

City of McKinney

AFFORDABLE HOUSING NEEDS ASSESSMENT & RECOMMENDATIONS

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Background

The purpose of this report is to outline current and future housing needs in McKinney and to offer recommendations to support the City's ongoing efforts to meet them.

It presents an overview of demographic trends, housing market conditions, and housing needs in McKinney. The report also summarizes the City's recent progress in addressing housing needs since 2020; and presents a set of recommendations to effectively guide the City in enhancing housing affordability.

McKinney

Housing Needs

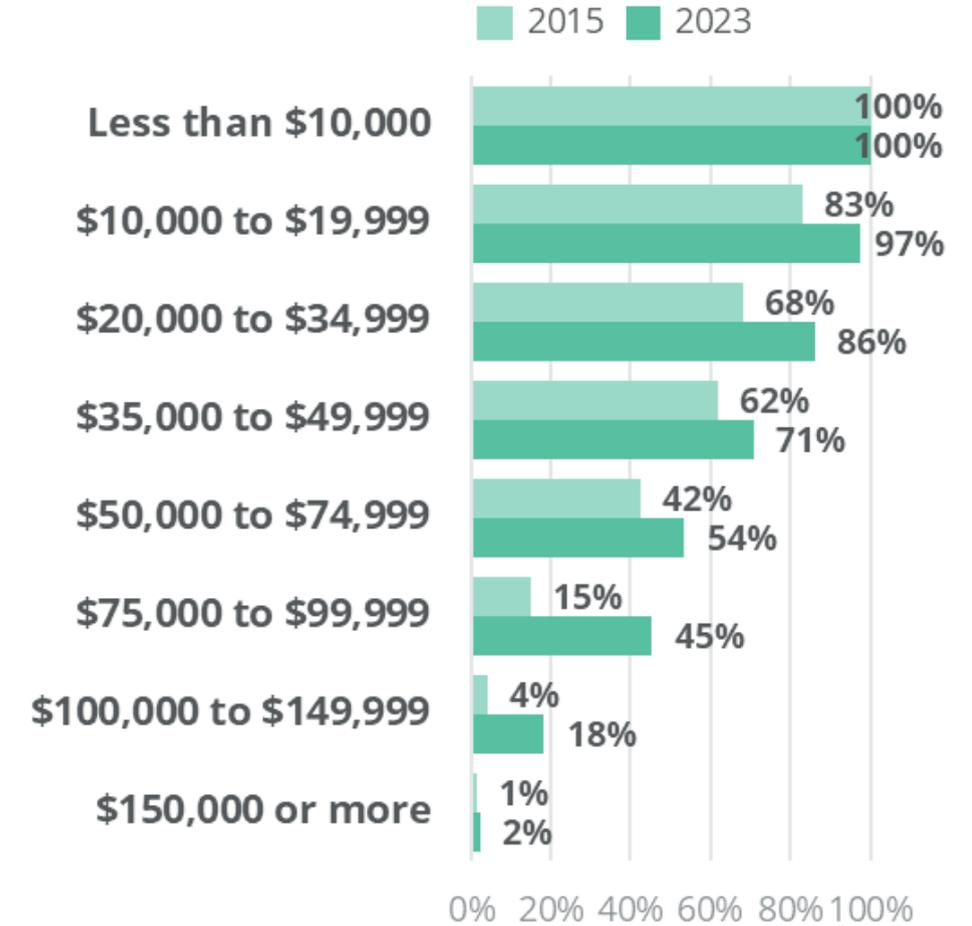
Cost Burden

- Housing cost burdens have significantly increased in McKinney.
- A total of 12,473 renter households and 9,748 owner households were cost burdened in 2023.

