



ADDISON

Town of Addison Housing FAQ

July 15, 2022

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Existing Housing and Land Use Inventory

What is the current mix of housing types and occupancy characteristics in Addison? How has this changed over time?

The current mix of Addison housing types and ownership characteristics is depicted below:

Ownership Housing	Existing Dwelling Units	Rental Housing	Existing Dwelling Units
Large Lot Single-Family	119	Multifamily Rental	9,012
Small Lot Single-Family	1,268	TOTAL	9,012
Duplexes	84	% Ownership Housing	21.2%
Townhomes	342	% Rental Housing	78.8%
Condo (Townhomes)	266		
Condo (Stacked Flats)	341		
TOTAL	2,420	TOTAL DWELLING UNITS	11,432

The 1991 Comprehensive Plan provided commentary on this issue through the following statement:

The Town of Addison has an unusually large share of multi-family residents when compared to other market areas. In 1980, NCTCOG estimated that Addison had 4,007 multi-family units and 202 single-family units, for a multi-family share of 95.2 percent.

By 1990, the Town of Addison estimated it had 4,473 apartment and condominium/townhouse units and 610 single-family and duplex units, for a multi-family share of 88.0 percent.

The 2013 Comprehensive Plan provided commentary on this issue through the following statement:

Addison's first residential developments were multifamily complexes built in the late 1960s in the Brookhaven Club Drive area (now Vitruvian Park). Some of those early complexes are still operating and providing homes to Addison residents. The Town has always had a substantially larger population of multifamily renters than a typical suburb. At present, 76% of Addison's residents live in multifamily as compared to 24% in owner-occupied housing.

Between these two comprehensive plans, the Town saw the completion of the single-family housing area in west Addison, the completion of most of Addison Circle, and the initiation of the Vitruvian Park redevelopment project. During this period, the Town experienced a net loss of approximately 675 multifamily rental units in Vitruvian Park, a gain of 2,141 multifamily rental units, 269 condo units, and 36 townhomes in Addison Circle, a gain of 809 multifamily rental units in north Addison, and a gain of 253 multifamily rental units, 231 townhomes, and 566 single-family detached homes in west Addison. 19 townhomes and a various estate homes were built in east Addison during this period.

Since the 2013 Comprehensive Plan, three new residential projects have been initiated/constructed, and the second phase of Vitruvian Park has been completed. This has resulted in the addition of AMLI Addison (349 multifamily rental units), Addison Grove (321 multifamily rental units and 44 of 178 approved townhomes), Meridian Square (90 condo/stacked flats and 12 townhomes), and the multi-phase Vitruvian West (1,053 multifamily rental units).

In the last decade, the ratio of rental to ownership housing has increased by 3 percent.

Existing Housing and Land Use Inventory

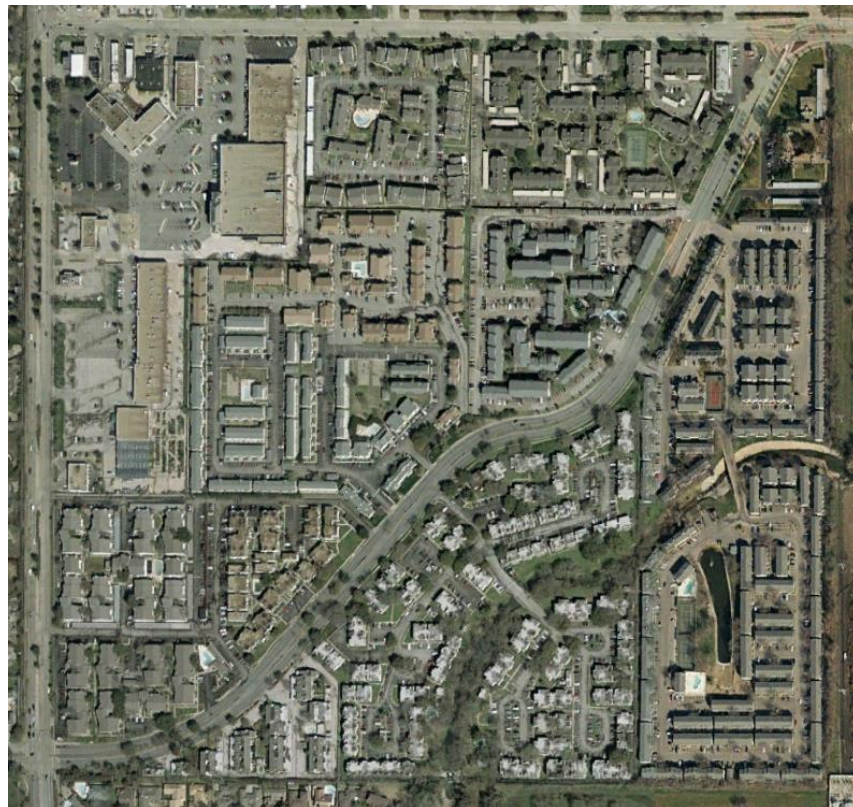
Are there any developments that include housing that have received zoning approval by the Town but have yet to be constructed?

