



# Affordable Housing: Needs Assessment and Recommendations



PREPARED FOR:

City of McKinney  
401 E. Virginia St.  
McKinney, Texas 75069

CREATED

01/06/2026

# Table of Contents

## I. Introduction

Top McKinney Housing Needs.....	I-1
Why Work to Address Housing Needs? .....	I-5

## II. Housing Needs Assessment

Main Findings .....	II-1
Population Trends .....	II-3
Defining and Measuring Housing Affordability .....	II-6
Existing Housing Stock .....	II-7
Profile of Renters and Owners.....	II-12
Cost Burden.....	II-14
Price Trends.....	II-17
Gaps Analysis .....	II-27
Worker Affordability.....	II-32
Homelessness .....	II-35
Population and Household Growth .....	II-36

## III. McKinney Housing Strategy Recommendations and Action Steps

Recent City Efforts .....	III-1
Recommendations .....	III-3
Prioritization .....	III-9
Income Alignment.....	III-13
Cost and Impact.....	III-15

## IV. Appendix

Affordable Housing Scorecard.....	IV-1
-----------------------------------	------

## SECTION I.

---

### INTRODUCTION

# SECTION I.

## Introduction

This report outlines the current and future housing needs in McKinney and offers recommendations to support the City's ongoing efforts to meet these needs. It starts with an overview of demographic trends, housing market conditions, and housing needs in McKinney in Section II. In Section III, the report summarizes the City's recent progress in addressing housing needs since 2020 and presents strategic recommendations to guide the City in meeting its housing needs.

### Top McKinney Housing Needs

McKinney's housing needs are summarized below.

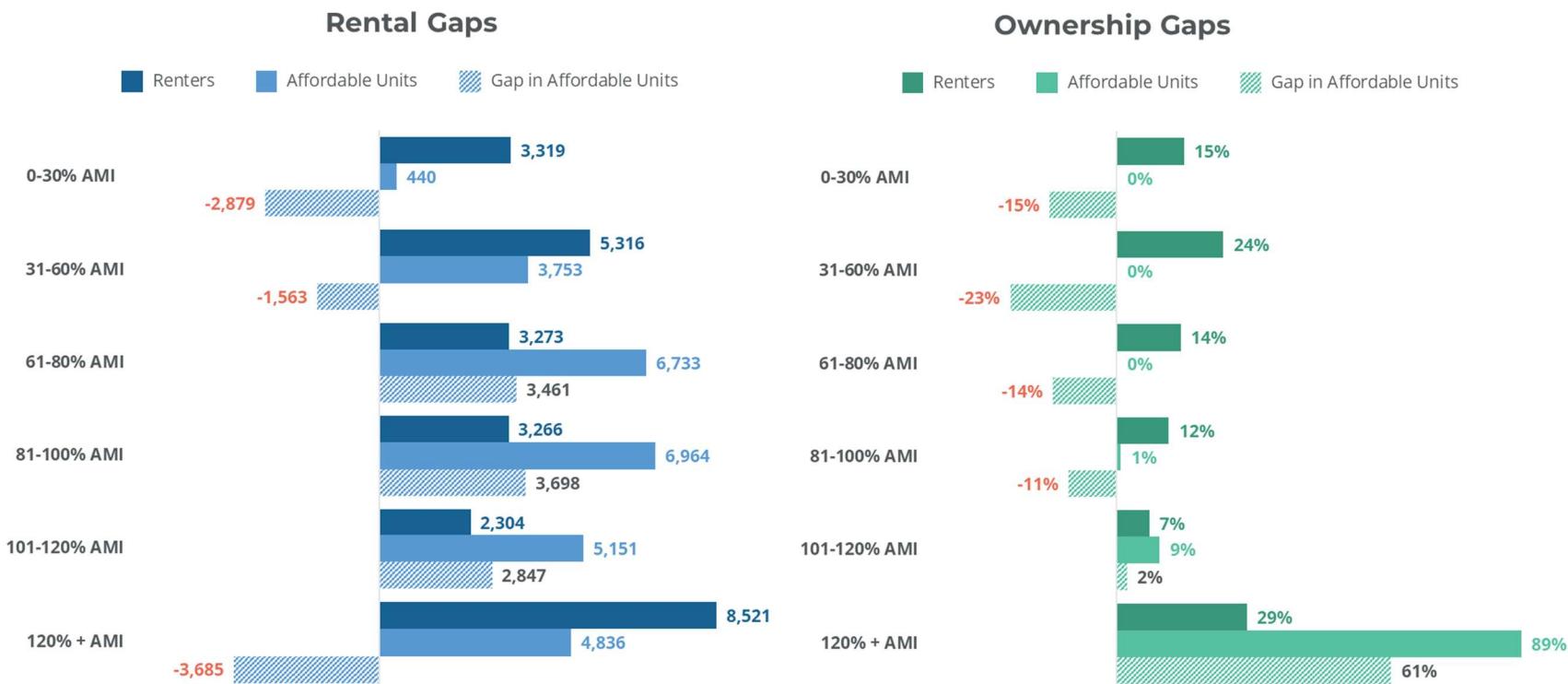
**Rental and ownership gaps.** A gaps model compared the supply of housing at various price points to the number of households that can afford such housing. If there are too few units, the market is "undersupplying" housing. The gaps analysis conducted for renters in McKinney addressed both rental affordability and ownership opportunities for renters who want to buy.

As shown in Figure I-1, **the shortage of affordable units for renter households with incomes under 60% AMI was an estimated 4,442 units in 2023**. With a shortage of 2,879 units for renter households with income under 30% AMI and 1,563 units for renter households with income between 30% and 60% AMI.

The ownership gaps analysis was conducted to evaluate the market options that are affordable to renters who may wish to purchase a home in McKinney. Similar to the rental gaps analysis, the model compared renters at different income levels and the proportion of units in the market that were affordable to them.

Figure I-1 shows that **64% of renter households have incomes under 100% AMI, yet only 1% of homes were sold in their affordability range in 2023**. This limited supply of affordable homes prevents renters from transitioning into ownership, creating additional pressure on the rental market. At the same time, many older households are choosing to age in place because moving to other housing options has become too costly. Together, these trends further constrain the availability of homes for new families entering the market, tightening competition across all income levels and limiting mobility.

**Figure I-1.**  
**Rental and Ownership Gaps, McKinney, 2023**



Note: Household AMI is based on limits published by HUD for a 2-person household in the rental market and a 3-person household for the ownership market. Assumes a household spends a maximum of 30% of its income on housing costs. The previous housing needs reports used 1-year ACS estimates; however, the rental unit price distribution is no longer available in the 1-year estimates. Maximum affordable home price is based on a 30-year mortgage with a 10% down payment and the average interest rate in each year. Property taxes, insurance, HOA, and utilities are assumed to collectively account for 33% of the monthly payment.

Source: ACS 5-year estimates, HUD Income Limits, Home Mortgage Disclosure Act, Freddie Mac, and Root Policy Research.

**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.**

Among households earning between \$35,000 and \$49,999, the percentage of renters facing cost burden has nearly doubled, rising from 48% in 2015 to 92% in 2023. Additionally, the burden on renters earning between \$50,000 and \$74,999 has increased from 38% to 68%. For homeowners with incomes between \$75,000 and \$99,999, the burden has tripled, climbing from 15% to 45%. These trends reflect sharp increases in housing cost burdens throughout the county.

**Household projections.** Figure I-2 shows the projected affordability needs to accommodate household growth in McKinney while maintaining its current distribution of AMI. A portion of these units should be affordable for households earning below 100% of AMI to support very low-income residents, the workforce, and retirees. Because market-rate projects usually generate higher-priced units, public subsidies and other strategies are necessary to create more affordable housing options. These strategies will promote more development to speed up the filtering of older homes into more affordable prices and help preserve naturally occurring affordable housing.

To meet the projected needs of low- and moderate-income households from 2025 to 2035, the following number of units needs to be affordable:

- **For households with incomes below 30% of AMI: 1,080 rental units and 629 ownership units.**
- **For households with incomes between 30% and 50% of AMI: 1,114 rental units and 691 ownership units.**
- **For households with incomes between 50% and 80% of AMI: 1,433 rental units and 1,038 ownership units.**
- **For households with incomes between 80% and 100% of AMI: 924 rental units and 1,100 ownership units.**

Some of these units will become affordable as older residents age in place<sup>1</sup>, others will require tenant subsidies, and others will need to be added through new construction of affordable units and filtering<sup>2</sup> of older units into more affordable price brackets.

---

<sup>1</sup>Units do not necessarily become cheaper in a market sense. Rather, they remain affordable because housing costs remain fixed or stable. This situation arises because many long-time homeowners have either paid off their mortgages or have very low fixed mortgage payments.

<sup>2</sup> Filtering is the process by which the introduction of new housing units results in older units becoming relatively cheaper over time. This occurs because the older units are considered outdated and gradually move down to lower price points without any formal rehabilitation or affordability restrictions.

**Figure I-2.****Projected Affordability Needs by AMI and Tenure, McKinney**

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

Note: Holding the current AMI distribution constant.

Source: Texas Demographic Center, ACS 5-year estimates, HUD 2017-2021 CHAS data, and Root Policy Research.

**Homelessness.** The Housing Forward Texas 2025 Point in Time (PIT) count identified a total of **213 homeless individuals** (166 sheltered, 47 unsheltered), including 14 chronically homeless adults, 96 families, and several veterans and youth in McKinney.

Although the PIT provides a snapshot of homelessness on a single night, it excludes residents who are precariously housed, couch surfing, or were simply not identified on the night of the PIT. As such, it is considered an underrepresentation of homelessness in a community.

**The McKinney Independent School District data show 536 students experienced homelessness during the 2022–23 academic year.** The majority (65%) of students experiencing homelessness were doubled up, meaning they lived with others because they lacked their own housing.

**Product diversity, starter homes, filtering, and workforce housing.** The housing needs presented in Section I highlight the importance of increasing product diversity, expanding workforce housing, and supporting starter home development to create a more balanced housing market. A diverse housing stock ensures that residents at all life stages and income levels—whether young professionals, families, or retirees—can find suitable housing. Housing needs evolve over time due to changes in employment, education, family composition, and income, as well as aging and economic shifts. A healthy housing market accommodates these transitions by offering a range of options across price points, sizes, and types.

Data show that many units affordable to households earning between 30% and 120% of Area Median Income (AMI) are currently occupied by households earning more than 120% of AMI. This indicates an income mismatch, where higher-income households occupy

housing that could otherwise serve moderate- and lower-income residents. Expanding the supply of market-rate rental units and attainable ownership opportunities—particularly starter homes—would help alleviate pressure on the existing affordable stock. By increasing overall housing supply and encouraging product diversity, the City can promote filtering that allows lower-cost units to become available to those who need them most, ultimately supporting affordability across the entire market.

## Why Work to Address Housing Needs?

A balanced housing stock is essential for creating a “life cycle community” that offers options for every stage of life, from career starters to seniors. This diversity supports the local economy and helps maintain McKinney’s cultural identity. Actions to stabilize housing prices, preserve affordability, and increase housing options can mitigate the negative consequences of a constrained housing market, which hinders economic growth and threatens community health.

Stable housing is vital to individuals and families, improving child development, health outcomes, and economic mobility. Housing instability, often linked to poverty, results in frequent moves that negatively impact children’s education and well-being. Families experiencing housing discrimination face higher eviction risks, leading to homelessness, which exacerbates health and developmental issues for children.

Eviction can also lead to long-lasting hardships. The living environment is a significant social determinant of health, with older homes posing risks of lead exposure. As housing costs rise faster than incomes, low-income households are increasingly burdened, often sacrificing essential expenses like food and healthcare. High housing costs can strain the economy by misallocating labor and hindering growth.

Investing in affordable housing, such as employing the Housing First model for the chronically homeless, can yield significant cost savings and address related social challenges. Employment stability is closely tied to housing stability; forced moves can lead to job loss and decreased community safety. Moreover, children from low-income families benefit significantly from stable housing in better neighborhoods, leading to improved outcomes.

Overall, a balanced housing market fosters community well-being, enhances economic opportunities, and supports wealth-building through homeownership, which acts as a buffer against economic shocks and contributes to long-term financial security.

## SECTION II.

---

### HOUSING NEEDS ASSESSMENT

## **SECTION II.**

# **Housing Needs Assessment**

This section provides an overview of housing market trends and housing needs within McKinney.

### **Main findings from this section include:**

- Collin County and McKinney continue to grow rapidly, with McKinney adding over 90,000 residents between 2010 and 2024. At the same time the population is aging—children make up a smaller share than in 2010, and residents aged 65 and older have increased significantly.
- McKinney's homeownership rate declined from 74% in 2010 to 63% in 2023.<sup>1</sup> During the same period, over 45,000 new housing units were permitted, with 61% being single-family homes and 39% being multifamily developments. This represents a more diversified housing pipeline compared to historical trends. However, 60% of households with extremely low incomes (0-30% AMI) and 50% of households with low or very low incomes (30-80% AMI) live in attached and multifamily housing units or mobile homes. In contrast only 16% of households with incomes above 120% AMI live in these housing types. This indicates that further diversification is needed to better meet the housing needs of residents at all income levels.
- 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. Among households earning between \$35,000 and \$49,999, the percentage of renters facing cost burden has nearly doubled, rising from 48% in 2015 to 92% in 2023. Additionally, the burden on renters earning between \$50,000 and \$74,999 has increased from 38% to 68%. For homeowners with incomes between \$75,000 and \$99,999, the burden has tripled, climbing from 15% to 45%. These trends reflect sharp increases in housing cost burdens throughout the county.
- Home prices in McKinney have risen sharply. In 2011, the median home price in McKinney (\$180,000) was well below what a median-income household could afford (\$300,220), leaving a positive affordability gap. By 2024, that situation had fully reversed: the median sales price climbed to \$485,000, while the maximum affordable price at the median income was just \$357,416—leaving a deficit of nearly \$128,000.

---

<sup>1</sup> The 2024 ACS estimates were not available at the time this analysis was conducted.

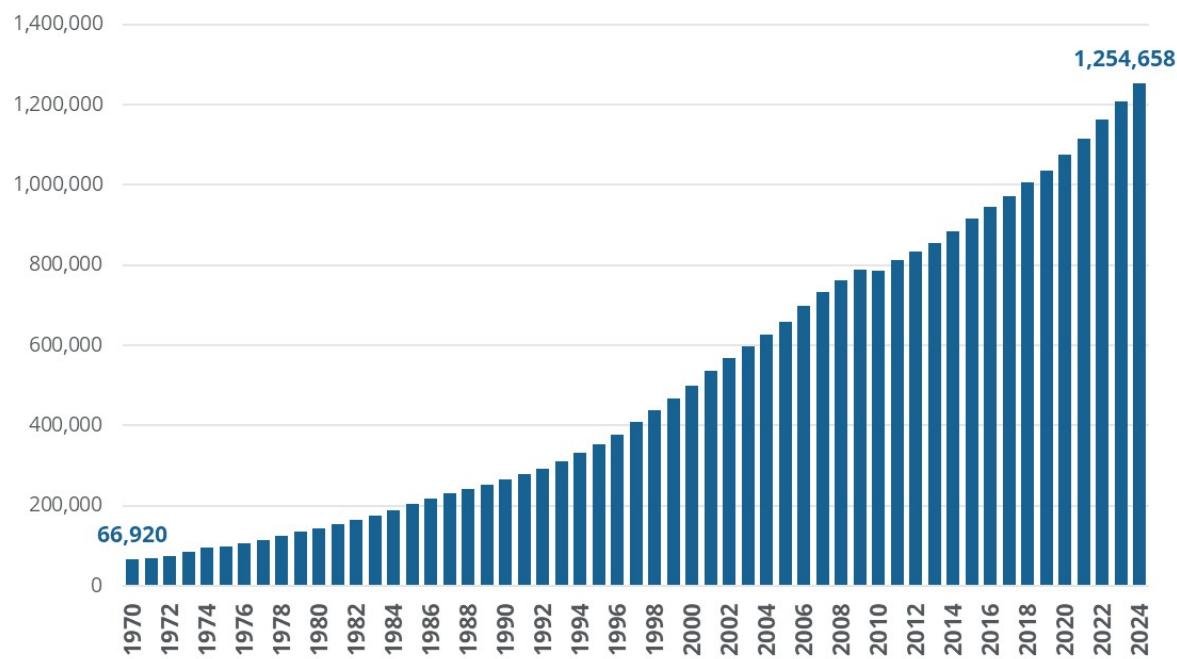
- Over the past decade, the distribution of home prices in McKinney has changed dramatically, particularly with the decline of affordable ownership options. In 2011, the majority of homes (58%) were priced below \$200,000; however, by 2024, this percentage had plummeted to less than 1%. The market now primarily consists of homes priced over \$400,000, highlighting significant challenges for first-time buyers and those with moderate incomes.
- On the rental size, the Zillow Observed Rent Index shows that between 2015 and 2025, McKinney's typical market rents rose from \$1,313 to \$1,885—a 44% increase. According to CoStar, multifamily rents increased by an average of roughly 3% each year through the 2010s, spiked by 15% from 2020 to 2021 with the pandemic, and have generally stabilized after 2021, tied to recent increases in the city's multifamily rental inventory. As of January 4, 2026, Zillow reports the average asking rent for all current rentals listed on Zillow at \$2,350.
- Since 2018, McKinney has experienced an increase in rental gaps for households earning below 60% of the Area Median Income (AMI). The shortage of affordable units for these households has increased from 2,570 in 2018 to 4,442 in 2023, despite an increase of 600 affordable units. This issue is largely due to the increase in lower-income renters, which has risen by more than 2,500. On a countywide level, the gap has expanded by 7,600 units. It should be noted that McKinney has the highest proportion of affordable rentals compared to its peer communities, and it faces the largest deficit due to the larger increase in the number of renter households earning below 60% AMI compared to peer communities.
- In McKinney, for-sale affordability gaps in 2023 are concentrated below 80% AMI but extend up to 100% AMI, with 64% of renter households earning under 100% AMI yet only 1% of homes sold in their affordability range; the gap has worsened since 2018 and, while trends are similar across comparison cities, they are even more severe in Allen, Frisco, Plano, Prosper, and Collin County, where affordability gaps now extend up to 120% AMI—limiting renter transitions into ownership and adding pressure to the rental market.
- Homelessness in McKinney remains a critical issue, with the 2025 PIT count identifying 213 individuals (166 sheltered, 47 unsheltered), including 14 chronically homeless adults, 96 families, and several veterans and youth; McKinney ISD data show 536 students experienced homelessness in 2022–23 (down 40% since 2017–18), most of whom were doubled up, underscoring both the breadth of hidden homelessness and the need for supportive services addressing family stability, domestic violence, and youth housing insecurity.

- To meet the needs of low- and moderate-income households from 2025 to 2035, the following units will need to be affordable:
  - For households with incomes below 30% of AMI: 1,080 rental units and 629 ownership units.
  - For households with incomes between 30% and 50% of AMI: 1,114 rental units and 691 ownership units.
  - For households with incomes between 50% and 80% of AMI: 1,433 rental units and 1,038 ownership units.
  - For households with incomes between 80% and 100% of AMI: 924 rental units and 1,100 ownership units.
  - Some of these units will become affordable as older residents age in place, others will require tenant subsidies, and others will need to be added through new construction of affordable units and filtering of older units into more affordable price brackets.

## **Population Trends**

Collin County continues to experience population growth. As shown in Figure III-1, the population has increased from just under 67,000 in 1970 to more than 1.25 million by 2024. Growth was steady throughout the 1970s and 1980s, but it accelerated sharply beginning in the 1990s. Between 2010 and 2024, the population in Collin County is estimated to have increased by 467,556 residents (59%). In 1990, Collin County's population accounted for 1.6% of the state's total population; this share has more than doubled to 4% in 2024.

