

Date: March 22, 2022

To: Mark Israelson, City Manager

From: Lori Feild Schwarz, AICP, Director of Neighborhood Services
Shanette Eaden, Housing and Community Services Manager

Subject: Housing Trends Analysis: Next Steps

Purpose:

Provide an update on the Housing Trends Analysis study and next steps to provide recommendations to City Council regarding housing strategies and actions.

Background:

The Housing Trends Analysis and Strategic Plan project was approved under the FY2017-18 Budget. After selection of our consultant, Economic & Planning Systems, the study was initiated in February 2018. The planned public outreach process and request for the appointment of the Advisory Committee was presented at the [February 26, 2018](#) City Council meeting, which may be viewed, under the “Additional Item” of the Regular Agenda.

Each Council member selected a representative for the committee in addition to representation from the Planning & Zoning Commission, Community Relations Commission and other community partners. From April to August 2018, there were several avenues for public input including a housing survey and focus groups. Staff and the consulting team also met with the Advisory Committee to plan the public engagement activities and discuss the findings of the outreach.

In November 2018, Staff and the consulting team presented the final draft of the report to City Council for further direction and action. The [November 12, 2018](#) presentation may also be viewed online at 20 minutes and 38 seconds into the Preliminary Open Meeting.

On August 26, 2019, Staff provided City Council with an update on the City’s Housing Trends Analysis during the Preliminary Open Meeting that summarized the November 2018 presentation and presented new and updated housing trends. The [August 26, 2019](#) presentation may be viewed online at the beginning of the Regular meeting.

All background materials for the development of the Housing Trends Analysis, the associated presentations and discussions that occurred during the 2018 Plan process, as well as The Housing Trends Analysis Final Report may be accessed online at <https://www.plano.gov/922/Housing-Survey>

Overview:

At the August 26, 2019 meeting, City Council provided comments and supported Staff recommendations on the following policies:

- Conserve and preserve housing affordability of existing units through dedicated programs
- Accommodate the growing need for home safety modifications
- Improve the quality of both new and existing housing

City Council also requested that Staff bring back further discussion on the housing policy objectives and actions in November 2019.

However, due to the creation of the Comprehensive Plan Review Committee (CPRC) on November 11, 2019, Staff and City management determined that further discussion regarding these objectives should be delayed to allow the CPRC to work through their four key topic areas (Land Use, Transportation, Density and Growth Management) that could have an impact on housing policies. After two years of work, the [Plano Comprehensive Plan 2021](#) was adopted on November 8, 2021.

The Comprehensive Plan 2021 has two specific policies that align with the housing policies discussed with City Council in August 2019. These are as follows:

[Special Housing Needs Policy](#): Plano will support the special housing needs of residents including seniors, people with disabilities, and low-to-moderate income households through inclusive regulations and programs and actions furthering the goals stated in the Consolidated Plan. Proposed locations for special housing needs should be afforded the same health and safety considerations as other housing.

[Neighborhood Conservation Policy](#): Plano will conserve and enhance established residential neighborhoods through city programs, initiatives, and regulations that support neighborhood identity; ensure safe, walkable communities; and preserve the suburban form that contributes to the overall character and livability of the neighborhoods.

Staff has reviewed the updated policies and actions for the 2021 Comprehensive Plan. Two updated actions identified in the Neighborhood Conservation policy address next steps in the development of housing policies for the City. These are:

NC-2: Review and update the [Housing Value Retention Analysis](#) study to compare and coordinate with the Comprehensive Plan.

NC-4: Develop a plan to address housing gaps identified in the [Consolidated Plan](#) and review the recommended policy options outlined in the [Housing Trends Analysis and Strategic Plan](#) to compare and coordinate with the Comprehensive Plan.

As the housing market has changed substantially since 2019, due to the pandemic and other economic factors, we will need to acquire and analyze updated market data prior to providing additional recommendations to City Council. Additionally, federal and state housing assistance and tools have also changed since 2019, and will need to be analyzed and reviewed as part of the assessment. Therefore, we will need to bring back the results of Actions NC-2 and NC-4 to City Council after receiving market information for further review and discussion.

Next Steps:

Neighborhood Services and Planning department staff will work cooperatively to obtain the housing market data necessary to complete the updated analysis of the Plano housing market. We anticipate that we will have the results of Actions NC-2 and NC-4 to present to City Council in late Fall 2022.

Attachments:

March 28, 2022 - Preliminary Open Meeting Housing Trends Analysis PowerPoint presentation
August 26, 2019 - Preliminary Open Meeting Housing Trends Analysis PowerPoint presentation

xc: Jack Carr, Deputy City Manager – Development Services
Christina D. Day, AICP – Director of Planning



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Housing Trends Analysis

Lori Schwarz, Director of Neighborhood Services

March 28, 2022 Preliminary Open Meeting

HOUSING VALUE RETENTION ANALYSIS: 2014

INITIAL HOUSING MARKET ASSESSMENT – RECOVERY



- ***The effectiveness of the City of Plano’s current neighborhood analytical tools***
- ***Current levels of service by department***
- ***Best practices to ensure neighborhood vitality and stabilization***
- ***Impacts of ownership type on value and marketability***
- ***Implementation strategies that can provide long-term sustainability of Plano’s neighborhoods.***

HOUSING VALUE RETENTION ANALYSIS: 2014

INITIAL HOUSING MARKET ASSESSMENT

EXHIBIT 9:

Percent Change in Median Sales Price by Neighborhood Unit (2004-2013)

Source: Catalyst

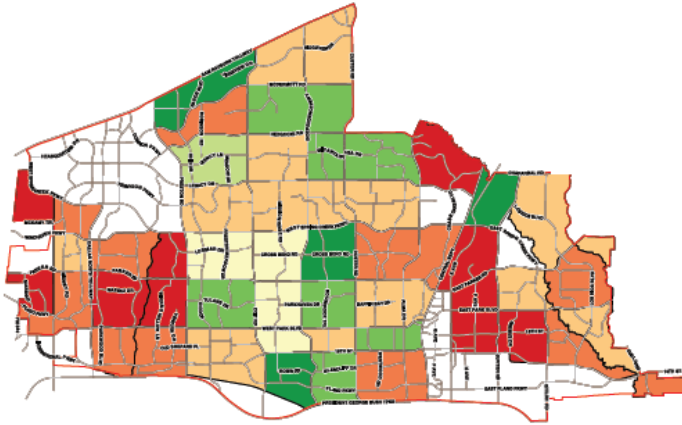
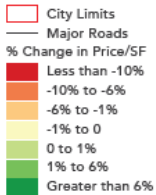
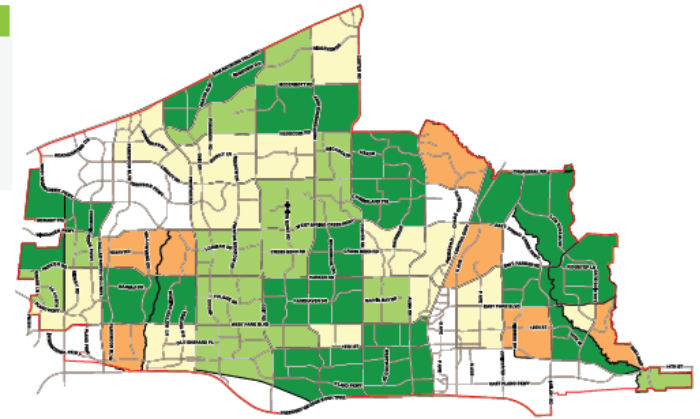
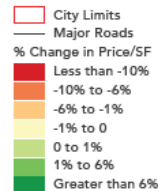


EXHIBIT 10:

Percent Change in Median Sales Price By Neighborhood Unit (2010-2013)

Source: Catalyst



HOUSING TRENDS ANALYSIS: 2018

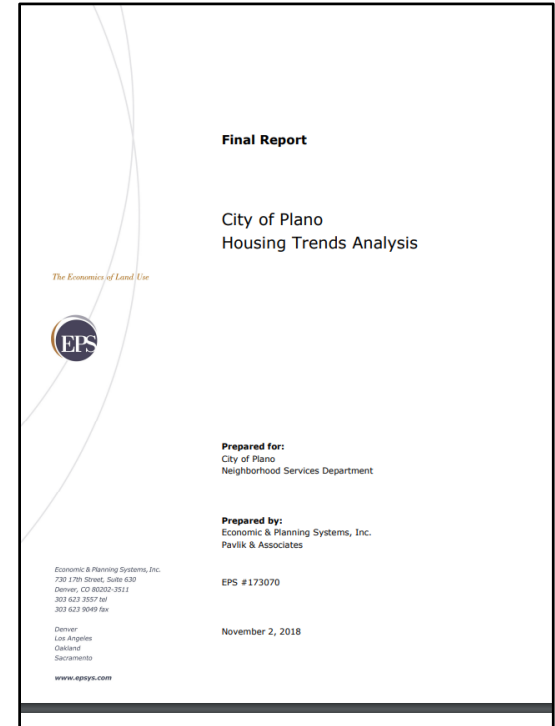
HOUSING MARKET ASSESSMENT - GROWTH

Analysis

- Primary data (stated preferences, socioeconomic characteristics)
- Supply conditions (inventory, vacancy, price, production)
- Demand conditions (employment, commuting, population, age, purchasing power)
- Affordability (implications and impact)
- Policy options analysis (case studies and other jurisdiction policies)