Renter Cost Burden



Owner Cost Burden

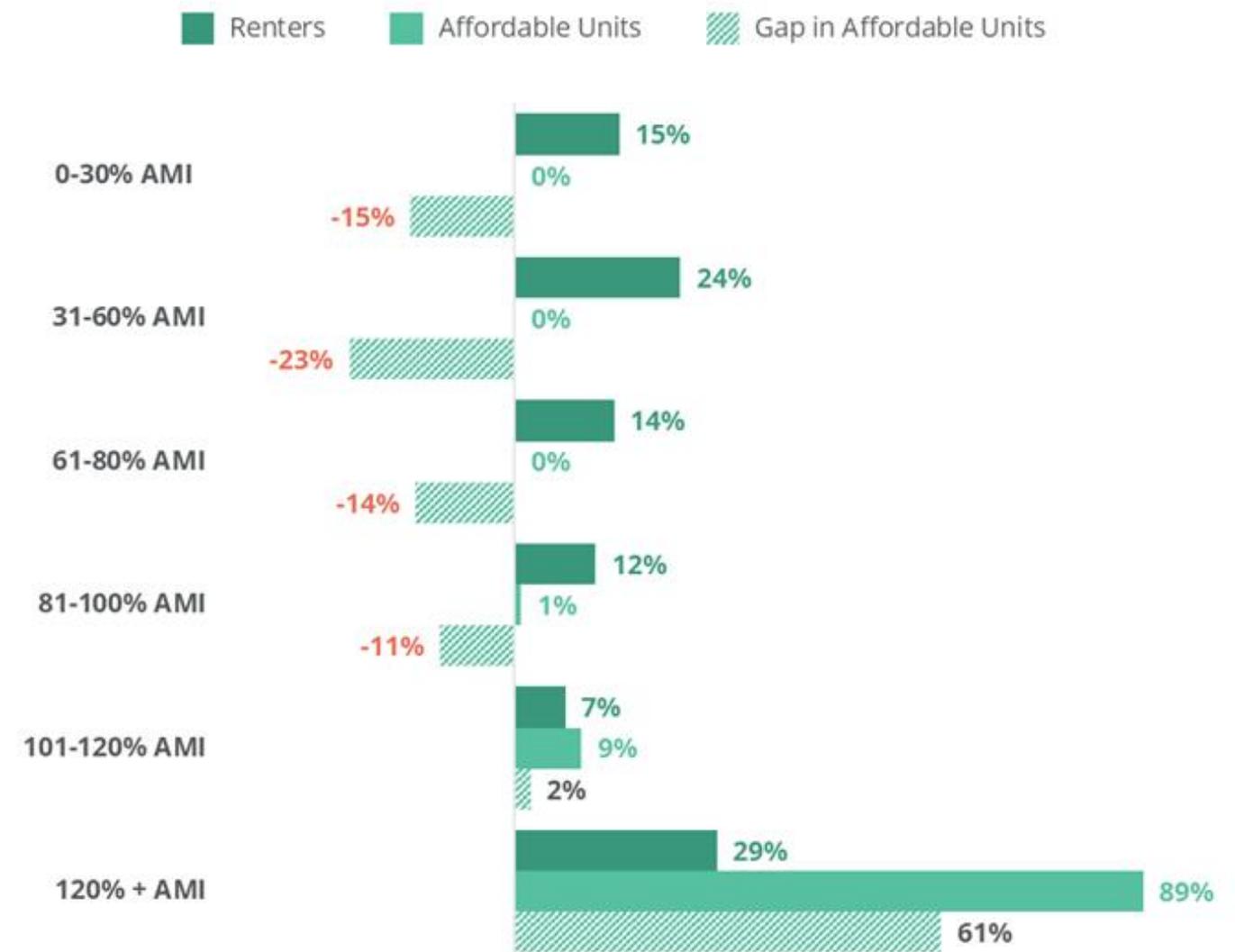


Rental and Ownership Gaps

Rental Gaps



Ownership Gaps



Worker Affordability

- Affordable rental and ownership options for workers earning the average wage by industry in 2024.
- Several industries cannot afford the typical rent in McKinney based on the county's average wages.
- Only one industry can afford the typical home price at the average wage

Industry	Average Annual Wage	Max Affordable Rent	Can Afford Typical Rent? (\$1,893)	Max Affordable Home Price	Can Afford Typical Home Price? (\$518,317)	Can Afford Typical Home Price with 1.5 Earners per Household?
Goods Producing						
Agriculture, Forestry, Fishing and Hunting	\$47,333	\$1,183	No	\$136,238	No	No
Mining, Quarrying, and Oil and Gas Extraction	\$308,087	\$7,702	Yes	\$886,761	Yes	Yes
Construction	\$94,055	\$2,351	Yes	\$270,717	No	No
Manufacturing	\$129,441	\$3,236	Yes	\$372,568	No	Yes
Service Producing						
Utilities	\$93,587	\$2,340	Yes	\$269,370	No	No
Wholesale Trade	\$128,115	\$3,203	Yes	\$368,751	No	Yes
Retail Trade	\$46,332	\$1,158	No	\$133,356	No	No
Transportation and Warehousing	\$76,180	\$1,905	Yes	\$219,267	No	No
Information	\$154,011	\$3,850	Yes	\$443,287	No	Yes
Finance and Insurance	\$127,881	\$3,197	Yes	\$368,077	No	Yes
Real Estate and Rental and Leasing	\$83,577	\$2,089	Yes	\$240,558	No	No
Professional, Scientific, and Technical Services	\$123,513	\$3,088	Yes	\$355,505	No	Yes
Management of Companies and Enterprises	\$165,139	\$4,128	Yes	\$475,316	No	Yes
Administrative and Support and Waste Management and Remediation Services	\$73,060	\$1,827	No	\$210,287	No	No
Educational Services	\$53,703	\$1,343	No	\$154,572	No	No
Health Care and Social Assistance	\$65,676	\$1,642	No	\$189,034	No	No
Arts, Entertainment, and Recreation	\$64,103	\$1,603	No	\$184,506	No	No
Accommodation and Food Services	\$31,993	\$800	No	\$92,085	No	No
Other Services (except Public Administration)	\$53,118	\$1,328	No	\$152,889	No	No
Public Administration	\$91,104	\$2,278	Yes	\$262,223	No	No