**Figure III-1.**  
**Collin County Resident Population, 1970-2024**



Note: Data for "Resident Population" are estimates as of July 1. Data for 1970, 1980, 1990, and 2000 are from the annual census.

Source: U.S. Census Bureau Annual Estimates of the Population for Counties, and Root Policy Research.

McKinney's 2024 population estimate was 227,526 residents. The city has added over 90,000 residents since 2010, representing an annual compound growth rate of 4%. Figure III-2 shows population trends for McKinney, four comparison cities (Allen, Frisco, Plano, and Prosper), and for Collin County. McKinney has grown at a faster pace than Collin County, Allen, and Plano, and the city has also slightly increased its share of the county population.

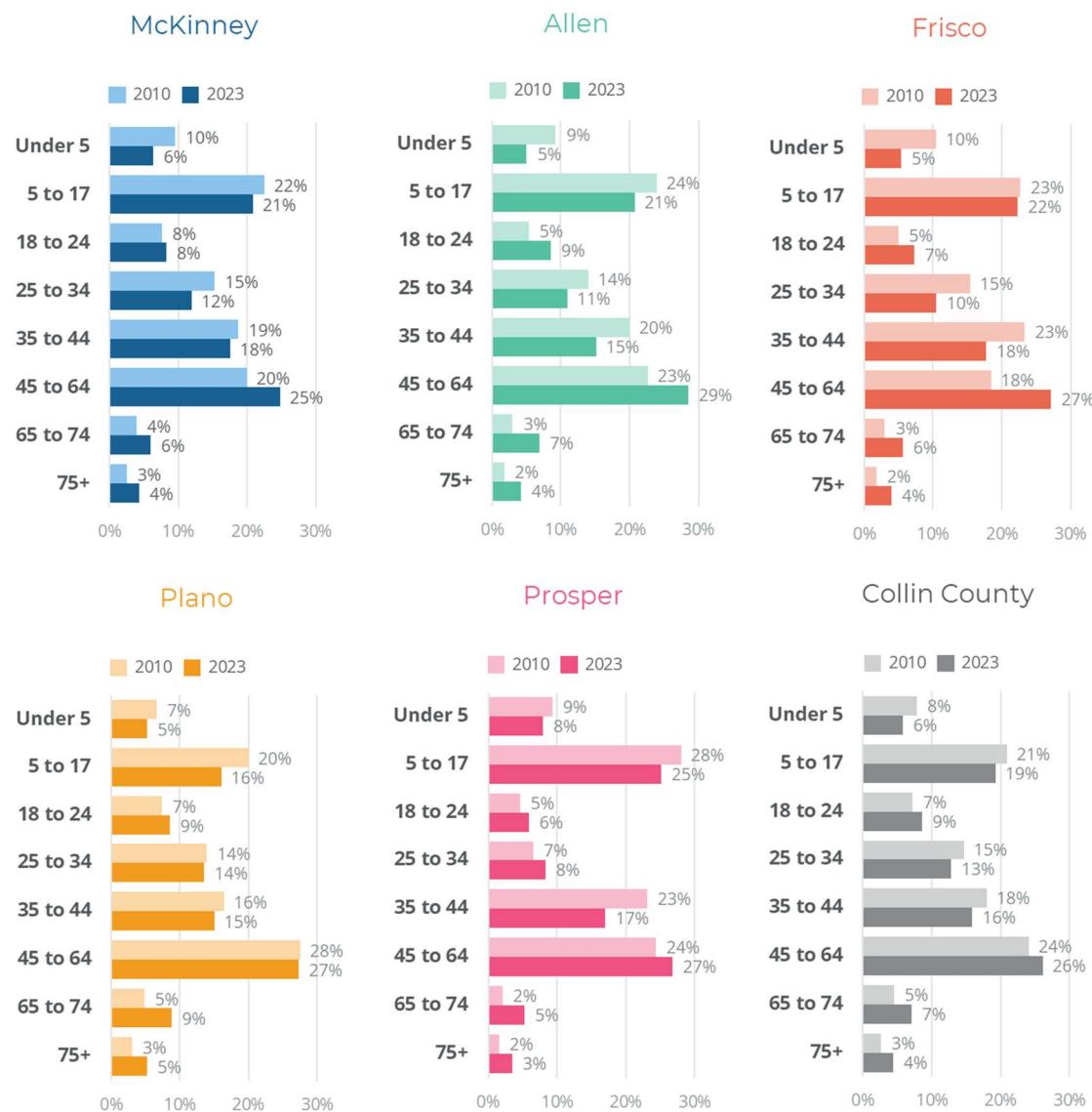
**Figure II-2.**  
**Population Trends, McKinney and Comparison Communities, 2010 and 2024**

Jurisdiction	2010	2024	Change		Share of County	
			Number	CAGR	2010	2024
<b>McKinney</b>	131,117	227,526	96,409	4%	17%	18%
<b>Allen</b>	84,246	113,746	29,500	2%	11%	9%
<b>Frisco</b>	116,989	235,208	118,219	5%	15%	19%
<b>Plano</b>	259,841	293,286	33,445	1%	33%	23%
<b>Prosper</b>	9,423	44,503	35,080	12%	1%	4%
<b>Collin County</b>	782,341	1,254,658	472,317	3%		

Source: U.S. Census Bureau Annual Estimates of the Population for Counties and Decennial Census, and Root Policy Research.

Figure II-3 illustrates the trends in age distribution for McKinney and its comparison communities. In line with national demographic trends, McKinney is experiencing an aging population. Between 2010 and 2023, the percentage of residents under 18 decreased from 32% to 27%, while the proportion of those aged 65 and older increased from 6% to 10%. The share of the prime working-age population has remained relatively stable, with the share of adults aged 25 to 44 decreasing and the share of adults aged 45 to 64 increasing.

**Figure II-3.**  
**Age Trends, McKinney and Comparison Communities, 2010 and 2023**



Source: ACS 5-year estimates and Root Policy Research.

## Defining and Measuring Housing Affordability

The most common definition of affordability is linked to the idea that households should not be cost-burdened by housing. A cost-burdened household is one in which housing costs—the rent or mortgage payment, plus taxes and utilities—consume more than 30 percent of the monthly gross income.

**Figure II-4.**  
**Affordability Definitions**

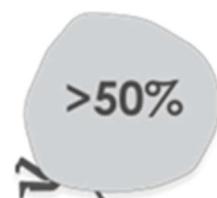
### Federal definition of affordability:

- 1) Housing costs are "affordable" if they do not exceed 30% of household's gross monthly income
- 2) "Costs" include basic utilities, mortgage insurance, HOA fees and property taxes

Households paying >30% for housing are **"cost burdened"**



Households paying >50% for housing are **"severely cost burdened"**



The 30% proportion is derived from historically typical mortgage lending requirements. Thirty percent allows households flexibility to manage other expenses (e.g., childcare, healthcare, food costs, etc.).<sup>2</sup>

Spending more than 50% of income on housing costs is characterized as severe cost burden and puts households at high risk of homelessness—it also restricts the extent to which households can contribute to the local economy.

Figure II-5 shows the income thresholds typically used to evaluate income qualifications for various housing programs, based on McKinney's area median income (AMI) as well as the maximum affordable amount a household could spend on housing costs without being

---

<sup>2</sup> Recently, the 30% threshold has been questioned as possibly being lower than what a household could reasonably bear. Indeed, the U.S. Department of Housing and Urban Development has considered raising the contribution expected of Housing Choice ("Section 8") Voucher holders to 35 percent of monthly income. However, most policymakers maintain that the 30 percent threshold is appropriate, especially after taking into account increases in other household expenses such as health care.

cost burdened. AMI is defined annually by HUD, and McKinney is included in the Dallas Region for the purposes of HUD AMI.

**Figure II-5.**

**Housing Affordability by AMI and Household Size, 2025**

	<b>30% AMI</b>	<b>50% AMI</b>	<b>80% AMI</b>	<b>100% AMI</b>	<b>120% AMI</b>
<b>One Person Household</b>	<b>\$24,650</b>	<b>\$41,100</b>	<b>\$65,700</b>	<b>\$82,100</b>	<b>\$98,500</b>
<b>Max Housing Costs</b>	\$616	\$1,028	\$1,643	\$2,053	\$2,463
<b>Two Person Household</b>	<b>\$28,200</b>	<b>\$46,950</b>	<b>\$75,100</b>	<b>\$93,850</b>	<b>\$112,600</b>
<b>Max Housing Costs</b>	\$705	\$1,174	\$1,878	\$2,346	\$2,815
<b>Three Person Household</b>	<b>\$31,700</b>	<b>\$52,800</b>	<b>\$84,500</b>	<b>\$105,550</b>	<b>\$126,650</b>
<b>Max Housing Costs</b>	\$793	\$1,320	\$2,113	\$2,639	\$3,166
<b>Four Person Household</b>	<b>\$35,200</b>	<b>\$58,650</b>	<b>\$93,850</b>	<b>\$117,300</b>	<b>\$140,750</b>
<b>Max Housing Costs</b>	\$880	\$1,466	\$2,346	\$2,933	\$3,519
<b>Five Person Household</b>	<b>\$38,050</b>	<b>\$63,350</b>	<b>\$101,400</b>	<b>\$126,700</b>	<b>\$152,050</b>
<b>Max Housing Costs</b>	\$951	\$1,584	\$2,535	\$3,168	\$3,801

Note: McKinney is part of the Dallas MSA and, as such, shares HUD AMI designation with the broader metro area.

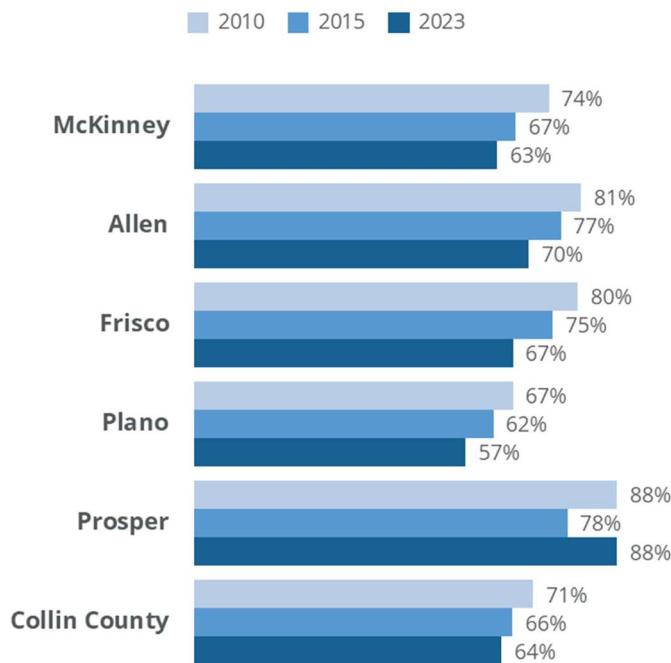
Source: HUD 2025 Income Limits and Root Policy Research.

## Existing Housing Stock

Figure II-6 shows trends in homeownership rates in McKinney compared to nearby communities. Since 2010, homeownership rates have generally declined across Collin County. In McKinney, the homeownership rate decreased from 74% in 2010 to 67% in 2015 and further dropped to 63% in 2023. Similarly, Plano experienced a significant reduction, with its rate falling from 67% to 57% during the same timeframe. In contrast, Prosper maintained the highest homeownership rate, remaining at 88% from 2010 to 2023. Allen and Frisco also reported relatively high rates in 2023, at 70% and 67%, respectively, despite notable declines since 2010. Countywide, the homeownership rate decreased from 71% in 2010 to 64% in 2023.

**Figure II-6.**  
**Homeownership Rate,**  
**McKinney and Comparison**  
**Communities, 2010, 2015 and**  
**2023**

Source:  
 ACS 5-year estimates, and Root Policy Research.



As shown in Figure II-7, communities with higher homeownership rates have a higher concentration of single-family homes, while communities with more varied housing types are more accommodating to renter households. In 2023, McKinney's share of single-family detached homes was 71%, slightly below Allen (75%) and Prosper (90%), but above the countywide average (68%).

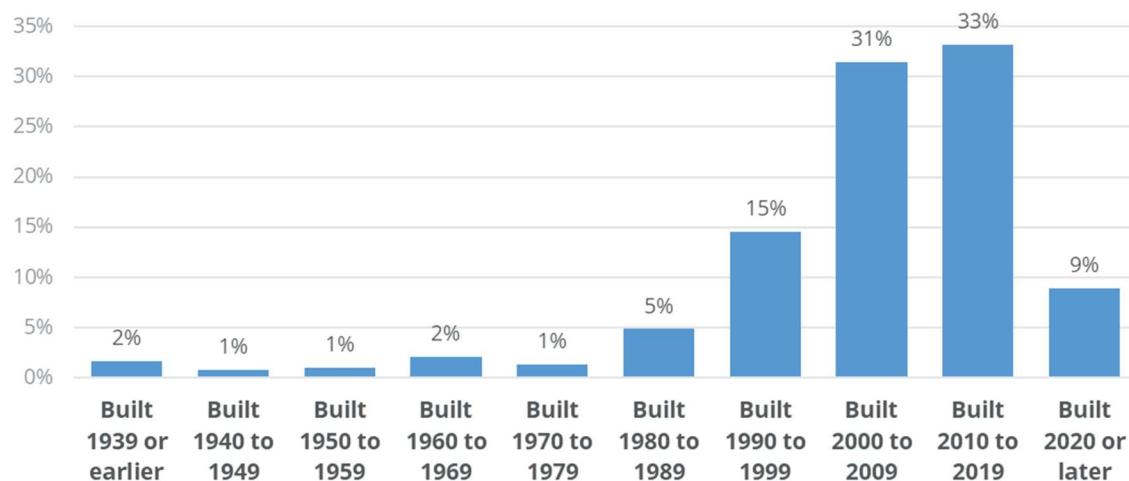
Compared to its peers, McKinney offers a more balanced mix of housing types, with 15% of units in smaller apartment buildings (5–49 units) and 8% in larger complexes (50+ units). This is higher than Prosper's multifamily share but lower than Plano's, where nearly one-third of housing is multifamily. McKinney also has a modest presence of townhomes (3%) and duplexes/triplexes (3%), both in line with county averages. The overall distribution positions McKinney between Prosper's highly ownership-oriented market and Plano's more diverse housing stock.

**Figure II-7.****Housing Type, McKinney and Comparison Communities, 2023**

	McKinney	Allen	Frisco	Plano	Prosper	Collin County
Single family detached	71%	75%	70%	59%	90%	68%
Single family attached (townhomes)	3%	2%	3%	4%	1%	3%
Duplexes/triplexes/fourplexes	3%	2%	1%	4%	1%	3%
Apartments/Condos (5-49 units)	15%	11%	10%	19%	6%	14%
Apartments/Condos (50+ units)	8%	9%	15%	14%	1%	11%
Mobile homes/Other	1%	0%	0%	1%	1%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: ACS 5-year estimates and Root Policy Research.

Figure II-8 shows the distribution of McKinney's housing stock by age. The vast majority of the city's housing stock was built after 1990 (88%), with a great deal of construction between 2010 and 2019 (33%). A significant share of homes (9%) has been built in the past five years.

**Figure II-8.****Age of Housing Stock, McKinney, 2024**

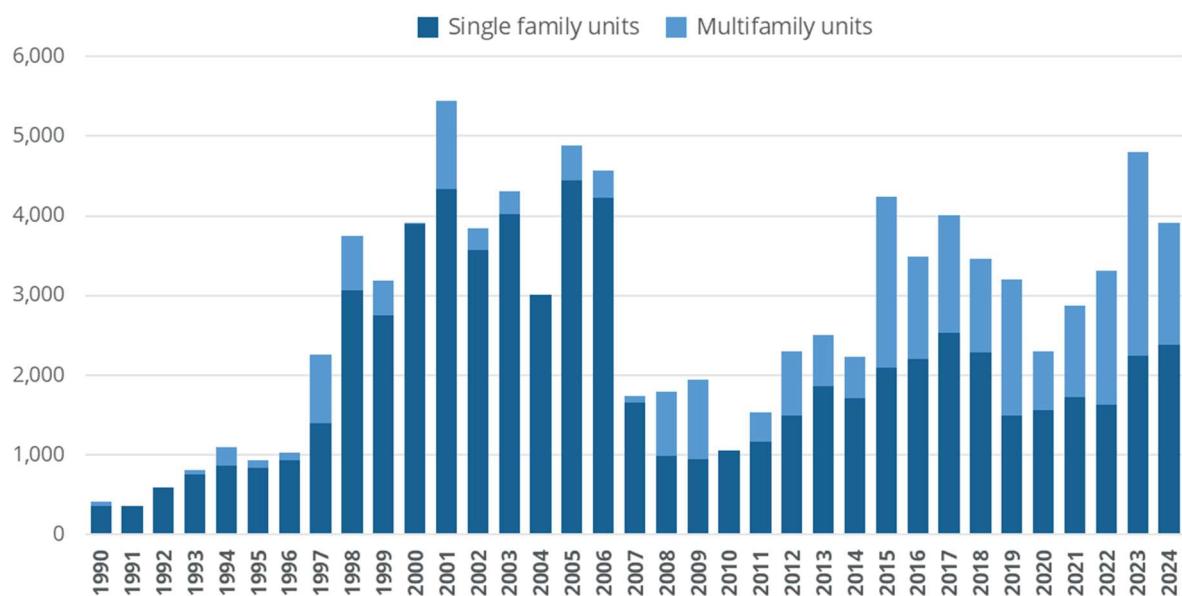
Source: ACS 1-year estimates and Root Policy Research.

Figure II-9 shows single family and multifamily permitting activity from 1990 through 2024. Permitting surged in the late 1990s and early 2000s, peaking in 2001 when more than 5,000 units were authorized, the majority of them single family homes. Activity slowed during the late 2000s housing downturn, bottoming out in 2010, before rebounding steadily through the mid-2010s. Since 2015, McKinney has seen a more balanced mix of housing types: while single family permits remain strong, multifamily development has grown as a larger

share of total activity. The recent uptick in permitting—approaching levels not seen since the early 2000s—signals continued strong demand, but with a more diversified housing pipeline.

Figure II-9 illustrates the permitting activity for single-family and multifamily homes in McKinney from 1990 to 2024. Permitting experienced a significant increase in the late 1990s and early 2000s, reaching its peak in 2001 when more than 5,000 units were permitted, mostly single-family homes. Afterward, activity slowed down during the recession, hitting its lowest point in 2010. However, permitting rebounded steadily throughout the mid-2010s. Since 2015, McKinney has witnessed a more balanced mix of housing types; while single-family permits remain strong, multifamily developments have made up a larger share of total activity. The recent increase in permitting—approaching levels not seen since the early 2000s—indicates ongoing strong demand and a more diversified housing pipeline.

**Figure II-9.**  
**Residential Building Permit Trends, McKinney, 1990 – 2024**



Source: U.S. Census Building Permit Survey and Root Policy Research.

From 2010 to 2024, McKinney permitted over 45,000 new housing units, consisting of 61% single family homes and 39% multifamily units. This distribution shows less dominance of single-family residences compared to Prosper, which is at 90%, and Collin County overall at 69%. However, McKinney's multifamily share of units is smaller than that of neighboring cities like Allen (47%), Frisco (42%), and Plano (69%).

Frisco stands out as McKinney's closest peer, both in scale and growth of permitted units. While the two cities permitted a similar number of housing units, Frisco features a slightly higher proportion of multifamily developments.