Synthesis

- Engaged Advisory Group throughout the process
- Solicited input and direction



Plan Timeline

- **March 2018: Advisory Committee Confirmation**
18 Members (11 City Council Appointees and 7 Community Partners)
- **April – August 2018: Advisory Committee Meeting**
 - › Housing Survey
 - › Focus Group Meetings
 - › Stakeholder Interviews
 - › Public Meeting
- **October 2018: Draft Executive Summary reviewed and discussed by Advisory Committee**
- **November 2018: City Council review - Housing Trends Analysis and Strategic Plan**



Plan Timeline

- **August 2019 – Updated market analysis and discussion with City Council regarding potential policies to begin objectives and actions development.**
 - Conserve and preserve housing affordability of existing units through dedicated programs
 - Accommodate the growing need for home safety modifications
 - Improve the quality of both new and existing housing
- **November 2019 – Creation of Comprehensive Plan Review Committee**



Plan Timeline

- **November 2021 – Adoption of the 2021 Comprehensive Plan**
 - [Special Housing Needs Policy](#): Plano will support the special housing needs of residents including seniors, people with disabilities, and low-to-moderate income households through inclusive regulations and programs and actions furthering the goals stated in the Consolidated Plan. Proposed locations for special housing needs should be afforded the same health and safety considerations as other housing.
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Plan Timeline

- **November 2021 – Adoption of the 2021 Comprehensive Plan**
 - [Neighborhood Conservation Policy](#): Plano will conserve and enhance established residential neighborhoods through city programs, initiatives, and regulations that support neighborhood identity; ensure safe, walkable communities; and preserve the suburban form that contributes to the overall character and livability of the neighborhoods.
 - › **NC-2**: Review and update the [Housing Value Retention Analysis](#) study to compare and coordinate with the Comprehensive Plan.
 - › **NC-4**: Develop a plan to address housing gaps identified in the [Consolidated Plan](#) and review the recommended policy options outlined in the [Housing Trends Analysis and Strategic Plan](#) to compare and coordinate with the Comprehensive Plan.



Next Steps

- **Complete NC-2 and NC-4 of 2021 Comprehensive Plan**
 - Acquire updated housing market data
 - Analyze data with housing studies and adopted plans
- **Present findings and recommendations to City Council in late Fall 2022**





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Questions?



Housing Trends Analysis and Strategic Plan

Lori Schwarz, Director of Neighborhood Services

Plan Timeline

- **March 2018: Advisory Committee Confirmation**
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FINDINGS

DEMAND

- ***Employment and wage growth in Plano have been strong, owing its success not only to the city's economic developers, but its historically strong and well-educated local labor force.***
- ***Household growth, on the other hand, was not as strong.***
- ***As the resident labor force approaches retirement and seeks to age in place, the average age of Plano's residents has increased.***
- ***New mortgage investment is declining.***

FINDINGS

SUPPLY

- *The city has limited areas to facilitate additional growth, except for infill sites, redevelopment opportunities, and a few areas for new development.*
- *The city added little housing between 2000 and 2017 by comparison to the number of jobs it added.*
- *Cost of residential construction has contributed to supply-side constraints.*

FINDINGS

AFFORDABILITY

- ***A larger portion of the city’s workforce is commuting more than it was 10 years ago, and many of those imported jobs are in the city’s top-performing industries.***
- ***As a result, in-commuting and cross-commuting patterns are pushing local roads beyond capacity.***
- ***Incomes have not kept pace with housing prices; as a result, even households earning the median income can no longer afford the median-priced home.***
- ***Households “overspent” by more than \$191 million in 2016.***

FINDINGS

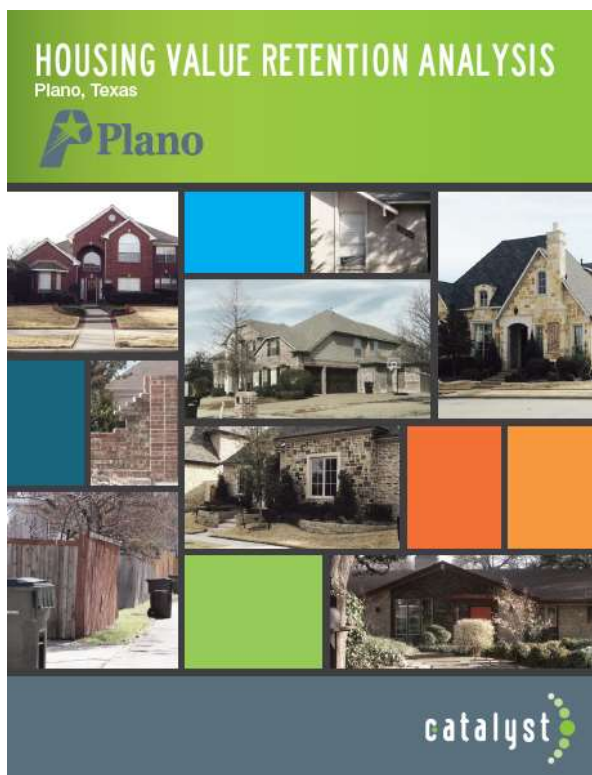
STATED PREFERENCES

After a sense of safety and security, housing cost and the quality of construction are most important to the city's residents and workers in choosing where to live.

- *The under 35 group is most cost-conscious of all age groups, mindful of safety and security, but less so than the others, and more driven to live near work, recreation, dining and shopping.*
- *The under 35s generally lack sufficient funds for a down payment, though their incomes can support mortgage payments.*
- *The 35 to 54 group is generally focused on aspects of housing that facilitate an efficient and safe home and work life, where cost is less important than either of the other age groups, but home size, greater privacy between homes, and quality public schools are more important.*
- *For those over 55, aspects of the physical residence are most important, with quality of construction, no HOA fees, lower maintenance living and walkability among this group's chief considerations.*

HOUSING VALUE RETENTION ANALYSIS: 2014

INITIAL HOUSING MARKET ASSESSMENT



- *The effectiveness of the City of Plano's current neighborhood analytical tools*
- *Current levels of service by department*
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INITIAL HOUSING MARKET ASSESSMENT

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Percent Change in Median Sales Price by Neighborhood Unit (2004-2013)

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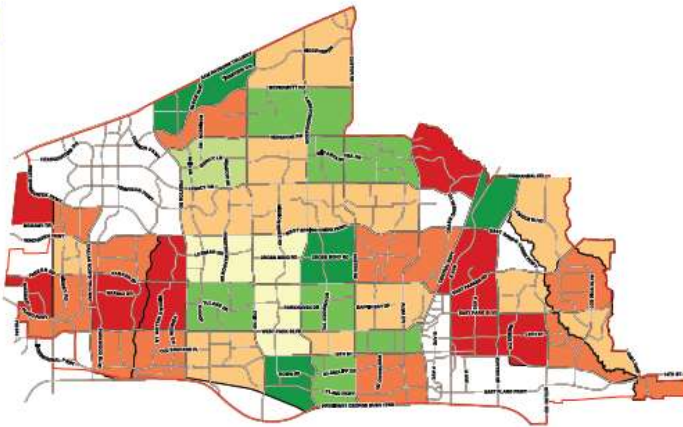
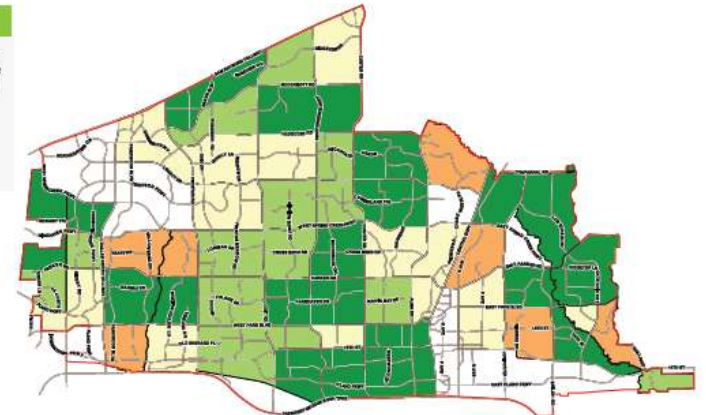


EXHIBIT 10:

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Source: Catalyst



CITY OF PLANO

Housing Trends Analysis and Strategic Plan: City Council Briefing and Update

August 26, 2019

Presented by:
David Schwartz, Executive V.P. (EPS)



The Economics of Land Use



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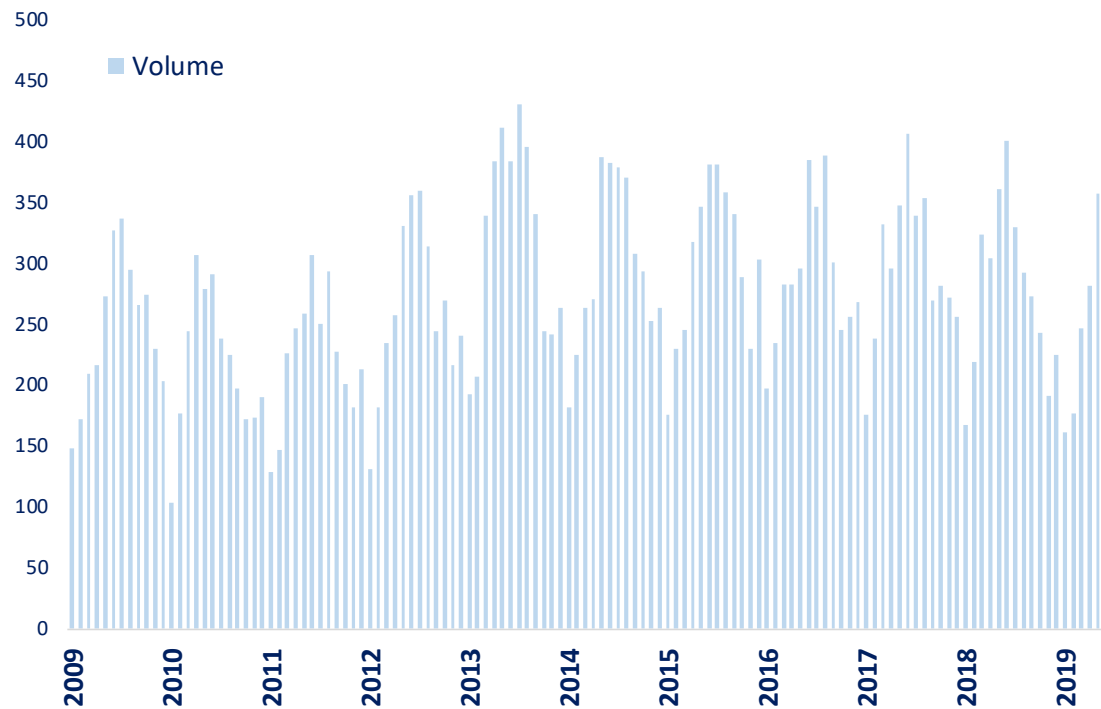
SUPPLY-SIDE UPDATE