Projected Affordability Needs

	Rental			Ownership		
	2025 to 2030	2030 to 2035	Total 2025 to 2035	2025 to 2030	2030 to 2035	Total 2025 to 2035
Household Income <= 30% AMI	541	539	1,080	316	314	629
Household Income >30% to <=50% AMI	558	556	1,114	346	345	691
Household Income >50% to <=80% AMI	718	715	1,433	520	518	1,038
Household Income >80% to <=100% AMI	463	461	924	551	548	1,100
Household Income >100% AMI	1,482	1,475	2,957	5,227	5,201	10,428
Total	3,763	3,745	7,508	6,960	6,925	13,886

Rental Gaps, Projected Rental Needs, and MF Permitting Trends

	Existing 0-60% AMI Need (2024)	Projected Need (2025-2035)	Total
Need	4,553	7,508	12,061
Permitted (Multifamily)	1,185	11,850	13,035
Remaining Need	3,368	(4,342)	(974)

Multifamily production has been at a good pace in recent years, and maintaining this trend would be beneficial. However, market production will not meet the affordability needs of those at the lowest end of the income spectrum.

City Efforts

- Over the past several years, City leadership and staff have adopted new policies aimed at improving housing affordability and expanding housing options for residents.
- McKinney is a regional leader in commitment to affordable housing.

Affordable housing goal.

Allocated publicly owned land.

Implemented a foreclosure/eviction prevention program.

Increased funding for affordable housing. Zoning/land use.

Tax exemption screening.

Proposed Recommendations

The following set of
proposed
recommendations

- 1. Establish an Affordable Housing Strategy.**
- 2. Develop and evaluate affordable housing goals across all the city's housing, comprehensive and strategic plans to support sustainable growth and strong communities.**
- 3. Increase Homeownership through first-time homebuyer programs, land use production, and the allocation of publicly owned land, with a minimum total of 50 new homes by 2030.**
- 4. Increase housing affordability and production, to expand availability of housing units at all income levels 0-120% AMI.**
- 5. Increase and support the preservation of existing housing and services, to ensure and maintain residential affordability to vulnerable residents.**
- 6. Expand financial assistance and resources through city, state, and federal funding to support and impact affordable housing production for citizens of all income levels and types.**
- 7. Develop strategic partnerships and programs with internal and external stakeholders that will result in the successful production of affordable housing.**

Recommended Actions

Tier 1: High Impact & Capacity Expansion		
<i>Recommendation</i>	<i>Action</i>	<i>Timeline</i>
1. Establish an Affordable Housing Strategy	Develop an Affordable Housing Strategy and Affordable Housing Goals	Short-term
2. Develop and evaluate affordable housing goals across all the city's housing, comprehensive and strategic plans to support sustainable growth and strong communities.	Establish Cross-Departmental Housing Committee	Short-term
2. Develop and evaluate affordable housing goals across all the city's housing, comprehensive and strategic plans to support sustainable growth and strong communities.	Launch a Housing Dashboard to track investments and outcomes	Short to medium-term
6. Expand financial assistance and resources through city, state, and federal funding to support and impact affordable housing production for citizens of all income levels and types	Increase Funding Resources through a Housing Trust Fund or General Fund Allocation	Short to medium-term
7. Develop strategic partnerships and programs with internal and external stakeholders that will result in the successful production of affordable housing	Citywide housing education and awareness campaign	Short to medium-term