**Figure II-10.**  
**Residential Building Permit Trends,**  
**McKinney and Comparison Communities, 2010 – 2024**

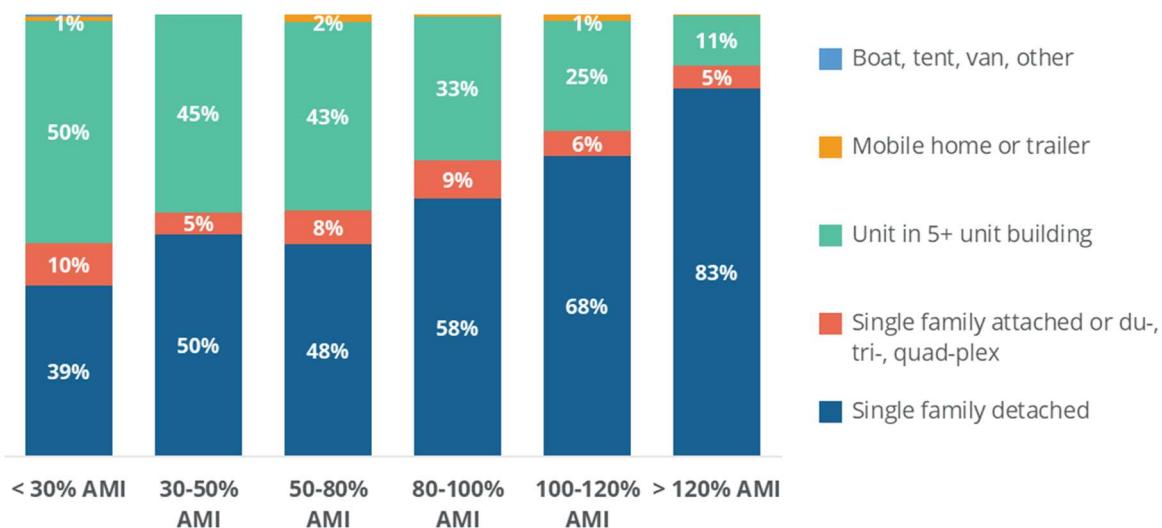
Source:  
U.S. Census Building Permit Survey and Root Policy Research.

	Single Family		Multifamily		<b>Total</b>
	Number	Percent	Number	Percent	
<b>McKinney</b>	27,442	61%	17,782	39%	45,224
<b>Allen</b>	6,288	53%	5,585	47%	11,873
<b>Frisco</b>	27,232	58%	19,386	42%	46,618
<b>Plano</b>	5,183	31%	11,733	69%	16,916
<b>Prosper</b>	10,412	90%	1,119	10%	11,531
<b>Collin County</b>	137,876	69%	62,015	31%	199,891

It is important to have a diversity of housing types in all areas to cater to the needs and preferences of households. Households with lower incomes are likely to occupy a mix of different housing types, while higher-income households are much more likely to occupy single family detached units.

Figure II-11 shows the types of units occupied by households at various income levels in McKinney. The share of households living in single family detached homes increases as income increases. The city's lowest-income households are significantly more likely than higher-income households to occupy attached and multifamily housing types. Sixty percent of households with extremely low incomes (0-30% AMI) and 50% of households with low or very low incomes (30-80% AMI) live in attached and multifamily housing types, whereas only 16% of households with incomes above 120% AMI live in attached and multifamily housing types.

**Figure II-11.**  
**Housing Type Occupied by Income, McKinney, 2023**



Source: 2023 5-year ACS IPUMS and Root Policy Research.

## Profile of Renters and Owners

Figure II-12 summarizes characteristics of renters and owners in McKinney. The figure displays the number and distribution of renter and owner households by demographic characteristics and also provides the homeownership rate by income, age group, household type, and race/ethnicity.

- Owners tend to be older and earn higher incomes than renters (median income for renters is 47% of the median income for owners).
- Owners are more likely than renters to have children living in the home—47% of owners and 36% of renters are households with children.
- Renters are more likely than owners to be living in non-family households (e.g., living alone, living with roommates, or unmarried partners).
- Owners are underrepresented among the Hispanic and African American populations.

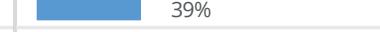
**Figure II-12.**  
**Profile of**  
**Renters and**  
**Owners,**  
**McKinney, 2023**

Note:

xxx.

Source:

ACS 5-year estimates and  
Root Policy Research.

	Renters		Owners		Ownership Rate	Ownership Rate Charted
	Number	Percent	Number	Percent		
<b>Total Households</b>	<b>25,999</b>	<b>100%</b>	<b>44,788</b>	<b>100%</b>	<b>63%</b>	 63%
<b>Median Income</b>	<b>\$71,690</b>		<b>\$153,006</b>			
<b>Income Distribution</b>						
Less than \$25,000	3,362	13%	1,749	4%	34%	 34%
\$25,000 - \$50,000	5,123	20%	3,124	7%	38%	 38%
\$50,000 - \$75,000	5,348	21%	3,384	8%	39%	 39%
\$75,000 - \$100,000	3,528	14%	4,501	10%	56%	 56%
\$100000+	8,638	33%	32,030	72%	79%	 79%
<b>Age of Householder</b>						
Young millennials (15-24)	2,383	9%	44	0%	2%	 2%
All householders 25 and over	23,616	91%	44,744	100%	65%	 65%
Ages 25-34	6,414	25%	3,961	9%	38%	 38%
Ages 35-44	6,122	24%	12,366	28%	67%	 67%
Ages 45-64	7,426	29%	20,454	46%	73%	 73%
Ages 65 and older	3,654	14%	7,963	18%	69%	 69%
<b>Household Type</b>						
Family household without children	6,211	24%	17,156	38%	73%	 73%
Family household with children	9,354	36%	20,864	47%	69%	 69%
Nonfamily household - living alone	8,141	31%	5,910	13%	42%	 42%
Other nonfamily household	2,293	9%	858	2%	27%	 27%
<b>Race/Ethnicity of Householder</b>						
Non-Hispanic White	14,221	55%	27,936	62%	66%	 66%
Hispanic	3,830	15%	5,714	13%	60%	 60%
African American	5,410	21%	2,815	6%	34%	 34%
Asian	1,929	7%	6,506	15%	77%	 77%
Other minority	609	2%	1,817	4%	75%	 75%

## Cost Burden

Figure II-13 shows renter cost burden<sup>3</sup> by income for McKinney and Comparison Communities in 2015 and 2023. The rate of cost burden continues to be extremely high among very low-income renters, but there has been a significant increase in cost burden and severe cost burden rates among middle-income renter households.

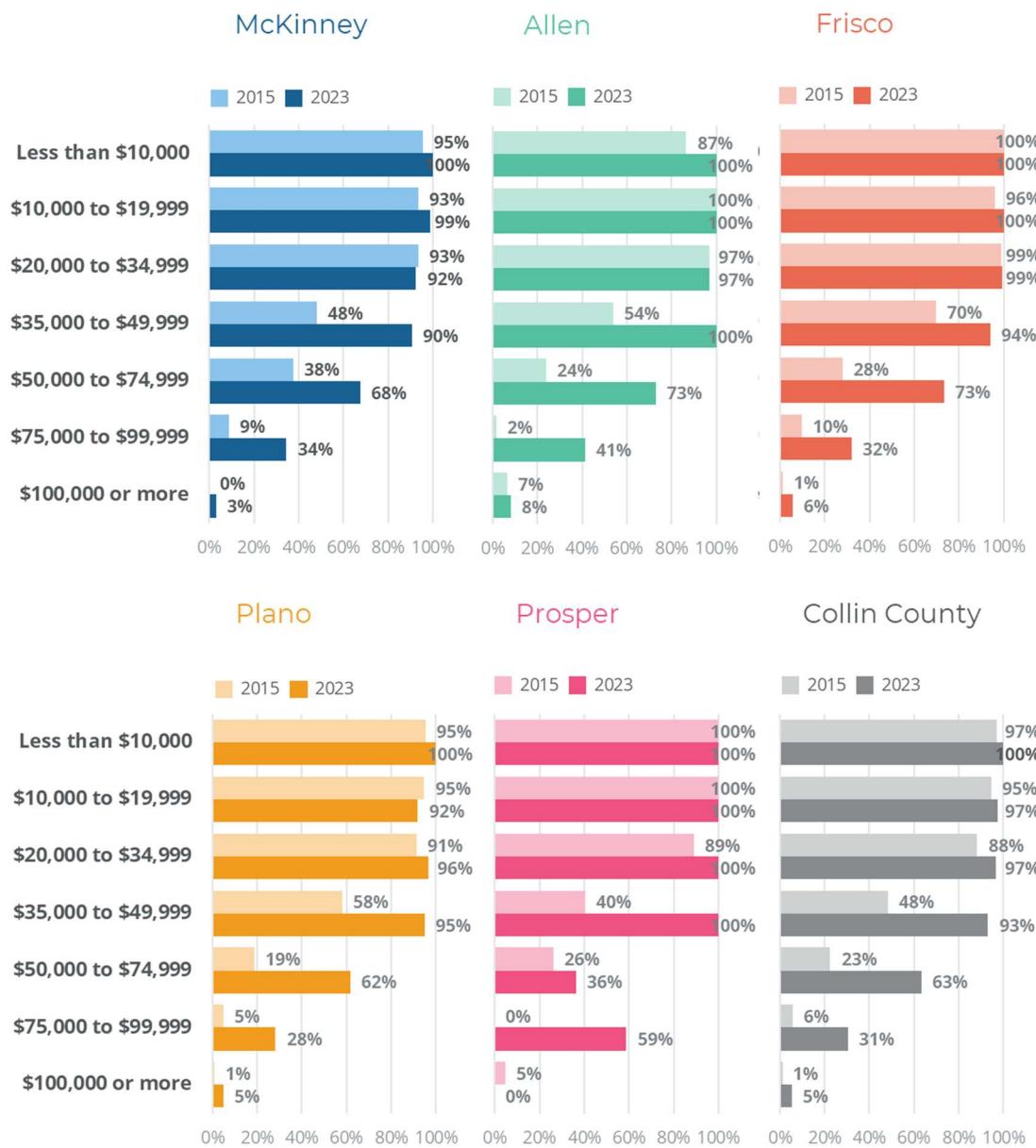
Cost burden rates among those earning \$35,000 to \$49,999 rose sharply—from 48% in 2015 to 92% in 2023 in McKinney. Even middle-income renters earning \$50,000 to \$74,999 faced growing strain, with cost burden increasing from 38% to 68%.

The patterns are similar in comparison communities. Countywide, 93% of renters earning \$35,000 to \$49,999 and over half of those earning \$50,000 to \$74,999 are cost burdened.

---

<sup>3</sup> Gross rents and selected owner costs reported by the ACS were used in these calculations. Gross rents include monthly rent plus estimated average monthly cost of utilities and fuels, and selected owner costs include mortgage payments, insurance, taxes, utilities, and various fees, including homeowners' association (HOA) or condo fees.

**Figure II-13.**  
**Renter Cost Burden by Income, McKinney and Comparison Communities, 2015 and 2023**



Note: Cost burden data represent the percentage of households paying 30% or more of their income in housing costs.

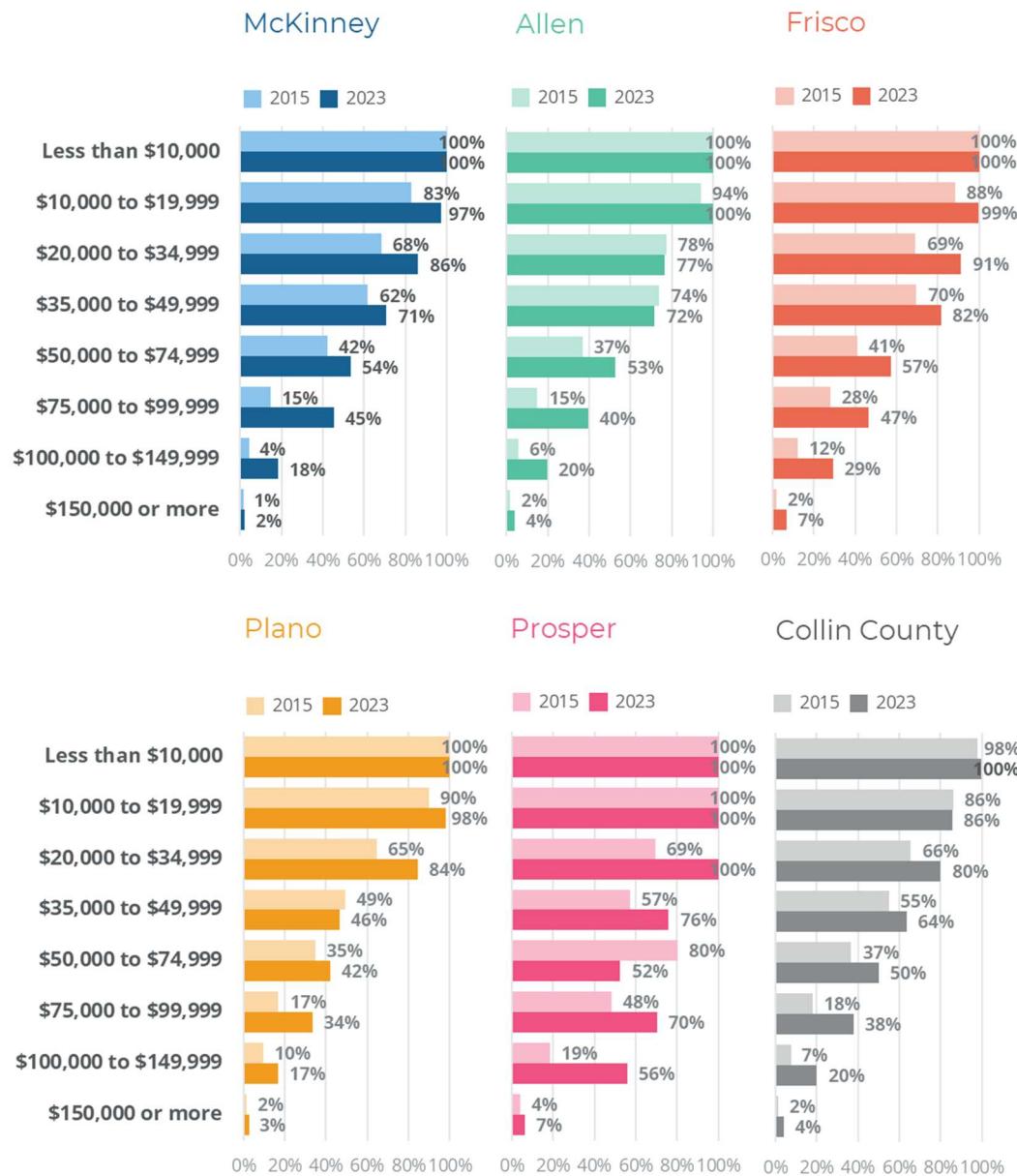
Source: ACS 5-year estimates and Root Policy Research.

Figure II-14 shows owner cost burden by income. As with renters, the rate of cost burden continues to be extremely high among very low-income owners. In McKinney, those with incomes of \$75,000 to \$99,999 saw their cost burden rise from 15% to 45%.

The patterns are similar in comparison communities. Countywide, 38% of owners with incomes of \$75,000 to \$99,999 are cost burdened, up from 18% in 2015.

**Figure II-14.**

**Owner Cost Burden by Income, McKinney and Comparison Communities, 2015 and 2023**



Note: Cost burden data represent the percentage of households paying 30% or more of their income in housing costs.

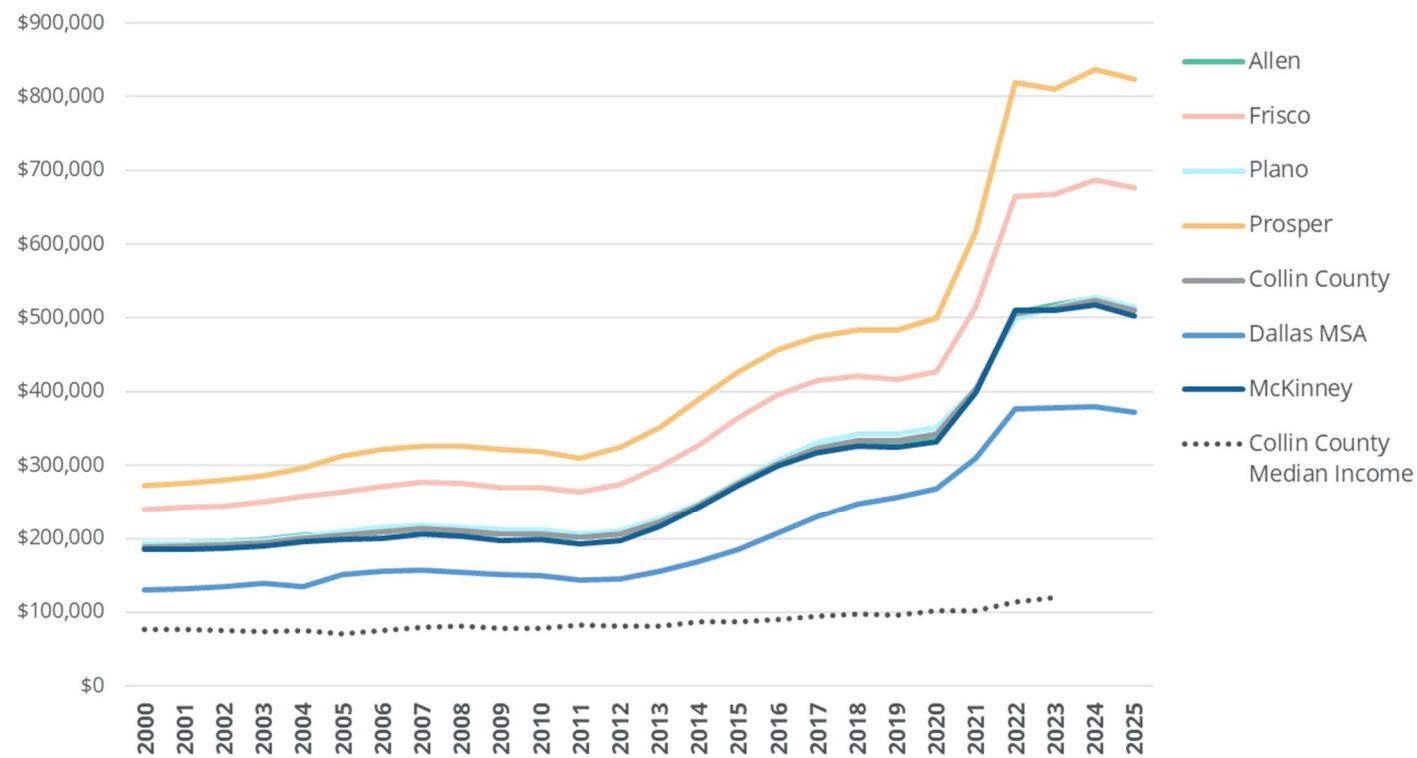
Source: ACS 5-year estimates and Root Policy Research.

## Price Trends

**For sale units.** Sharp increases in home prices are particularly notable between 2012 and 2018—in both McKinney and comparative Texas communities. Median incomes, however, have not kept pace. Housing markets show a recent softening in 2022, this is due to interest rate changes and the limitation in the pool of buyers able to afford the recent steep price increases. Figure II-15 shows McKinney's median home price trends from 2000 through 2025 (year to date) based on data from Zillow, along with comparison communities. Trends in Collin County's median income are also presented in the graphic to compare home price shifts to income shifts. McKinney's price trend is quite similar to trends in Allen, Plano, and Collin County. Frisco and Prosper's values are significantly higher than other comparison communities across all time periods.

