, making it difficult for moderate-income families to find affordable homeownership options. At the same time, households earning more than 120% of AMI make up 56% of all owner households, yet they have access to 89% of the total ownership housing supply. This has led to a surplus of 1,956 ownership units within this higher income bracket, while those earning below 120% of AMI continue to face affordability constraints.

Figure 74: Subarea 5 Owner-Occupied Housing Supply/Demand Gap by HUD AMI



Homeownership affordability is also projected to decline as housing values increase. Based on MLS data from the past five years, ownership housing prices in Subarea 5 are expected to rise by approximately 45% over the next five years. By 2027, a home that would be affordable to a household earning 100% of AMI is projected to be valued at \$368,000. Additionally, there is an anticipated shortfall of 2,199 ownership units priced at or below 120% of AMI, further exacerbating the affordability challenges for moderate-income buyers looking to enter the housing market.

Figure 75: Subarea 5 Projected Owner-Occupied Housing Supply/Demand Gap by HUD AMI in 2027

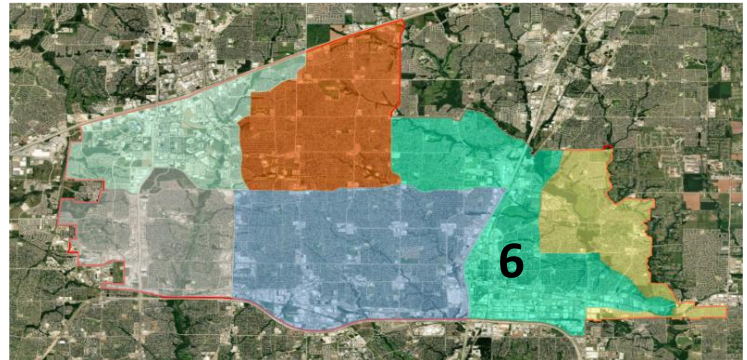


Subarea 6 Affordability Analysis

Subarea 6 (Downtown/I-75 Corridor) is a vital part of the city, encompassing the Downtown area as well as major commercial and industrial nodes along the Technology Corridor. This subarea also includes key developments along Interstate 75 and around the DART stations, making it a central hub for business, transportation, and urban living. As the first part of the city to be developed,

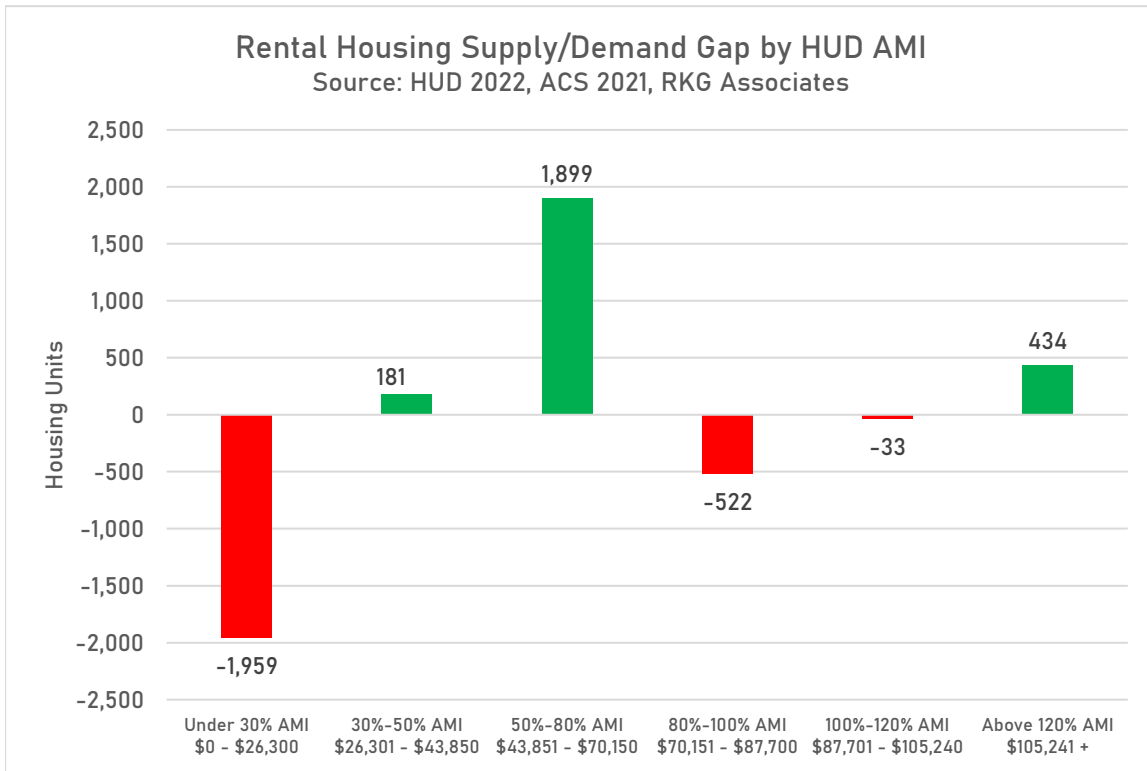
Subarea 6 contains the oldest housing stock. Some of the homes require significant rehabilitation. Despite the need for repairs and upgrades, home prices in this area remain above \$300,000. The housing composition in Subarea 6 is more renter-heavy than in other subareas, with 53% of the housing stock occupied by renters. Income levels in this area are relatively low compared to other parts of the city, with owner households earning a median income of approximately \$85,000, while renter households earn around \$67,000 annually.

Figure 76: Subarea 6 – Downtown/I-75 Corridor



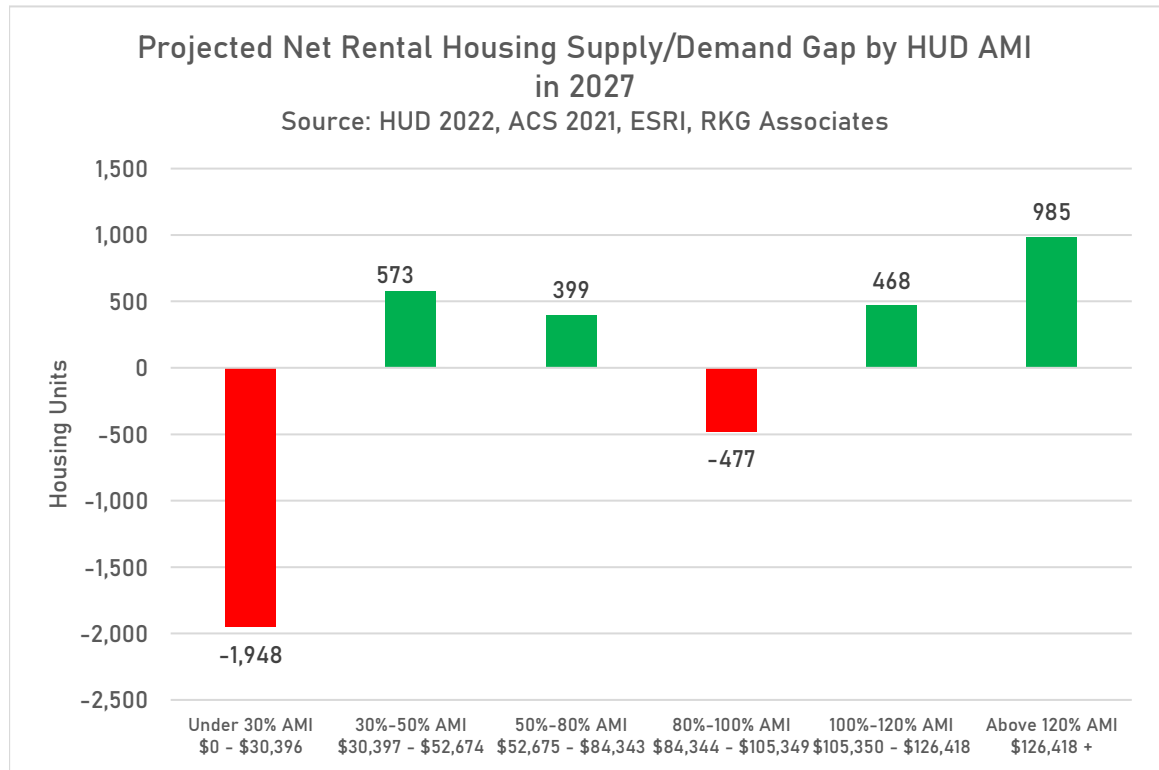
The rental market in Subarea 6 faces a significant affordability challenge, particularly for low- and moderate-income households. Higher-income renters are occupying units priced well below what they could reasonably afford, limiting the availability of rental options for lower-income households. Households earning less than 30% of AMI make up 22% of all renter households in the subarea. However, only 5% of the available rental units are priced to accommodate this income level, resulting in a substantial shortfall of approximately 1,959 units. As a result, lower-income households are forced to rent units that are beyond their financial means, further exacerbating housing cost burdens for the most vulnerable populations.

Figure 77: Subarea 5 Rental Housing Supply/Demand Gap by HUD AMI



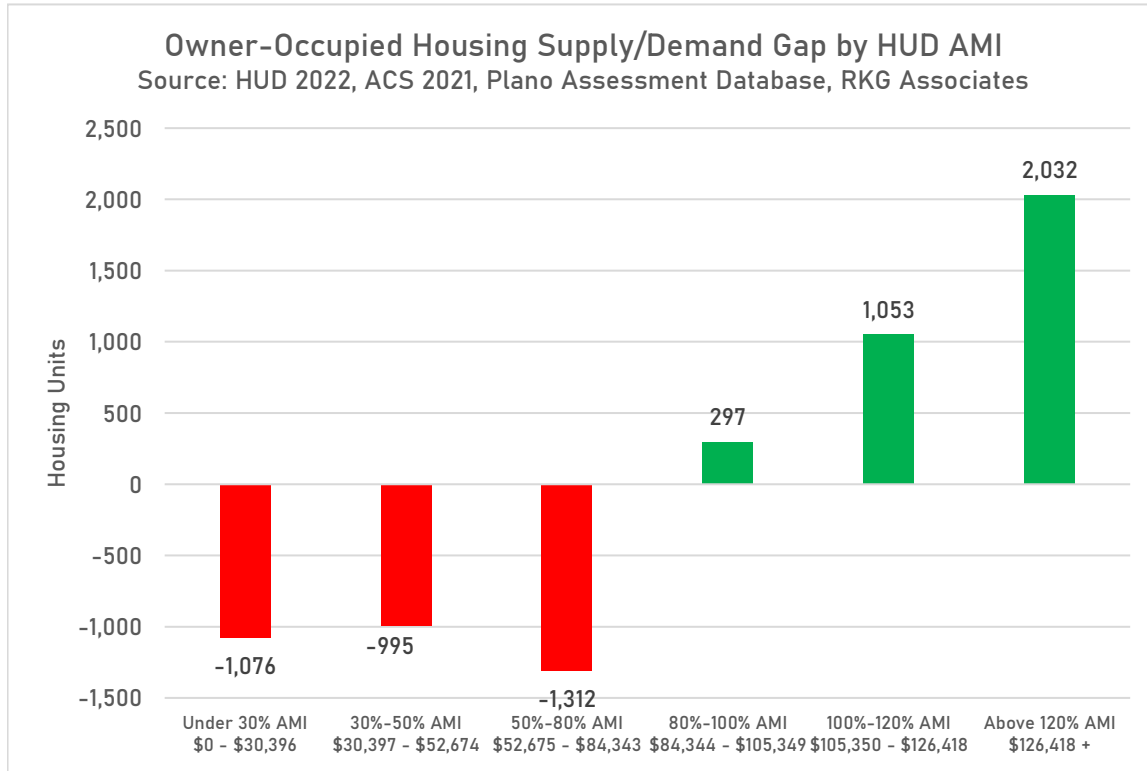
Income growth projections indicate that Subarea 6 will experience an increase in renter households across nearly all income brackets, except for those earning between 80% and 100% of AMI. This shift in income distribution will contribute to a growing housing deficit for the lowest-income renters, with the shortfall of units affordable to households earning below 30% of AMI expected to rise to 1,948 units by 2027. Without additional affordable rental housing development, these challenges will continue to intensify, making it even more difficult for low-income renters to secure stable housing in the area.

Figure 78: Subarea 5 Projected Net Rental Housing Supply/Demand Gap by HUD AMI in 2027



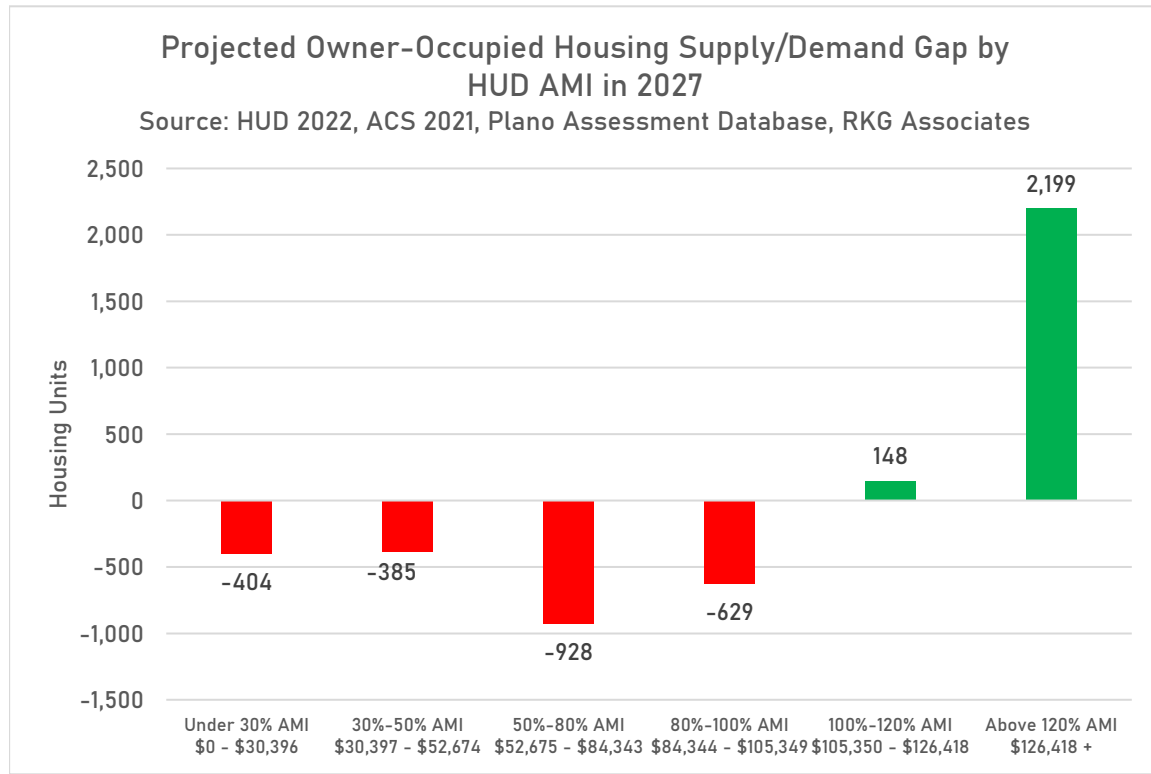
The homeownership market in Subarea 6 is also facing affordability constraints, particularly for lower-income households. Households earning at or below 80% of AMI have limited options when it comes to purchasing a home, as there is a net deficit of 3,382 housing units available at this income level. With a limited supply of affordable ownership opportunities, potential homebuyers are either priced out of the market or forced to seek housing in other areas.

Figure 79: Subarea 5 Owner-Occupied Housing Supply/Demand Gap by HUD AMI



Projections indicate that home values in Subarea 6 will continue to rise, creating additional challenges for prospective homeowners. Based on MLS data from the past five years, home prices are expected to increase by approximately 45% over the next five years. By 2027, the projected value of a home affordable to a household earning 100% of AMI will reach \$368,000. Additionally, the supply gap for homeownership units priced at or below 80% of AMI is expected to expand, with an anticipated shortfall of 3,982 units. These trends suggest that without targeted interventions to increase the supply of affordable ownership housing, homeownership opportunities for moderate- and lower-income households will remain limited in Subarea 6.

Figure 8o: Subarea 5 Projected Owner-Occupied Housing Supply/Demand Gap by HUD AMI in 2027



CITY OF PLANO HOUSING STUDY

BARRIERS TO ADDRESSING HOUSING

To address gaps across the City of Plano's housing market, several barriers will need to be investigated. For the purposes of this analysis and to inform future strategies, we have organized current barriers into four categories: Market, Financial, Land Use and Regulatory, and Coordination and Capacity.