VOLUME

VOLUME OF SALES

MONTHLY SALES IN PLANO, 2009-19

Existing Home Sales, 2009-19 (Volume)



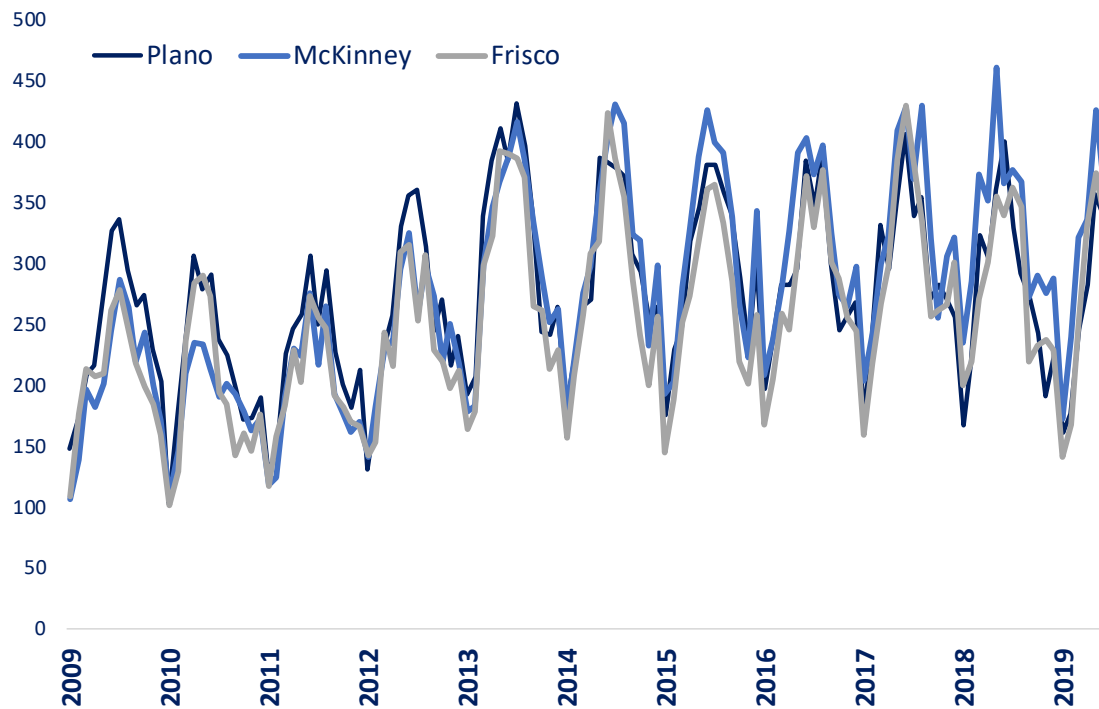
Source: MLS; Economic & Planning Systems

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VOLUME OF SALES

MONTHLY - PLANO, MCKINNEY, FRISCO

**Existing Homes
Sale Volumes,
2008-19
(Monthly)**



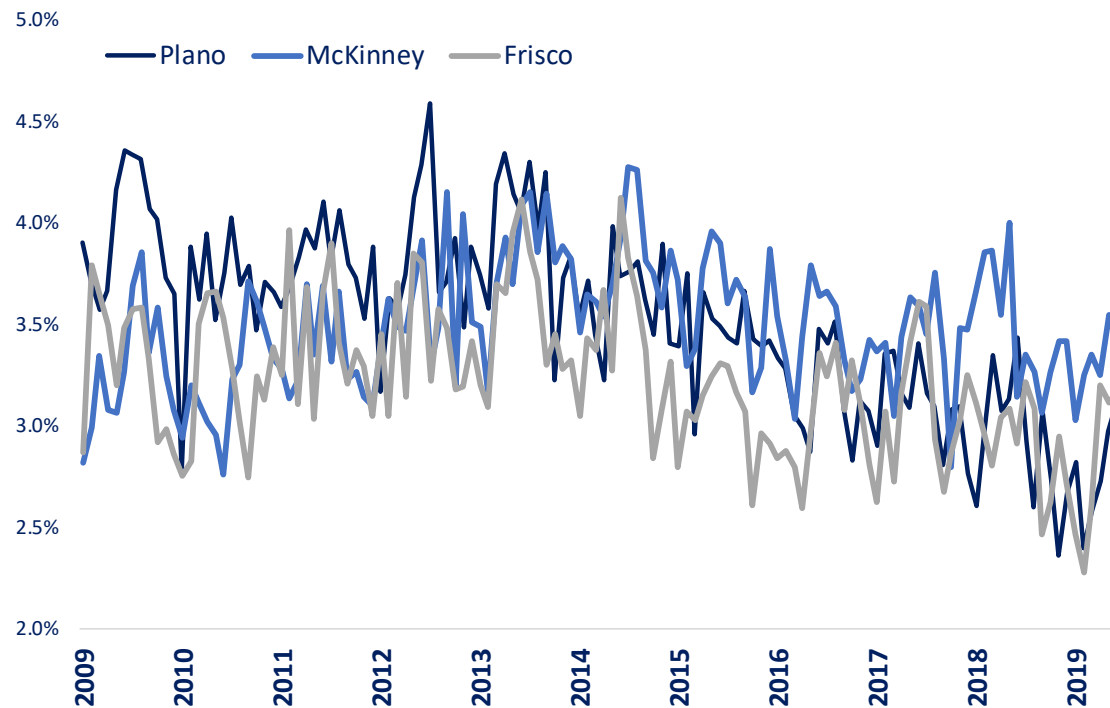
Source: MLS; Economic & Planning Systems

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VOLUME OF SALES

AS A PERCENT OF METROPLEX

**Existing Homes
Sale Volumes,
2008-19**
(as % of
Metroplex)



Source: MLS; Economic & Planning Systems

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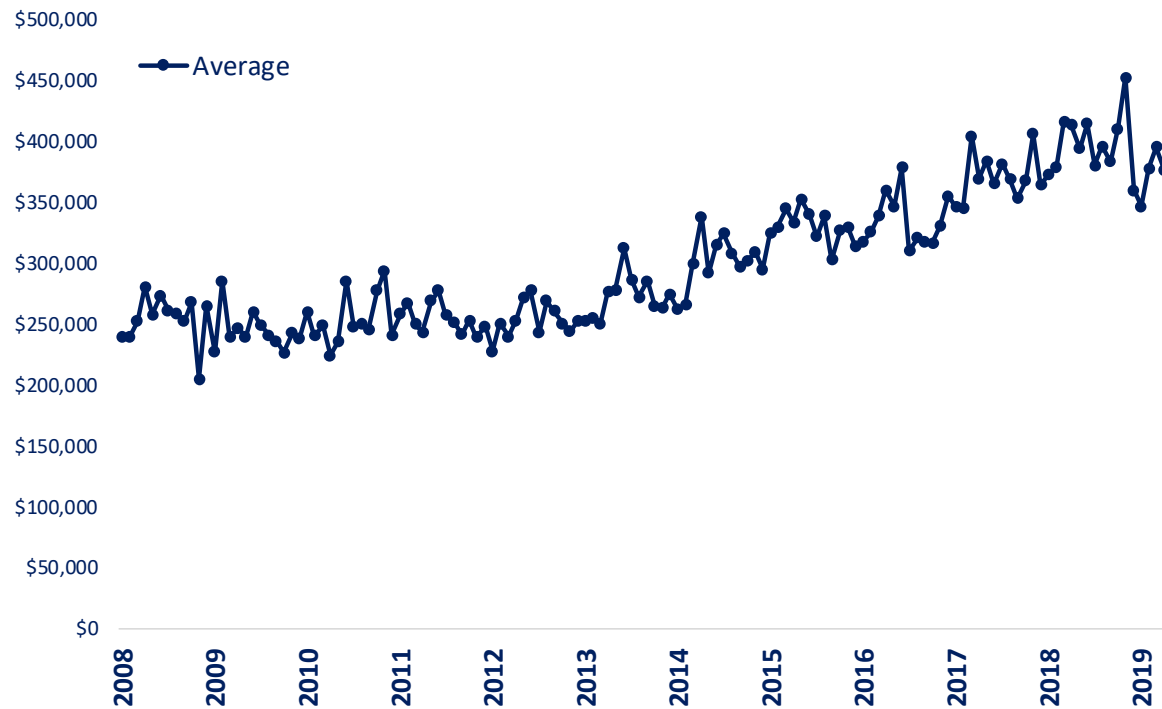
SUPPLY-SIDE UPDATE