**Figure II-15.**

**Zillow Home Value Index of All Homes, McKinney and Comparison Communities, 2000 to 2025YTD**

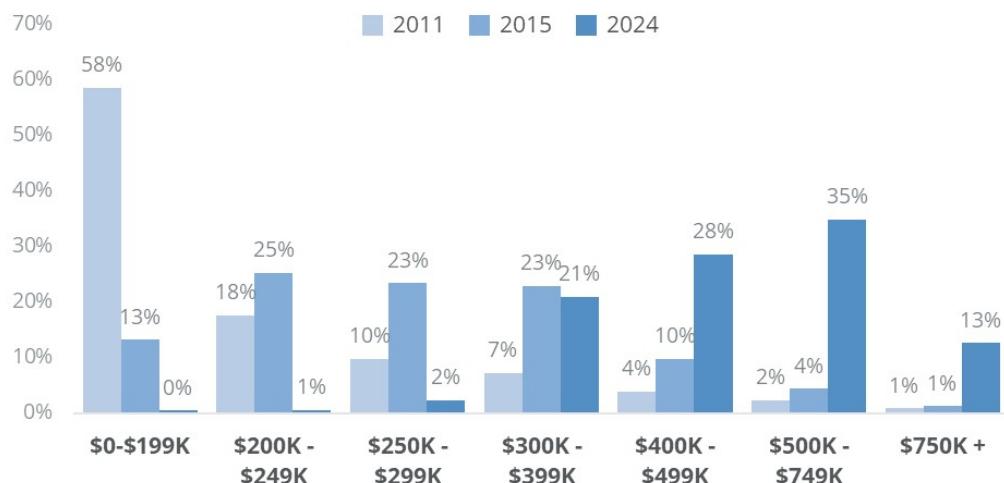


Note: 2025 covers data from January to August 2025.

Source: Zillow Home Value Index, Census Small Area Income and Poverty Estimates, and Root Policy Research.

Figure II-16 displays McKinney's home price distribution based on data from the Texas A&M Real Estate Center. Over the past decade, McKinney's home price distribution has changed significantly, showing the decline of lower-cost ownership options. In 2011, most homes (58%) were priced below \$200,000; by 2024, that percentage had dropped to less than 1%. The market now mainly features homes over \$400,000, with 28% in the \$400,000-\$499,000 range and 35% between \$500,000 and \$749,000. The high-end market has also expanded, with 13% of homes costing more than \$750,000 in 2024 compared to just 1% in 2011. This change highlights the affordability issues that first-time buyers and moderate-income households face in McKinney, where entry-level prices have almost vanished.

**Figure II-16.**  
**Home Price Distribution, McKinney, 2011, 2015, and 2024**



Source: Texas A&M University Real Estate Center.

Figure II-17 shows the comparison of median sales prices to what households can afford. It highlights how sharply McKinney's housing affordability has eroded between 2011 and 2024. In 2011, the median home price in McKinney (\$180,000) was well below what a median-income household could afford (\$300,220), leaving a positive affordability gap. By 2024, that situation had fully reversed: the median sales price climbed to \$485,000, while the maximum affordable price at the median income was just \$357,416—leaving a deficit of nearly \$128,000. The affordability gap is far worse for renters. Based on median renter income, the affordable price in 2024 was only \$233,259, creating a gap of more than \$251,000 relative to the median price.

The widening gaps highlight how quickly rising home values have outpaced income growth, effectively locking renters and even many median-income households out of homeownership.

**Figure II-17.****Median Sales Price V. Affordable Home Price at Median Income and Median Renter Income, McKinney and Comparison Communities, 2011 and 2024**

	Median Household Income	Median Renter Income	Max Affd. Price (Median Income)	Max Affb. Price (Renter Income)	Median Sale Price	Affordability Gap (Median Income)	Affordability Gap (Renter Income)
<b>2011</b>							
<b>McKinney</b>	\$81,256	\$38,555	\$300,220	\$142,451	\$180,000	<b>\$120,220</b>	<b>-\$37,549</b>
<b>Allen</b>	\$102,904	\$42,512	\$380,204	\$157,071	\$202,000	<b>\$178,204</b>	<b>-\$44,929</b>
<b>Frisco</b>	\$106,232	\$77,540	\$392,500	\$286,490	\$268,000	<b>\$124,500</b>	<b>\$18,490</b>
<b>Plano</b>	\$80,184	\$50,764	\$296,259	\$187,560	\$207,400	<b>\$88,859</b>	<b>-\$19,840</b>
<b>Collin County</b>	\$82,237	\$44,192	\$303,845	\$163,278	\$199,000	<b>\$104,845</b>	<b>-\$35,722</b>
<b>2024</b>							
<b>McKinney</b>	\$124,177	\$81,041	\$357,416	\$233,259	\$485,000	<b>-\$127,584</b>	<b>-\$251,741</b>
<b>Allen</b>	\$126,370	\$70,184	\$363,728	\$202,009	\$507,000	<b>-\$143,272</b>	<b>-\$304,991</b>
<b>Frisco</b>	\$145,444	\$96,398	\$418,629	\$277,460	\$685,000	<b>-\$266,371</b>	<b>-\$407,540</b>
<b>Plano</b>	\$115,901	\$82,181	\$333,596	\$236,540	\$520,000	<b>-\$186,404</b>	<b>-\$283,460</b>
<b>Collin County</b>	\$124,316	\$79,651	\$357,816	\$229,258	\$494,900	<b>-\$137,084</b>	<b>-\$265,642</b>

Note: Assumes households spend 30% of their income on housing, a 30-year mortgage at the annual average mortgage rate, a 10% down payment, and 33% of monthly payment is used for property taxes, utilities, and insurance.

Source: ACS 1-year estimates, Texas A&M University Real Estate Center, Freddie Mac annual average fixed mortgage rates, and Root Policy Research.

Figure II-18 summarizes homes sold in McKinney from September 2024 to September 2025 according to Redfin MLS data. The vast majority of homes sold (94%) were single family detached, while only 6% were attached including townhomes and condominiums.

Approximately three in four homes sold (76%) were priced between \$300,000 and \$700,000. While attached homes sold for lower prices than detached homes (\$415,000 vs. \$550,000 at the median, with 87% of attached units sold for \$300,000 to \$500,000), these have higher HOA fees than detached homes on average.<sup>4</sup>

<sup>4</sup> HOA fees tend to be higher for condos and attached homes because the association is responsible for maintaining shared buildings and systems, such as roofs, elevators, insurance, and common utilities—expenses that detached homeowners usually cover on their own.

**Figure II-18.**  
**Home Sales**  
**Characteristics,**  
**McKinney, 2024-2025**

Note:

Includes homes sold September 2024-September 2025.

Source:

Redfin MLS data and Root Policy Research.

	Attached	Detached	Total
<b>Total Homes</b>			
Number	141	2,421	2,562
Percent of All Homes	6%	94%	100%
<b>Price</b>			
Median Price	\$415,000	\$550,000	\$540,000
Sale Price of <\$300k	3%	2%	2%
Sale Price of \$300k - \$500k	87%	38%	40%
Sale Price of \$500k - \$700k	9%	38%	36%
Sale Price of >\$700k	2%	22%	21%
<b>HOA Fees</b>			
Percent of Homes with HOA Fees	99%	88%	89%
Median HOA Fee	\$368	\$69	\$75
<b>Average Characteristics</b>			
Square Feet	1,984	2,688	2,649
Lot Size	2,715	7,985	7,736
Number of Bedrooms	3	4	4
Number of Baths	2	3	3
Year Built	2014	2006	2007

Figure II-19 shows that attached and detached homes have shifted into higher price points since 2019-2020. Approximately a quarter of homes sold in 2019-2020 (26%) were priced below \$300,000; by 2024-2025, only 2% of homes sold were priced below \$300,000. Most (57% of) homes sold in 2024-2025 were priced above \$500,000, up from only 17% in 2019-2020.

Although they have experienced a sharp increase in prices, attached homes remain significantly more affordable than detached homes—most (90% of) attached units sold for less than \$500,000, compared to 40% of detached homes.

**Figure II-19.**  
**Distribution of Homes Sold by Price, McKinney, 2019-2020 and 2024-2025**

Note:

2024-2025 data include September 2024 to September 2025.

Source:

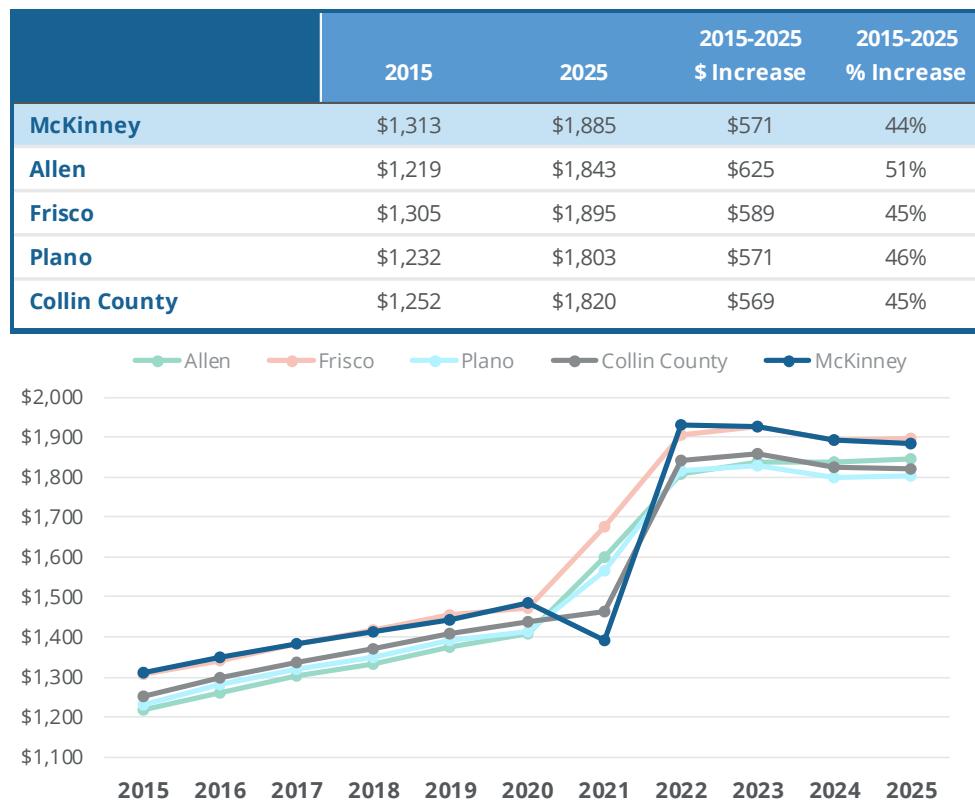
Redfin MLS Data and Root Policy Research.



**Rental units.** Figure II-20 shows the Zillow Observed Rent Index trends in McKinney and comparison communities. Between 2015 and 2025, McKinney's typical market rents rose from \$1,313 to \$1,885—a 44% increase. While this rate of growth is roughly in line with Collin County overall (+45%), it reflects a major escalation in housing costs over the past decade.

McKinney's rent trajectory shows a particularly sharp jump between 2020 and 2022, when average rents spiked by nearly \$400 in just two years, before stabilizing at a higher level. Compared to neighboring cities, McKinney's increase is similar to Frisco (+45%) and Plano (+46%) but slightly lower than Allen (+51%), which saw the largest percentage rent growth.

**Figure II-20.**  
**Zillow Observed Rent Index, McKinney and Comparison Communities,  
2015-2025YTD**



Note: 2025 covers data from January to August 2025. ZORI is a smoothed measure of the typical observed market rate rent across a given region. ZORI is a repeat-rent index that is weighted to the rental housing stock to ensure representativeness across the entire market, not just those homes currently listed for-rent. The index is dollar-denominated by computing the mean of listed rents that fall into the 35th to 65th percentile range for all homes and apartments in a given region, which is weighted to reflect the rental housing stock.

Source: Zillow Observed Rent Index, and Root Policy Research.

The Zillow Observed Rent Index is not a simple arithmetic average of all current listings. It's a smoothed measure of typical market rent designed to track how rent prices are changing over time while controlling for changes in inventory and listing quality. It uses repeat-rent observations (rent for the same unit over time) and weights to better reflect the overall rental stock.

As of January 4, 2026, Zillow reports the average asking rent for all current rentals listed on Zillow at \$2,350, higher than the \$1,975 reported for Dallas.

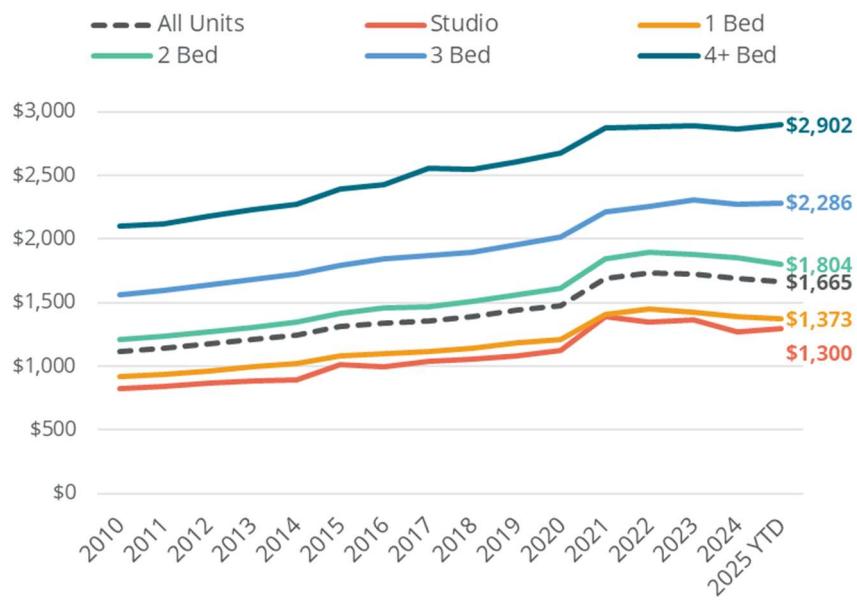
**Multifamily rental units.** This section uses data from multifamily analytics provider CoStar to present trends in McKinney's market for multifamily rental units in commercial buildings of five or more units. The average effective rent for units in multifamily buildings increased by 49% overall from \$1,119 in 2010 to \$1,665 by 2025. Multifamily rents increased by an average of roughly 3% each year through the 2010s, spiked by 15% from

2020 to 2021 with the pandemic, and have generally stabilized after 2021, possibly tied to recent increases in the city's multifamily rental inventory discussed further below. This spike and subsequent stabilization in multifamily rents occurred for units of all sizes.

**Figure II-21.**  
**Average Effective Rent of Multifamily Rental Units, McKinney, 2010–2025 YTD**

Note:  
2025 YTD includes January–September 2025.

Source:  
CoStar.



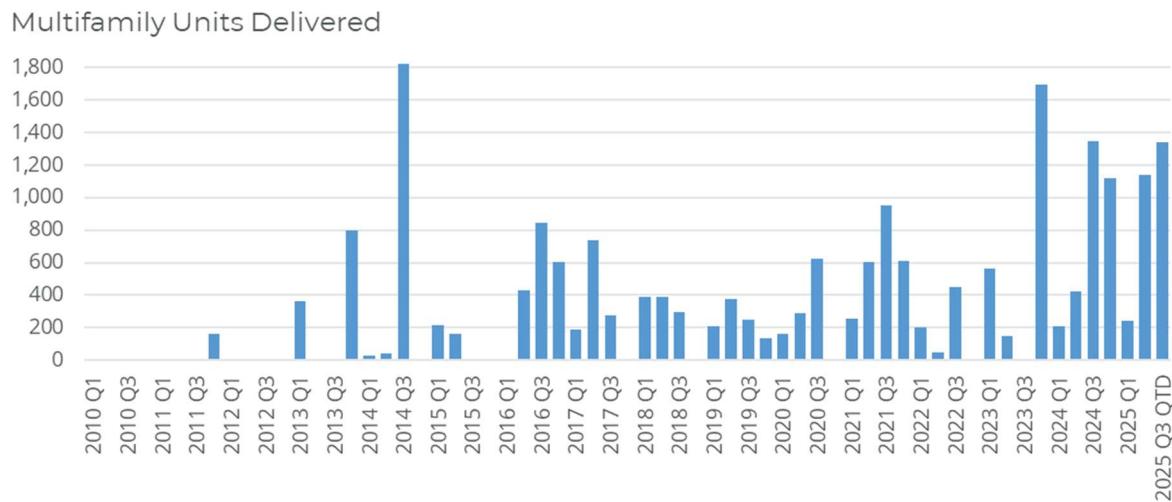
Comparing the average effective rent of multifamily rental units in 2023 to the median renter household income for households of different sizes shows some price mismatch.

- The median renter household income for one-person households is \$52,000, which means they can afford \$1,300 in housing costs without being cost burdened. In 2023, the average effective rent for a studio apartment was \$1,367, and the rent for a one-bedroom was \$1,422, meaning the average studio was barely affordable, and the average one-bedroom was unaffordable.
- For a two-person renter household with a median income of \$72,888, the maximum affordable rent is \$1,822. This means that rents of \$1,367 for a studio, \$1,422 for a one-bedroom, and \$1,884 for a two-bedroom are affordable for them, although the two-bedroom rent is barely within reach.
- For a three-person renter household with a median income of \$68,098, the maximum affordable rent is \$1,702. This means that rents of \$1,884 for a two-bedroom and \$2,308 for a three-bedroom were unaffordable for them.

Figure II-22 shows the number of new multifamily rental units delivered each quarter since 2010. Construction of multifamily units has been very high in the past two years, with 7,525 units (equivalent to 24% of the city's current multifamily rental units) built since the third quarter of 2023.

**Figure II-22.**

**Multifamily Rental Units Delivered, McKinney, 2010–Q3 2025 (QTD)**



Note: 2025 QTD includes July–September 25, 2025.

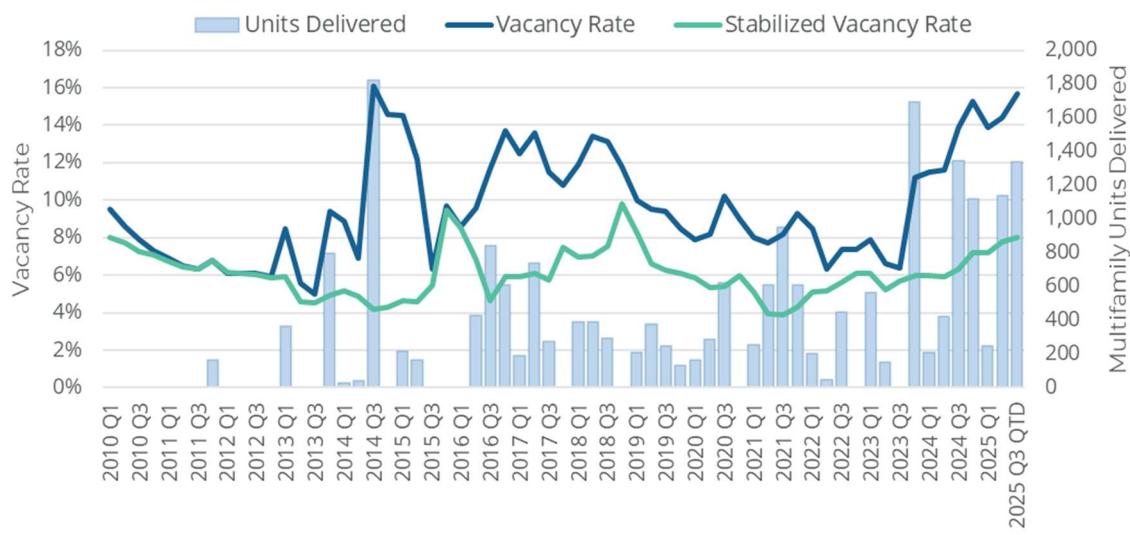
Source: CoStar.