Market Barriers

Market barriers refer to constraints placed on the housing market or factors that drive the market to respond in a certain way. In the city, there are several market-based barriers affecting housing which include:

- **Lower Household Incomes** – With a median household income of \$99,729 and 36% of households having a median income of less than \$50,000 a year, spending power on housing purchases or rents is limited for many. As housing prices and rents continue to climb, the need for affordable units grows. These units are often the most challenging to produce and require deep subsidy or regulatory relief plus a development entity that is knowledgeable about the financing, construction, and long-term management of affordable units. The lower incomes of many households in the city can be a market barrier to producing housing in a city environment where costs are often higher, and redevelopment is more prevalent.
- **Housing Prices and Comps** – With a citywide median sales price of \$503,000, the construction of new single-family homes or significant rehabilitation of homes in existing neighborhoods with lower housing values could be challenging for some developers/builders. This is particularly true for new construction housing, with single-family units selling at or above \$670,000 each. Combining the purchase price of the house/land, demolition of the structure, and construction of a new home could put the sales price of the new home above localized comps in the neighborhood. This may make it financially challenging for a developer or builder, as well as for the financial institution backing the loans. From the buyer's perspective, it may be challenging to obtain an acquisition and rehabilitation loan if the value of the home plus the value of renovations exceeds local neighborhood comps.
- **Few Opportunities for Greenfield Development** – The City of Plano is an older, more established locality compared to other parts of the Dallas Metro Area, as such, there are fewer large, vacant tracts of land available to support development which in turn guides efforts toward redevelopment of existing land and buildings. With most redevelopment efforts of market-viable properties, higher levels of development intensity are necessary to create sufficient financial returns for investors to repurpose a real estate asset. Garnering market acceptance requires clear zoning requirements and building community support requires proactive communication with the community about the benefits of redevelopment projects.

Financial Barriers

Financial barriers refer to the access to capital needed to fund housing development, access to financing to purchase a home, resources to address housing inequities and challenges, and the financial feasibility of rehabilitating the existing housing stock in certain parts of the city. Financial barriers to housing development include:

- **Rehab and Acquisition** - Rehabilitation of the older housing stock is difficult to execute because it requires effort by the homeowner to secure financing and navigate municipal a rigorous process of municipal and HOA regulations. Financial resources are not always available to modest-income homeowners for renovation projects, though some lenders offer construction financing, lending terms may not be favorable to low- to moderate-income households who are unable to pay the loan back above the financial requirements of an existing mortgage. While there are programs which help homeowners finance rehabilitation costs, these funds are limited.

There are also challenges for potential buyers of homes that need rehabilitation work. In areas where housing rehabilitation has not occurred and home values are lower, it can be difficult for lenders to find comparable properties to justify a combined rehab and acquisition loan. Oftentimes, gap financing is needed through a flexible funding source to help make up the difference between what a lender is willing to offer and the amount the homebuyer needs for repairs. This may also disproportionately impact low- to moderate-income households who may not have cash on hand to complete the needed rehabilitation on the home.

- **Development Feasibility** – The financial feasibility of revitalizing and redeveloping older neighborhoods, building on in-fill lots, or undertaking new development is a barrier. The cost of land, materials, and construction are significant. The risks associated with larger projects can be high, particularly in untested markets where there are fewer local builders willing to take risks. Financial feasibility concerns limit the potential of new developments to include affordability components, as developers opt to build higher priced housing to mitigate risk and increase returns.
- **Funding Resources** – Funding to support housing programs and initiatives is limited in many cases to those available through local taxation or development fees, state funding dedicated to housing, tax credit programs, and federal housing programs like the U.S. Department of Housing and Urban Development’s (HUD) Community Development Block Grant (CDBG) or HOME Investment Partnerships Program (HOME) funds. Providing new affordable housing options will take a concerted effort and leveraging a variety of funding resources. This will be a key challenge to implementation and one that will require a coalition of government, non-profits, faith-based organizations, and private investors to overcome.

- **Lending Criteria and Access to Financing** – Homebuyers are challenged by increasing levels of personal debt, diminished savings, and stricter lending requirements by financial institutions due to the housing crisis. Purchasing power constraints limit the ability of households to buy homes or undertake major renovations to existing homes. Younger householders who carry large student loan debt coupled with price escalations in the housing market make homeownership difficult to attain and can result in greater numbers of renter households. For low- and moderate-income households, obtaining and maintaining a qualifying credit score can also be a challenge to accessing financing.
- **Adaptive Reuse and Code Compliance** – Adapting older buildings to meet today’s building codes and accessibility requirements can be very expensive, particularly for those buildings that could host a mix of uses. Improvements such as adding sprinklers, providing elevator access to upper floors, and making accessibility improvements often require a large amount of upfront capital that may take a long time to recapture in an area with lower residential and commercial rents. These required improvements can sometimes force property owners to keep upper stories vacant or limit the ability to fit out spaces for a different mix of tenants.

Land Use and Regulatory Barriers

Land use and regulatory barriers refer to the policies and regulations placed on residential development by local, and/or state government that may be impeding the construction of certain types of housing product. This may be related to zoning, subdivision controls, permitting, or building codes. Regulatory barriers to housing development include:

- **Texas Local Government Code Sec. 214.905** – The statute prohibits inclusionary zoning as the statute states: “A municipality may not adopt a requirement in any form, including through an ordinance or regulation or as a condition for granting a building permit, that establishes a maximum sales price for a privately produced housing unit or residential building lot.”¹¹ This restriction makes building income based affordable housing nearly impossible in Texas.
- **Improving Housing Affordability** – The city’s zoning ordinance allows a wide range of housing types across many different zoning districts with favorable lot sizes, lot coverage, and heights that match the development patterns of neighborhoods. The city currently lacks tools to improve housing affordability in Plano across several income levels. The data indicates there is insufficient housing supply for both modest-income households as well as higher income households. To this point, there may be a need for the city to revisit zoning regulations and permitting processes to look for ways to include a way to incentivize developers build more affordable units, with offset mechanisms like a density bonus, expedited permitting, cost assistance, or reduced fees.
- **Limited Availability of Space Zoned for Residential** – The City of Plano, physically, has about 3% left of its land area left vacant, nearly all of it is currently zoned as non-residential.

¹¹ <https://statutes.capitol.texas.gov/Docs/LG/htm/LG.214.htm>

This means that there is limited supply of currently zoned residential land that is undeveloped. A major barrier is getting land that is currently not zoned residential to become zoned residential or mixed use, which would enable housing development to occur.

- **Underperforming Four Corner Retail** – The existing four corner retail developments across the city have a mixed record of performance, with many of the retail centers being antiquated or having low occupancy rates. The new spaces found in Frisco and McKinney offer modern layouts and amenities which are attractive to businesses. The City of Plano could look toward underperforming four corner retail parcels as a possible area suitable for mixed use development.
- **Required Setbacks for Building Homes** – The current zoning ordinance requires various setback requirements for building homes depending on the residential zoning district. Setback minimums range from zero feet (for zero lot line homes in a Patio Home District) to 25 feet for lot a minimum setback for single family homes to be at least 25 feet (for a Single Family Residential District).¹² The rigidity of the setback requirements make infill development more difficult as new housing typologies (e.g. duplex, triplex, quadplex) may not be accommodated by existing zoning district requirement. Creating more flexibility within the zoning could help bring about more housing types in the residential districts and increase overall housing supply.
- **Minimum Parking Space Requirements** – The current zoning ordinance has minimum parking requirements that could possibly hinder infill development in Plano. Generally, the zoning ordinance requires two off-street parking spaces for each dwelling unit, with exceptions for independent living facilities (one space per unit), multifamily dwellings (1.5 spaces for each studio and two spaces for any larger unit), and backyard cottages (one space per unit). The parking requirements inhibit a developers ability to maximize the living area on a parcel of land because potential living space is occupied by parking. Potentially reducing parking requirements (as there is existing street parking) may enable greater levels of density for infill development.
- **Accessory Dwelling Unit (ADU) Residency Requirements** – The regulations around ADU's mandates that the property owner must live in the primary structure on the parcel which has the ADU. While the existence of ADU regulations is helpful in creating a greater number of housing units across the city, the rule regarding owner occupancy does not allow for maximizing the number of rental units. Some property owners may be able to move, and as a result be able to rent both units; however, the current regulations restrict both units being rented at the same time. Modifications to this rule may help unlock greater numbers of rental units across the city.
- **Adaptive Reuse and Code Compliance** – Adapting older buildings to meet today's building codes and accessibility requirements can be very expensive, particularly for those buildings

¹² City of Plano Zoning Ordinance, 2024

that could host a mix of uses. Improvements such as adding sprinklers, providing elevator access to upper floors, and making accessibility improvements often require a large amount of upfront capital that may take a long time to recapture in an area with lower residential and commercial rents. These required improvements can sometimes force property owners to keep upper stories vacant or limit the ability to fit out spaces for a different mix of tenants.

Coordination and Capacity Barriers

Coordination and capacity barriers refer to the ability of stakeholders to come together and focus efforts and resources to help with the city's housing affordability challenges. Change is never easy nor is it identifying funding to address challenging issues, but both require a coalition of leaders to come together and agree on priorities and direction. Potential coordination barriers include:

- **Identify Funding Sources** – To address housing issues identified in this study, additional funding sources are going to be needed. The housing market, while growing, is not necessarily meeting the needs of all residents. The market may not course correct on its own in the short term and there may be a need to identify subsidies to prime the market in areas that have not seen new investment or may not be supplying the diversity of housing choices needed to serve residents today and into the future. Raising additional funds, leveraging resources, or reallocating existing funding is never easy but may be necessary to address housing needs across the city.
- **Regional Collaboration** – Over the last two decades, private corporations such as financial institutions, major employers, and anchor institutions such as hospitals and universities have played an increasingly important role in improving and expanding affordable housing. Investments in low-income housing tax credit projects have been a primary contributor to building multifamily affordable rental units across the country. The City of Plano has a need to expand both the amount and type of affordable housing as well as the pool of funding available for such projects. The challenge now is for the city to take charge of those challenges and begin seeking a larger partnership between government, philanthropy, and the private sector. This is a best practice in many places across the country who are working collaboratively to invest in larger, more complex community and economic development solutions. Examples of this type of activity include:
 - *East Baltimore Development Initiative (EBDI), Baltimore, MD* - The EBDI is a comprehensive urban renewal project led by Johns Hopkins University, in partnership with the City of Baltimore and other stakeholders. The initiative aims to revitalize the East Baltimore community by transforming an 88-acre site into a biotech hub, with a focus on life sciences and technology facilities, housing, retail, parking, a park, and a new school.¹³

¹³ <http://ebdi.org/about>

- *Roosevelt Square, Chicago, IL* – This is a redevelopment led by the Chicago Housing Authority which saw the demolition of four public housing developments dating from the 1950s and replaced by mixed-use buildings and mixed-income housing constructed alongside civic assets such as educational, recreational, and public safety facilities. One example is that the Chicago Public Library collocated a branch with the Taylor Street Apartments which provides 73 units of mixed-income housing above the library.¹⁴

The concept of leveraged capital, when a small amount of initial capital is made available to attract additional resources, is not new to the affordable housing industry. Most affordable housing built since the early 1990s has been financed by private equity investments seeking low-income housing tax credits and market rate returns. What is new to the community development sector are the innovations created through co-investment opportunities between the public and private sectors.

In the city, partnerships between local government, affordable housing providers, institutions, employers, non-profits, and the Plano Housing Authority will be critical to addressing housing needs going forward.

¹⁴ <https://www.huduser.gov/portal/casestudies/study-091421.html>

CITY OF PLANO HOUSING STUDY

EXISTING PROGRAMS

The City of Plano currently invests in some housing programs, however the need for programmatic support outstrips the current funding and capacity to deliver services. As part of the housing study, RKG has compiled a listing and description of the existing housing programs and policies that are currently being implemented across the City of Plano.

First-Time Homebuyers Program

The First-Time Homebuyer Program is designed to assist eligible low and moderate-income households to buy a home in Plano by providing down payment and closing costs assistance in the form of deferred payment loans. The United States Department of Housing and Urban Development (HUD) funds this program and with the following eligibility requirements:¹⁵

- A homebuyer must not have owned a home in the last three years.
- Total household income must be 80% or less of the area median income based on HUD income limits.
- Cash assets must be less than \$36,000 (not including retirement accounts).
- The Homebuyer(s) and spouse(s) must have a minimum credit score of 620.
- Must be a United States citizen or a permanent resident alien.
- Maximum home purchase price/value cannot exceed \$418,000 per HUD limits.

Based on meeting the above criteria, a Plano household becomes eligible for two types of down payment assistance, the first type of assistance comes from Community Development Block Grant (CDBG) funding and provides a maximum of \$10,000 at a 0% interest rate, this is a forgivable loan which has a 5-year affordability period. The second type of assistance is the HOME Investment Partnership Program, which provides up to \$55,000 at a 0% interest rate that is forgivable, subject to a 15-year lien on the property. The program is administered through the Department of Neighborhood Services and has an annual budget of \$150,000.

The Great Update Rebate

The Great Update Rebate was created to assist Plano homeowners with the financial burden of caring for homes 35 years or older. The program provides up to \$5,000 per property per 12 months for rehabilitation efforts. The program requires the homeowner to spend at a minimum \$20,000 on updates (based on a listing of allowable repairs) to the exterior of their home (with an exception for some approved interior mobility improvements). All improvements must be completed by a certified contractor.

This program is designed to help households who cannot afford the full cost of a major repair. This is particularly true with regards to fixing sewer pipes under a home. The typical service life

¹⁵ <https://www.plano.gov/903/First-Time-Homebuyers-Program>

of a sewer line is around 50 years, and many of the homes built prior to the 1980s are experiencing problems with broken sewer lines.

The program is administered through the Department of Neighborhood Services and has an annual budget of \$500,000. Annually, about 100 households are assisted by the program, with about 1,000 households receiving funding over the last decade.

Housing Development Assistance Through Housing Tax Credits

Historically, the City of Plano offered support to developers of affordable housing who use housing tax credits. The Texas Department of Housing and Community Affairs (TDHCA) administers the tax credit program for the state of Texas. TDHCA requires that a City Council issue a Resolution of Support (9% tax credit applications) or a Resolution of No Objection (4% bond applications) for the applications to be eligible for tax credits or bond financing through the state.

The Resolution of Support issued by the City of Plano is specifically related to potential financing only and makes no finding regarding either the suitability of the proposed development site or compliance with the City's development regulations, and approval of the resolution will not be construed as a development permit or approval.¹⁶

At present the City of Plano has stopped providing resolutions of support for housing tax credit projects pending recommendations from the Housing Plan.

Housing Rehabilitation Program

The Housing Rehabilitation Program assists income-eligible homeowners with housing repairs. The program is funded by the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME). The program provides funding for emergency repairs, limited repairs, gut rehabilitation and reconstruction projects. The annual budget for the program is \$1,000,000 and many Plano households have been helped by the program over the years. The funds are provided to the property owners as either a 10-year partially forgivable loan (for owner-occupied units), or a 10-year 100% payable loan (for renter-occupied units).

Homeless Services

The Rapid Re-Housing program is a new program funded through State of Texas entitlement grant funds that provides short-term rental assistance and services. The goals of the program are to help people obtain housing quickly, increase self-sufficiency, and stay housed. It is offered without preconditions (such as employment, income, absence of criminal record, or sobriety) and the resources and services provided are typically tailored to the needs of the person. The budget for this program is \$200,000.

¹⁶ <https://www.plano.gov/916/Housing-Development-Assistance>

Housing Developer Assistance

The City of Plano provides limited grant funding to non-profit developers to build housing and/or perform acquisition, rehabilitation, and resale projects for purchase by income qualified homebuyers. The annual budget for this program is between \$200,000-\$250,000 and is funded via HOME funds.

CITY OF PLANO HOUSING STUDY

STRATEGIES

To address the housing issues and opportunities noted in this study, RKG compiled a set of strategies each informed by the city-wide data analyses, interviews, focus groups, and an assessment of existing housing programs. The strategies presented are targeted toward addressing the identified gaps and barriers in the current housing market and have been organized under headings which group similar strategy types and an estimated timeframe for implementation. The strategies are also intended to help address identified housing typology gaps and easing restrictions or creating incentives to help to fill the identified gap in the future.