Recommended Actions

Tier 2: Continuation of Core Efforts

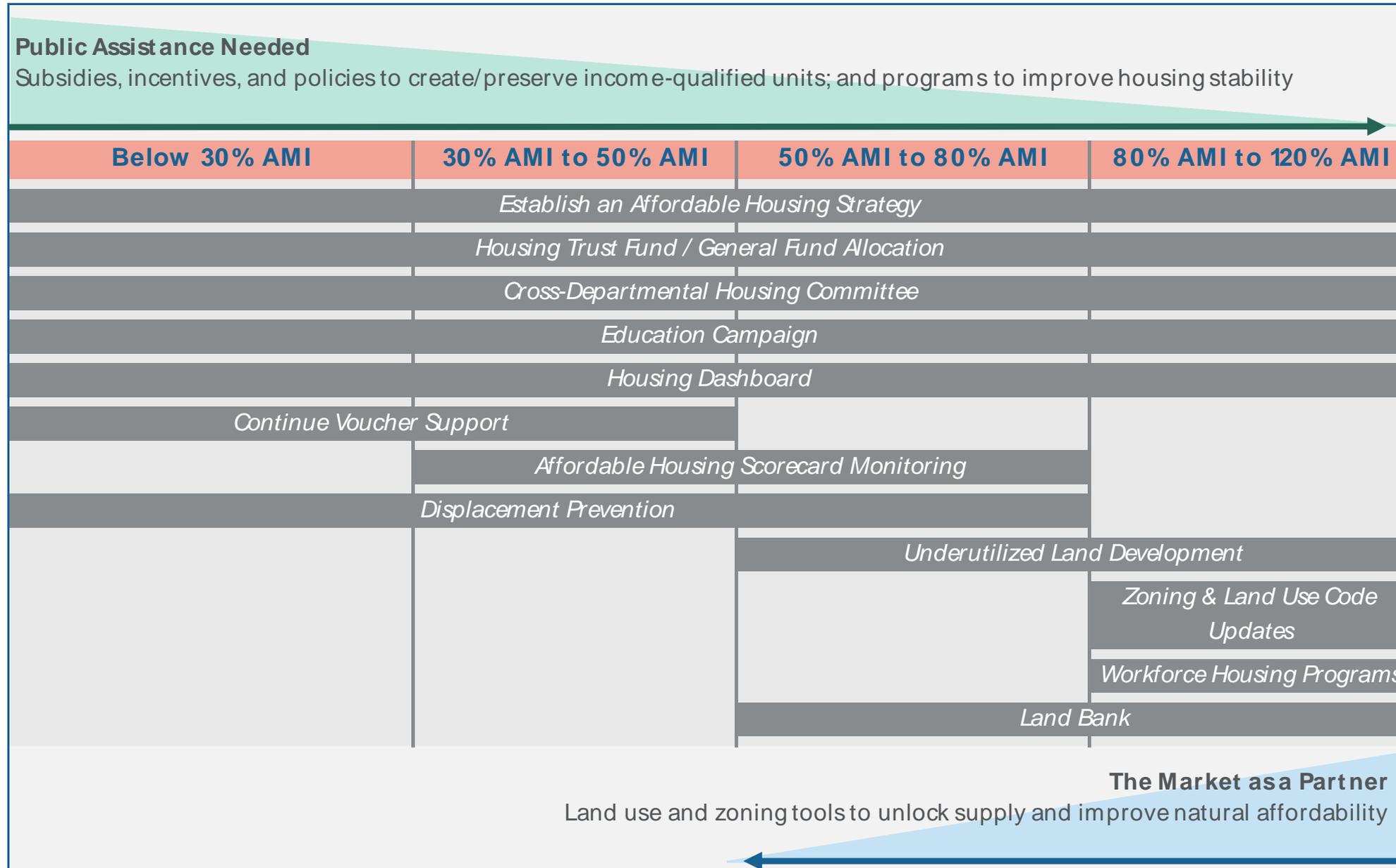
<i>Recommendation</i>	<i>Action</i>	<i>Timeline</i>
5. Increase and support the preservation of existing housing and services, to ensure and maintain residential affordability to vulnerable residents	Continue Voucher Support	Short to long-term (Ongoing)
5. Increase and support the preservation of existing housing and services, to ensure and maintain residential affordability to vulnerable residents	Continue Efforts to Prevent Displacement	Short to long-term (Ongoing)
4. Increase housing affordability and production, to expand availability of housing units at all income levels 0-120% AMI	Continue Monitoring the Affordable Housing Scorecard	Short to long-term (Ongoing)