Multifamily rental vacancy rates are presented in Figure II-23. The figure presents two measures of vacancy. The vacancy rate shows the share of total multifamily rental units that are currently vacant, while the *stabilized* vacancy rate shows this rate excluding newly built multifamily units that have high levels of vacancy in their initial lease-up periods.

The vacancy rates are overlaid on the above figure showing new multifamily units delivered each quarter to show that spikes in the simple vacancy rate are largely due to new units coming into the market and sitting vacant until they are leased for the first time. According to the simple vacancy rate, 15.7% of multifamily units in the city are currently vacant. Excluding units that were recently constructed and have not yet been leased, 8.0% of multifamily units in the city are vacant.

McKinney's overall multifamily vacancy rate of 15.7% is higher than that in the Dallas-Fort Worth-Arlington MSA (11.7%) due to the relatively large share of McKinney's multifamily rental units that were built recently, and that may remain in their initial lease-up periods. Approximately 12% of McKinney's multifamily rental units were built from Q4 2024 to Q3 2025, compared to 4% of those in the Dallas MSA overall. Excluding units that were recently constructed and have not yet been leased, McKinney's 8.0% vacancy rate is lower than that of the Dallas MSA overall (9.4%).

**Figure II-23.**  
**Multifamily Rental Vacancy Rates, McKinney, 2010–Q3 2025 (QTD)**



Note: 2025 QTD includes July–September 25, 2025.

Source: CoStar.

Figure II-24 shows that vacancy rates are lowest—meaning supply is most scarce relative to demand—for the lowest priced units. Only 5.4% of units that rent for less than \$1,000/month are vacant, compared to at least 6.7% of units in all other price ranges. Note that these are *stabilized* vacancy rates, meaning that they exclude newly built units in their initial lease-up period.

**Figure II-24.**  
**Stabilized Vacancy Rate of  
 Multifamily Rental Units,  
 McKinney, 2025 YTD**

Note:

2025 YTD includes January–September 2025.

Source:  
 CoStar.



## Gaps Analysis

To examine how well McKinney's current housing market meets the needs of its residents Root Policy Research conducted a modeling effort called a "gaps analysis." The analysis compares the supply of housing at various price points to the number of households who can afford such housing. If there are more housing units than households, the market is "oversupplying" housing at that price range. Conversely, if there are too few units, the market is "undersupplying" housing. The gaps analysis conducted for renters in McKinney addresses both rental affordability and ownership opportunities for renters who want to buy.

**Rental gaps.** Figure II-25 compares the number of renter households in McKinney and comparison communities in 2018, 2021, and 2023 at different AMI levels, and the number of units in the market that were affordable to them. Affordability gaps are shown by household AMI ranges published by HUD for a 2-person household.

The "Gap" column shows the difference between the number of renter households and the number of affordable rental units. Negative numbers indicate a shortage of units at the specific income level; positive numbers indicate an excess of units. The rental gaps show that:

- In McKinney, the rental gap for households earning 30% of the Area Median Income (AMI) and below increased by approximately 600 units between 2018 and 2021, but remained relatively stable between 2021 and 2023.
- For households with incomes between 30% and 60% of AMI, the gap grew by about 400 units from 2018 to 2021, and by around 700 units from 2021 to 2023. These increases were primarily due to the fact that the number of renters in these income brackets increased more than the number of affordable units available to them.
- Overall, the gap for households earning below 60% AMI rose by roughly 1,870 units, increasing from 2,570 in 2018 to 4,442 in 2023. The number of units affordable to such households increased by over 600, from 3,534 in 2018 to 4,193. However, the number of renters increased by more than 2,500, rising from 6,104 to 8,635.
- Countywide, the rental gap for households with incomes below 60% AMI has expanded by about 7,600 units, increasing from 14,103 to 21,717 units.
- McKinney has the largest rental gap compared to nearby cities like Allen, Plano, Frisco, and Prosper. However, McKinney has the largest share of rental units affordable to households below 60% AMI and has been a leader in producing subsidized units.

**Figure II-25.**

**Gaps in Rental Market, McKinney and Comparison Communities, 2018, 2021, and 2023**

AMI Level	McKinney			Allen			Frisco			Plano			Prosper			Collin County		
	Renters	Units	Gap	Renters	Units	Gap	Renters	Units	Gap	Renters	Units	Gap	Renters	Units	Gap	Renters	Units	Gap
2018																		
<b>0-30% AMI</b>	2,539	353	<b>-2,186</b>	801	86	<b>-715</b>	1,296	94	<b>-1,202</b>	5,183	749	<b>-4,434</b>	34	5	<b>-29</b>	13,999	1,747	<b>-12,252</b>
<b>31-60% AMI</b>	3,565	3,181	<b>-384</b>	1,421	297	<b>-1,124</b>	2,145	880	<b>-1,266</b>	5,729	4,178	<b>-1,551</b>	149	81	<b>-68</b>	18,981	17,130	<b>-1,851</b>
<b>61-80% AMI</b>	2,640	6,705	<b>4,065</b>	915	2,424	<b>1,509</b>	1,736	4,927	<b>3,191</b>	4,315	14,033	<b>9,718</b>	84	203	<b>119</b>	13,821	36,831	<b>23,010</b>
<b>81-100% AMI</b>	2,171	3,773	<b>1,602</b>	952	1,934	<b>982</b>	1,430	3,144	<b>1,714</b>	4,641	10,111	<b>5,470</b>	109	182	<b>73</b>	12,203	25,490	<b>13,287</b>
<b>101-120% AMI</b>	2,147	3,251	<b>1,103</b>	954	1,671	<b>717</b>	1,414	2,534	<b>1,120</b>	4,657	6,992	<b>2,335</b>	110	183	<b>73</b>	12,120	18,251	<b>6,131</b>
<b>Over 120% AMI</b>	6,896	4,414	<b>-2,483</b>	3,172	2,042	<b>-1,130</b>	6,559	4,602	<b>-1,957</b>	17,379	8,700	<b>-8,680</b>	270	215	<b>-56</b>	42,847	23,725	<b>-19,122</b>
2021																		
<b>0-30% AMI</b>	3,281	457	<b>-2,824</b>	1,098	0	<b>-1,098</b>	2,086	52	<b>-2,034</b>	4,775	739	<b>-4,036</b>	12	12	<b>0</b>	16,167	1,591	<b>-14,576</b>
<b>31-60% AMI</b>	4,476	3,649	<b>-827</b>	1,465	808	<b>-657</b>	2,972	1,991	<b>-982</b>	6,338	4,564	<b>-1,774</b>	127	106	<b>-21</b>	21,866	18,747	<b>-3,119</b>
<b>61-80% AMI</b>	2,763	6,729	<b>3,966</b>	912	2,553	<b>1,641</b>	2,501	6,123	<b>3,622</b>	5,000	14,391	<b>9,392</b>	155	257	<b>102</b>	15,570	40,201	<b>24,631</b>
<b>81-100% AMI</b>	2,590	4,579	<b>1,989</b>	991	2,466	<b>1,476</b>	2,278	4,636	<b>2,359</b>	5,363	12,002	<b>6,639</b>	201	221	<b>21</b>	15,313	31,254	<b>15,942</b>
<b>101-120% AMI</b>	1,882	4,060	<b>2,178</b>	857	1,981	<b>1,125</b>	1,856	3,589	<b>1,734</b>	4,758	8,742	<b>3,984</b>	89	201	<b>112</b>	12,651	24,059	<b>11,407</b>
<b>Over 120% AMI</b>	8,094	5,553	<b>-2,541</b>	4,025	1,938	<b>-2,087</b>	8,819	5,718	<b>-3,101</b>	18,721	8,169	<b>-10,552</b>	461	342	<b>-119</b>	49,295	25,573	<b>-23,722</b>
2023																		
<b>0-30% AMI</b>	3,319	440	<b>-2,879</b>	1,190	17	<b>-1,173</b>	2,406	139	<b>-2,267</b>	5,349	880	<b>-4,469</b>	85	6	<b>-79</b>	17,713	1,840	<b>-15,873</b>
<b>31-60% AMI</b>	5,316	3,753	<b>-1,563</b>	2,149	964	<b>-1,185</b>	3,686	2,249	<b>-1,437</b>	7,050	5,303	<b>-1,748</b>	140	124	<b>-15</b>	26,038	20,194	<b>-5,844</b>
<b>61-80% AMI</b>	3,273	6,733	<b>3,461</b>	1,340	2,880	<b>1,541</b>	2,885	6,417	<b>3,532</b>	5,882	14,264	<b>8,382</b>	125	232	<b>107</b>	17,448	40,622	<b>23,174</b>
<b>81-100% AMI</b>	3,266	6,964	<b>3,698</b>	1,268	3,544	<b>2,277</b>	3,220	7,105	<b>3,884</b>	6,720	15,453	<b>8,733</b>	162	241	<b>79</b>	18,912	42,526	<b>23,614</b>
<b>101-120% AMI</b>	2,304	5,151	<b>2,847</b>	844	2,072	<b>1,228</b>	2,642	4,519	<b>1,877</b>	5,615	8,974	<b>3,359</b>	154	296	<b>142</b>	14,910	26,120	<b>11,210</b>
<b>Over 120% AMI</b>	8,521	4,836	<b>-3,685</b>	4,163	2,093	<b>-2,070</b>	9,955	5,602	<b>-4,353</b>	17,315	6,500	<b>-10,815</b>	529	363	<b>-165</b>	48,729	22,524	<b>-26,205</b>

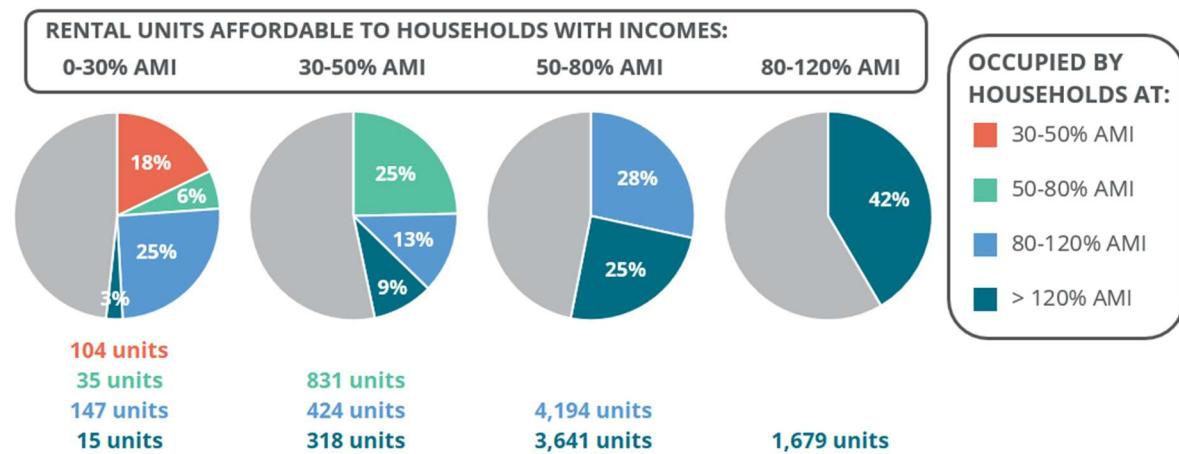
Note: Household AMI is based on limits published by HUD for a 2-person household. Assumes a household spends a maximum of 30% of its income on housing costs. The previous housing needs reports used 1-year ACS estimates; however, the rental unit price distribution is no longer available in the 1-year estimates.

Source: ACS 5-year estimates, HUD Income Limits, and Root Policy Research.

The gap shown for renters with income over 120% AMI in Figure II-25 suggests that those renters are spending less than 30% of their income on housing. This points to an income mismatch in the market in which higher income households are occupying homes affordable to lower income households.

Figure II-26 presents the percentages and quantities of affordable housing units for households with varying income levels (AMI) that are being used by higher-income households. The data show that a large number of units affordable to households earning between 30% and 120% of the area median income (AMI) are occupied by households with incomes over 120% AMI. Adding market-rate rental units or affordable homeownership products for these higher-income households could free up affordable units for lower-income households.

**Figure II-26.**  
**Rental Units Occupied by Higher AMI Renters, McKinney, 2023**



Source: 2023 ACS 5-year IPUMS and Root Policy Research.

Specifically,

- Approximately 52% (300) of units affordable for households earning between 0% and 30% AMI are occupied by households earning over 30% AMI.
- Around 47% (1,570) of units affordable for households earning between 30% and 50% AMI are occupied by households earning over 50% AMI.
- About 53% (7,800) of units affordable for households earning between 50% and 80% AMI are occupied by households earning over 80% AMI.
- Roughly 42% (1,680) of units affordable for households earning between 80% and 120% AMI are occupied by households earning over 120% AMI.

**Ownership gaps.** The gap between interest in buying and available product is demonstrated by the for-sale gaps analysis shown in Figure II-27 (on the following page). The for-sale gaps analysis was conducted to evaluate the market options affordable to renters who may wish to purchase a home in McKinney and comparison communities. Similar to the rental gaps analysis, the model compares renters at different income levels and the proportion of units in the market that were affordable to them. The maximum affordable home prices assume a 30-year mortgage with a 10% downpayment and the average annual interest rate for 30-year fixed mortgages. The estimates also incorporate property taxes, insurance, HOA payments and utilities (assumed to collectively account for 33% of the monthly payment). The household AMI is based on limits published by HUD for a 3-person household<sup>5</sup>, and the for-sale distribution is based on the number of home purchase mortgages originating in each community, according to Home Mortgage Disclosure Act (HMDA) data.

The “Gap” column shows the difference between the proportion of renter households and the proportion of homes purchased with a mortgage that were affordable to them. Negative numbers indicate a shortage of units at the specific income level; positive numbers indicate an excess of units. It is important to note that the gaps column accounts only for units that fall precisely within the affordability range of the household.

The for-sale gaps analysis shows that:

- In McKinney, in 2023, for-sale affordability gaps are concentrated among households with income less than 80% AMI, but persist for households with income up to 100% AMI.
- Around 64% of renter households have income below 100% AMI, but only 1% of units were sold in their affordability range.
- Between 2018 and 2023, the affordability gap expanded to higher incomes.
- The trends are similar in comparison communities, but the affordability gaps are more severe in Allen, Frisco, Plano, Prosper, and Collin County, all of which now reach up to 120% AMI.
- The lack of supply that allows renters to transition into homeownership creates additional strain on the rental market.

---

<sup>5</sup> This was used instead of 2-person households to better match the average household size among homeowners.

**Figure II-27.**

**Market Options for Renters Wanting to Buy, McKinney and Comparison Communities, 2018, 2021, and 2023**

AMI Level	McKinney			Allen			Frisco			Plano			Prosper			Collin County		
	Renters	Units	Gap	Renters	Units	Gap	Renters	Units	Gap	Renters	Units	Gap	Renters	Units	Gap	Renters	Units	Gap
2018																		
<b>0-30% AMI</b>	15%	0%	<b>-15%</b>	12%	0%	<b>-12%</b>	10%	0%	<b>-10%</b>	14%	0%	<b>-14%</b>	5%	0%	<b>-5%</b>	14%	0%	<b>-14%</b>
<b>31-60% AMI</b>	21%	1%	<b>-20%</b>	20%	0%	<b>-20%</b>	18%	2%	<b>-16%</b>	16%	0%	<b>-15%</b>	23%	0%	<b>-23%</b>	19%	1%	<b>-19%</b>
<b>61-80% AMI</b>	14%	2%	<b>-12%</b>	13%	2%	<b>-11%</b>	12%	2%	<b>-11%</b>	12%	2%	<b>-9%</b>	14%	0%	<b>-14%</b>	13%	3%	<b>-10%</b>
<b>81-100% AMI</b>	12%	20%	<b>8%</b>	13%	8%	<b>-5%</b>	11%	3%	<b>-8%</b>	13%	11%	<b>-2%</b>	16%	1%	<b>-15%</b>	12%	12%	<b>0%</b>
<b>101-120% AMI</b>	9%	23%	<b>13%</b>	9%	21%	<b>12%</b>	10%	14%	<b>4%</b>	10%	19%	<b>9%</b>	10%	1%	<b>-9%</b>	9%	17%	<b>8%</b>
<b>Over 120% AMI</b>	29%	55%	<b>26%</b>	34%	69%	<b>36%</b>	39%	80%	<b>41%</b>	36%	67%	<b>32%</b>	31%	98%	<b>67%</b>	32%	67%	<b>35%</b>
2021																		
<b>0-30% AMI</b>	16%	0%	<b>-16%</b>	13%	0%	<b>-13%</b>	11%	0%	<b>-11%</b>	13%	0%	<b>-13%</b>	2%	0%	<b>-2%</b>	14%	0%	<b>-14%</b>
<b>31-60% AMI</b>	22%	1%	<b>-21%</b>	17%	0%	<b>-17%</b>	19%	2%	<b>-16%</b>	16%	2%	<b>-14%</b>	16%	0%	<b>-16%</b>	19%	2%	<b>-17%</b>
<b>61-80% AMI</b>	13%	9%	<b>-4%</b>	12%	6%	<b>-6%</b>	13%	3%	<b>-10%</b>	13%	6%	<b>-7%</b>	21%	0%	<b>-20%</b>	13%	14%	<b>1%</b>
<b>81-100% AMI</b>	11%	29%	<b>18%</b>	11%	25%	<b>14%</b>	11%	13%	<b>2%</b>	13%	24%	<b>11%</b>	16%	1%	<b>-16%</b>	12%	26%	<b>14%</b>
<b>101-120% AMI</b>	8%	22%	<b>14%</b>	10%	27%	<b>17%</b>	9%	16%	<b>7%</b>	11%	24%	<b>13%</b>	5%	3%	<b>-2%</b>	10%	21%	<b>11%</b>
<b>Over 120% AMI</b>	30%	40%	<b>10%</b>	37%	42%	<b>5%</b>	37%	66%	<b>29%</b>	34%	43%	<b>9%</b>	41%	95%	<b>55%</b>	31%	36%	<b>5%</b>
2023																		
<b>0-30% AMI</b>	15%	0%	<b>-15%</b>	13%	0%	<b>-13%</b>	11%	0%	<b>-11%</b>	13%	0%	<b>-13%</b>	8%	0%	<b>-8%</b>	14%	0%	<b>-14%</b>
<b>31-60% AMI</b>	24%	0%	<b>-23%</b>	22%	0%	<b>-22%</b>	18%	1%	<b>-18%</b>	18%	0%	<b>-18%</b>	15%	0%	<b>-15%</b>	21%	0%	<b>-21%</b>
<b>61-80% AMI</b>	14%	0%	<b>-14%</b>	14%	0%	<b>-14%</b>	13%	0%	<b>-13%</b>	14%	0%	<b>-13%</b>	12%	0%	<b>-12%</b>	14%	1%	<b>-13%</b>
<b>81-100% AMI</b>	12%	1%	<b>-11%</b>	10%	1%	<b>-9%</b>	14%	1%	<b>-13%</b>	15%	2%	<b>-13%</b>	16%	0%	<b>-16%</b>	13%	3%	<b>-10%</b>
<b>101-120% AMI</b>	7%	9%	<b>2%</b>	8%	3%	<b>-5%</b>	10%	1%	<b>-8%</b>	10%	5%	<b>-5%</b>	12%	0%	<b>-12%</b>	9%	9%	<b>1%</b>
<b>Over 120% AMI</b>	29%	89%	<b>61%</b>	33%	96%	<b>63%</b>	34%	97%	<b>62%</b>	31%	93%	<b>63%</b>	37%	100%	<b>63%</b>	29%	87%	<b>58%</b>

Note: Maximum affordable home price is based on a 30-year mortgage with a 10 percent down payment and an average interest rate in each year. Property taxes, insurance, HOA, and utilities are assumed to collectively account for 33% of the monthly payment. Household AMI is based on limits published by HUD for a 3-person household.