It is crucial that strategies focus on initiatives the city and its partners can undertake within the first few years to address key issues and opportunities in the housing market. Undertaking incremental steps in the beginning stages of an implementation strategy can build momentum and give residents and investors' confidence in the potential of the plan. Short-term implementation recommendations (0-5 years) can include organizational restructuring, policy and regulatory changes, realignment or consolidation of funding sources, or small investment projects. Mid- and long-term recommendations (6-10 and 10+ years) may take more time, additional or creative financing, complex partnerships, political will, and patience as the market adjusts to changes in policy, regulation, and/or funding priorities.

Community Context

The City of Plano's housing study builds upon the existing comprehensive plan which was completed in 2019. The recommendations specific to Plano are based on both Plano's existing housing stock and market conditions as well as the responses from informational interviews, and input from city leadership and staff.

Assets that Plano can build on to create more housing opportunities for all residents include:

- Large employment base with many Fortune 500 companies
Plano is unique in that it is a community seen by large domestic and international corporations as business friendly. Many notable companies are based in or have relocated to Plano.
- Existing relationships with affordable housing developers
The city has existing relationships with various for-profit and nonprofits developers that have built affordable housing units. Likewise, the Plano Housing Authority has created or preserved significant numbers of affordable housing units in Plano.
- DART station connectivity
DART connects Plano to the major employment centers in Dallas and Richardson and is an ongoing marketing advantage attracting both business and residents to the community.

- Existing supply of older multifamily housing
Although this housing has become more expensive with many of the complex being in good, the few that are if it can be rehabilitated and the rents stabilized it will provide a resource for Plano's low and moderate-income residents.
- Experience with new market-rate multi-family housing near transit
New multifamily housing that has been built in Plano's downtown area which can dispel some public concerns about the impact of zoning for multifamily development.
- Thriving immigrant businesses
These business owners and their employees already have strong ties to Plano and will be interested in homeownership opportunities if the city can catalyze affordable ownership opportunities.

Identified Housing Challenges

The cost of housing in Plano, as well as the region, is high and is likely to increase. Newly constructed single-family homes and newly constructed multifamily housing are significantly more expensive than the existing stock in Plano. The few new single-family homes built over the last decade are not affordable (median sales price of \$668,000) to many Plano households because it would take a household income of nearly \$200,000 to purchase home which is the equivalent to more than 200% of area median income. Additionally, rents in Plano have risen faster than rents in many surrounding communities, making housing affordability a top challenge.

Nearly 40% of renter households are cost-burdened (paying more than 30% of income for housing) and about 18% of owner households are also cost-burdened. With strong demand at the top end of the market, builders will not create housing options for middle- and lower-income households without intervention in the market. This report outlines the interventions that we believe make the most sense for the City of Plano to pursue.

Housing Strategies

The strategies are divided into four major categories. These are 1) Land Use 2) Regulatory 3) Financial and 4) Coordination and Capacity. Many of these strategies in one area depend on or complement strategies in another category. We believe that any effective civic initiative on inclusive housing must create a structure of ongoing accountability for the commitments made by the community or its elected representatives (Mayor and City Council). It must include mechanisms for ongoing community engagement and outreach. It must be undertaken with the perspective of building effective partnerships with other public entities, private real estate owners, and developers and with the non-profit organizations that serve and engage residents of Plano.

LAND USE STRATEGIES

The city and its local partners should consider land use and regulatory changes that allow and potentially incentivize new housing types where appropriate. The city's growing population is concentrated in two primary age cohorts – younger professionals and seniors. National trends show housing preferences of both groups in close alignment with a preference toward housing in

walkable locations with amenities nearby, attached ownership units or multifamily rental structures with minimal maintenance responsibilities, and amenitized buildings. If the city wants to continue to attract people to live here and retain the residents who are here already, increasing housing choice and diversity should be a key goal moving forward.

Create a Homestead Preservation District

According to the Texas Local Government Code, Homestead Preservation Districts (HPDs) are districts whose purpose is to help municipalities promote affordable homeownership and prevent the involuntary loss of homesteads for low- and moderate-income households. HPDs permit the use of three regulatory mechanisms to achieve the purposes of the district, which include Homestead Preservation Reinvestment Zones (HPRZs), Homestead Land Trusts, and Homestead Land Banks. HPRZs are a type of tax increment reinvestment zone or tax increment financing model, which can be set up under the HPD law to ensure property tax dollars from economic development are reinvested in affordability for that area.¹⁷ The Homestead Preservation Districts and Reinvestment Zones do not establish new taxes or increase existing taxes on residents, rather it allows for specific geographic targeting for reinvestment.

To establish a HPD, there are certain eligibility requirements. Based on Texas Local Government Code Sec. 373A.052. To be designated as a district within a municipality, an area must be composed of census tracts forming a spatially compact area with the following characteristics:

- Fewer than 75,000 residents.
- An overall poverty rate that is at least two times the poverty rate for the entire municipality.
- In each census tract within the area, a median family income is less than 80 percent of the median family income for the entire municipality.

A municipality that designates a district under Section 373A.051 may provide tax-exempt bond financing, offer density bonuses, or provide other incentives to increase the supply of affordable housing (70% of AMI and less) and maintain the affordability of existing housing for low-income and moderate-income families.¹⁸

Community Example:

Austin, TX created an HPD in East Austin in 2007, however given the changing demographics and incomes of the city the district no longer qualified under the program rules.¹⁹ Initially,

¹⁷ <https://statutes.capitol.texas.gov/Docs/LG/htm/LG.373A.htm>

¹⁸ <https://statutes.capitol.texas.gov/Docs/LG/htm/LG.373A.htm>

¹⁹ <https://www.austintexas.gov/page/homestead-preservation-districts>

the HPD was seen to stave off the rapid gentrification of East Austin, but market forces and the inability to continue using the HPD resulted in demographic and economic changes like the rest of the city. Austin is now one of the most unaffordable communities in Texas. A lesson from this example is that preserving existing naturally occurring affordable housing is important because market forces may result in increased unaffordability.

Diversify Housing Typologies for Infill Development

Plano's housing stock is concentrated in three primary typologies, single family detached, townhouses, and multifamily buildings. While these three typologies are the most common, they are not the only type of residential development. Development types like duplexes and condos are common in some neighborhoods. These typologies offer a 'middle ground' that can accommodate more efficient land use while diversifying both ownership and rental housing supplies.

The city has many commercial corridors that have parcels that are too small for substantial commercial development but currently are underutilized for their commercial uses. Some parcels may have the capacity to accommodate housing development if the zoning would allow it. Challenges like minimum setbacks and land use restrictions prohibit these more creative solutions that would better utilize these land resources within context of strengthening the aesthetic appeal and economic vitality of these corridors.

RKG Associates encourages the city to consider reconfiguring the zoning classifications along these corridors to encourage this reinvestment. Projects of this scale (typically less than 10 units), offer some of the 'missing middle' housing also needed in Plano to truly retain a continuum of household incomes. Specific points to consider include:

- *What typologies should be allowed/encouraged?*
RKG recommends the city be more flexible when it comes to typologies for these infill projects. The city should use massing and scale to determine the capacity of these parcels but allow the market to develop creative solutions on how to make these projects fit on a site-by-site basis. Whether it be a traditional row house concept or a more non-traditional approach due to site constraints, the city's focus should be on consistency of design to complement the adjacent development and any abutting neighborhoods.
- *How do we control aesthetics?*
Using a more form-based code could address the need for flexibility and the desire to manage the physical appearance of these infill projects. Another approach would be to create a series of pre-approved designs for infill development. Pre-approved designs are architectural designs that have already been vetted by the city and, if used, will accelerate the permitting and approval process. Effectively, the city (either in-house or in partnership with an architect) creates building designs that meet the city's intent for development in a specific area. These designs are pre-approved, meaning they do not have to go through the same review process as a custom designed building/development. The city can create

different pre-approved designs for different corridors, ensuring compatibility with the surrounding community.

- *What size parcels should be targeted?*

This concept typically targets sites that are less than 0.5 acres in commercially zoned areas or 1.0 acres in residentially zoned areas. Allowing this infill strategy could encourage redevelopment of that parcel, particularly if there is a pre-approved design for a small multifamily structure that minimizes the review process.

Community Example:

Washington, DC uses the pre-approved strategy through its Department of Consumer and Regulatory Affairs (DCRA) to help build housing that aligns with existing neighborhood typologies.²⁰

The City of South Bend, Indiana provides free pre-approved building typology types plans to developers interested in building in South Bend. The use of the plans is contingent upon building and site development approval.²¹ The pre-approved typologies help reduce overall development costs and help integrate new development within existing neighborhoods.

Consider Creating Location-Specific Zoning Overlay Districts

Zoning is one of the few tools the city can change almost immediately and at very little cost that can have a direct impact on housing production. Zoning can also be used to integrate new housing types across a wide variety of areas or neighborhood types in the city, including on vacant land along transportation corridors to downtown with mixed use and upper story residential. The City of Plano already has five overlay districts, which regulate landscaping and design standards, but do not actually encourage greater housing development.²²

A zoning overlay district offers property owners alternative development guidelines without changing the existing zoning district regulating that property. The overlay districts can help respond to resident needs and desires for new types and structures that provide additional housing choices yet are still compatible with the built environment in which they are placed.

Zoning overlay districts oftentimes offer a more enticing (profitable) development alternative to attract existing owners/investors to utilize the overlay district. The creation of an overlay district needs to be strategic, focusing on development patterns that are consistent with the target area. It is recommended that the city should target the primary commercial corridors. Specific areas RKG Associates recommends creating a housing overlay district include:

²⁰ <https://dob.dc.gov/preapprovedplans>

²¹ <https://southbend.in.gov/bsb/preapprovedplans/>

²² <https://content.civicplus.com/api/assets/715849ca-f3b1-4fee-9735-239cb371e442?cache=1800>

- Downtown
- Along Interstate 75
- Along Dallas North Tollway
- Preston Road
- State highway 121

The city should consider the type of policy it wishes to advance by conducting a specific market location study investigating specific market needs in identified areas. A key policy related to the zoning overlay districts is investigating the adoption of a bonus density specifically for mixed-use development and multifamily housing. The bonus density policy could be linked to housing affordability whereby a developer is allowed to build a greater number of units than zoning allows in exchange for on-site affordable units. The City should direct staff (or hire a third-party) to conduct a study on the financial feasibility of a bonus density program.

Community Example:

The zoning ordinance of San Antonio, TX offers a bonus density to developers building housing under its flexible zoning rules. It provides a density bonus in return for meeting affordable unit set-aside requirements. For low-income housing, a 15% set-aside is required for a 20% density bonus; for very low-income housing, a 5% set-aside is required for a 10% density bonus.²³ The ability to increase density in exchange for affordable housing helps create a more balanced housing supply.

The City of Austin also offers a bonus density specifically in the downtown. The Downtown Density Bonus Program (DDBP) was established in 2014 to promote a vibrant, dense, and pedestrian friendly downtown area that provides community benefits and affordable housing. According to the zoning ordinance, at least 50% of the bonus must be achieved by providing on-site affordable housing or by paying a development bonus fee into the Affordable Housing Trust Fund.²⁴

Consider Changing Zoning to Increase Density at Existing Four-Corner Retail Locations

The City of Plano has a significant amount of commercial retail space at major road intersections. While many of the retail complexes are fully occupied, some of the complexes have high levels of vacancy. Given the surge of new retail openings in both Frisco and McKinney, the underperforming commercial retail spaces in Plano may become less desirable overtime and possibly unrentable. The increase in vacancy rates may also impact property assessments and result in a potentially decrease in property tax revenues. To pivot away from this scenario, the City of Plano should look toward initiating a rezoning process for some of the underperforming four-corner retail complexes to allow for mixed-use (residential and commercial) development at a neighborhood appropriate scale. This would allow the property to be transitioned into

²³ https://library.municode.com/tx/san_antonio/codes/unified_development_code?nodeId=ARTIIIIZO_DIV6FLZO_S35-36oBODE

²⁴ <https://www.austintexas.gov/page/downtown-density-bonus-program>

something more amenable to new retail spaces, as well as offering housing at a density that is neighborhood appropriate.

Community Example:

The Pepper Square shopping plaza in North Dallas is currently undergoing a rezoning process to redevelop the parcel into a mixed-use development that includes retail, restaurant, office, and residential.²⁵ The plan includes about 1,500 apartments and about 35,000 square feet of commercial space. There is currently significant neighborhood resistance to the proposed development intensity, and the matter being discussed by the Dallas City Plan Commission and City Council. One lesson that the City of Plano could learn from this example is that community engagement is an essential component towards meeting development objectives, given the previous resistance to zoning changes during the Comprehensive Plan process.

Consider Creating an Inventory of Public Land for Potential Development

While there are not substantial public land holdings in Plano (including local, county, state, and Federal property), there are strategic publicly held parcels that offer both the physical space and a financial resource (the market value of the land) that can create price diverse housing developments. Most notably, public land resources such as libraries, emergency service facilities (e.g., fire stations), and municipal building sites can be developed for collocation, or accommodate both the public use and the new housing development. An example of collocated facilities is the Station at Potomac Yard in Alexandria, Virginia.²⁶ This project is a mixed-use development that incorporates affordable housing, retail, and a fire station.

The City of Plano should conduct an inventory of all publicly held land located in the city and assess the potential for new residential or commercial development on publicly held land. Based on the findings of the inventory, the City of Plano should work with property owners to understand their future uses of the property. If property owners intend to dispose of their land, the City of Plano should position itself to have the “first right of refusal,” meaning they would have priority when it comes to offering to purchase the land.

One approach the city can take towards purchasing public land is to create and capitalize a Community Land Trust (CLT). The purpose of the CLT would be to acquire publicly held land as it goes on sale, so that the city can control what gets built. The CLT would act as a fully capitalized investment vehicle with a public mission of building affordable housing. The benefit of this arrangement is that public land is not taxable and does not generate tax revenue for the City; however, the resulting development (buildings) would generate property tax revenue for the city. By having a CLT, the city can get closer to meeting their housing goals as public land can be utilized to catalyze development in a way that fulfills the city’s housing needs by investing in neighborhoods.

²⁵ <https://masterplantexas.com/wp-content/uploads/PepperSquarePresentation.pdf>

²⁶ <https://www.housingalexandria.org/the-station>

If the acquisition of dispositioned public land is of interest to the city, several items should be considered before acquiring the land, these include:

- Minimum Lot Size
Over 5,000 square feet, but preference for larger sites that could accommodate multifamily units.
- Use of Property
Ensure there are no other competing public uses for the property, and no plans by other city or local departments for future use of the property. The use/housing type should be compatible or not conflict with existing neighborhood character.
- Zoning
Property should be in an existing residential or mixed-use district or overlay district.
- Infrastructure Capacity
Property is served by existing water, sewer, and transportation infrastructure. Capacity should be available to serve the development.
- Property Location
Ideally, the property is located near amenities residents could take advantage of such as parks and open space, schools, childcare facilities, and shops and grocery options.
- Environmental Considerations
Property should not be located within a floodplain, have significant wetland encumbrances, or environmental remediation issues.

Community Example:

In 2004 the Dallas Housing Acquisition and Development Corporation (DHADC) was created to administer the city's land bank. DHADC focuses on converting vacant, abandoned and tax-delinquent properties into quality and sustainable housing.²⁷

REGULATORY STRATEGIES

The city and its local partners should consider regulatory changes that improve livability and quality of life for all residents in the City of Plano. Gaps in existing regulations and procedures were identified which create unsafe housing conditions. The reform of these regulations will help make the City of Plano a place where everyone can live with dignity.

²⁷ <https://dallascityhall.com/departments/housing-neighborhood-revitalization/Documents/Land%20Bank%20Documents%202021/HHS%20Land%20Bank%20and%20Transfer%20Presentation%20-09.23.2021.pdf>

Property Registration and Increased Code Enforcement for Single Family Rentals

The City of Plano should require owners of single family rental units to register their properties annually and be subject to increased inspections beyond the external and internal inspections (by complaint only) already being done by the city's code enforcement division. Increasing code enforcement around Plano for single family rentals will result in property owners upgrading their properties or selling them to an entity willing to invest resources into improvements. There are many benefits which can result from this, firstly households living in single family units would experience an increase in housing quality, as the units would gradually be brought up to code, or reinvestment/rehabilitation would take place. Additional benefits include the stabilization of existing naturally affordable housing because as time goes on, without continual investment and maintenance a property can start to deteriorate rapidly. If existing single housing units are allowed to deteriorate, the cost to repair them may become prohibitively expensive.