Recommended Actions

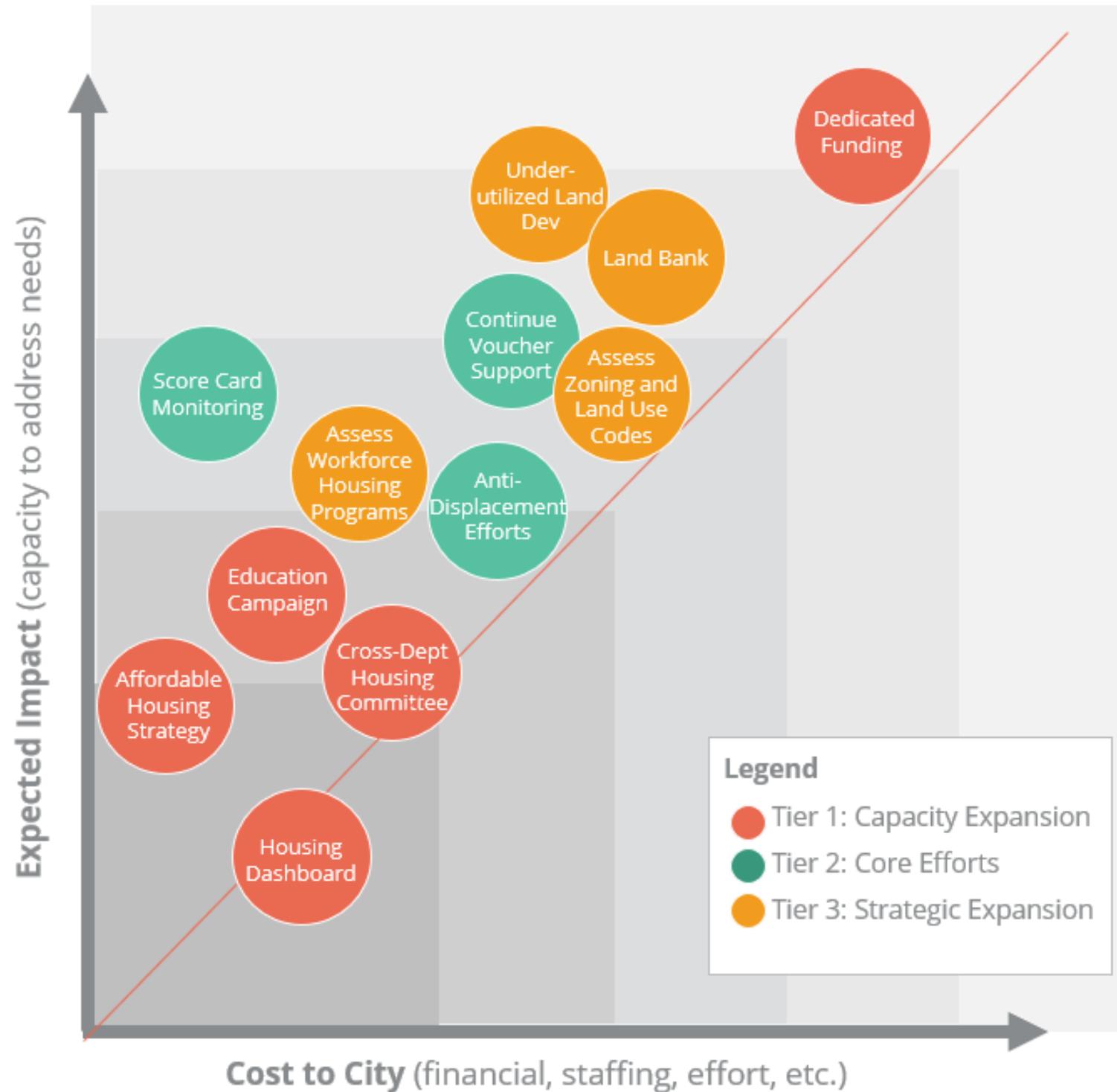
Tier 3: Strategic Expansion

<i>Recommendation</i>	<i>Action</i>	<i>Timeline</i>
3. Increase Homeownership through first-time homebuyer programs, land use production, and the allocation of publicly owned land, with a minimum total of 50 new homes by 2030	Establish a Land Bank	Medium-term
3. Increase Homeownership through first-time homebuyer programs, land use production, and the allocation of publicly owned land, with a minimum total of 50 new homes by 2030	Assess Zoning and Land Use Codes to Encourage Housing Affordability	Short to long-term
4. Increase housing affordability and production, to expand availability of housing units at all income levels 0-120% AMI	Residential Development of Underutilized Land	Medium to long-term
7. Develop strategic partnerships and programs with internal and external stakeholders that will result in the successful production of affordable housing	Assess the Viability of Workforce Housing Programs	Medium-term

Actions Across the AMI Continuum



Cost & Impact



Next Steps

Next Steps

Staff will expand upon the Needs Assessment and Recommendations and propose Affordable Housing Goals for the Council's consideration

Following, staff will develop an Affordable Housing Strategy outlining specific action and performance metrics

Questions?