AVERAGE SALES PRICES

SALES PRICES

MONTHLY AVERAGE IN PLANO, 2008-19

Existing Homes Sales, 2008-19 (Average)



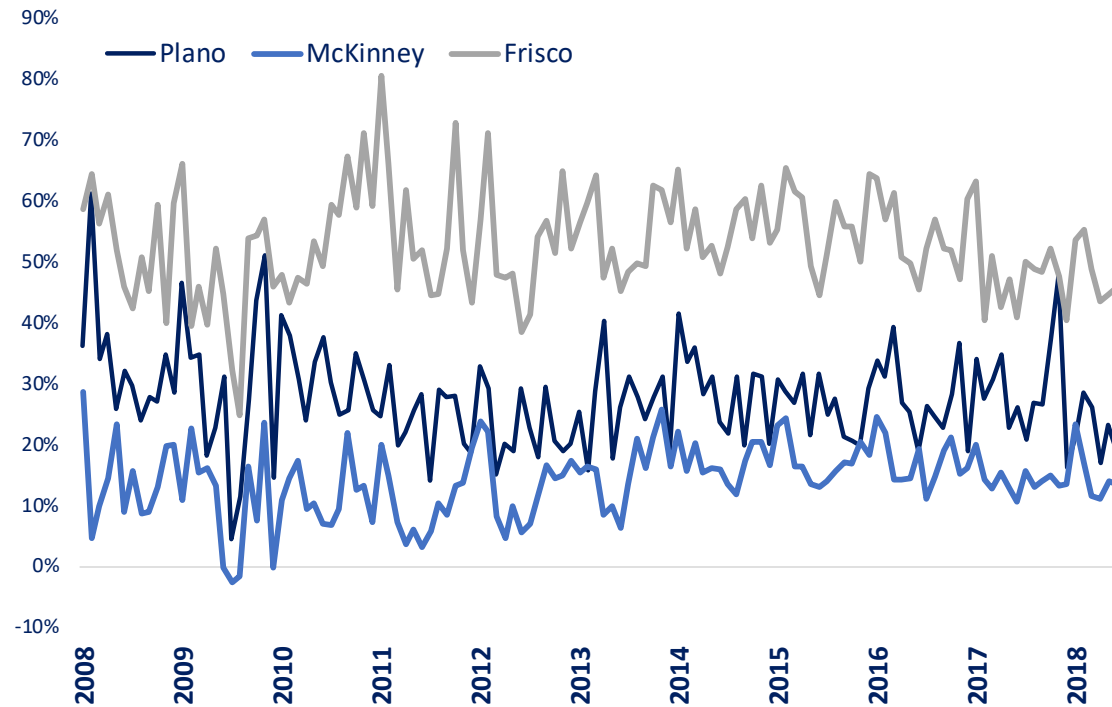
Source: MLS; Economic & Planning Systems

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SALES PRICES

AS PERCENT ABOVE METROPLEX

Existing Home Sales Prices, 2008-19
(% above Metroplex)



Source: MLS; Economic & Planning Systems

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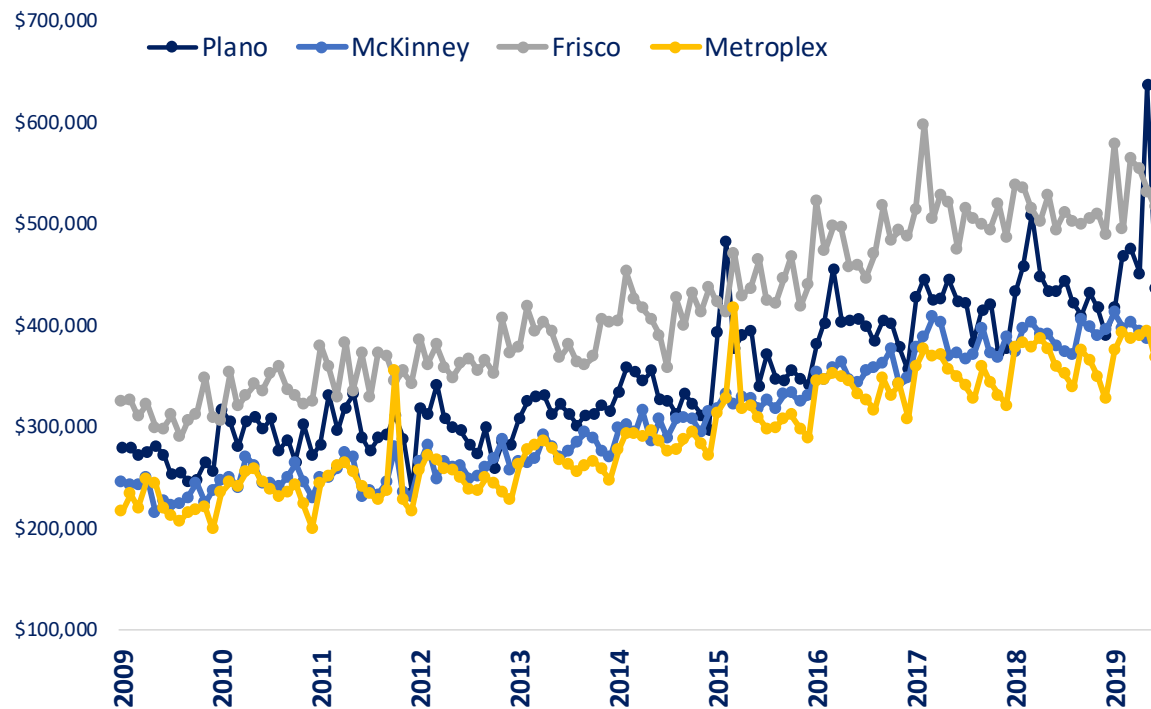
SUPPLY-SIDE UPDATE

CONCESSIONS

LISTING PRICES

MONTHLY AVERAGES – PLANO, MCKINNEY, FRISCO, METROPLEX

**Existing Home
Sales Prices,
2009-19**
(Listing Average)



Source: MLS; Economic & Planning Systems

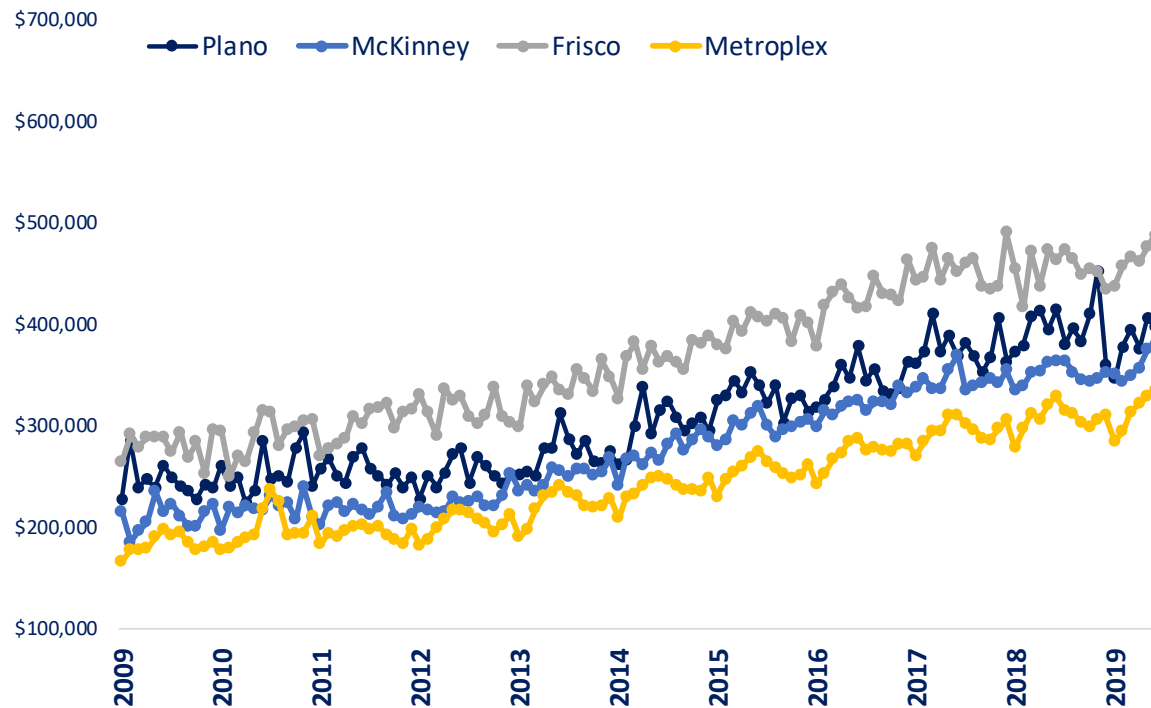
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SALES PRICES