Community Example:

In 2024, The City of Dallas began to require that rental single family units, duplexes, and condo units be required to be registered and inspected on a regular basis. The program requires single-family rental properties to be inspected at least once every five years but not more frequently than once a year. The program does not limit the number of complaint-based inspections that can be conducted. All the inspections are performed by a City Code Officer and include the interior, exterior, and premise.²⁸

Relax Owner-Occupancy Regulations on ADU's

The existing ADU regulations require owners of properties which have an ADU to reside in either the primary or secondary structure. This rule limits the total number of rental units that could be unlocked because some property owners may be interested in moving, but are unable to rent both units. Removing this limitation may help spur the development of ADU's as it would become financially beneficial to rent both properties.

Community Example:

The City of Los Angeles has an extensive ADU program that helps facilitate the creation of units across the city. In 2020, the California Legislature passed Assembly Bill 881 which disallowed owner-occupancy requirements in local ordinances. This means that both the main residence and the ADU can be rented out.²⁹ The result of this law has been an increase in the number of ADUs created in Los Angeles.

²⁸ <https://dallascityhall.com/departments/codecompliance/Pages/single-family-program.aspx>

²⁹ https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB881

FINANCIAL STRATEGIES

The city should look toward engaging local partners who can help facilitate the finance of new construction of housing units and the rehabilitation of existing homes. Housing development is a capital-intensive endeavor and attracting resources to finance affordable housing is a serious challenge given the risks associated with development.

Creation of a Housing Opportunity Fund

The most substantial barrier to building/maintaining deed restricted housing units is the financial differential between the construction/operation of these units and the revenue potential. Simply put, market dynamics make developing and maintaining deed restricted housing infeasible without some form of cost subsidy. While these subsidies can come in many forms, financial assistance is the most common and direct. The City of Plano could create a Housing Opportunity Fund that is municipally financed to help maintain housing affordability in the city.

Community Example:

In 2021, The City of Dallas partnered with Local Initiatives Support Corporation Strategic Investments (LISC SI), to create the Dallas Housing Opportunity Fund (DHOF) which promotes fair housing by fostering investments that dismantle long-standing patterns of segregated housing. The DHOF invests in and alongside local housing developers to create and preserve affordable housing options in areas of high opportunity, targeting residents earning 30 to 120% the area median income for residents of the City of Dallas.³⁰ The City of Dallas provided the fund a \$6 million grant for economic development.³¹ The DHOF plans to develop or preserve at least 1,500 affordable units by 2031 in high-opportunity areas, promoting inclusivity and accessibility to essential services. Similarly, the City of Plano should look to partner with community development financial institutions (CDFI's) to help create a Housing Opportunity Fund.

Creation of General Obligation Affordable Housing Bond

The City of Plano should look toward issuing general obligation bonds for the development of affordable housing. General obligation bonds would enable the city to rely on the private credit markets to help provide project finance to strategic development projects the city thinks are critical toward increasing the overall supply of affordable housing.

Community Example:

In 2022, the City of Austin voters authorized a total of \$350 million, for planning, designing, acquiring, constructing, renovating, improving and equipping affordable housing facilities for low and moderate-income persons and families, and acquiring land and interests in land and

³⁰ <https://www.liscstrategicinvestments.org/post/dallas-housing-opportunity-fund-makes-third-investment-in-mixed-income-developments-with-oak-lawn-pl>

³¹ <https://content.govdelivery.com/accounts/TXDALLAS/bulletins/2fff264>

property necessary to do so, funding loans and grants for affordable housing, and funding affordable housing programs, as may be permitted by law; and the levy of a tax sufficient to pay for the bonds and notes.³²

Similarly, in 2018, voters in Austin approved an additional \$250 million in General Obligation Bonds for the creation, rehabilitation, and retention of affordable rental and ownership housing. With the money being allocated in four categories: \$100 million for land acquisition to include affordable housing development; \$94 million for Rental Housing Development Assistance (RHDA) as identified by the Strategic Housing Blueprint; \$28 million for the Ownership Housing Development Assistance (OHDA) for affordably priced ownership housing for income-eligible households; and \$28 million for the Home Repair Program for minor home repairs and rehabilitation throughout the community in partnership with nonprofit organizations.³³

Creation of a Housing Opportunity Bond

A HOB is a publicly sponsored bond where the principal value is used to subsidize the development of deed restricted housing. Effectively, the bond amount is used to provide gap assistance to new developments that will include deed restricted housing. A HOB fund creates a vehicle where the bond proceeds are kept until they are deployed to develop new deed restricted housing. The bond fund also can receive income from other sources to be used in a comparable manner, these include from sources such as:

- Dedicated tax millage (e.g., penny dedication of the real property tax)
Bonding is one source of revenue for a housing program, but it is a single infusion that may or may not provide subsequent funds in the future (e.g., recouping an investment when that investment is sold). Continued resources are not guaranteed and do not come in at regular intervals. Many communities commit a small portion of the real estate tax millage to a housing trust fund. This commitment ranges from one penny (per \$100 dollars) to a fraction of a penny. The decision on how much to commit oftentimes is determined by how much annual revenue the community wants to invest in its housing program.
- Rental registration fees
Plano currently requires multifamily rental property owners to register their rental units with the community every year. The registration ensures the city can monitor property conditions and that owners are following all regulatory requirements. The registration fee is \$11 per unit.³⁴ Plano's fee is low when compared to other metropolitan communities which have annual fees often ranging from \$10 to \$25 per unit per year. Plano should consider increasing their registration fees and use a portion to go into a housing fund. This

³² <https://www.austintexas.gov/page/affordable-housing-bonds#2022Bonds>

³³ <https://www.austintexas.gov/page/affordable-housing-bonds#2022Bonds>

³⁴ <https://www.plano.gov/955/Multi-Family-Rental-Registration-Inspect>

is more common to be used in a rehabilitation fund since the proceeds are reinvested back into the properties that generate this revenue.

- Grants
The City of Plano should work with local, regional, and state partners to inventory and identify potential grant resources to help augment a HOB. Sources can be public (e.g., Community Development Block Grants), non-profits, or private (e.g., community benefactors). Grants are a good one-time infusion of funds since they do not have perpetual commitments.

Considerations for creating a HOB fund include:

- The amount of money the city can/will invest towards deed restricted housing.
As with any funding program, how much money is committed to the program will determine how many initiatives the city can undertake and how involved the city can be in those initiatives. RKG Associates recommends the city start the Opportunity Fund with a \$5 million initial investment. This will be sufficient to engage 1-2 small projects. The city should take an equity position so that any investments can be re-leveraged after that initial project (or projects) are sold.
- The City's capacity to effectively manage and deploy these funds.
As noted in the capacity section, managing these types of funds requires specific skillsets in fund management as well as real estate development. If the city chooses to implement a HOB, having a dedicated housing director with experience in operating these funds will be important.

Community Example:

The Housing Opportunities Commission of Montgomery County, Maryland (HOC) was established to provide affordable housing and supportive services for low- and moderate-income families and individuals in Montgomery County, Maryland. The HOC created a Housing Production Fund (HPF) capitalized by an annual municipal appropriation to finance \$100 million in bonds to finance the construction of new affordable housing.³⁵ HOC uses funds to finance construction of new mixed-income and mixed-use developments in Montgomery County.

The City of Denton maintains an Affordable Housing Bond of \$15,000,000 as part of its housing toolkit. Proposition E "allocates funding for planning, designing, acquiring, constructing, renovating, improving, and equipping affordable housing facilities and related infrastructure for low and moderate-income persons and families, acquiring land and interests in land and property necessary for such purposes, funding affordable housing and home repair programs as may be permitted by law, and funding loans and grants for affordable housing purposes, all pursuant to the City's economic development programs now or hereafter approved."³⁶

³⁵ <https://www.hocmc.org/about-us/innovations/housing-production-fund/>

³⁶ <https://www.cityofdenton.com/1040/Proposition-E-Affordable-Housing>

Creation of a Housing Rehabilitation Fund

In some parts of the city, there are older homes with lower values that have not been kept up or invested in. These homes may need minor or major rehabilitation, and if owned by low- to moderate income householders (80%-120% AMI), may not have the funds on hand to maintain the structure. To finance the rehabilitation of these properties, the City of Plano should create a housing rehabilitation fund targeted towards middle income households.

The city currently has a program for households below 100% of AMI which provides grant funding, but by expanding the program to households at slightly higher incomes the city could target more homes. Like a HOB fund, a housing rehabilitation fund offers a financial vehicle for money to further the city's housing strategy. In this case, the fund would offer low/no interest loans or forgivable loans for the proper rehabilitation of units occupied by income-qualifying households. Money leveraged through other funding sources can be applied to this program.

Establishing a rehabilitation fund in coordination with the rental registry and certificate of occupancy programs can serve as the 'carrot' by helping to mitigate price appropriate housing rehabilitation.

Considerations for creating a Housing Rehabilitation fund include:

- Establishing parameters for the terms of the loan
The Rehabilitation Fund is intended to be a loan to property owners to help defray costs of property condition issues. This loan can take several forms, ranging from low interest or no interest loans to partially forgivable or 100% forgivable loans. The parameters of which loan types to use are dependent on the intent of the rehab program. For example, will the city make the resources available to non-deed restricted units? If so, do deed restricted units have differing terms from non-deed restricted units? The city's intent of the program will help define the approaches to how—and what—resources are available to each applicant.
- Determining how to capitalize the fund
The housing need in Plano is substantial. Simply put, the city does not have the resources to address all needs. To this point, there are limitations to how much money the city can commit to housing needs. Creating both an Opportunity Fund and a Rehabilitation Fund can be costly. Each dollar invested in one means one less dollar invested in the other. The city will need to determine how much it is willing to invest in housing issues and where to allocate those resources. The Opportunity Fund section details different funding choices. The city will need to determine which ones to use, and where to commit those resources.

Community Example:

Invest Atlanta administers two Owner-Occupied Rehab (OOR) programs, which operate geographically targeted neighborhoods around the City of Atlanta. Invest Atlanta and the City of

Atlanta Department of City Planning and Community Development utilized \$22 million of the 2021 Housing Opportunity Fund to support the continuation of a citywide program to assist homeowners with up to \$30K in critical health and safety repairs on the major systems in their home.³⁷ The goal is to increase investments from public and private sources to support affordable housing and anti-displacement in Atlanta. Limitations of the program include applicability to specific geographic areas across the city, and annual household income limits not exceeding 60% of area median income.

COORDINATION AND CAPACITY STRATEGIES

Successful housing production and preservation outcomes typically rely on a robust partnership between government, non-profits, housing authorities, developers, property owners, and financial institutions. These partnerships or coordinated efforts help expand the capacity of city and local governments to add staffing, financing, and knowledge to share the responsibility of successfully implementing housing strategies, which is often a multi-jurisdiction, long-term process. Building these relationships to create effective partnerships will be essential.

Internally to the city, increased funding and additional staff are necessary to help achieve the city's housing goals based on an examination of the city's capacity to effectively address housing goals in Plano. An increase in person-power will specifically allow specialists with housing experience to build local partnerships and execute strategies. The following strategies aim to broaden housing coordination within the city.

Create a high-level Housing Task Force

To ensure the successful implementation of a plan to address Plano's housing needs and challenges, it is important to give that effort strong leadership and connections to the broader community. The appointment by the Mayor and City Council of a Special Housing Task Force that will take charge of moving the housing strategy and recommendations into action is a step that we strongly recommend.

The Task Force should include seven to fifteen individuals representing both residents of Plano and the implementation partners. While some technical expertise is helpful for the Task Force, most of the members should be selected because of their ties to community institutions and residents. The diverse ethnic communities that make up Plano should be represented on the Task Force. Leaders of other community institutions like churches or neighborhood associations would be valuable members of a Task Force. The goal of the Task Force is to help build a community consensus on housing measures. The Task Force also creates an ongoing accountability mechanism for the members of the city staff that are charged with implementing the plan.

To raise the profile and standing of the Task Force, the Mayor should attend the first meeting and there should be a public announcement of membership. The City Manager should be a regular member of the Task Force to give it importance. DART service and land utilization are critical to

³⁷ <https://www.investatlanta.com/homebuyers/owner-occupied-rehab>

Plano's future and, if appropriate, DART could be invited to participate in the Housing Task Force even though the city council recently passed a motion to cut funding to DART.

The Task Force agenda should include a review of recommendations approved by the City Council and advancing implementation plans in consultation with the Mayor, City Council, and City Manager. These recommendations may include some or all the following measures:

- Provide feedback and advice on the design of an inclusionary zoning ordinance for action by the Mayor and City Council.
- Review of zoning for Plano and recommendations for zoning changes consistent with the housing strategy goals and objectives.
- Create a detailed mission statement and plan for a Plano housing trust and consider further measures to create local resources for affordable housing for action by the City Council. The Housing Trust should work in tandem with the city government.
- Work collaboratively to help create a Plano Land Trust to function as a partner for developers in ensuring long-term affordability by holding ground leases for the land that affordable housing is built on and through other mechanisms. The Plano Land Trust should be a free-standing nonprofit entity, not a part of the city government.
- Review and advise the planning department's scan of all public lands for parcels appropriate for further housing developments.
- Review and advise the planning department in a scan of sites to produce appropriate sites for future mixed-income housing developments.

The Mayor and City Council should approve a budget for the housing Task Force that includes an allocation for staff (to be determined by the Council's decisions on other recommendations), an allocation for the marketing and outreach efforts, and an additional allocation for technical assistance for creating an inclusionary zoning ordinance.

Community Example:

The City of Decatur, GA created a housing task force to investigate affordability within the city. The taskforce completed its work in 2020 and resulted in 23 recommendations.³⁸ Seven of the recommendations have been completed and nine are currently in progress. The Taskforce enabled the city to prioritize its housing needs and incrementally address them.

Engage neighboring communities to strengthen housing advocacy

As we have learned, several of the surrounding cities in Collin County (e.g., McKinney and Frisco) have begun working to increase the diversity of housing supply (both rental and ownership units) and increase access to affordable housing. Given the scale of the county, most municipalities do not have the political heft to command the attention of the county as a partner. However, a working group of four to six municipalities facing similar housing challenges may be able to build

³⁸ <https://www.decaturga.com/planning/page/decatur-acts-affordable-housing-task-force-report>

a partnership more effectively with the county government and bring some portion of the resources controlled by the county to bear on housing projects and programs. This will require leadership at the level of the Mayor and City Manager but it would be a valuable effort and would likely also receive support from the regional institutions and funders.

Community Example:

In Washington State, A Regional Coalition for Housing (ARCH) was created in 1992 through an interlocal agreement between the cities of Bellevue, Redmond, Kirkland and King County to help support housing growth in the Seattle, WA area. ARCH's mission is to preserve and increase housing for low and moderate income households in East King County by coordinating public resources and attracting greater private investment into affordable housing; and sharing technical resources and staff between jurisdictions to create a sound base of housing policies and programs.³⁹

Create a Land Trust and Housing Trust Fund

Developing the tools necessary to effectively implement the housing strategy is equally as important as coordinating the individuals and entities that will conduct the plan. Specifically, the city should create a Land Trust and a Housing Trust Fund that will be used to execute acquisition and disposition efforts for strategic housing development efforts.

The trust becomes the logical recipient of funds that are the product of community benefits agreements or other one-time financial payments to the City for the purpose of affordable housing. Funds that are the product of a HOB would also be held in the Trust Fund. The trust would also have a small board of citizens which should include some housing and banking professionals as well as representatives of Plano's diverse residential communities. Banks have a regulatory responsibility through the Community Reinvestment Action to engage in efforts to ensure that underinvested communities are served and approaching local bankers for participation usually produces volunteers.