Source: ACS 5-year estimates, HUD Income Limits, Home Mortgage Disclosure Act, Freddie Mac, and Root Policy Research.

## Worker Affordability

Figure II-28 displays 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. These include Agriculture, Forestry, Fishing and Hunting; Retail Trade; Administrative and Support and Waste Management and Remediation Services; Educational Services, Health Care and Social Assistance; Arts, Entertainment, and Recreation; Accommodation and Food Services; and Other Services (except Public Administration). Combined, these industries account for approximately 50% of Collin County jobs, according to the Quarterly Census of Employment and Wages.

Additionally, only one industry can afford the typical home price at the average wage—the Mining, Quarrying, and Oil and Gas Extraction industry—which accounts for less than 1% of employment. This means that households in general require more than one worker to afford the typical price.

If there are 1.5 earners per household (with both earners in the same industry), the Mining, Quarrying, and Oil and Gas Extraction; Manufacturing; Wholesale Trade; Information; Finance and Insurance; Professional, Scientific, and Technical Services; and Management of Companies and Enterprises are the only industries that can afford the typical home price. These industries collectively account for only 39 percent of Collin County jobs.

**Figure II-28.**  
**Affordability for Workers by Industry, McKinney, 2024**

Industry	Average Annual Wage	Max Affordable Rent	Can Afford Typical Rent? (\$1,893)	Can Afford		Can Afford Typical Home Price with 1.5	
				Max Affordable Home Price	Typical Home Price? (\$518,317)	Earners per Household?	
<b>Goods Producing</b>							
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	
<b>Service Producing</b>							
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	

Note: Wage data for Collin County overall; all other data specific to McKinney. Maximum affordable home price is based on a 30-year mortgage with a 10 percent down payment and an interest rate of 6.72%. Property taxes, insurance, HOA and utilities are assumed to collectively account for 33% of the monthly payment.

Source: Bureau of Labor Statistics retrieved through Texas Labor Market Information, Zillow Home Value Index, Zillow Observed Rent Index, and Root Policy Research.

Figure II-19 shows the number of primary jobs, workers, and commuting patterns in McKinney and comparison communities in 2010 and 2022. The rate of growth in primary jobs was slower than the rate of growth in workers in McKinney; this was not the case in the comparison jurisdictions, which all experienced a faster pace of growth in the number of jobs than the number of workers. Additionally, in 2022 McKinney had a lower share of jobs filled by workers who live outside the area (79%) compared to Allen (84%), Frisco (83%), Plano (87%), and Prosper (86%).

McKinney is positioned between its peers in terms of worker commuting. Prosper and Allen have the highest percentages of residents who commute out of the city, at 90% and 91% respectively, while Plano retains more of its workforce, with only 78% leaving the city for work. In McKinney, 87% of residents work outside the city.<sup>6</sup>

**Figure II-29.**  
**Workers, Jobs, and Commuting Patterns, McKinney and Comparison Communities, 2010 and 2022**

	2010	2022	Change	CAGR	2010	2022
<i>Place</i>	<i>Jobs</i>				<i>% of jobs filled by workers who live outside the area</i>	
<b>McKinney</b>	36,235	61,599	25,364	4.5%	76%	79%
<b>Allen</b>	17,441	35,944	18,503	6.2%	84%	84%
<b>Frisco</b>	24,418	84,057	59,639	10.9%	88%	83%
<b>Plano</b>	145,317	242,719	97,402	4.4%	83%	87%
<b>Prosper</b>	1,141	10,059	8,918	19.9%	92%	86%
<b>Collin County</b>	275,301	516,395	241,094	5.4%	59%	60%
<i>Place</i>	<i>Workers</i>				<i>% of workers who work outside the area</i>	
<b>McKinney</b>	53,632	99,511	45,879	5.3%	83%	87%
<b>Allen</b>	35,258	53,552	18,294	3.5%	92%	90%
<b>Frisco</b>	33,468	107,339	73,871	10.2%	91%	86%
<b>Plano</b>	127,445	141,799	14,354	0.9%	80%	78%
<b>Prosper</b>	2,272	14,965	12,693	17.0%	96%	91%
<b>Collin County</b>	344,861	539,949	195,088	3.8%	67%	62%

Note: Primary jobs.

Source: US Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) and Root Policy Research.

<sup>6</sup> It should be noted that LEHD data shows the location of the job and place of residence of workers, but does not account for remote work patterns.

According to the Center for Neighborhood Technology (CNT) Housing and Transportation (H+T) Affordability Index data, the typical McKinney household spends 19% of its household income on transportation costs and 33% on housing costs, which brings the combined housing and transportation costs for a typical household to 51% of its income.

This share is higher than Plano's 49% (31% housing and 17% transportation), but lower than Allen's 53% (34% housing and 19% transportation), Frisco's 57% (38% housing and 19% transportation), and Prosper's 70% (49% housing and 21% transportation), and on par with the County's 51% (33% housing and 19% transportation).

## **Homelessness**

The Housing Forward Texas 2025 Point in Time (PIT) count identified a total of 166 individuals in shelters and 47 individuals who were unsheltered in McKinney. The majority of the unsheltered individuals are single adults, and among them, 14 are classified as chronically homeless. In McKinney, the PIT count found three families experiencing unsheltered homelessness and 93 families in transitional housing, which is considered sheltered homelessness. For many of these families, homelessness is often a result of domestic violence, highlighting the need for more comprehensive support in areas such as mental health, physical health, nutrition, and education/childcare.

Additionally, the PIT count in McKinney recorded five sheltered homeless veterans and three unsheltered veterans. It also identified three sheltered and two unsheltered unaccompanied youth.

Although the PIT count provides a snapshot of homelessness on a single night, it excludes residents who are precariously housed, couch surfing, or were simply not identified on the night of the PIT count. As such, it is considered an underrepresentation of homelessness in a community.

School districts, through the McKinney-Vento Act provide an additional data point for measuring homelessness, with a focus on children and youth experiencing homelessness. Under the McKinney-Vento Act, the term "homeless children and youths" is defined as individuals who lack a fixed, regular, and adequate nighttime residence.<sup>7</sup>

The McKinney Independent School District is the primary school district serving students living in McKinney. According to McKinney-Vento data, 536 students in the school district

---

<sup>7</sup> This includes children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; or are abandoned in hospitals; children and youths who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings; children and youths who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and migratory children who qualify as homeless under the previous definitions.

experienced homelessness during the 2022-2023 academic year. The majority (65%) of students experiencing homelessness were doubled up, meaning they lived with others because they lacked their own housing. The total number of students experiencing homelessness decreased by 351 students or nearly 40% from the 887 in the 2017-2018 school year.

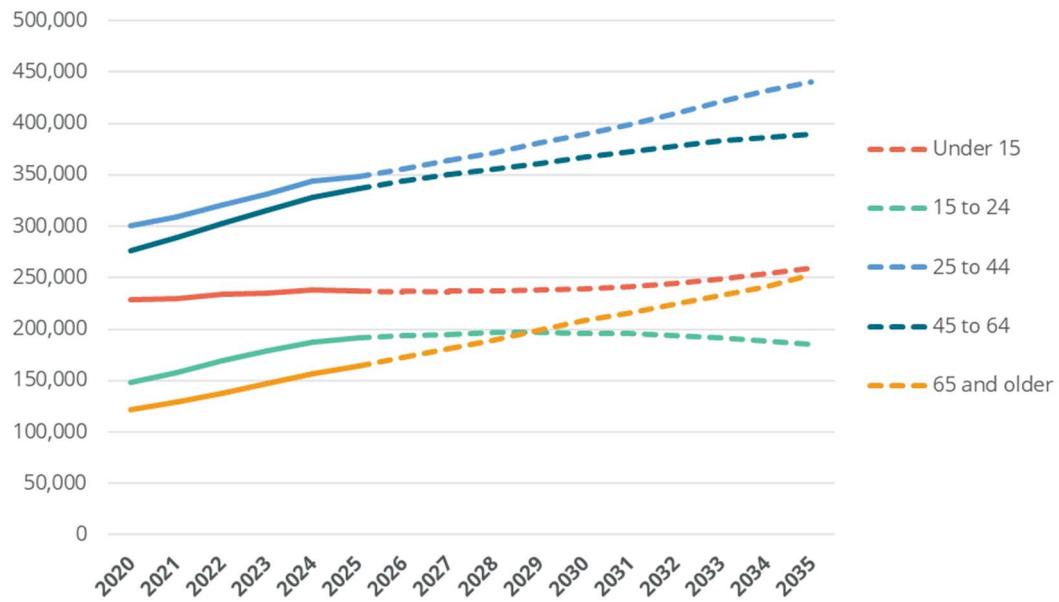
## Population and Household Growth

Figure II-30 illustrates the changes in Collin County's population by age, based on Texas Demographic Center data, between 2020 and 2025, and includes forecasts through 2035.

By 2030, the population is projected to reach approximately 1.4 million, which represents a 30% increase from the 1.07 million in 2020, and is expected to reach 1.5 million by 2035.

The composition of the population by age is expected to change significantly in the coming years. The most notable growth is projected to occur in the 65 and older age group, reflecting increased life expectancy and the aging of the baby boomer generation. This age group is projected to increase by over 100% between 2020 and 2035. The population 25 to 44 is projected to increase by 46%, the population 45 to 64 is projected to increase by 41%, while the population 15 to 24 and the population under 15 are projected to increase only by 25% and 14% respectively.

**Figure II-30.**  
**Population Estimates and Projections by Age, Collin County, 2020 to 2035**



Note: Projections are based on the low migration scenario.

Source: Texas Demographic Center.

Figure II-31 displays the average household formation rate, also known as the headship rate, for Collin County. This rate indicates the likelihood that a person in each age category becomes the head of a household. It is calculated by dividing the number of households led by heads of households within each age group by the total population of that age group. The data shows that the headship rate generally increases with age, suggesting that older individuals are more likely to be heads of households.

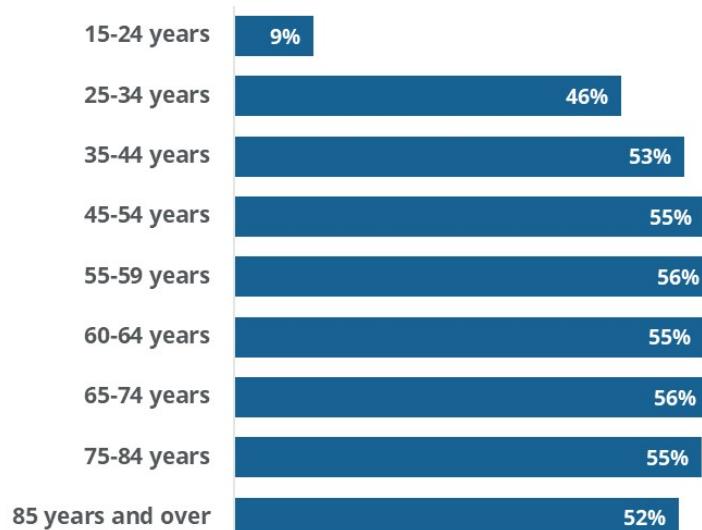
**Figure II-31.**  
**Headship Rate by Age,**  
**Collin County, 2010-2023**  
**Average**

Note:

Data represent the number of households with a head of household in each age range divided by the total population in each age range.

Source:

ACS 5-year estimates, and Root Policy Research.



A higher headship rate translates into smaller households, and the aging of the population has led to decreases in the average household size; in Collin County, according to ACS 5-year estimates, the average household size decreased from 2.84 in 2018 to 2.77 in 2023.

The decrease in household size has significant implications for housing demand. For example, with a total population of 1 million residents, a reduction in the average household size from 2.8 to 2.7—representing a decrease of 0.1—would require approximately 13,200 additional homes to accommodate the same population. This suggests that the trend toward smaller households, largely driven by aging, will have a profound impact on future housing demand.

Using the average household formation rate between 2010 and 2023 for the county and applying it to the population projections by age—while keeping the share of households by age that reside in the city constant—Figure II-32 illustrates the expected growth in the number of households in both the City of McKinney and Collin County from 2025 to 2035. In the City of McKinney, the number of households is projected to increase from 82,923 in 2025 to 104,319 by 2035, resulting in a gain of 21,395 households. Collin County is anticipated to grow from 468,793 households to 589,747 during the same period, adding a total of 120,954 households.

**Figure II-32.**  
**Number of Household Projections,  
2025, 2030, and 2035**

Note:

Using the 2010-2023 average household formation rates by age group. Based on the low migration scenario.

Source:

Texas Demographic Center, ACS 5-year estimates, and Root Policy Research.

Year	McKinney	Collin County
2025	82,923	468,793
2030	93,648	529,421
2035	104,319	589,747
2025 to 2035 Change	21,395	120,954

Figure II-33 shows the projected affordability needs to accommodate household growth in the City of McKinney while maintaining its current distribution of Area Median Income (AMI). The table outlines the number of rental and ownership housing units needed in the City of McKinney from 2025 to 2035, categorized by household income levels in relation to AMI.

A large portion of these units should be affordable for households earning below 100% of AMI to support very low-income residents, the workforce, and retirees. Because market-rate projects usually generate higher-priced units, public subsidies are necessary to create more affordable housing options. These subsidies will promote enough development to speed up the filtering<sup>8</sup> of older homes into more affordable prices and help preserve naturally occurring affordable housing.

To meet the needs of low- and moderate-income households from 2025 to 2035, the following units need to be affordable:

- For households with incomes below 30% of AMI: 1,080 rental units and 629 ownership units.
- For households with incomes between 30% and 50% of AMI: 1,114 rental units and 691 ownership units.
- For households with incomes between 50% and 80% of AMI: 1,433 rental units and 1,038 ownership units.
- For households with incomes between 80% and 100% of AMI: 924 rental units and 10,428 ownership units.

---

<sup>8</sup> Filtering is the process by which the introduction of new housing units results in older units becoming relatively cheaper over time. This occurs because the older units are considered outdated and gradually move down to lower price points without any formal rehabilitation or affordability restrictions.

Some of these units will become affordable as older residents age in place<sup>9</sup>, others will require tenant subsidies, and others will need to be added through new construction of affordable units and filtering of older units into more affordable price brackets.

**Figure II-33.**  
**Projected Affordability Needs by AMI and Tenure, McKinney**

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

Note: Holding the current AMI distribution constant.

Source: Texas Demographic Center, ACS 5-year estimates, HUD 2017-2021 CHAS data, and Root Policy Research.

---

<sup>9</sup> Units do not necessarily become cheaper in a market sense. Rather, they remain affordable because housing costs remain fixed or stable. This situation arises because many long-time homeowners have either paid off their mortgages or have very low fixed mortgage payments.

## SECTION III.

---

### MCKINNEY'S HOUSING RECOMMENDATIONS

# SECTION III.

# McKinney's Housing Recommendations

This section summarizes recent efforts the City has implemented and proposed future action steps to enhance housing affordability in McKinney. The proposed recommendations aim to address housing affordability by complementing existing programs and policies while identifying new opportunities to expand affordability, promote housing diversity, and improve long-term housing stability for McKinney residents.

## Recent City Efforts

Root Policy Research offered recommendations for the City of McKinney in the 2020 Housing Needs Assessment. Since the recommendations were first made in 2020, the City of McKinney has taken meaningful steps toward implementing a more coordinated and proactive housing strategy. Over the past several years, City leadership and staff have adopted new policies to improve housing affordability and expand housing options for residents. These efforts reflect an ongoing commitment to addressing local housing needs.

The following section summarizes City actions and progress since 2020, highlighting key initiatives, programs, and policy changes aligned with the previous recommendations.

**Adopt an affordable housing goal** — The City Council adopted an affordable housing goal annually as part of its strategic goals. City Council Strategic Goals for fiscal year 2025-2026 include developing at least 10 single-family homes and/or townhomes through the CLT by September 30, 2026, and allocating \$1 million to the Community Land Trust (CLT) for fiscal year 25-26 budget to support housing for households with income at or below 60% of the Area Median Income (AMI), completing the allocation by September 30, 2026.

**Allocate publicly owned land** — In May 2024, the City Council designated the McKinney Housing Finance Corporation (MHFC) as the official Community Land Trust (CLT) entity. In August 2025, the City Council approved a rezone of 3.6 acres of City-owned land for single-family residential use to support the CLT's first project—about 20 affordable townhome units for homeownership.

**Implement a foreclosure/eviction prevention program** — The Housing and Community Development Department manages several assistance programs to address short-term stability, eviction prevention, and utility support for at-risk households. These include: the LIFT Program (one-time security deposit), Tenant-Based Rental Assistance (TBRA), Flex Funds (homeless response funds), Utility Water Assistance program, McKinney Voucher Program (for individuals transitioning from TBRA to permanent vouchers.)

**Increase funding for affordable housing** — On September 2, 2025, the City Council approved a resolution authorizing 50% of the net revenue from McKinney Public Facility Corporation (PFC) projects to be allocated to the Affordable Housing Fund (Fund 14), supporting housing development, acquisition, and rehabilitation.

**Zoning/land use** — Development application processing times have been significantly reduced, improving overall efficiency. The Unified Development Code (UDC) includes affordable housing exemptions for building permits, parkland, or parking fees. The City has adopted Accessory Dwelling Unit (ADU) regulations (November 15, 2022), allowing one ADU per conforming single-family lot under the new UDC.

**Tax exemption screening** — Additionally, on February 18, 2025, the City adopted an Affordable Housing Scorecard. This scorecard, developed in collaboration with the McKinney Housing Authority, sets minimum requirements for projects seeking tax exemptions. To qualify, projects must ensure that at least 50% of the total units are affordable, defined as 80% of Area Median Income (AMI) or lower, and include 5% of units designated for those at 30% AMI. The scorecard serves as a preliminary screening tool, helping to establish clear affordability goals and community benefit expectations.

Currently, the City has nearly 3,000 affordable housing units (2,919 total) supported by tax exemptions, with another 1,030 affordable units planned for future development, reflecting an expansion of McKinney's affordable housing supply that would reduce the current rental unit shortfall by over 20%. The pipeline represents the City's ongoing commitment to facilitating affordability through creative use of tax tools, zoning flexibility, and public-private partnerships. As these projects come online, they will not only broaden the range of housing options available to low- and moderate-income households but also demonstrate the City's capacity to align policy, funding, and land use strategies to achieve measurable progress toward its housing goals.

## Recommendations

The following list presents seven goals, along with recommended actions for each, that aim to enhance the City's housing initiatives by complementing existing programs and policies while identifying new opportunities to expand affordability, promote housing diversity, and improve long-term housing stability for McKinney residents.

### **1. Establish an Affordable Housing Strategy.**

#### **Develop an Affordable Housing Strategy and Affordable Housing Goals**

Expanding upon the findings of this report, the City should identify its Affordable Housing Goals. This will provide clarity regarding the City's goals to address housing affordability and define what success looks like. The goals should expand across all departments that influence housing outcomes, including planning, community development, public works, transportation, and economic development. Based on the established Affordable Housing Goals, the City should identify specific action steps to achieve those goals. In addition, the strategies should include set metrics and checkpoints to regularly measure progress.

### **2. Develop and evaluate affordable housing goals across all the city's housing, comprehensive, and strategic plans to support sustainable growth and strong communities.**

#### **Cross-Departmental Housing Committee**

Form a Housing Coordination Committee or interdepartmental working group that meets regularly to ensure housing goals are integrated into land use, infrastructure, and capital planning decisions.