MONTHLY AVERAGES – PLANO, MCKINNEY, FRISCO, METROPLEX

**Existing Homes
Sales Prices,
2009-19**
(Sales Average)



Source: MLS; Economic & Planning Systems

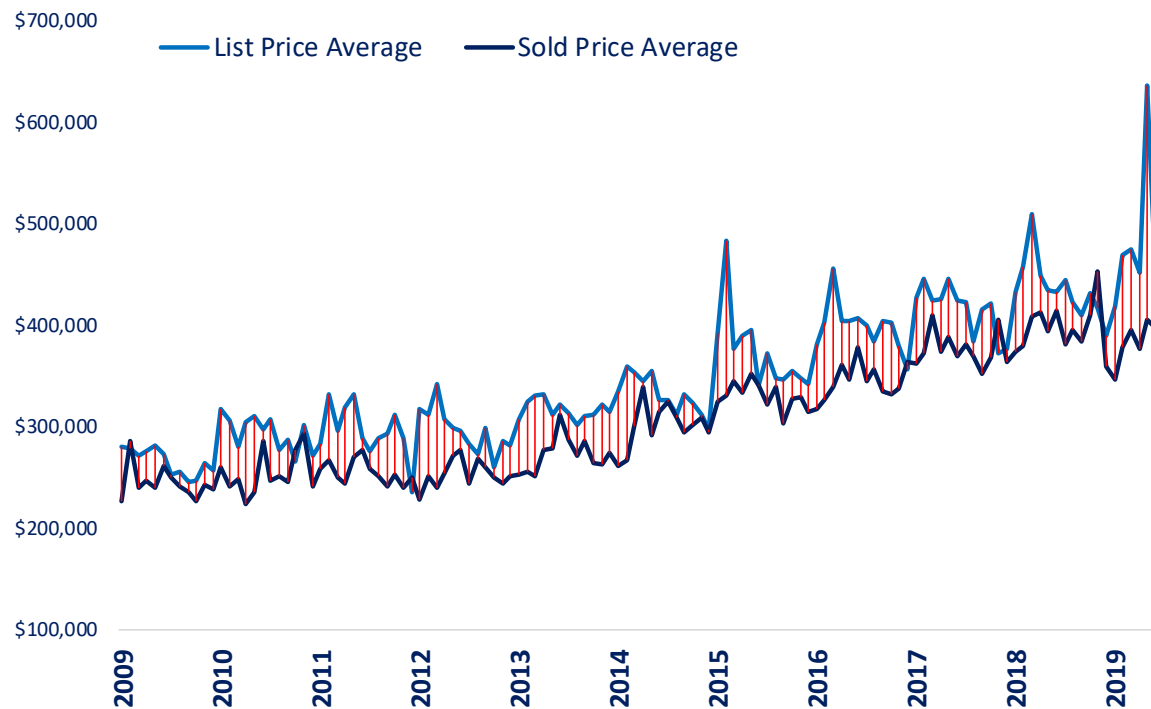
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CONCESSIONS

PLANO, 2009-19

Existing Home Average Listing vs. Sold Prices, 2009-19 (Plano)



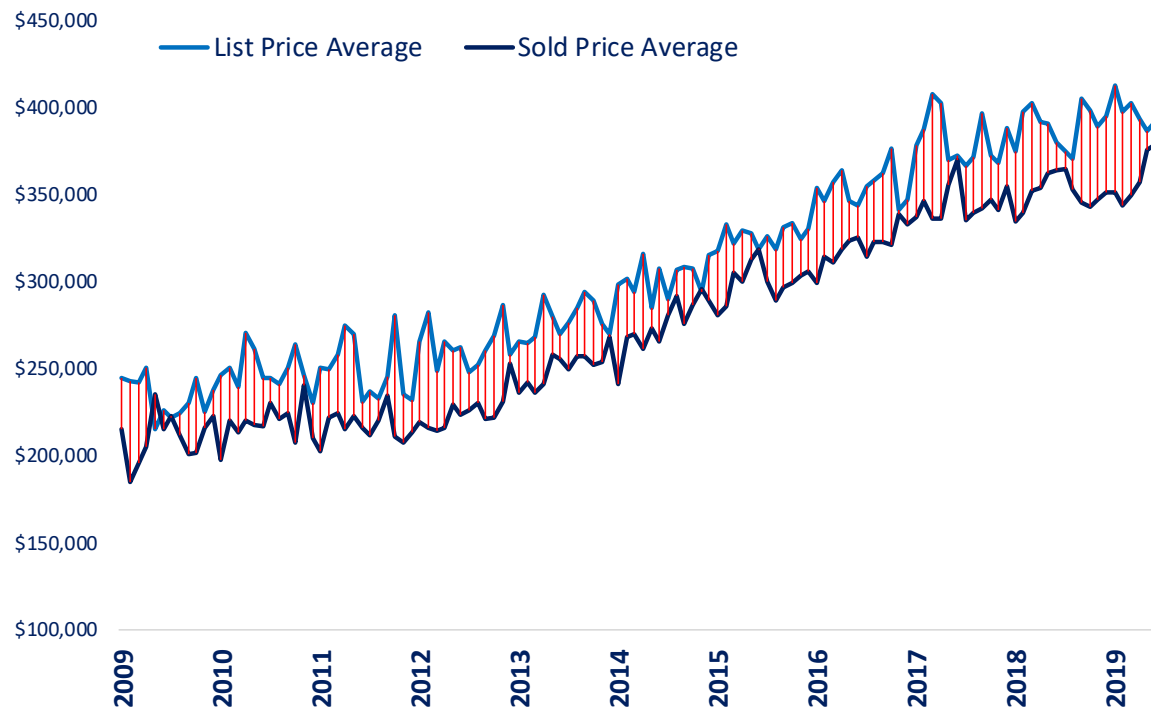
Source: MLS; Economic & Planning Systems

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CONCESSIONS

MCKINNEY, 2009-19

Existing Home Average Listing vs. Sold Prices, 2009-19 (McKinney)



Source: MLS; Economic & Planning Systems

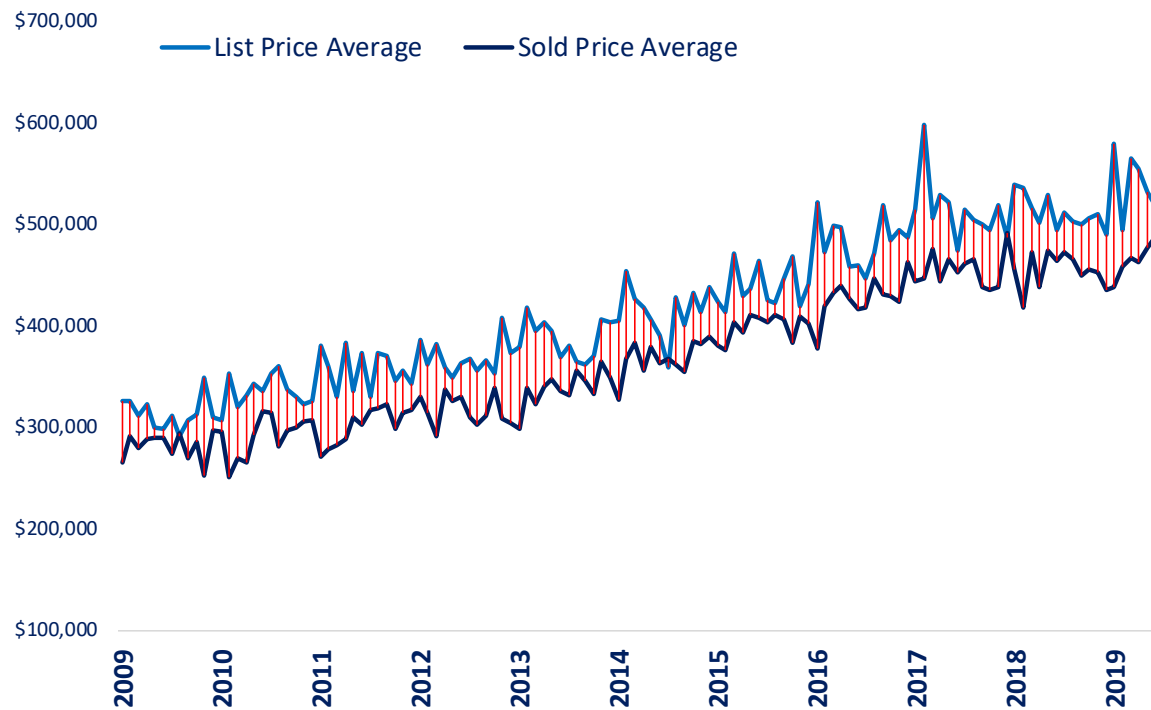
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CONCESSIONS

FRISCO, 2009-19

Existing Home Average Listing vs. Sold Prices, 2009-19 (Frisco)