Community Example:

The City of San Antonio, TX created a housing trust in 2011 to preserve housing so that it is affordable and attainable for city residents. The trust is also able to accept and hold land for development. The City of San Antonio provided \$10 million dollars in funding for the trust.⁴⁰ The trust earns interest on the \$10 million dollars, and receives revenue generated from loan repayments, funds sourced from the other entities, funds sourced from the City, and donations. Since its inception, the trust has created or preserved nearly 14,000 housing units including those for families, the elderly, and veterans. Additionally, the trust has awarded nearly \$4 million in grants and loans to other entities to create and preserve affordable housing.⁴¹

³⁹ <https://www.archhousing.org/>

⁴⁰ <https://sahousingtrust.org/about-us/>

⁴¹ <https://sahousingtrust.org/what-weve-done/>

Other Strategies

Below is a listing of other strategies and ideas to be considered by the City of Plano:

- Remove the moratorium on City of Plano letters of support for low-income housing developments. This would help provide additional points for any low-income housing tax credit project is applying for federal tax credits.
- Develop a toolkit to identify targeted housing interventions areas. Areas such as East Plano, Central Plano, and Downtown have a higher incidence of older neighborhoods and have more homes with repair issues. City staff could work with specific neighborhood groups to identify areas that they can target with specific funding (e.g., Housing Opportunity Bond money) to help renovate areas with concentrations of repair need to stabilize these areas/neighborhoods.
- The city should invest in public relations and an education campaign that informs the public about the housing situation in Plano. The current housing affordability gap has become untenable for thousands of existing Plano residents as housing costs have escalated faster than their relative ability to pay for housing. While previous attempts at public discourse around housing have had limited results, a more robust approach could potentially change minds, as housing costs have begun affecting nearly everyone on the income spectrum. Specific recommendations on community engagement efforts include:
 - Housing affordability affects the economic mobility of households and is also linked with social issues such as education, economic outcomes, and health. The City of Plano could potentially better engage community members by framing the housing challenges in the broader context of these social issues by convening listening sessions, presentations, workshops, and lectures/film screenings over the course of a specific week. Below is an example of a community that created an Affordable Housing Week campaign.
 - Santa Clara County, CA - In 2018, Silicone Valley at Home (a housing policy and advocacy nonprofit) hosted Santa Clara County's Affordable Housing Week, which consisted of a week's worth of activities designed to increase public awareness of the broad potential impacts of affordable housing. Activities included tours of affordable housing developments, informational lectures, community meetings, and lighthearted activities such as trivia night.⁴²
 - A way to humanize datapoints is to observe the ground realities of communities. As such, the City of Plano as part of a public awareness campaign should embark on fostering an "Open Neighborhoods" campaign associated with housing policy,

⁴² https://turnercenter.berkeley.edu/wp-content/uploads/2020/10/Building_Community_Santa_Clara_County.pdf

whereby participants can take walking tours of neighborhoods and hear stories from residents.⁴³ This could potentially humanize the existing conflict between the sides for and against housing development. Such an approach could create a space for dialog and an exchange of ideas. Below is an example of a walking tour that helps foster greater community understanding.

- Hartford Fair Housing History Tour, Hartford, CT - This tour was developed to share fair housing history with stakeholders and community leaders.⁴⁴ The tour was designed with the intention of helping create a more informed public about decisions relating to housing.
- The City of Plano should invest in using social media to discuss and present issues related to housing. The potential virality of social media posts, along with the ability to have engagement with viewers provides a good opportunity to make a strong community impact, especially among younger populations who may not be currently engaged in Plano's policy discussions. By creating interesting content (e.g. videos, interviews, discussions, and debates) that is readily available to social media users, the potential for change exists.
 - Many communities use social media for their outreach efforts with varying levels of success. Some of the best practices related to social media for community development can be found at Civic Plus.⁴⁵ The website offers templates and advice for curating content related to community engagement. One of the key determinants of successful social media campaigns is user engagement, as such, the City of Plano should invest in creating interesting content related to housing which brings out user engagement (both positive and negative), and then funnel that interest into in-person events such as the proposed Affordable Housing Week and Open Neighborhoods events.
- The City of Plano should help support and invest in helping organize and mobilize neighborhood groups so that city residents can be educated about policy decisions and be able to take the initiative to enhance their neighborhoods on their own. Plano is a community which has many talented people, and the city should leverage this talent towards the goal of community development. Below is an example of a program for a neighborhood that helps foster community development.
 - Jumpstart Germantown, Philadelphia, PA - Jumpstart Germantown, a unique community development program, started by Philly Office Retail (a private developer), works to revitalize the Germantown section of Philadelphia, and surrounding communities through training, mentoring, networking and providing financial resources to local aspiring

⁴³ <https://files.hudexchange.info/resources/documents/Community-Engagement-Toolkit.pdf>

⁴⁴ <https://ctfairhousing.org/what-we-do/fair-housing-tours/>

⁴⁵ <https://www.civicplus.com/blog/sma/social-media-best-practices-housing-community-development-special-districts/>

developers.⁴⁶ Some of the things Jumpstart does is to help create opportunities for local residents to invest and develop in their neighborhoods, support scattered-site rehabilitation, help encourage a healthy mix of affordable and market-rate housing, and helps first-time investors become more attractive to traditional lenders.

⁴⁶ <https://phillyofficeretail.com/about/>

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City of Plano, Texas

Appendix—Jobs Housing Balance Study

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CITY OF PLANO JOBS HOUSING BALANCE STUDY

JOBS HOUSING BALANCE STUDY

OVERVIEW

This section of the study presents an overall introduction to the Jobs Housing Balance Analysis, its purpose, and role in helping analyze and understand the housing market in the City of Plano, and the Dallas Metropolitan Region.

Introduction

RKG Associates, Inc. was retained by the City of Plano to conduct both a Strategic Housing Study and a Jobs Housing Balance Study. The goal is to analyze, identify, and prioritize needs and gaps in the rental and for-sale housing market which will enable policymakers to understand the historical, current, and future challenges to housing across the City of Plano and the larger Dallas Metro Region. The Jobs Housing Balance Study is a compilation of city and regional analyses relating to demographics, socioeconomics, and housing to determine if projected housing production can meet potential housing demand based on an increase in jobs.

Approach

The Jobs Housing Balance Study relies on these public data sources to investigate Plano and the Region’s demographics, socioeconomics, and housing supply and demand, and was collected and used in a manner that allows for replication of the analysis. The key data sources used throughout the analysis were the American Community Survey, U.S. Census, Lightcast, U.S. Department of Housing and Urban Development (HUD), and data from municipalities on their housing development pipeline. The municipalities which make up the region are Allen, Carrollton, Dallas, Fort Worth, Frisco, Garland, McKinney, Melissa, Mesquite, Murphy, Plano, Prosper, Richardson, Sachse, and The Colony.

Methodology

RKG applied quantitative analytical techniques to determine current and projected demographic and employment trends over the next five years (2023-2027) for Plano and the Region (14 municipalities). RKG investigated both working age and senior households to understand household demand.⁴⁷ RKG collaborated with 14 municipalities across the region to collect historical and future housing development data to quantify the supply currently being constructed, permitted, or planned within each of the municipalities. The communities of Allen, Dallas, Melissa, Prosper, and The Colony were unable to provide their data. In lieu of receiving a

⁴⁷ Working age households can be defined as householders between the ages of 18 and 64 years of age. Senior households are defined as householders 65 years of age and older.

complete dataset, RKG utilized U.S. Census data to interpolate development patterns based on the rate of housing growth experienced over the last ten years.

By understanding both the supply and demand metrics for housing across each of the municipalities, RKG was then able to utilize projected employment data to examine whether each of the communities could effectively house all the new households resulting from the addition of new jobs. RKG segmented the analysis regarding single person households, and dual income households. To determine dual household incomes, RKG calculated the potential income of a dual-income household by assuming both members of that household have similar occupations but differing incomes. RKG utilized an income factor of 75% in assuming the second household member's income, meaning that if the primary earner made \$100,000 the second earner would make \$75,000 a year for a combined household income of \$175,000. This approach allowed for comparing household home purchasing power and rental affordability for the various household types.

CITY OF PLANO JOBS HOUSING BALANCE STUDY

JOBS HOUSING BALANCE ANALYSIS

This section of the study explores the key elements of the Jobs Housing Balance Study, such as industry and occupation analysis, demographic analysis, and housing supply analysis. These data points are used to evaluate the balance of housing and jobs in Plano, and the Region. The heart of this analysis is based on empirical data coupled with knowledge gained from stakeholder interviews.

Key Findings

After conducting the analysis, the key finding is that Plano, and the Region, is not currently producing enough housing to meet the projected demand from new households arising from projected employment numbers. The deficit of housing growth to job growth/household growth can have a detrimental impact on Plano's economic future as housing costs outstrip household incomes, resulting in an affordability crisis whereby Plano will have greater difficulty in attracting new residents with moderate incomes. The bullet points below provide a summary of the data supporting the key findings:

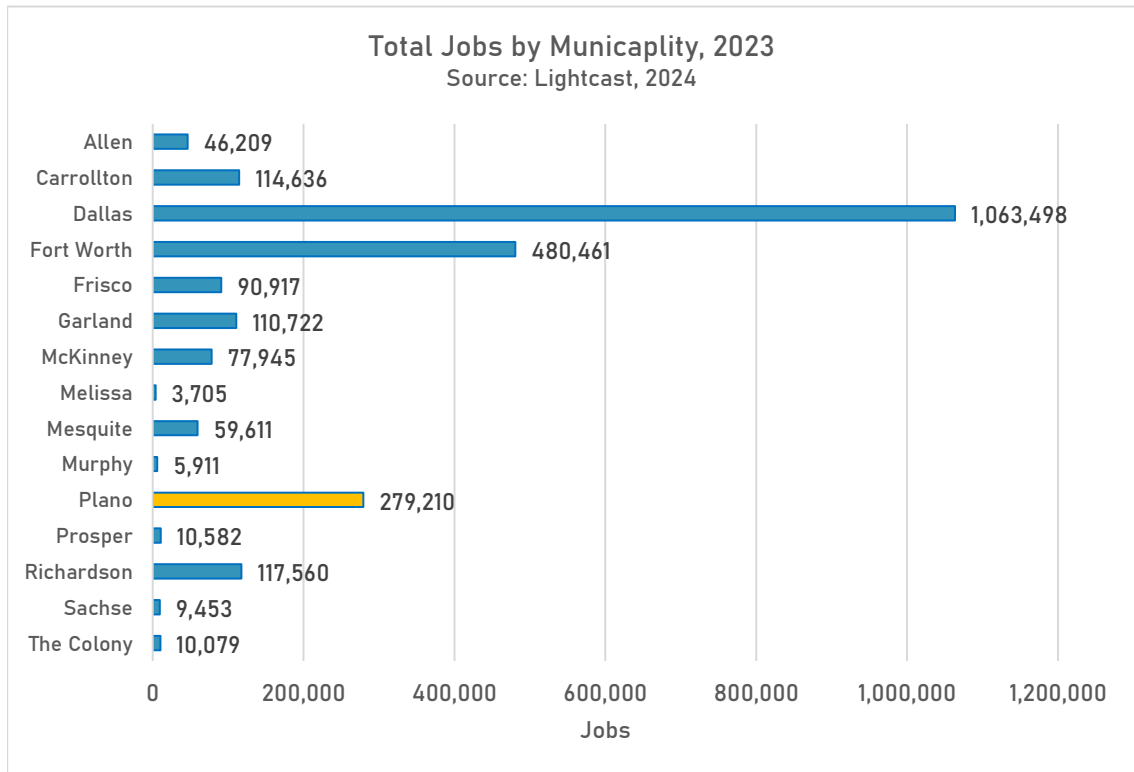
- Senior households in Plano represent a significant increase in demand for housing and are expected to grow by 21% or 5,900 households. The growth in senior households represents 70% of the total household growth in the city, comparatively, working age households are expected to grow by 3%, or 2,600 households. With seniors accounting for more than two-thirds of all household growth, the city's population will begin to age rapidly and may result in greater levels of senior related service costs which may the city budget.
- Plano is projected to gain 46,265 jobs between 2023 and 2027 but its current pipeline for housing development only has 6,305 units planned. Moreover, the city is projected to see an increase of 8,534 households over the same period. This gap in households to housing units will result in workers living in places other than Plano. Additionally, the adjoining municipalities do not have a sufficient housing development pipeline to meet the potential demand resulting from jobs in Plano, let alone their own employment growth, so workers will live further away from where they work.
- Plano is diversifying its housing stock by building more multifamily units as 85% (5,350 units) of all housing units currently being constructed, permitted, or planned in Plano are multifamily, whereas across the region only 64% of a new development is multifamily. Even with the rapid growth in housing units in Plano, a gap of 2,228 units will still exist in 2027. Typically, multifamily units are more attractive to working-age households, and in the case of Plano where 75% of all jobs in the city pay less than \$100,000 per year, affordability is a real barrier to entry to these households as rents have far outpaced wages.

- Among regional competitors, Frisco (+16,460 units) and McKinney (+9,065 units) are strategically building more housing units (multifamily and single family) than the potential change in the number of households. This results in these communities being able to absorb more of the high-income households who work in Plano.

Industry and Occupation Analysis

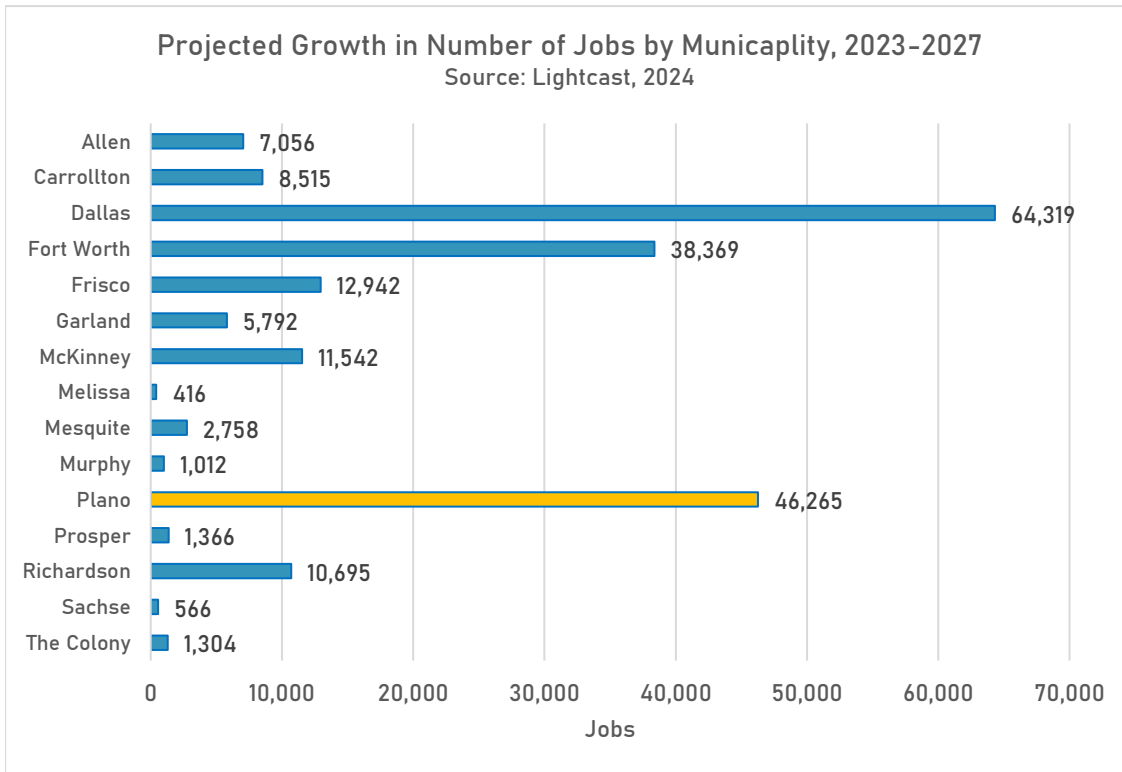
RKG Associates, Inc. utilized data from Lightcast to examine the industry and occupation job base across the region. Figure 1 illustrates that Plano ranks third in the region in terms of employment (279,210 jobs), trailing only Dallas and Fort Worth. This highlights Plano as a major job center that significantly contributes to regional economic activity. Plano experienced substantial growth during the 1980s and 1990s, resulting in a large employment base. However, this growth rate has tapered in recent years due to the rapid population and employment gains in competitor cities such as Frisco and McKinney.

Figure 1: Total Jobs by Municipality, 2023



Looking ahead, job growth across the region remains positive. Figure 2 shows projections for job increases between 2023 and 2027, with Dallas leading at 64,319 new jobs, followed by Fort Worth with 38,369 jobs. Plano is projected to add 46,265 jobs, primarily in Professional Services, Finance, and Healthcare. This rapid job growth across the region necessitates a corresponding increase in housing. Frisco and McKinney are also expected to see significant job growth, with 12,942 and 11,542 new jobs, respectively.