This group should align annual work plans, funding priorities, and reporting mechanisms. It should conduct an inventory of all current City plans and identify areas where housing goals overlap or conflict, as well as any gaps in addressing affordability within implementation strategies. Utilize this review to create an internal Housing Policy Alignment Matrix—a tool designed to track the housing-related goals, metrics, and responsible departments associated with each plan.

#### **Housing Dashboard to Track Investments and Outcomes Across Programs**

Create a public-facing dashboard to track housing investments and outcomes across all City programs. This dashboard will consolidate metrics, success stories, and program results, demonstrating accountability, attracting funding partners, and enhancing public understanding. Suggested metrics to track include:

- Funding and resources devoted to affordable housing.
- Definitions for affordable housing (households spending less than 30% of income on housing) and definitions for AMI/categorical income bands.
- Number of affordable housing units (by income band and tenure: ≤30 % AMI, 31-60 % AMI, 61-80 % AMI, 81-120 % AMI).

- Number of people living in affordable housing units by income band and tenure.
- Household income distribution of residents in affordable units by tenure.
- New affordable housing units added annually (by income band and tenure).
- Pipeline of affordable housing units in development (units under construction or approved).
- Number of market-rate units added annually (to track overall supply growth).
- Number of households receiving voucher or rental assistance (e.g., TBRA, HCVs) and number on waiting lists.
- Preservation activity: number of existing affordable units preserved, number of units lost (expired affordability, conversion).

### **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**

The City should establish a municipal land bank that works in tandem with the McKinney Housing Finance Corporation's Community Land Trust (CLT). The CLT ensures permanent affordability and stewardship of developed land, while a land bank serves as a flexible tool that can acquire, hold, and prepare properties for eventual transfer to the CLT or other affordable housing partners. This approach will strengthen the City's ability to acquire and preserve land for affordable housing, regardless of changing market conditions. CLTs are particularly beneficial in tight markets where rising property values threaten affordability, and land banks can complement them in soft markets where demand has diminished.

Properties can enter a land bank through several mechanisms, including tax foreclosure or tax-delinquent properties, direct donations or transfers, city-owned surplus or underutilized land, and strategic acquisitions. The number of properties that can be acquired depends on market conditions and County foreclosure activity; foreclosure activity is currently low in the City, but market conditions can change, and acquisitions can be supplemented by City acquisitions or donations.

Priority should be given to parcels that can most effectively promote housing goals. This includes vacant or underutilized lots suitable for single-family homes, duplexes, or small multifamily housing. Other key focuses are tax-delinquent or blighted properties that discourage nearby investment, parcels located near public investments such as new infrastructure or transit corridors, and sites close to schools, services, and employment centers to ensure access. Additionally, properties at risk of speculative turnover in neighborhoods like East McKinney, where the loss of affordability is accelerating, should also be prioritized.

The direct fiscal cost primarily comes from foregone property tax revenue while land is held; however, these costs are typically offset by long-term benefits—such as converting blighted parcels into tax-generating properties, stabilizing neighborhoods, and reducing City maintenance or code enforcement costs. The City can also offset carrying costs by reselling or leasing land to its community land trust.

### **Assess Zoning and Land Use Codes to Encourage Housing Affordability**

The City should conduct periodic reviews of its Unified Development Code (UDC) to identify opportunities to promote greater housing affordability, flexibility, and product diversity. Because statewide restrictions limit the ability to require affordability outright, the City must ensure that its code includes strong, voluntary incentives that make affordable and diverse housing products financially feasible. Periodic evaluations of the UDC should focus on areas where density bonuses, parking reductions, streamlined approvals, or expanded eligibility for fee waivers could encourage the development of a broader range of housing types and price points.

In addition, the City should continue improving zoning and building codes to accommodate tiny homes, modular construction, and other innovative housing models that can reduce costs and expand choice. Collaboration with fire, building, and safety officials is critical in establishing clear, consistent permitting pathways for these housing types. The City should also explore opportunities to encourage streamlined approvals for affordable housing and ADUs (i.e., pre-approved plans), cluster developments, reduced minimum lot sizes, and flexible setbacks in appropriate areas to foster more affordable housing options. Ongoing efforts are needed to ensure McKinney's zoning framework aligns with evolving market conditions and advances the City's long-term housing affordability goals.

## **4. Increase housing affordability and production, to expand availability of housing units at all income levels 0-120% AMI.**

### **Residential Development of Underutilized Land**

The City can expand housing opportunities by supporting residential development on underutilized land owned by faith-groups, school districts, or employers, as an approach to create new affordable and mixed-income housing. Local governments can facilitate this strategy by streamlining development review, adjusting zoning standards—such as height, parking, and density requirements—and allowing by-right development on such properties, or creating an overlay or incentive district, and establishing programs that offer capital access and technical assistance to organizations interested in development. In exchange, participating organizations can commit to incorporating affordability requirements or reserving a share of units for lower-income households.

Local governments across the country have taken up an important role in facilitating development on faith-owned lands by creating development assistance programs for faith-

based organizations; some recent examples include San Antonio, Atlanta, and Nashville.<sup>1</sup> Governments have also facilitated employer housing projects, such as in Austin, Texas.<sup>2</sup>

### **Continue Monitoring the Affordable Housing Scorecard**

The City should continue to monitor and refine the Affordable Housing Scorecard to ensure it remains an effective tool for guiding housing investments and incentivizing affordability. Regular evaluation of how proposed projects perform against the scorecard criteria—such as affordability levels, community benefits, and long-term outcomes—will help identify needed adjustments as market conditions evolve. Ongoing monitoring will also support transparency, strengthen partnerships with developers, and ensure the Scorecard remains aligned with McKinney's broader housing goals. The scorecard should help the City to capitalize on current growth patterns that will eventually slow down and help accommodate housing stock needed to support residents' lifecycles, from young professionals and families to ageing residents.

## **5. Increase and support the preservation of existing housing and services, to ensure and maintain residential affordability to vulnerable residents.**

### **Continue Voucher Support**

The McKinney Housing Authority (MHA) plays a critical role in providing housing stability for the city's lowest-income residents through the administration of federal Housing Choice Vouchers (HCVs). MHA currently administers 360 standard HCVs, 74 Mainstream vouchers for households with disabilities or elderly residents, and five Veterans Affairs Supportive Housing (VASH) vouchers for veterans. Since the last five-year Consolidated Plan, MHA has expanded its capacity by adding 79 new vouchers through partnerships with the Continuum of Care and the Veterans Administration. However, despite this progress, the growth in voucher allocations has not kept pace with McKinney's rapid population increase and rising housing costs. The number of households earning below 30% AMI continues to grow faster than the supply of available vouchers, leaving many very low-income families without access to stable, affordable housing. To help decrease this gap, the City should continue to support MHA's efforts by maintaining flexible funding for the City's Tenant-Based Rental Assistance (TBRA) program and coordinate with MHA to expand participation in the federal voucher program. Deep subsidies like HCVs and TBRA remain essential for

---

<sup>1</sup> <https://www.sanantonio.gov/NHSD/Coordinated-Housing/Development>

<https://www.atlantaga.gov/government/departments/city-planning/housing/faith-based-development-initiative>

[https://www.nashville.gov/departments/mayor/news/nashville-receives-first-its-kind-federal-grant-remove-obstacles-housing#:~:text=Nashville%20will%20receive%20\\$5%20million,%22%20Mayor%20O'Connell%20said.](https://www.nashville.gov/departments/mayor/news/nashville-receives-first-its-kind-federal-grant-remove-obstacles-housing#:~:text=Nashville%20will%20receive%20$5%20million,%22%20Mayor%20O'Connell%20said.)

<sup>2</sup> <https://housingworksaustin.org/employer-assisted-housing/> <https://www.huduser.gov/portal/pdredge/pdr-edge-inpractice-060525.html>

helping extremely low-income households—those most at risk of displacement—secure and maintain housing in McKinney.

### **Continue Efforts to Prevent Displacement**

The East McKinney Neighborhood Preservation Study found that residents of East McKinney face a heightened risk of displacement driven by lower household incomes, rising housing costs, and limited new affordable development. Median incomes in East McKinney are less than half the citywide median, and a growing share of residents rent rather than own their homes—leaving many households more vulnerable to market pressures. Additionally, long-term homeowners can experience pressure from increased property taxes.

As McKinney continues to expand and available land becomes more limited, the pressures for redevelopment in East McKinney are expected to intensify. To mitigate the risk of displacement, the study recommends adopting proactive land-use strategies to preserve affordability, such as supporting ADUs, providing homeowners with rehabilitation and tax relief programs, and offering education and outreach for existing programs. Additionally, the study emphasizes the importance of infrastructure investments that benefit current residents, the need for stronger partnerships with nonprofit organizations and affordable housing developers, and the ongoing monitoring of neighborhood changes to ensure that revitalization efforts contribute to long-term community stability.

## **6. Expand financial sources through city, state, and federal resources 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**

The City should establish a dedicated local housing fund—such as a Housing Trust Fund—or designate a consistent allocation from the General Fund to support the development and preservation of affordable housing. Local and state housing trust funds have become increasingly important as federal housing resources have declined, providing communities with flexible, locally controlled funding to address housing needs across different income levels.

A housing trust fund can support a wide range of activities, including land acquisition, gap financing, rehabilitation, and homebuyer assistance, and can be structured to leverage other public and private investments. Funding sources vary but commonly include general obligation bonds, commercial linkage or impact fees, cash-in-lieu from inclusionary zoning buyouts (this would have to be voluntary, given the statewide restriction on inclusionary zoning), or other taxes linked to housing demand. Establishing a dedicated fund or allocation would provide McKinney with a reliable mechanism to finance affordable housing initiatives and respond to changing market conditions.

Local examples demonstrate the effectiveness of these tools. The San Antonio Housing Trust Fund, a local nonprofit organization, manages a housing trust fund established in 1991 through a partnership with the City of San Antonio. While the fund does not have a designated funding source, it was seeded with contributions from the city and other donors. Funds are used for development and preservation efforts of units for residents with incomes below 60% AMI.<sup>3</sup> Additionally, the City of San Antonio, following the development of its Strategic Housing Implementation Plan in 2020, approved the city's first housing bond in 2022, totaling \$150 million.

## **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**

The City should assess the potential for workforce housing initiatives that enhance collaboration between employers and the housing sector. Employer-assisted housing (EAH) programs can support moderate-income workers—such as teachers, healthcare staff, and first responders—by enabling them to live closer to their workplaces, which can improve retention and reduce commuting burdens. The City can facilitate this by offering incentives or matching contributions to encourage private employers to establish or expand EAH programs. Support may also include property tax credits, grants, or partnerships with nonprofit organizations that provide services such as homebuyer education, counseling, or rental assistance. By centralizing administration and lowering barriers for employers, the City can increase participation. Additionally, cities may also support land contributions or development partnerships to create new workforce housing units, thereby helping to maintain a balanced and attainable housing market for McKinney's workforce.

### **Education Campaign**

The City could develop a public education and awareness campaign to highlight housing as essential community infrastructure that underpins workforce retention, family well-being, and neighborhood vitality. By framing housing as a shared public good rather than a private commodity, the campaign can help shift public perception, reduce stigma associated with affordable housing, and build support for a more inclusive range of housing options. Through storytelling, data visualization, and community engagement, the effort can illustrate how access to safe and affordable homes strengthens the local economy, supports essential workers, and promotes long-term community stability. A well-designed communication strategy can foster collaboration among residents, developers, and civic leaders, aligning public understanding with the City's broader housing goals.

---

<sup>3</sup> <https://sahousingtrust.org/about-us/>

## Prioritization

Figure III-1 presents a matrix of recommendations based on impact and alignment with the City's existing capacity.

- **Tier 1: High Impact & Capacity Expansion** focuses on building the foundational systems and resources needed to sustain long-term housing initiatives, including expanding public understanding of housing needs, establishing dedicated funding sources, and improving cross-departmental coordination.
- **Tier 2: Continuation of Core Efforts** emphasizes continuation and strengthening of existing efforts that directly support housing stability and prevent displacement, such as monitoring the Affordable Housing Scorecard, maintaining voucher and assistance programs, and developing tools to track housing investments and outcomes.
- **Tier 3: Strategic Expansion** represents opportunities for strategic expansion—introducing new partnerships, innovative land-use approaches, and workforce housing solutions that broaden the range of affordable and attainable housing options. Together, these tiers provide a phased framework that balances immediate implementation with long-term capacity building and innovation.

The timeline for each action ranges from short-term to long-term, where short-term ranges from 0 to 2 years, medium-term ranges from 3 to 5 years, and long-term ranges from 5 years or more.

**Figure III-1.**  
**Recommendations Matrix, Tier 1**

<b>Tier 1: High Impact &amp; Capacity Expansion</b>		
<b>Recommendation</b>	<b>Action</b>	<b>Timeline</b>
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

**Figure III-1. (continued)**  
**Recommendations Matrix, Tier 2**

<b>Tier 2: Continuation of Core Efforts</b>		
<i><b>Recommendation</b></i>	<i><b>Action</b></i>	<i><b>Timeline</b></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)

**Figure III-1. (continued)**  
**Recommendations Matrix, Tier 3**

<b>Tier 3: Strategic Expansion</b>		
<i><b>Recommendation</b></i>	<i><b>Action</b></i>	<i><b>Timeline</b></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

Source: Root Policy Research.

## Income Alignment

Figure III-2 illustrates the range of income levels typically served by different housing types and the corresponding affordability thresholds for a two-person household. The figure demonstrates that housing needs vary significantly across the income spectrum, requiring different policy tools and levels of public involvement.

**Figure III-2.**  
**Hud Income Thresholds & Target Housing**

<b>&lt; 30% AMI</b> =< \$28,200 per year for a two-person household		<b>Affordable housing costs: \$616/mo.</b> Public housing, Section 8, TBRA, transitional housing, and other deeply subsidized rentals.
<b>30-50% AMI</b> \$28,200-\$46,950 per year for a two-person household		<b>Affordable housing costs: \$616-\$1,028/mo.</b> Public housing, Section 8, rental tax credit developments, and other rental products. Shared equity and land trust for homeownership.
<b>50-80% AMI</b> \$46,950-\$75,100 per year for a two-person household		<b>Affordable housing costs: \$1,028-\$1,643/mo.</b> Generally live in privately provided rental housing. Ownership with shared equity, land trust, other deed-restricted products, attached homes, homes in affordable areas.
<b>80-120% AMI</b> \$75,100-\$112,600 per year for a two-person household		<b>Affordable housing costs: \$1,643-\$2,463/mo.</b> Privately provided rental housing. General target for homeownership programs, can buy without assistance in affordable areas.

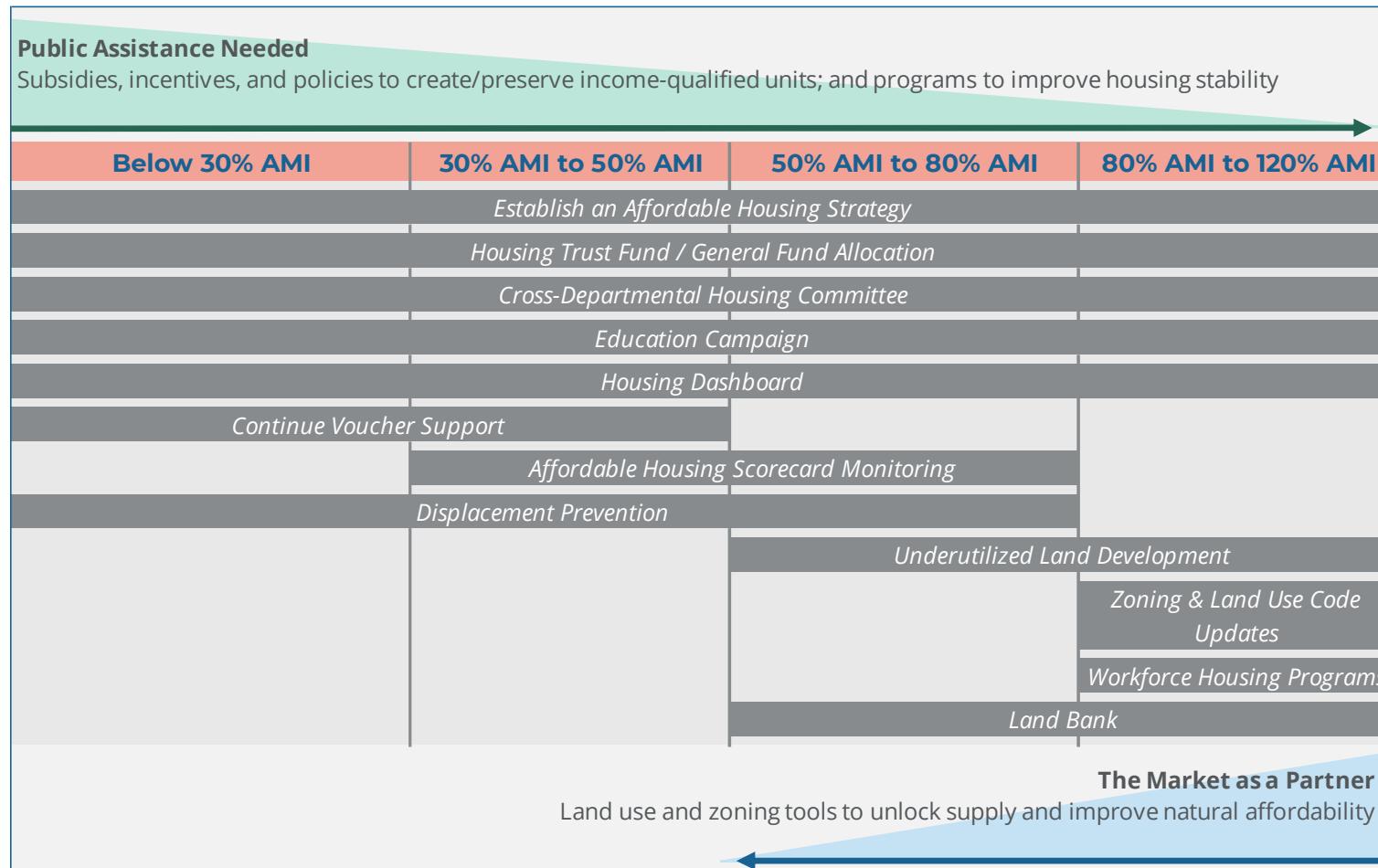
Note: McKinney is part of the Dallas MSA and, as such, shares HUD AMI designation with the broader metro area.

Source: HUD 2025 Income Limits and Root Policy Research.

Figure III-3 outlines the recommended actions linked to various income levels that each policy generally targets. The figure highlights that different tools are suitable for different points along the AMI continuum, while several foundational actions support housing outcomes across all income levels.

Key actions that apply across the entire continuum include adopting an affordable Housing Strategy, establishing a Housing Trust Fund or a dedicated allocation from the General Fund, creating a cross-departmental housing committee, implementing a public housing dashboard, and launching a citywide education campaign. These comprehensive efforts provide the necessary governance, funding, data transparency, and public support to advance housing goals for all income levels. Together, Figures III-2 and III-3 illustrate how the proposed recommendations employ a balanced mix of public assistance, policy tools, and market partnerships to address diverse housing needs.

**Figure III-3.**  
**Actions Across the AMI Continuum**



Source: Root Policy Research.

## Cost and Impact

Figure III-4 illustrates the relative cost to the City and the expected impact of recommended housing actions.

Lower-cost, capacity-building strategies—such as the housing strategy, cross-departmental coordination, data tracking, and public education—provide foundational support that enables more impactful investments. While these actions may not directly produce housing units, they enable more effective decision-making and support higher-impact investments over time.

Ongoing core efforts, including voucher support, anti-displacement measures, deliver direct housing stability at a moderate cost. The scorecard monitoring has a relatively low cost and high potential impact.