Source: MLS; Economic & Planning Systems

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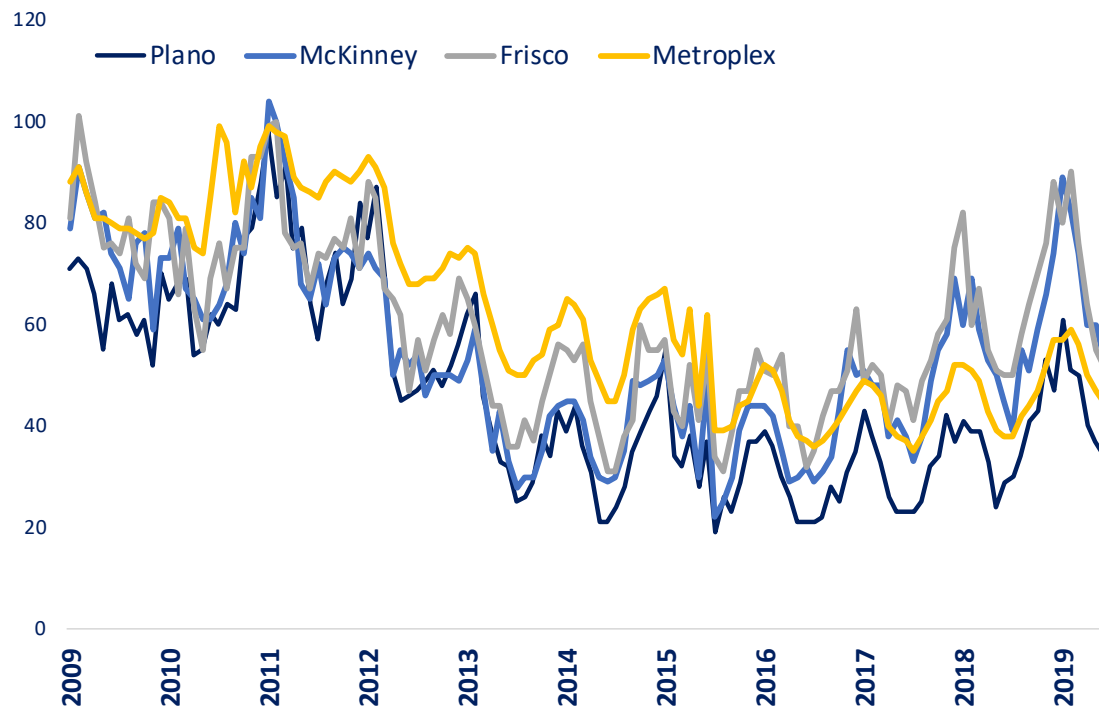
SUPPLY-SIDE UPDATE

DAYS ON MARKET

DAYS ON MARKET

COMPARISONS, 2009-19

Existing Home Sales DOM, 2008-19 (Monthly)



Source: MLS; Economic & Planning Systems

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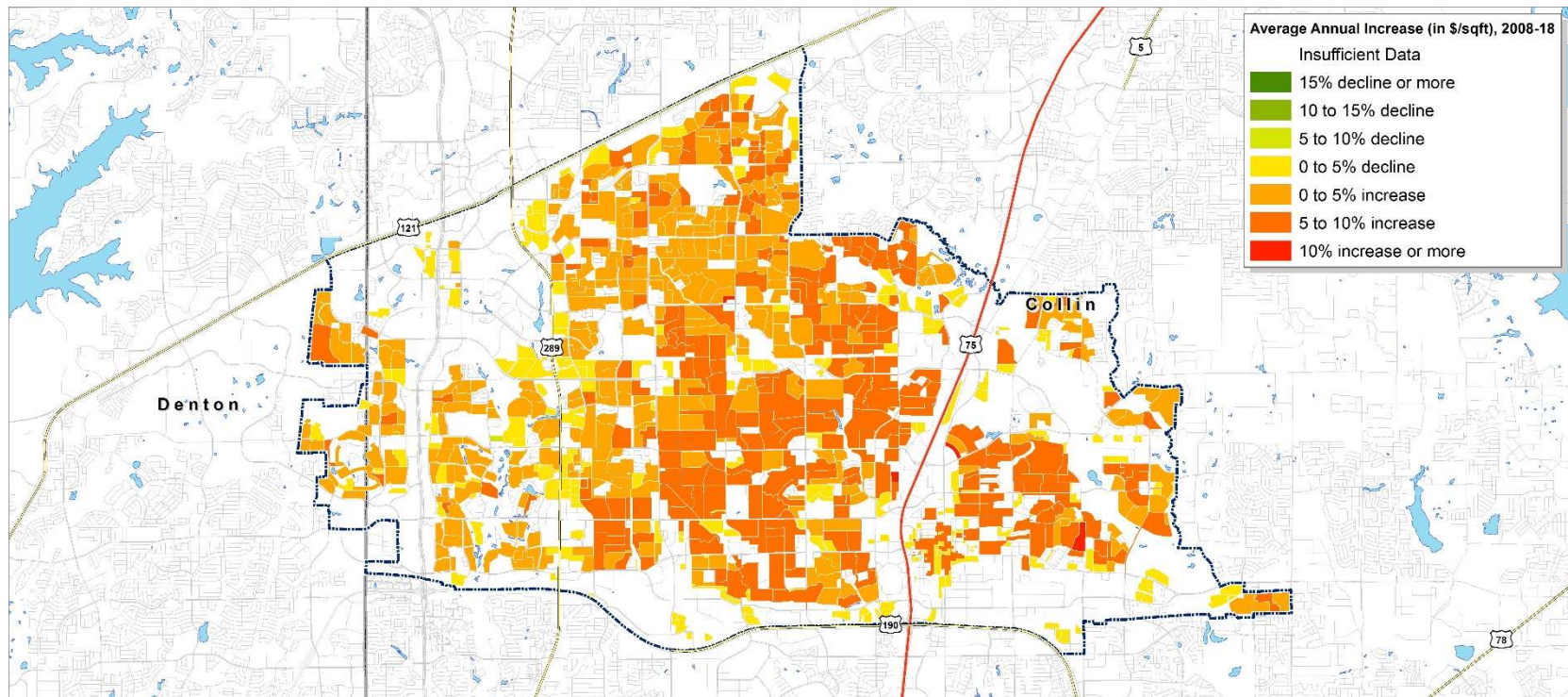