Figure 2: Projected Growth in Number of Jobs by Municipality, 2023-2027



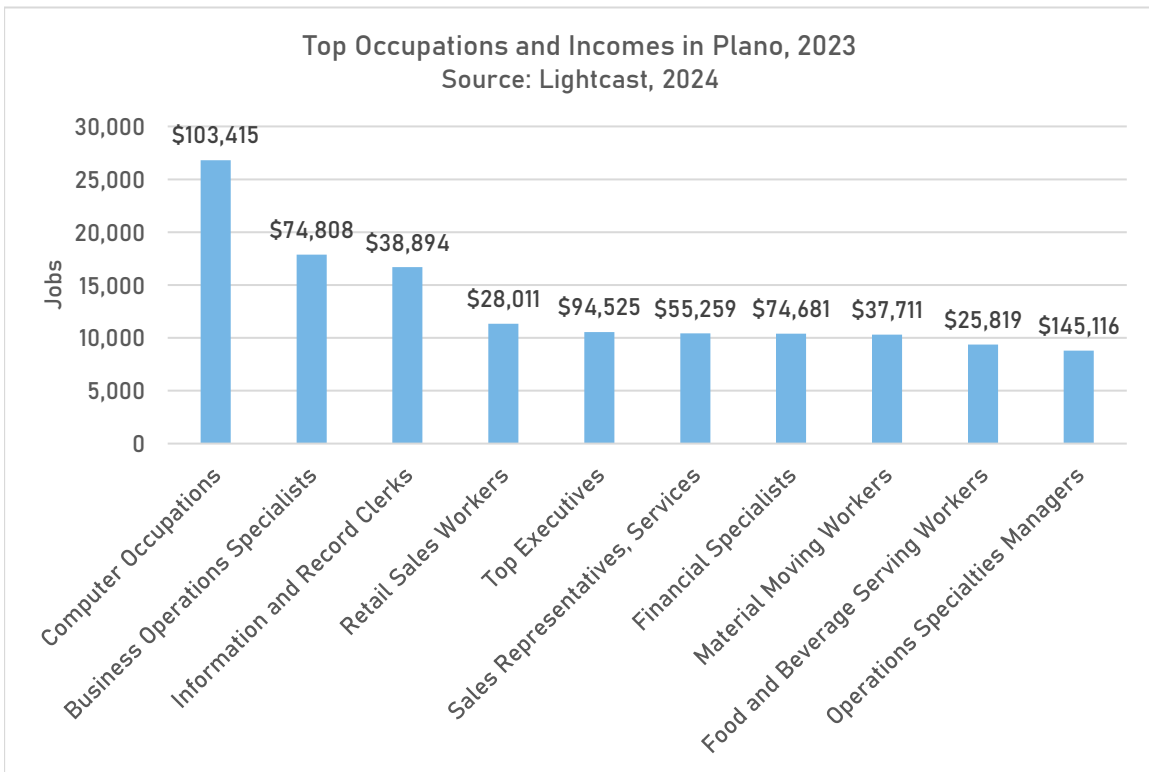
In Plano, 50% of all occupations offer wages below \$50,000 per year, while only 2% of occupations offer wages above \$150,000 per year, Table 1 presents the distribution of incomes. This presents a significant issue for middle-income households, earning between \$50,000 and \$150,000 per year, who struggle to afford single-family homes in Plano. Additionally, rents have increased dramatically, making it difficult for families to rent in Plano. Most new rental units in Plano are high-end luxury apartments, typically with one or two bedrooms, rather than family-sized three-bedroom units.

Income	2023
Below \$50,000	48%
\$50,000-\$75,000	22%
\$75,000-\$100,000	14%
\$100,000-\$150,000	14%
\$150,000+	2%

Source: Lightcast, 2024

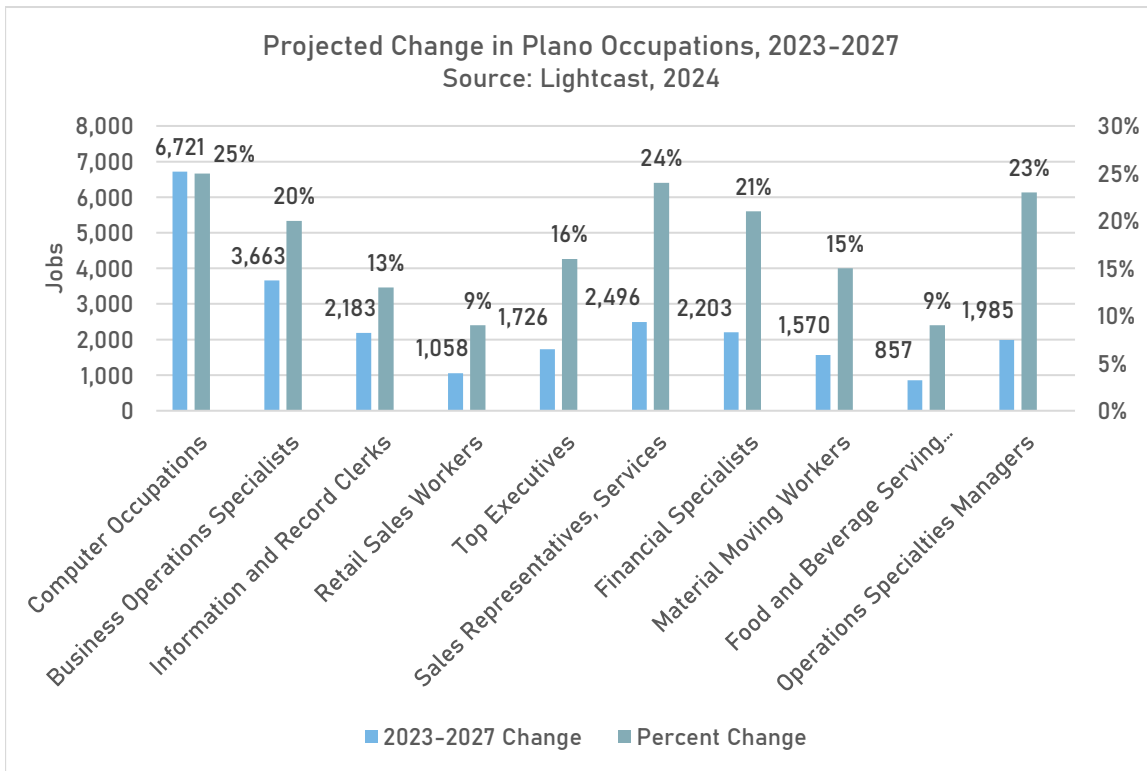
Of the occupations in Plano, approximately 10% of jobs in Plano are in computer-related occupations, accounting for 26,814 jobs. The second and third largest occupational sectors are business operations (7% or 17,872 jobs) and information clerks (6% or 16,682 jobs). Figure 3 illustrates the issue found in Plano, where a select few occupations which have high wages, versus most occupations which have lower wages.

Figure 3: Top Occupations and Incomes in Plano, 2023



Projections indicate that computer-related occupations in Plano will increase by 6,721 jobs between 2023 and 2027. Business operation specialists are expected to grow by 3,663 jobs, and sales representatives by 2,496 jobs. However, 50% of occupations will still pay below \$50,000 per year, exacerbating affordability issues. Jobs paying over \$100,000 are projected to increase by 10,700, but only these higher-paying jobs can afford housing in Plano. Workers making less money tend to live in other parts of the region.

Figure 4: Projected Change in Plano Top Occupations, 2023-2027



Regionally, most communities face similar affordability challenges. Employment and wage growth are not keeping pace with housing price increases, forcing workers to live further from their jobs. As the DFW metroplex grows, this trend is expected to push growth outward into more distant communities such as Celina and Ann, and other communities in north Collin County.

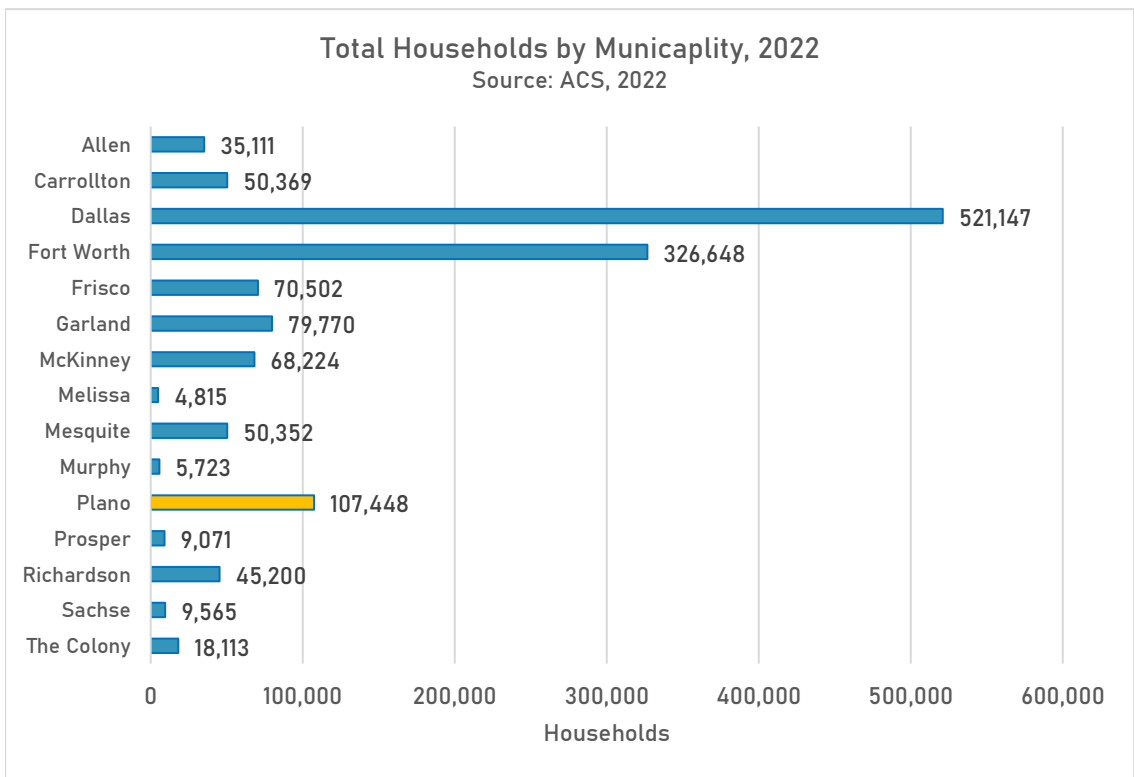
The industry and occupation analysis reveals a strong future for employment growth in Plano, which remains a significant importer of workers. Despite a large employment base, 50% of jobs in Plano pay below \$50,000 per year, while only 2% pay more than \$150,000 per year. This disparity in wages creates an affordability gap, challenging Plano's historical reputation as a city accommodating all types of households. The key takeaway is that wages are not keeping pace with housing costs, threatening Plano's affordability and attractiveness for potential residents.

Demographic Analysis

This section of the Jobs Housing Balance Study presents the demographic analysis conducted by RKG Associates for the City of Plano and the region. The analysis examines existing households and projections, segmenting data by senior and working-age households. Senior households are defined as those with a householder 65 years and older, while working-age households have a householder between 18 and 64 years old.

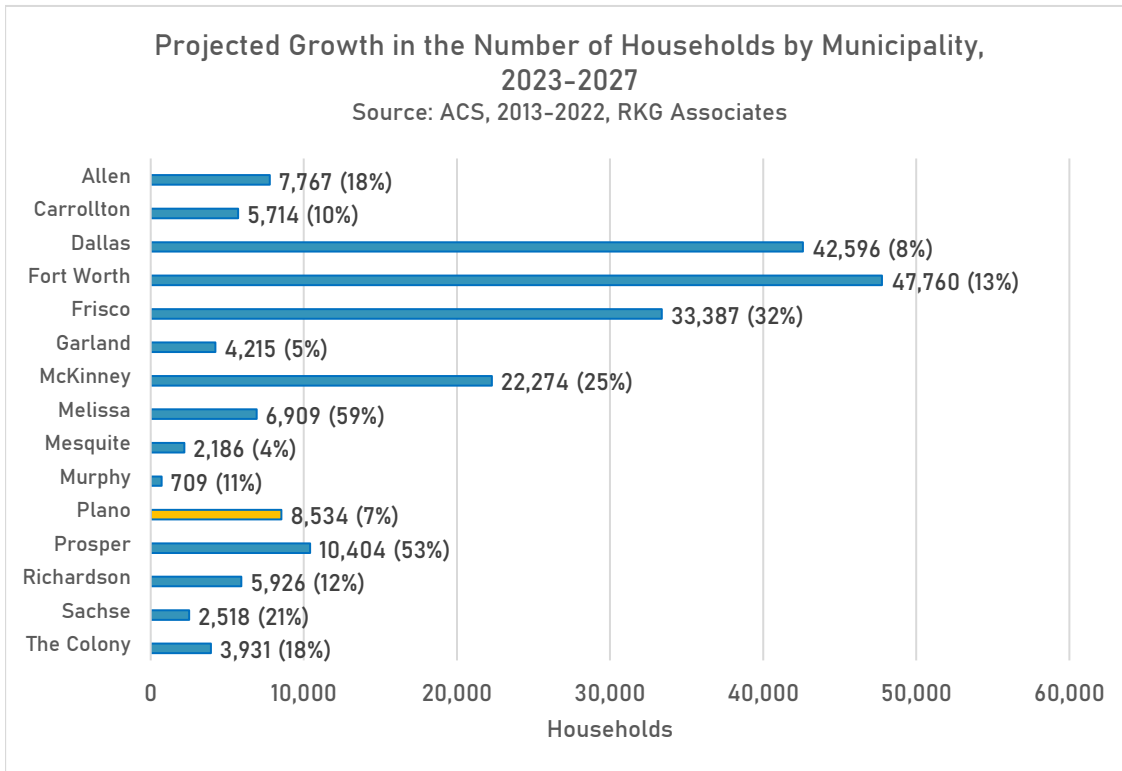
Based on data from the U.S. Census, Dallas and Fort Worth have the largest number of households in the region. As of 2022, Plano has 107,448 households, significantly more than regional drivers Frisco (70,502) and McKinney (68,224), making Plano the third-largest community in the region. Figure 5 presents the regional data below.

Figure 5: Total Households by Municipality, 2022



As part of the demographic analysis, RKG projected household growth by municipality. Figure 6 shows the projected growth across the region, with Plano expected to experience a 7% population growth, equating to 8,534 households. This growth lags significantly behind other communities such as Dallas, Fort Worth, Frisco, and McKinney. Plano's slower growth is attributed to its demographic trends and limited development opportunities, as the city has developed over the past 50 years.

Figure 6: Projected Growth in the Number of Households by Municipality, 2023-2027



Of the total growth expected across the region, senior households in Plano are projected to grow the fastest, increasing by 5,934 households or 21%. This accounts for 70% of the total household growth in the city. In comparison, senior household growth in Frisco (+45%) and McKinney (+36%) accounts for only 24% and 29% of total growth, respectively. Plano’s demographic trend of older householders will continue, necessitating city programs to address the housing needs of senior households.