Higher-cost actions—such as dedicated funding, land banking, zoning updates, and development of underutilized land—offer the greatest long-term impact as they have the highest potential to expand housing supply and improve affordability.

Together, these actions balance near-term feasibility with sustained, system-wide housing outcomes.

**Figure III-4.**  
**Cost and Impact**



Source: Root Policy Research.

## SECTION IV.

---

## APPENDIX

## **AFFORDABLE HOUSING SCORECARD APPLICATION**

The Affordable Housing Scorecard will provide an initial review for applicants requesting partnerships with granting entities (MHA, MHFC, or PFC) to provide tax-exemption benefits for rental housing projects. Projects must score a minimum of 12 points to move forward to the next round of review. Meeting the minimum number of points does not guarantee approval of the project. Following the initial review, a more detailed analysis will be required as part of the granting entity's review process. Please see the Project Consideration Flowchart (*Attachment A*) for more information.

### **Applicant Information**

Developer Contact Information: \_\_\_\_\_

Name: \_\_\_\_\_

Email: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Address: \_\_\_\_\_

### **Property Information**

Property Location: \_\_\_\_\_ Property Zip Code: \_\_\_\_\_

Parcel ID Number: \_\_\_\_\_ Quadrant (*Attachment B*): \_\_\_\_\_

Current Zoning/Land Use: \_\_\_\_\_

Proposed Zoning/Land Use: \_\_\_\_\_

### **Proposal Information**

Minimum Requirements:

- Project must provide rental housing units (either single- or multi-family residential).
- Project must include at least 50% of the total units as affordable units (80% AMI or lower).
- Project must include a minimum of 5% of the total units at 30% AMI.

Project Description: \_\_\_\_\_

---

---

---

---

**Project Type:** (please check one)

New Build       Rehabilitation       Renovation       Acquisition

**Housing Type:** (please check one)

Single-Family Rental       Multi-Family Rental

**Property Tax Assessment:**

Category	Amount
Land Value	\$
Existing Improvements	\$
Proposed Capital Improvement Costs	\$
<b>Total Assessed Value</b>	<b>\$</b>

**Unit Affordability and Unit Type:** (please include the number of units per category)

	Efficiency/ Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	Total
Market Rate						
80% AMI						
70% AMI						
60% AMI						
50% AMI						
40% AMI						
30% AMI						
<b>Total</b>						

**Market Rents**

	Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Market Rent					
<i>Note: Average Market Rents for Each Unit Type as Supported by the Supplied Rent Roll and by a Market Study or Comparable (please provide current rent roll)</i>					

**Proposed Rents**

	Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
30% AMI					
50% AMI					
60% AMI					
80% AMI					
<i>Note: Utilize rent calculations from the Novogradac Rent and Income Limit Calculator; <a href="https://ric.novoco.com/tenant/rentincome/calculator/z1.jsp">https://ric.novoco.com/tenant/rentincome/calculator/z1.jsp</a></i>					

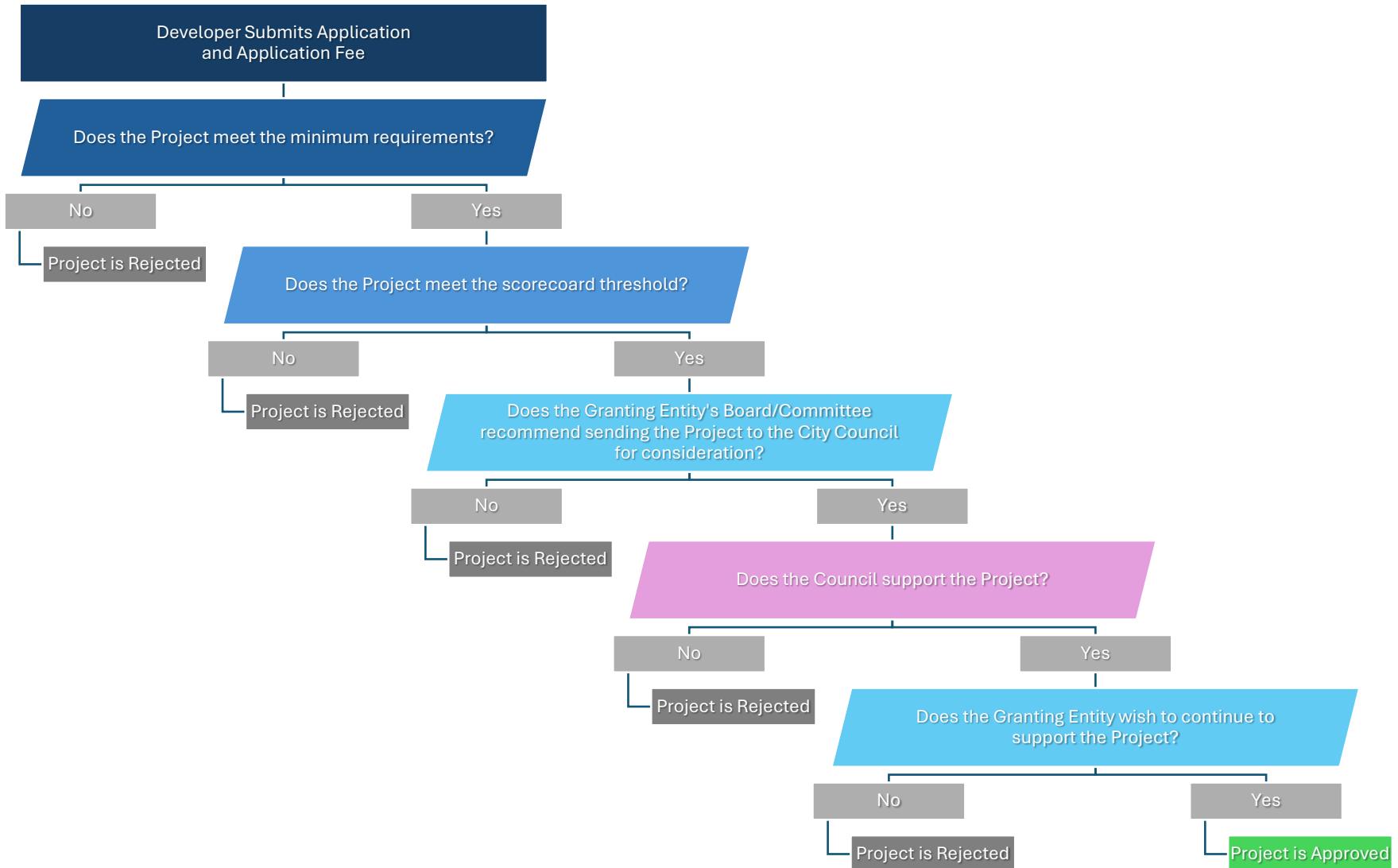
**Rental Assistance Programs:** (please indicate if the project will accept rental assistance programs)

None  Housing Choice Vouchers  
 Tenant-Based Rental Assistance  Other: \_\_\_\_\_

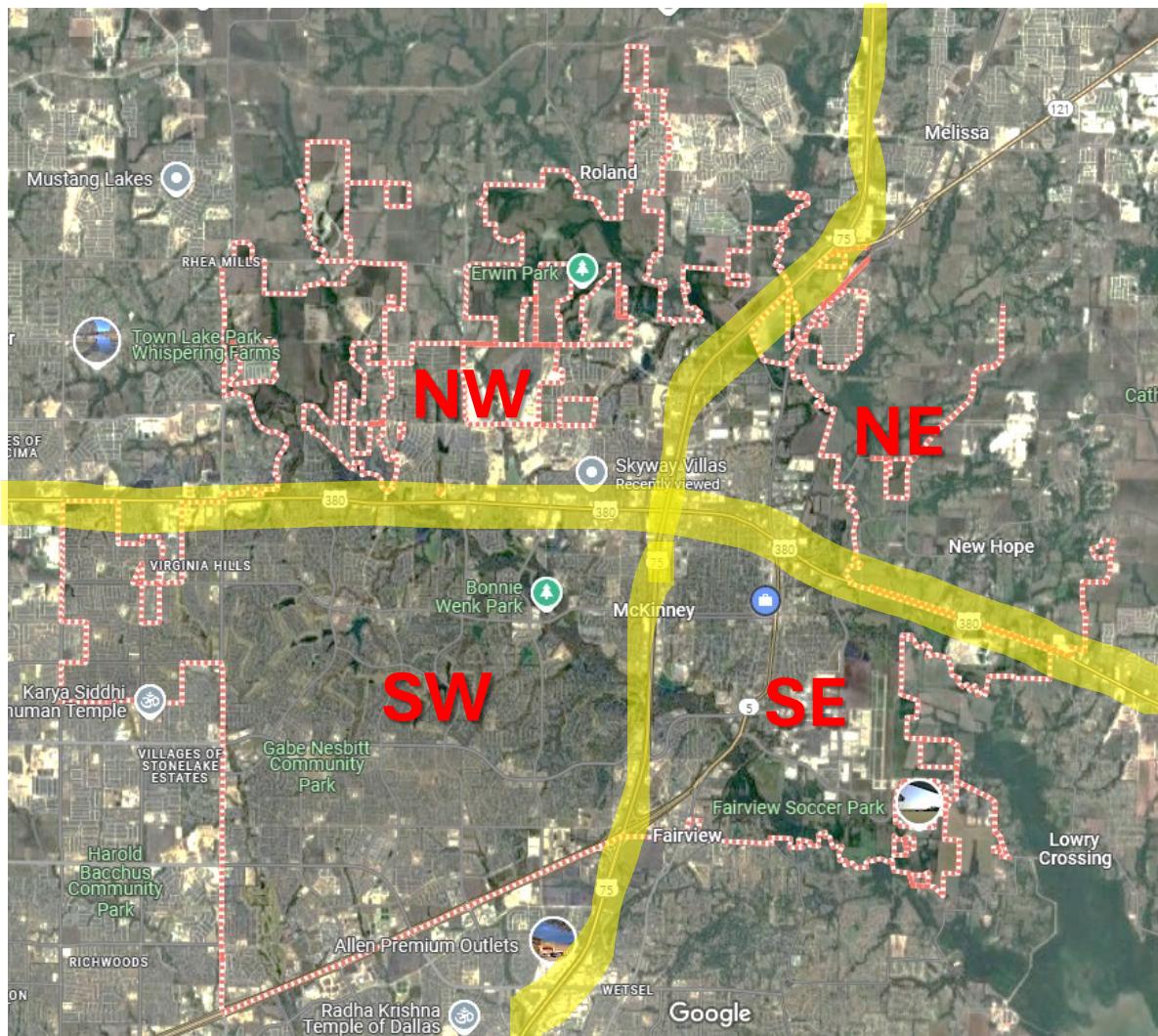
**Granting Entity Benefits:** (please include estimates over the initial 10-year timeframe)

Type	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Reoccurring											
Annual Lease Payments	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Compliance Fees	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other:	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other:	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Reoccurring Subtotal:	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
One-Time											
Professional Fees	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Construction Cost Tax Savings	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Refinance Fee	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Disposition/Transfer Fee	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other:	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other:	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
One-Time Subtotal:	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Total</b>	<b>\$</b>										

**Attachment A:**  
**Project Consideration Flowchart**



**Attachment B:**  
**Quadrant Map**



*Note: Please reference the Texas Department of Housing and Community Affairs Property Inventory Map for the location of affordable housing projects: <https://arcg.is/19GyXC0>*

Category	Definition	Notes
Amount of Affordable Units	<p>Per the Texas Local Government Code (Chapters 392 and 394), the minimum requirement for tax exemption projects is 50% of the units at 80% AMI.</p> <p>The goal of this category is to prioritize projects that provide a greater amount of affordable housing units.</p> <p>Projects with a greater amount of affordable units will be awarded more points.</p>	Minimum requirement is for all projects to provide at least 50% of the total units as affordable units.
Affordability Level	<p>Per the Texas Local Government Code (Chapters 392 and 394), the minimum requirement for tax exemption projects is 50% of the units at 80% AMI.</p> <p>The goal of this category is to prioritize projects that provide more housing units at deeper affordability levels (i.e., units at 30% AMI).</p> <p>Projects with deeper affordability levels will be awarded more points.</p>	Minimum requirement is for all projects to provide at least 50% of the total units at 80% AMI.
Housing Type	<p>The goal of this category is to diversify the types of affordable housing opportunities.</p> <p>Projects that include single-family housing will be viewed more favorably than multi-family housing.</p>	<p>The Affordable Housing Scorecard is limited to rental projects.</p> <p>Homeownership projects are encouraged and will be evaluated separately.</p>
Rent Saving to Tax Exemption Ratio	<p>The goal of this category is to prioritize projects that will provide a greater amount of rent savings (over a 10-year period) to offset the tax exemptions that are being provided by the City of McKinney, Texas ("City"). The ratio is calculated by dividing the rent savings by the amount of tax exemptions provided by the City.</p> <p>Projects with a greater ratio will be awarded more points.</p>	Refer to the <b>Rent Saving</b> and <b>Tax Exemption</b> tabs for the methodologies and assumptions to calculate each value.
Granting Entity Benefit (one-time)	<p>The goal of this category is to prioritize projects that will provide additional one-time funds to the granting entities in return for the tax exemptions. These funds may include acquisition fees, professional fees, construction cost tax savings, and refinance fees that will be provided over the lifetime of the project. Disposition/transfer fees are excluded since these are speculative estimates (unless there is a specific guarantee provided).</p> <p>Projects that provide a greater amount of benefit will be awarded more points.</p>	
Granting Entity Benefit (reoccurring)	<p>The goal of this category is to prioritize projects that will provide additional reoccurring funds to the granting entities in return for the tax exemptions. These funds may include annual lease payments, and/or compliance fees (over a 10-year period).</p> <p>Projects that provide a greater amount of benefit will be awarded more points.</p>	
Location	<p>The goal of this category is to diversify the location of affordable housing projects and avoid the concentration of projects in one area. The City will be divided into quadrants based on the intersection of US 380 and US 75.</p> <p>Projects located west of US 75 will be awarded more points.</p>	<p>Please reference the Texas Department of Housing and Community Affairs Property Inventory Map for the location of affordable housing projects:</p> <p><a href="https://arcg.is/19GyXC0">https://arcg.is/19GyXC0</a></p>
Project Type	<p>The goal of this category is to prioritize projects that will provide the greatest amount of investment into the community. Rehabilitation projects are awarded the greatest amount of points due to the significant reinvestment in existing older buildings that may not receive additional investment on their own. New builds will introduce the most amount of investment into the surrounding neighborhood. Renovation projects will provide minor improvements. Acquisition projects will not include any capital improvements.</p> <p>Projects that provide a greater amount of investment into the community will be awarded more points.</p>	

Points	Amount of Affordable Units	Affordability Level	Housing Type	Rent Saving to Tax Exemption Ratio	Granting Entity Benefit (one-time)	Granting Entity Benefit (reoccurring)	Location	Project Type
4	Project includes 90- 100% affordable units	At least 5% of the total units at 30-40% AMI; and an additional 20% or more of the total units at an AMI lower than 80%	Single-Family Rental	\$4.00 or more in rental savings per \$1.00 in McKinney tax exemption provided over a 10-year period	\$3.5 million or more in one-time payments over the 10-year proforma period of the project	20% of the total Tax Exemption or more over a 10-year period	Northwest Quadrant	Rehabilitation (property is 15-years or older and will include significant improvements)
3	Project includes 75-89% affordable units	At least 5% of the total units at 30-40% AMI; and an additional 15-19.9% of the total units at an AMI lower than 80%		Between \$3.00 to \$3.99 in rental savings per \$1.00 in McKinney tax exemption provided over a 10-year period	Between \$3-3.4 million in one-time payments over the 10-year proforma period of the project	Between 15-19.9% of the total Tax Exemption over a 10-year period	Southwest Quadrant	New Build
2	Project includes 56-74% affordable units	At least 5% of the total units at 30-40% AMI; and an additional 5-14.9% of the total units at an AMI lower than 80%	Multi-Family Rental	Between \$2.00 to \$2.99 in rental savings per \$1.00 in McKinney tax exemption provided over a 10-year period	Between \$2.5-2.9 million in one-time payments over the 10-year proforma period of the project	Between 10-14.9% of the total Tax Exemption over a 10-year period	Northeast or Southeast Quadrant (aka "Eastside") (not located within a 2-mile radius of affordable housing)	Renovation (property is under 15 years old and will include minor improvements)
1	Project includes 50-55% affordable units	At least 5% of the total units at 30-40% AMI		Between 1.00 to \$1.99 in rental savings per \$1.00 in McKinney tax exemption provided over a 10-year period	Between \$1-2.4 million in one-time payments over the 10-year proforma period of the project	Less than 5-9.9% of the total Tax Exemption over a 10-year period	Northeast or Southeast Quadrant (aka "Eastside") (located within a 2-mile radius of other affordable housing)	Acquisition (will not include any improvements)
0				Less than \$1.00 in rental savings per \$1.00 in McKinney tax exemption provided over a 10-year period	Less than \$1 million in one-time payments over the 10-year proforma period of the project	Less than 5% of the total Tax Exemption over a 10-year period		

**Proposed Units**

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
30% AMI					
50% AMI					
60% AMI					
80% AMI					

Rows 3-6 Breakdown of the Proposed Unit Types and Affordability Levels

Rows 11 Average Market Rents for Each Unit Type as Supported by the Supplied Rent Roll and by a Market Study or Comparable (please provide current rent roll)

Rows 17-20 Proposed Rents Utilizing the Novogradac Rent and Income Limit Calculator for Each Unit Type; <https://ric.novoco.com/tenant/rentincome/calculator/z1.jsp>**Market Rents**

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
Market Rent					

Note: Average Market Rents for Each Unit Type as Supported by the Supplied Rent Roll and by a Market Study or Comparable (please provide current rent roll)

**Proposed Rents**

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
30% AMI					
50% AMI					
60% AMI					
80% AMI					

Note: Utilize rent calculations from the Novogradac Rent and Income Limit Calculator; <https://ric.novoco.com/tenant/rentincome/calculator/z1.jsp>**Rent Savings**

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	Subtotal
30% AMI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50% AMI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60% AMI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80% AMI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Note: Comparing to Fair Market Rents for zip code 75069

**Rent Savings Over 10-years**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Subtotal
30% AMI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50% AMI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60% AMI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80% AMI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ -</b>										

Note: Assumes annual increase of 3%

**Novogradac Rent and Income Limit Calculator Instructions****Step 1:**

Affordable Housing Program

State

Statistical Area &amp; Name

Other Federal, State, or Local Program

Texas

Collin County -- Dallas, TX HUD Metro FMR Area

**Step 2:**

Base the calculations on the HUD Published Income Limit

Enter other scenarios below

Inputted Persons Per Bedroom for Rent Limit Calculations

AMI

Enter project AMIs

1.5 Persons/Bedroom

Property Tax Estimate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Land Value:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Improvement Costs:			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assessed Value:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*assuming a 5% increase per year

\*\* assuming construction is completed within 2 years

Taxing Entity	Tax Rate	Year 1	Year 2	Year3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Subtotal
Collin County	0.001493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of McKinney	0.004155	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
McKinney ISD	0.011252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collin County Water District	0.009192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collin College	0.000812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ -</b>											

Source: <https://taxpublic.collincountytx.gov/TaxEstimator/CalculateTaxes?Command.TaxYear=2024&Command.TaxUnitCodes=01&Command.TaxUnitCodes=14&Command.TaxUnitCodes=73&Command.TaxUnitCodes=201&Command.TaxUnitCodes=60&Command.PropertyValue=500000>

B2

Existing Land Value

B3

Existing Improvements

C3

Existing Improvements + Capital Improvements



**Root Policy Research**

789 N Sherman St, Denver, CO 80203

[www.rootpolicy.com](http://www.rootpolicy.com)

970.880.1415