SUPPLY-SIDE UPDATE

TRENDS BY NEIGHBORHOOD AND SUBDIVISION

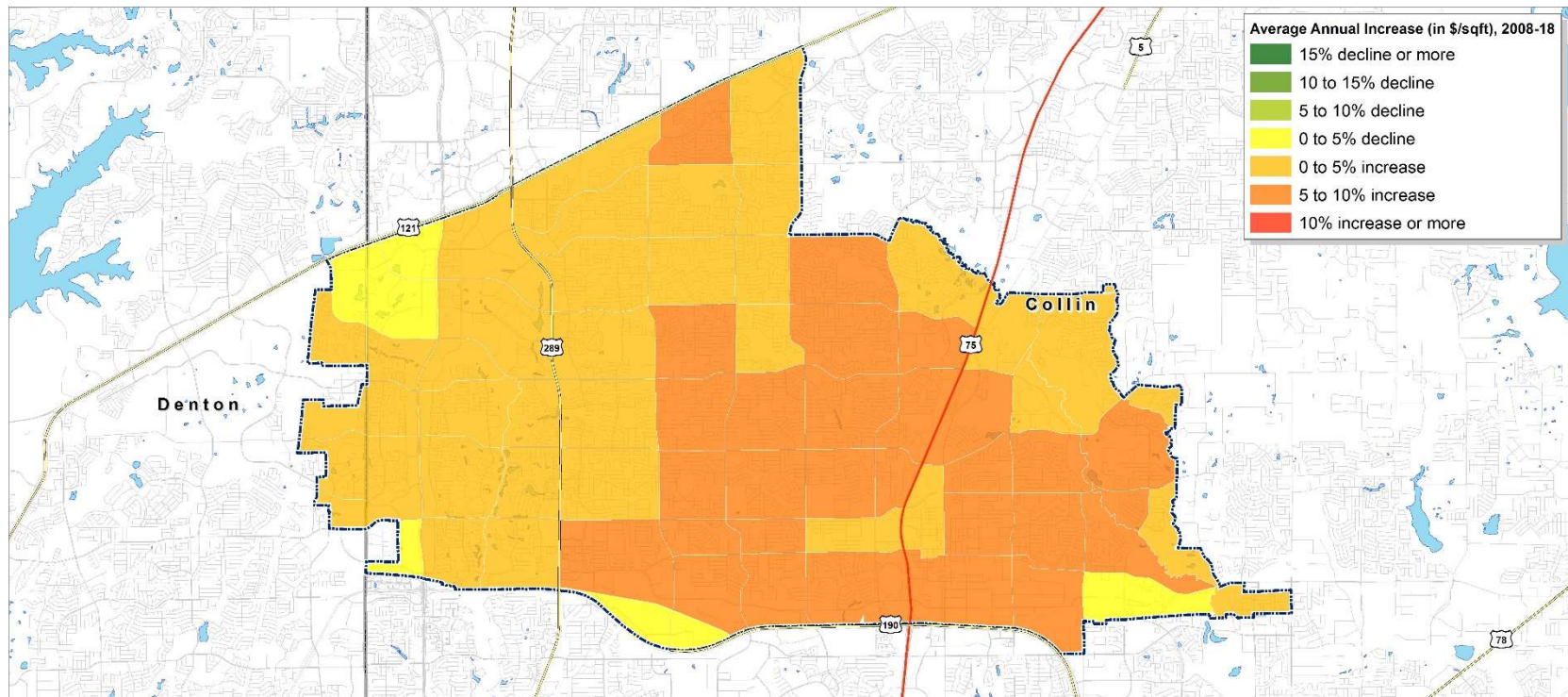
SUBDIVISION TRENDS

2008-18



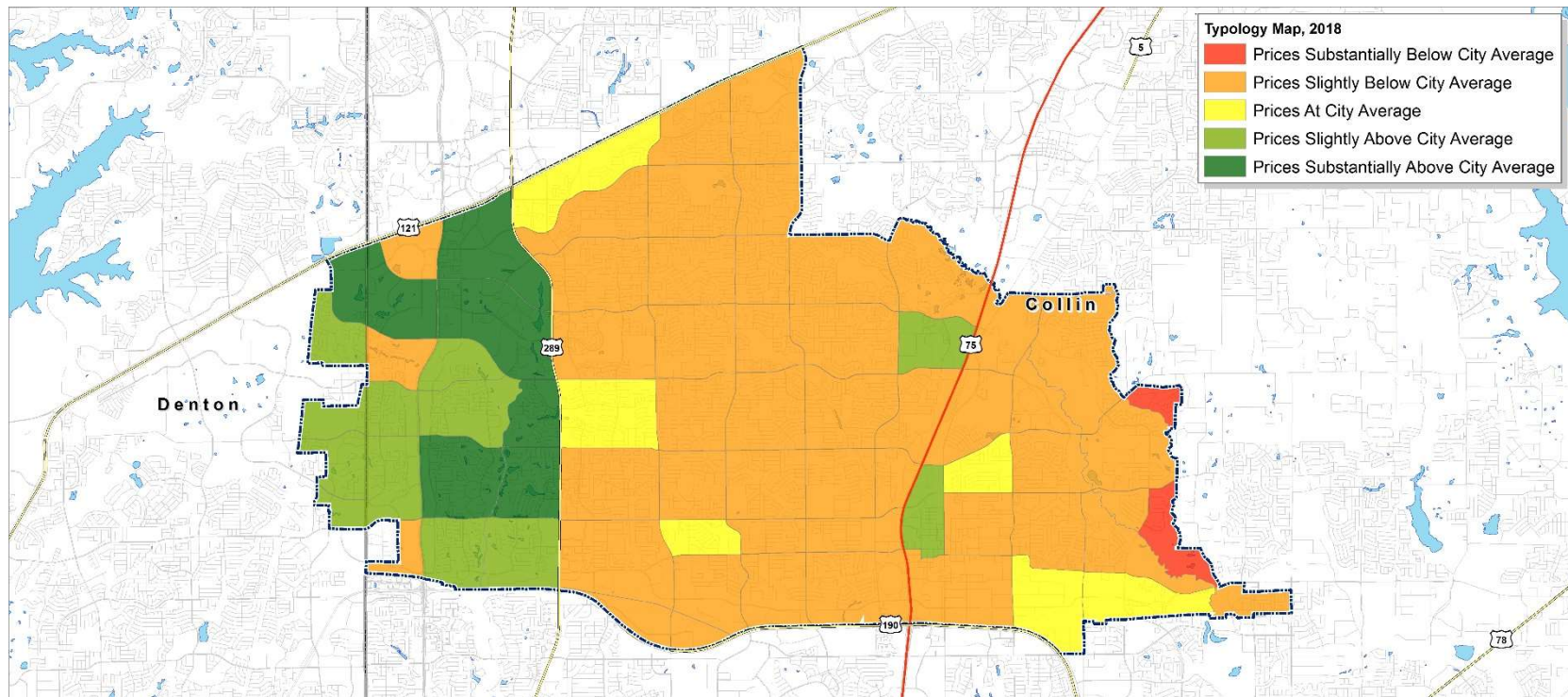
NEIGHBORHOOD UNIT TRENDS

2008-19



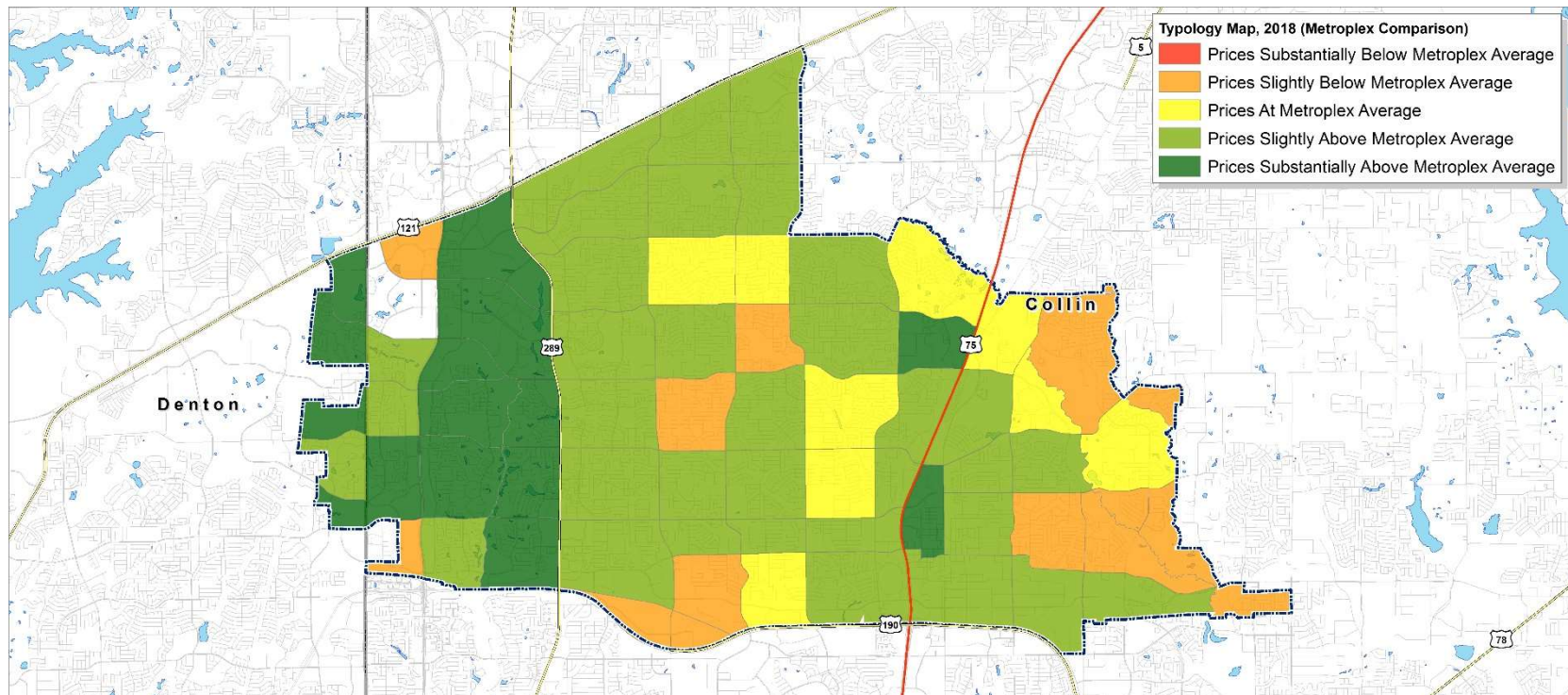
TYOLOGY MAP

CITY AVERAGE COMPARISON, 2018



TYOLOGY MAP

METROPLEX AVERAGE COMPARISON, 2018



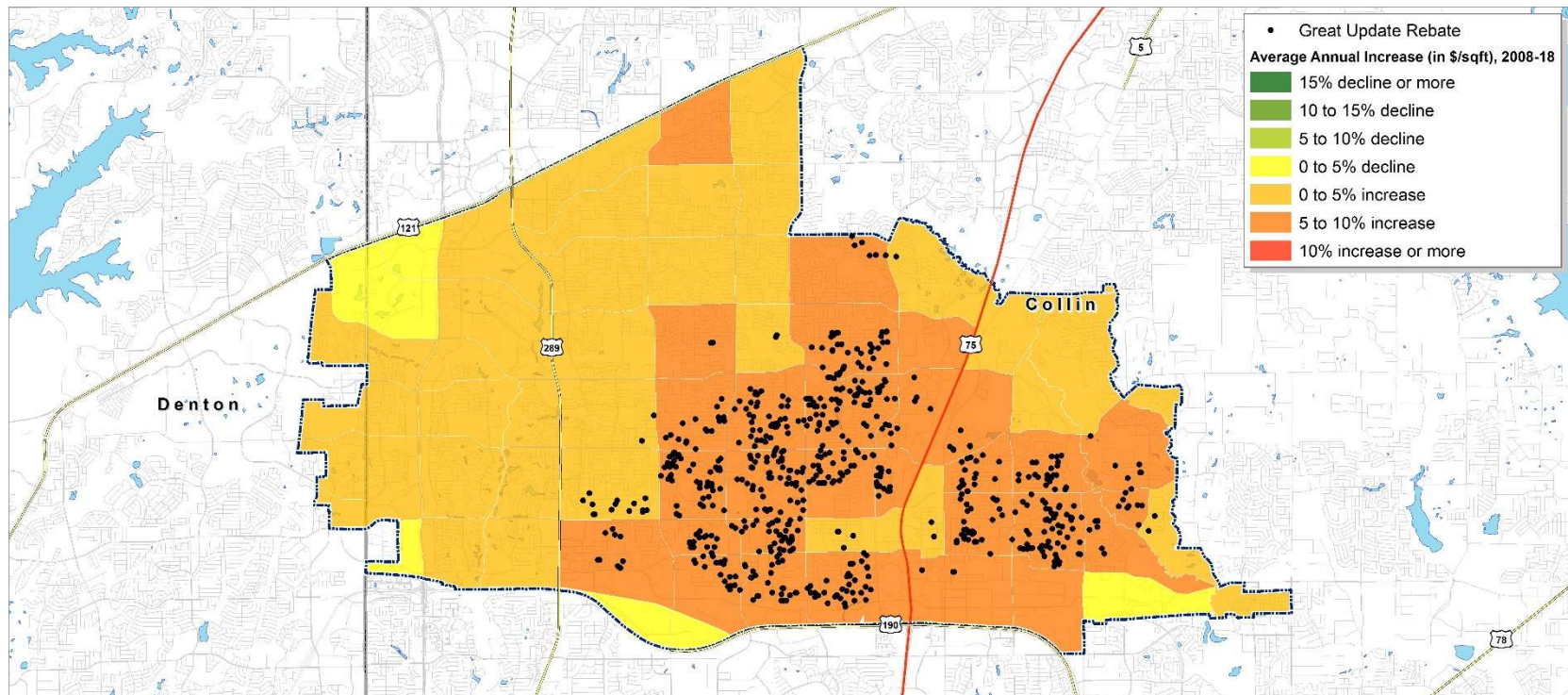


SUPPLY-SIDE UPDATE

GREAT UPDATE REBATE PROGRAM

GREAT UPDATE REBATE IMPACTS

LOCATION OF GUR INVESTMENTS



GREAT UPDATE REBATE IMPACTS

LOCATION OF GUR INVESTMENTS

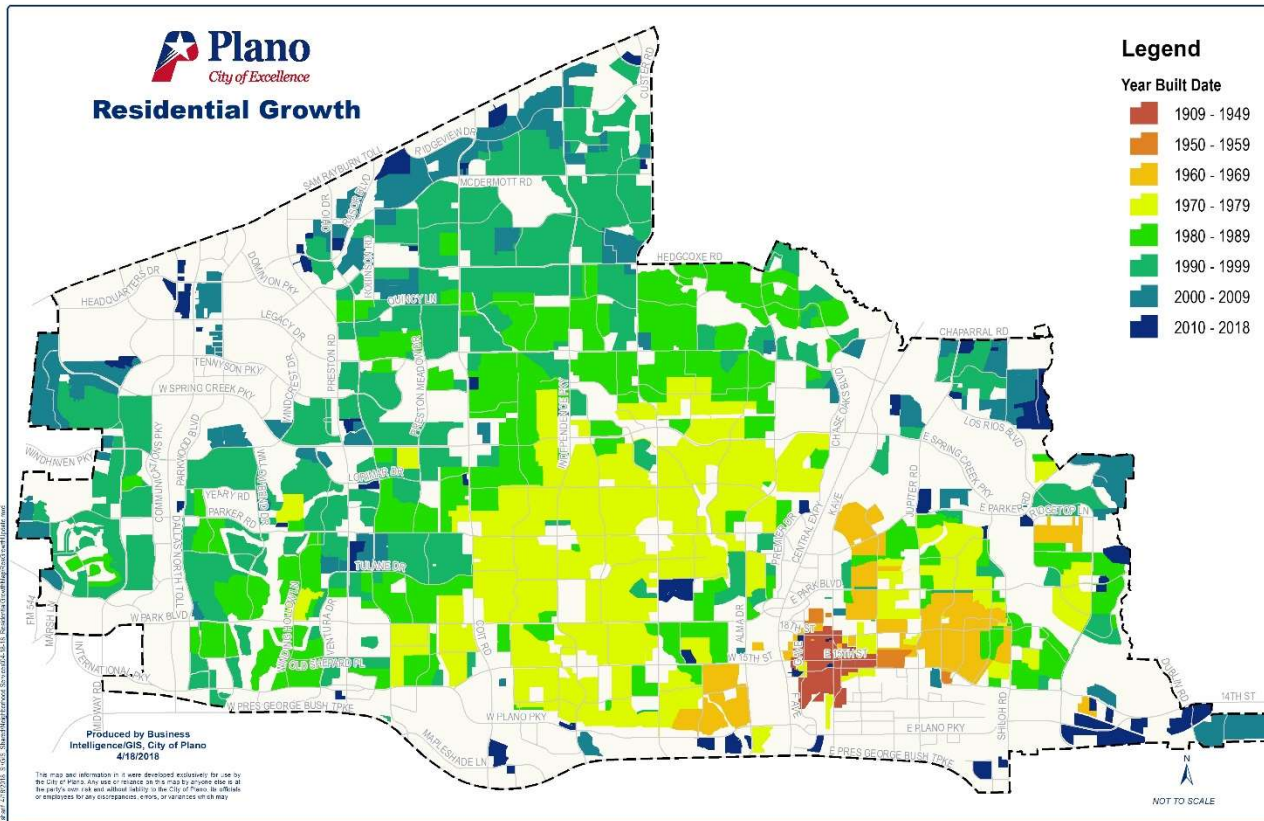
Number of rebates given in a Neighborhood Unit	Average Annual Rate of Growth in \$/sqft (2013-18)
None	6.09%
10 or fewer	9.71%
11 to 25	9.80%
26 to 50	10.34%
51 or more	10.57%
Citywide	8.03%

Source: Economic & Planning Systems

Leverage of Total Estimated "Project Value" to Rebate	Average Annual Rate of Growth in \$/sqft (2013-18)
Nothing	6.24%
Lower than 3.00	7.15%
3.00 to 3.99	10.67%
4.00 to 4.99	10.98%
5.00 to 5.99	9.68%
6.00 or greater	9.80%
Citywide	8.03%

Source: Economic & Planning Systems

AGE OF HOUSING STOCK



EXISTING POLICY FRAMEWORK

MIDDLE NEIGHBORHOODS STRATEGY

- Housing as part of a city’s infrastructure
- Neighborhoods between growth and decline
- Home to a significant portion of residents
- Mostly single family housing
- Affordable to people in middle income ranges (80-120% of median area income)
- Housing generally 25 years or older, in acceptable condition
- Focus on strengthening existing neighborhoods



EXISTING TOOLS

LOCAL HOUSING INVESTMENT TOOLS

- *Great Update Rebate*
- *Love Where You Live*
- *CARES*



FEDERALLY/STATE FUNDED HOUSING INVESTMENT TOOLS

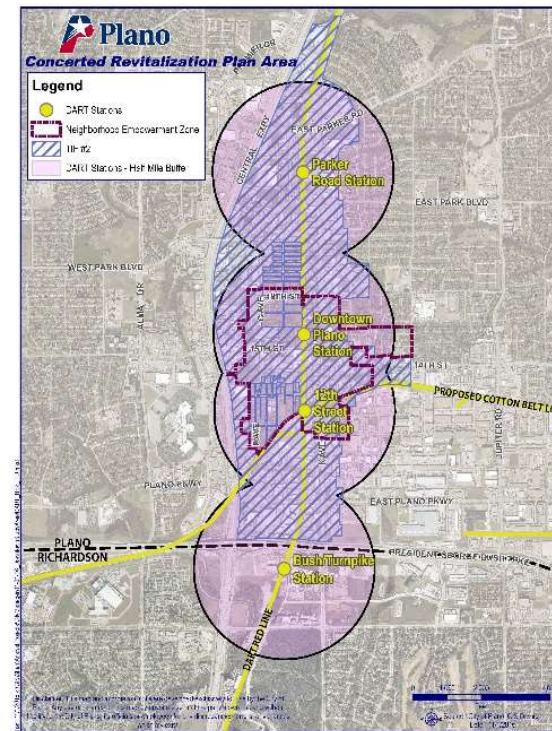
- *Housing Rehabilitation*
- *First Time Homebuyer*
- *Rapid Re-Housing*
- *Housing Tax Credit*



EXISTING TOOLS

OTHER LOCAL POLICY MECHANISMS

- ***Tax Increment Financing***
- ***Neighborhood Empowerment Zone***
- ***Multifamily Rental Registration and Inspection***
- ***Hotel/Motel Annual Registration and Inspection***



POLICY OPTIONS AVAILABLE TO PLANO

COMPARABLE COMMUNITIES POLICIES AND MECHANISMS

Policies and Mechanisms in Communities with Comparable Conditions