Figure 7: Projected Growth in Senior Households by Municipality, 2023-2027

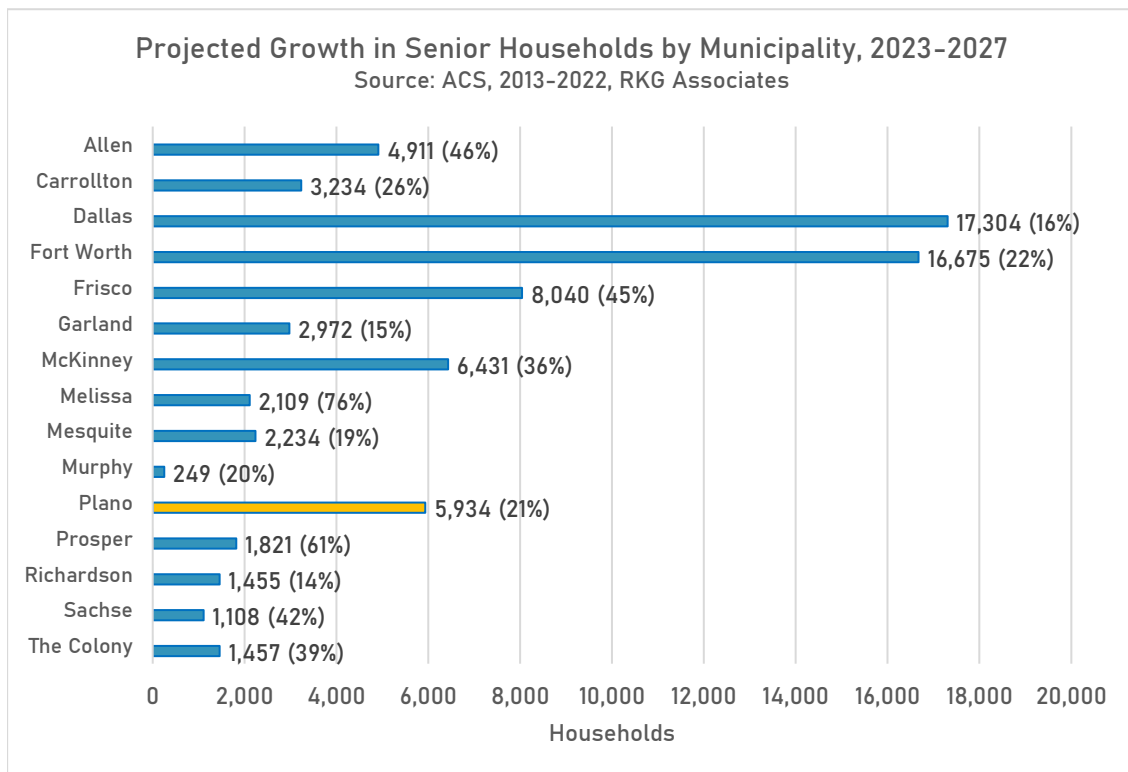
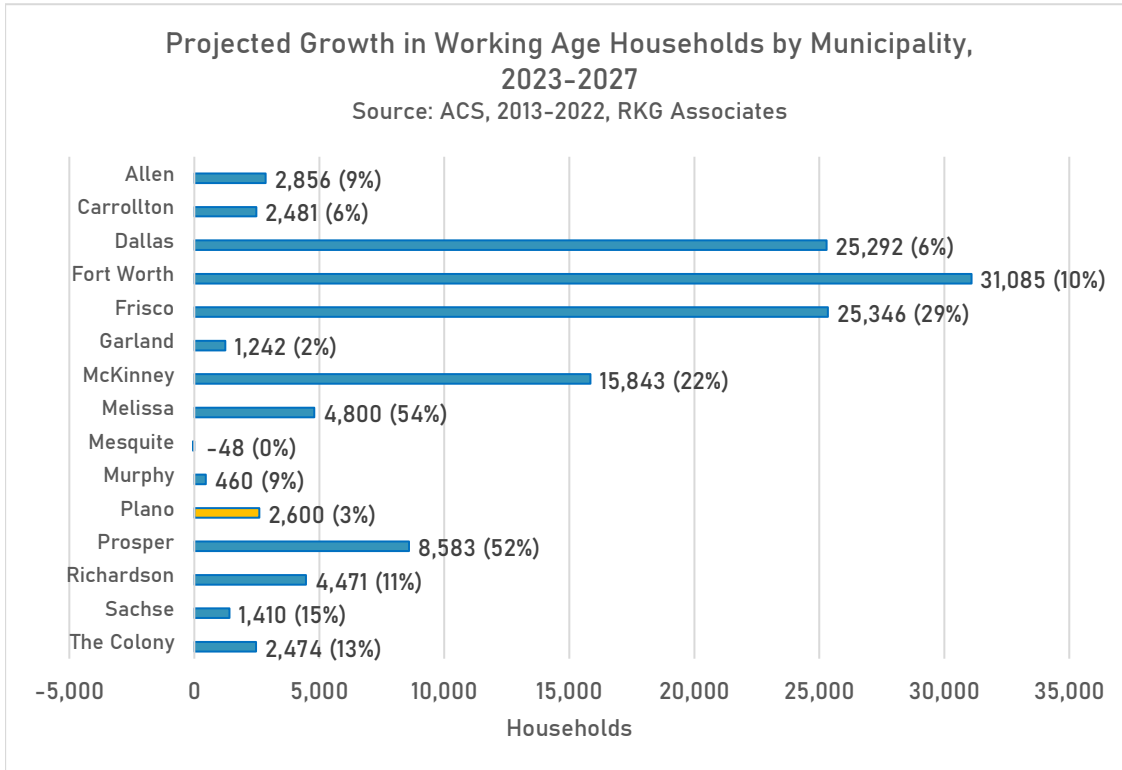


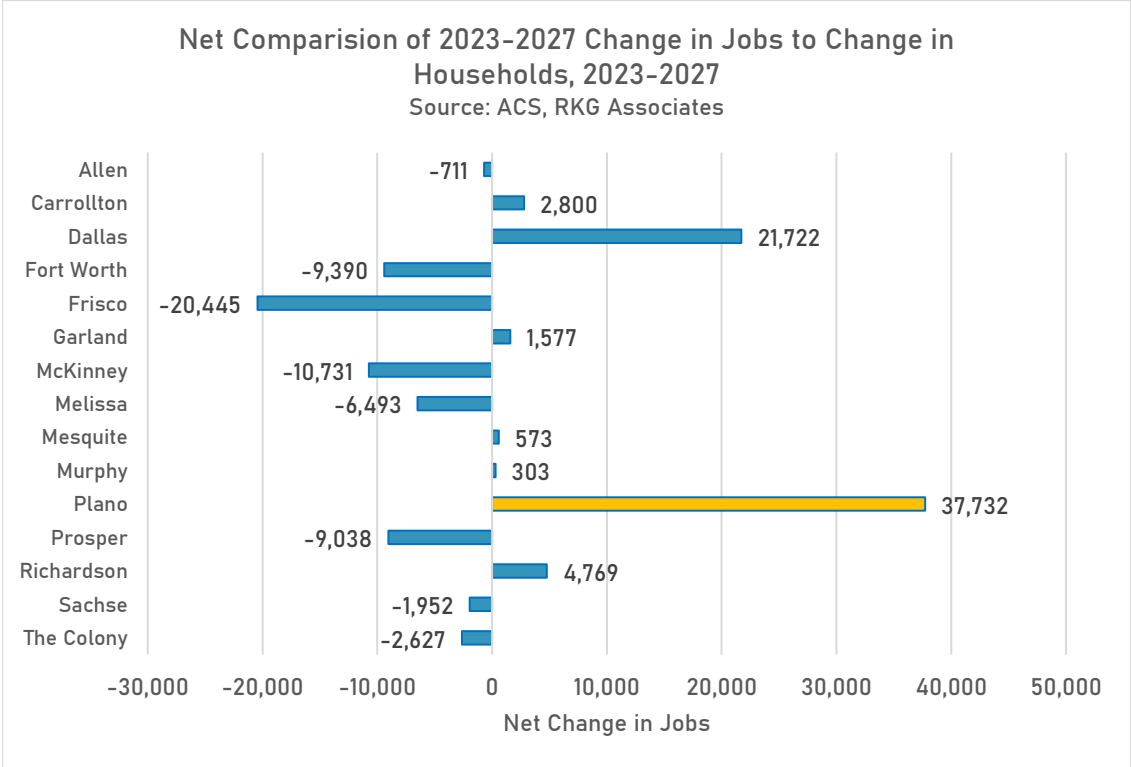
Figure 8 presents the projected growth of working-age households by municipality between 2023 and 2027. Working-age households in Plano are expected to grow by 2,600, or just 3%, which accounts for 30% of the city’s total growth. Notably, 100% of this new growth will be in renter households. This contrasts with Frisco and McKinney, where working-age households are expected to grow by 29% and 22%, respectively. The communities north of Plano are projected to see significant increases in working-age households due to their larger development pipelines of single family homes and relative affordability.

Figure 8: Projected Growth in Working Age Households by Municipality, 2023-2027



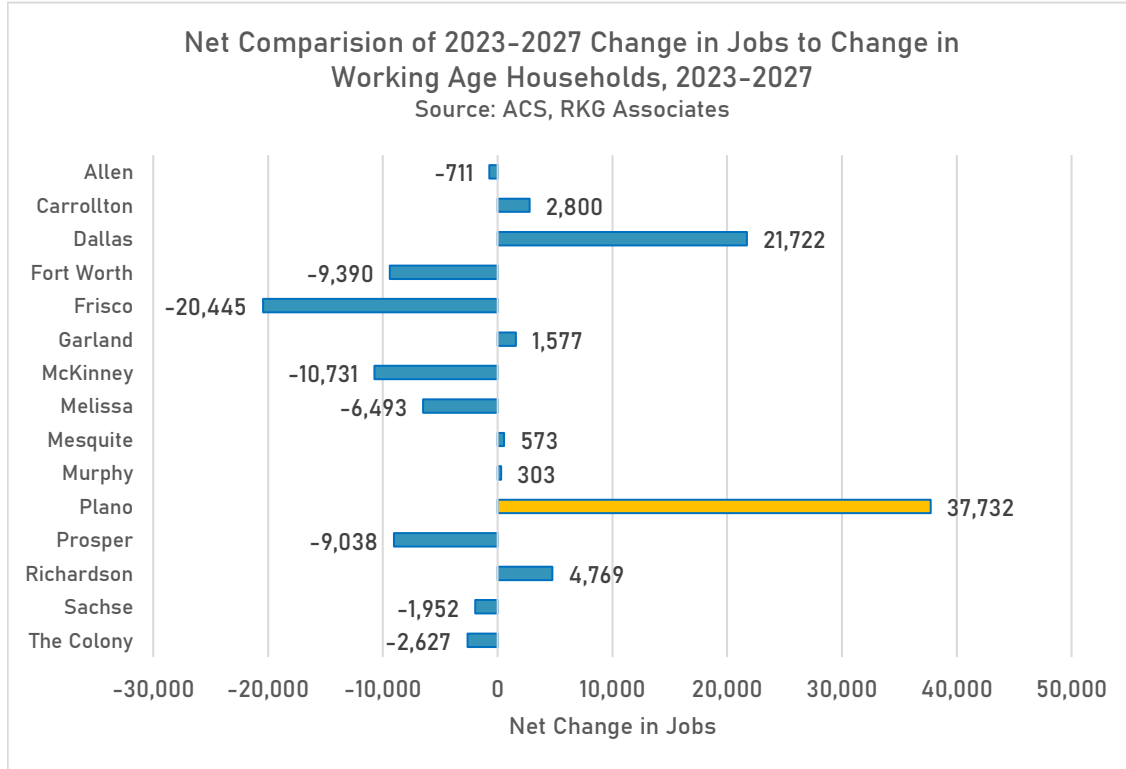
Using data from Lightcast and the U.S. Census, RKG Associates compared existing jobs to existing households. Figure 9 shows that Dallas has significantly more jobs than households, attracting workers from across the metro area. Similarly, Plano has a large employee catchment area, with many employees commuting from distant locations. Plano is projected to see job growth outpace household growth, with 37,732 new jobs. Most other municipalities will see household growth outpace job growth due to their residential nature and fewer job opportunities. These municipalities act as labor sheds for more urban areas.

Figure 9: Net Comparison of 2023-2027 Change in Jobs to Change in Households, 2023-2027



Further looking at the net change in jobs number, RKG examined the change in jobs by working age households.⁴⁸ Figure 10 shows that Dallas and Plano are expected to continue rapid job growth, outpacing working-age household growth by 43,665 jobs. This indicates that Plano will remain a premier employment center for the region.

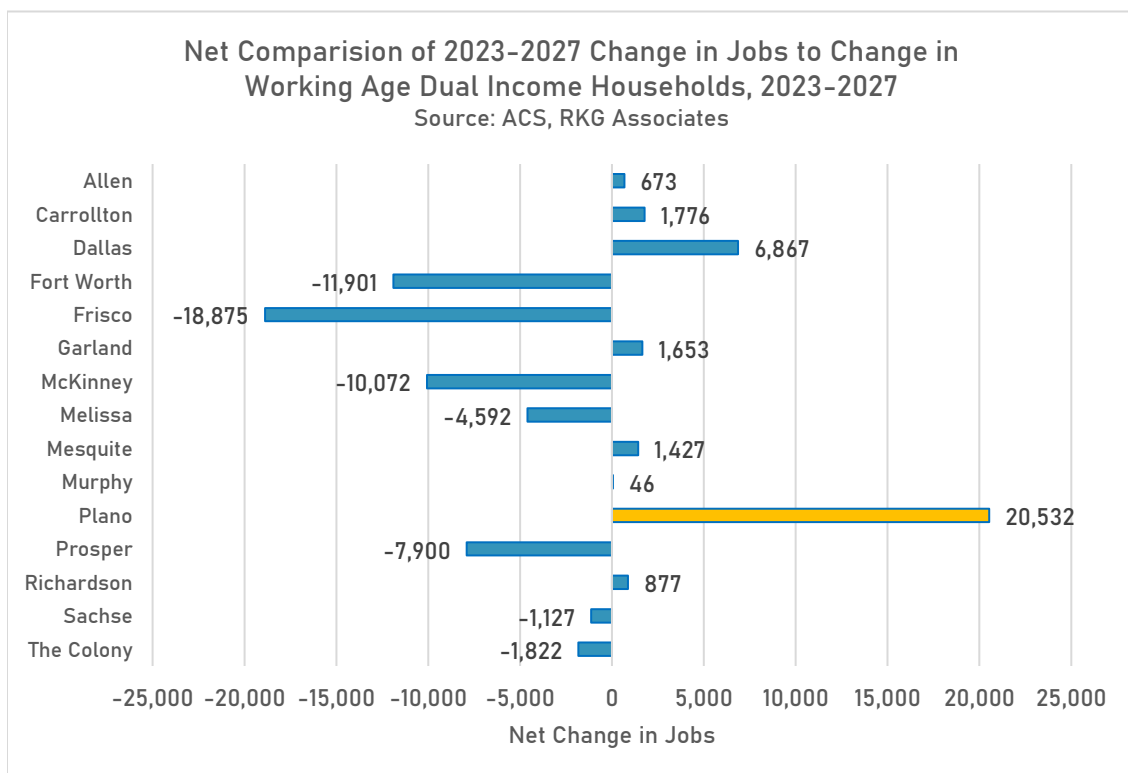
Figure 10: Net Comparison of 2023-2027 Change in Jobs to Change in Working Age Households, 2023-2027



⁴⁸ Working age households are defined as householders under 65 years of age.

Furthermore, RKG examined the role of dual-income households within the local economy of each municipality. Figure 11 presents a comparison of changes in jobs to working age dual income households. For purposes of this analysis, RKG assumed each dual income household member had the same occupation and earnings, this was done to mitigate any potential income variances. Based on the data, Plano leads the region in job growth outpacing the growth of working-age dual-income households by 20,532 jobs. The city will need housing that is affordable to working-age dual-income households to retain resident workers. As mentioned earlier, Plano is not keeping pace with its regional peers in attracting a working-age population.

Figure 11: Net Comparison of 2023-2027 Change in Jobs to Change in Working Age Dual Income Households, 2023-2027



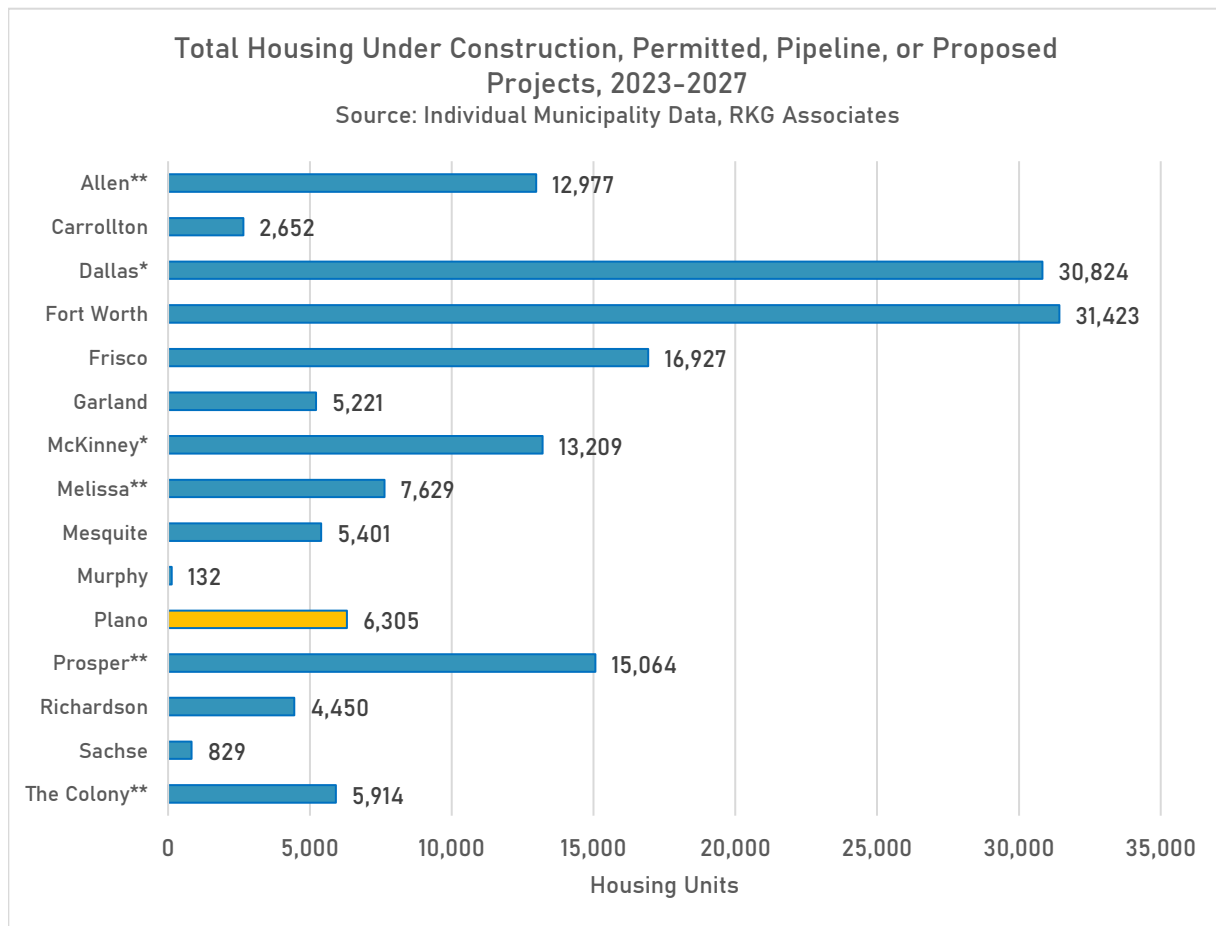
The key findings from this analysis indicate strong future household growth, particularly among senior households, which will place significant demand on the housing supply regionally. Nearly all the growth in Plano can be attributed to senior households, while working-age households are expected to grow modestly. These households are finding housing in communities such as Frisco, McKinney, Melissa, and Celina. Despite the challenges in attracting working-age households due to high housing costs, Plano continues to excel in attracting jobs. Plano's status as a job center gives it a distinct advantage over other communities due to the attractiveness of its job market.

Housing Supply Analysis

This section of the Jobs Housing Balance Study presents the housing supply analysis conducted by RKG Associates for the City of Plano and the region. The analysis examines existing housing supply and projections (planned, permitted, and projected projects).

RKG attempted to collaborate with 14 municipalities to gather data on housing development trends for projects under construction, permitted, in the pipeline, or proposed. Through this effort, RKG obtained information on a total of 86,854 housing units expected to be built across the region. Plano’s future development pipeline consists of 6,305 housing units, significantly trailing behind its regional peers. In comparison, Frisco and McKinney are projecting more robust growth, with 16,927 and 13,209 housing units planned, respectively, highlighting their ability to meet the growing housing demand more effectively. Figure 12 presents the data for the municipalities examined.

Figure 12: Total Housing Under Construction, Permitted, Pipeline, or Proposed Projects, 2023-2027

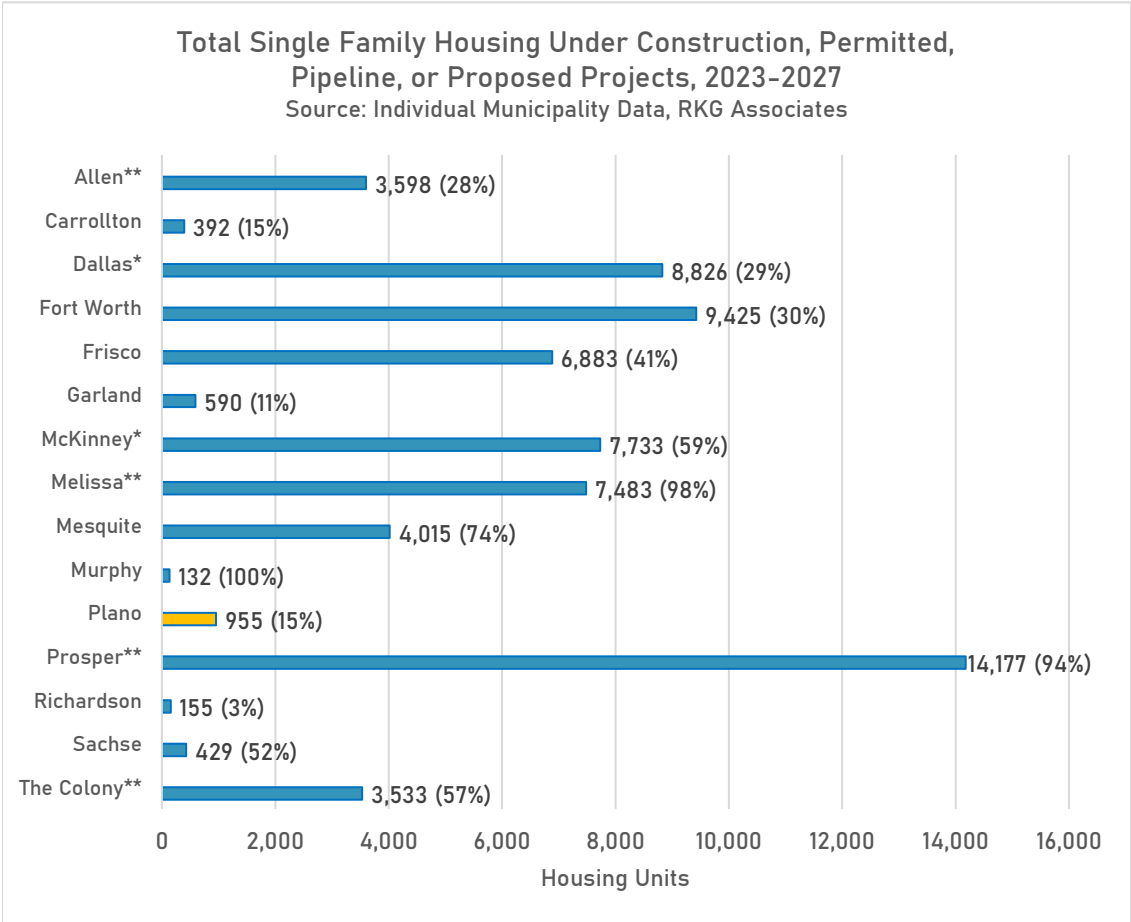


* McKinney did not provide future development data, RKG relied on an average over the last 10 years.

** Data was unavailable from the municipality as a result RKG use estimated housing growth based on historical ACS data.

Of the housing pipeline documented across the region, single-family homes account for 36% of all planned projects, showcasing the region’s ongoing interest in low-density housing options. Figure 13 presents the data for the municipalities examined. In Plano, however, single-family development is far less prominent, comprising only 15% of the city’s total pipeline, which amounts to 955 units. A significant portion of this new single-family development is tied to the redevelopment of the former Collin Creek Mall site, reflecting Plano’s constrained land availability and focus on infill projects. In contrast, neighboring cities like Frisco and McKinney maintain a stronger emphasis on single-family housing, with 41% and 59% of their respective pipelines dedicated to this type of development. This divergence in housing strategies underscores Plano’s growing reliance on multifamily projects to address housing demand, while Frisco and McKinney are leveraging their available land to balance single-family and multifamily growth, positioning themselves to attract a wider range of households, particularly working-age families.

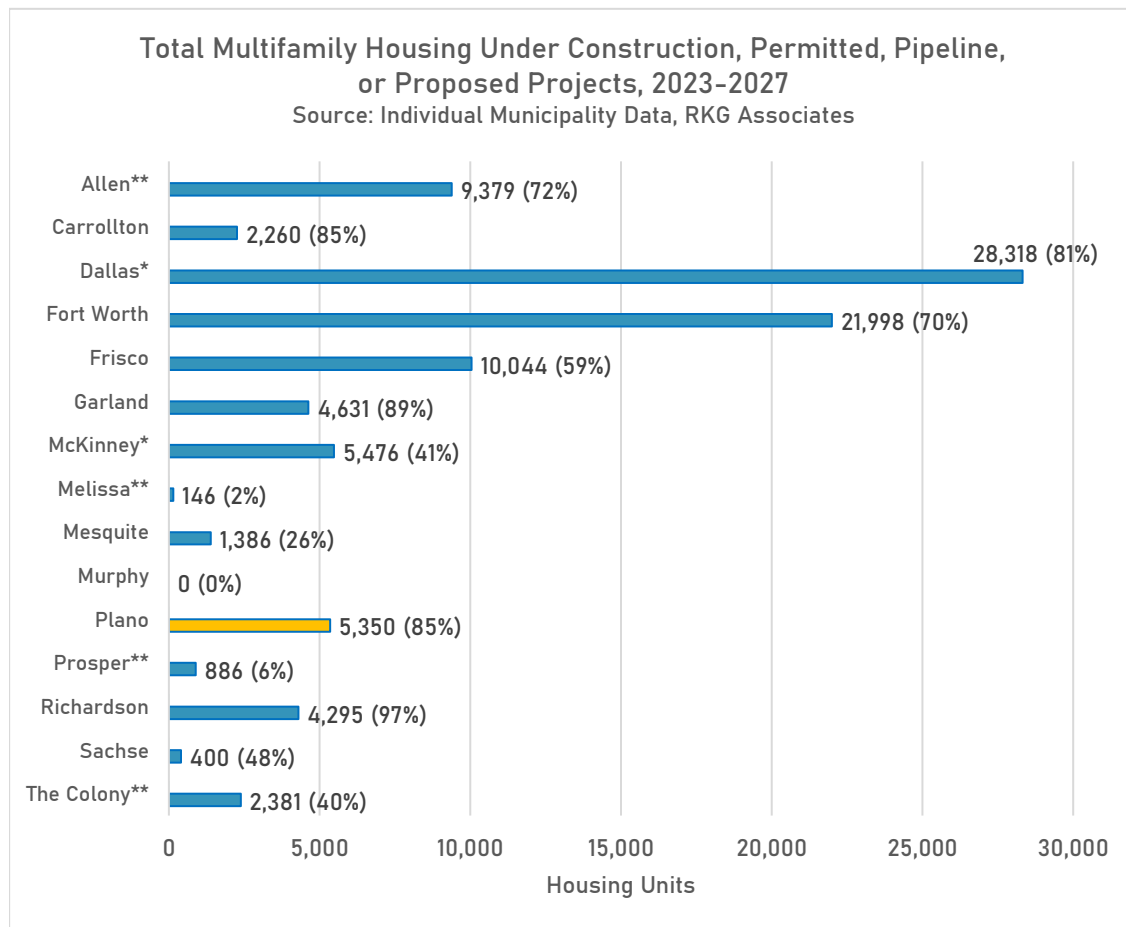
Figure 13: Total Single Family Housing Under Construction, Permitted, Pipeline, or Proposed Projects, 2023-2027



* McKinney did not provide future development data, RKG relied on an average over the last 10 years.
 ** Data was unavailable from the municipality as a result RKG use estimated housing growth based on historical ACS data.

Multifamily homes make up a significant portion of the regional housing pipeline documented by RKG Associates, accounting for 64% of all planned projects. In Plano, this trend is even more pronounced, with multifamily units comprising 85% of the city’s total housing pipeline, equating to 5,350 new units. Figure 14 presents the data for the municipalities examined. The heavy focus on multifamily development reflects Plano’s increasing need for higher-density housing solutions, driven by land scarcity and the city’s built-out status. In communities that already possess a substantial single-family housing stock, such as Plano, multifamily construction has become a strategic response to limited land availability, accommodating population growth while maximizing land use efficiency. This shift toward multifamily housing not only addresses regional housing demand but also signals a broader trend toward urban style living in traditionally suburban markets.

Figure 14: Total Multifamily Housing Under Construction, Permitted, Pipeline, or Proposed Projects, 2023-2027

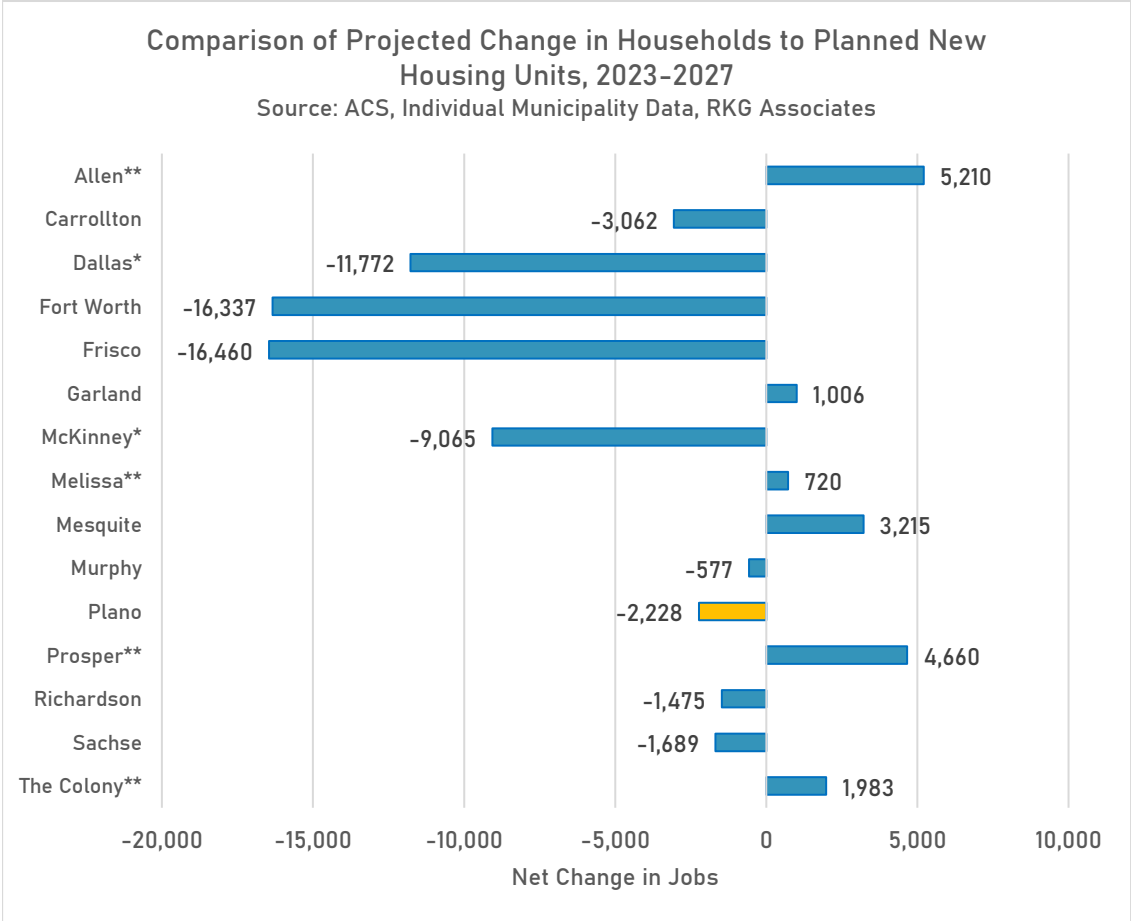


* McKinney did not provide future development data, RKG relied on an average over the last 10 years.

** Data was unavailable from the municipality as a result RKG use estimated housing growth based on historical ACS data.

Figure 15 presents the comparison in the projected change in households to planned new housing units. In the chart, negative values indicate a scenario where the number of projected households exceeds the planned housing units, signaling a shortfall in housing supply. Based on actual development data, only two communities, Garland and Mesquite, are planning to build a greater number of housing units than what is being projected demographically.⁴⁹ However, the broader trend across the region shows that demand for housing will be satisfied in communities outside of the identified municipalities. In Plano specifically, this analysis reveals a housing gap of 2,228 units, driven by estimated demographic changes and the limitations of the city’s existing housing development pipeline.

Figure 15: Comparison of Projected Change in Households to Planned New Housing Units, 2023-2027



* McKinney did not provide future development data, RKG relied on an average over the last 10 years.
 ** Data was unavailable from the municipality as a result RKG use estimated housing growth based on historical ACS data.

⁴⁹ While the communities of Allen, Melissa, Prosper, and The Colony show an oversupply of housing being built, this information is based on projections using historical growth and not localized data relating actual housing development.

Conclusion

The analysis reveals that Plano faces significant challenges in balancing job growth with its housing supply, which could threaten affordability and attractiveness. Despite being a major employment hub with a projected 46,265 jobs between 2023 and 2027, Plano's housing pipeline only includes 6,305 units, resulting in a deficit of 2,228 housing units by 2027. While Plano is diversifying with 85% of new units being multifamily, affordability remains a barrier, particularly for middle-income households earning between \$50,000 and \$150,000 annually.

Senior households are expected to drive 70% of Plano's household growth, increasing by 21%, while working-age households will grow modestly by 3%. This aging demographic could diminish the city's appeal to employers. Compounding the issue, 50% of Plano jobs pay less than \$50,000 per year, while only 2% pay more than \$150,000, creating a wage disparity that limits housing affordability for workers. Neighboring cities like Frisco and McKinney are building more housing units to attract working-age households, further intensifying the challenge for Plano. Without adequate housing solutions, workers may be forced to live farther away, exacerbating regional commuting patterns and affordability issues.