	Arlington, Virginia	Dublin, Ohio	Franklin, Tennessee	Lakewood, Colorado	Plano, Texas
Policy / Mechanism					
Inclusionary zoning	●	○	○	○	○
Density / height bonus for affordable housing	●	○	○	●	○
Fee waivers / deferrals	○	○	●	●	○
Accessory dwelling units	●	○	○	○	○
Caregiver suites	●	○	○	○	○
Protections of "naturally-occurring affordable housing"	●	○	○	○	○
Use of TIF	●	●	●	●	●
Funds dedicated to affordable housing	●	○	●	○	○
Property tax relief (for seniors, affordable housing, etc.)	●	○	○	○	●
Other zoning modifications	○	●	○	○	●
Transit and housing linkage	●	○	○	●	○
Neighborhood / community education	●	○	●	○	○
Public/private partnership projects accomplished (e.g. redevelopment)	●	○	●	●	○

Source: Economic & Planning Systems

POLICY OPTIONS AVAILABLE TO PLANO

DECISION RUBRICS

- *Prioritize regenerative, or ongoing, funding sources rather than one-time fixes.*
- *Emphasize tools with the greatest potential impact.*
- *Ensure that recommended code changes are compatible with existing code.*
- *Pinpoint recommended programs to address the issue where the greatest burden exists.*
- *Focus on solutions with broad stakeholder support.*

POLICY OPTIONS AVAILABLE TO PLANO

ADVISORY COMMITTEE THOUGHTS AND SUGGESTIONS

- *City should be specific about the tools it will use to address the housing concerns highlighted in the report.*
- *Include mixed-income housing (rental and ownership) for the redevelopment of Collin Creek Mall, Oak Point area, and four-corner retail.*
- *Strike a balance between housing types across the spectrum.*
- *Assemble land for the purpose of redevelopment that includes housing.*
- *Create a public-facing campaign for the down payment assistance program and consider expanding the program for the workforce, such as Fire, Police, Teachers, Government employees.*



Next Steps and City Council Direction

Moving Forward

- **Determine Housing Policy Framework**

Preliminary Staff Recommendations:

- **Conserve and preserve housing affordability of existing units through dedicated programs**
- **Accommodate the growing need for home safety modifications.**
- **Improve the quality of both new and existing housing**
- **November 2019: Staff to provide policy objectives consistent with policy recommendations to Council**