There are several projects that are zoned to allow for new residential development in Addison. These include:

- Addison Grove: 117 townhomes and 17 live-work units are awaiting construction at the former Sam's Club site at Belt Line Road, west of Midway Road.
- Villas at Fiore: 85 rental townhome units located at the southeast corner of Spring Valley Lane and Vitruvian Way, within the Vitruvian Park neighborhood. Construction of this project is scheduled to begin this Fall.
- Cobalt Homes: 31 fee-simple townhomes on Beltway Drive, west of Midway Road, at the former Super 8 Motel site. Construction of this project is scheduled to begin this Fall.
- JPI Multifamily: 287 multifamily (7 live-work) rental units at the southeast corner of Addison Road and Airport Parkway. Construction of this project is scheduled to begin next Spring.
- Vitruvian Park: The buildout of this development has completed the first phase of zoning to permit an additional 3,157 multifamily rental units that could be achieved through the redevelopment of an additional 997 existing multifamily rental units. To proceed with these phases, the property owner will need to obtain development plan approval from the Town.

For the entire Vitruvian Park development, this would result in the construction of 5,526 multifamily rental units (plus new commercial development) and the elimination of approximately 2,800 declining multifamily rental units for a net gain of 2,726 dwelling units, plus new commercial development, the Vitruvian Park open space and trails, and new street and utility infrastructure.

Images of past conditions in Vitruvian Park and the Vitruvian Park Master Plan are provided below.



Vitruvian Park, 2001

Existing Housing and Land Use Inventory



Vitruvian Park Master Plan

How much land in Town is designated for housing and how much land in Town is reserved for commercial use? How has this changed over time?

Addison is unique compared to other cities in the region in that the majority of our land area is reserved for nonresidential use, most notably, Addison Airport. This dynamic results in our small resident population (~17,000 residents) and high daytime population (120,000+).

This dynamic was highlighted in the 1991 Comprehensive Plan, where it was noted that only 25 percent of Addison's land area is reserved for residential use (single-family and multifamily).

Since that time, the most significant change in the Town's land use pattern resulted from the Town's strong embrace of mixed-use development. This was most impactful in the development of Addison Circle and the redevelopment of Vitruvian Park. The Vitruvian Park development actually reduced area dedicated to residential use, while adding area for open space and nonresidential uses, by providing a more dense form of housing.

The last significant change to the Town's land use pattern occurred in west Addison, through the redevelopment of the Sam's Club site. The Addison Grove project converted a declining retail site to a mixed residential development comprised of townhomes and a multifamily rental building with ground floor retail space.

Housing, Land Use, and Economic Development Policies

What regulations and policies address the development of new housing in Addison?

For any development proposal, the first step in the Town's development review process is to determine compliance with the zoning that currently applies to the proposed development site. Due to the limited availability of undeveloped, underdeveloped, or declining properties that are zoned for any form of housing, most proposals for new housing in Addison would require rezoning applications. When a rezoning application is considered, Town staff, the Planning & Zoning Commission, and City Council evaluate these requests through the application of Town long-range planning policies addressing land use and housing considerations. These policies include the Town's Comprehensive Plan, Special Area Studies, and Housing Policy.

In 2013, the Town adopted a new [Comprehensive Plan](#) which provided a vision for the future that focused on anticipated reuse and redevelopment needs in the Town. This plan provides general guidance for the Town that builds on past planning efforts such as the 1977 and 1991 Comprehensive Plans, and the Addison 2020 Vision.

With the 2013 Comprehensive Plan, the Town identified areas of the Town that either were in decline or were seen as areas that were well positioned for investment that would transition those areas to a higher and better use. These areas were identified to receive more detailed study by special project committees (comprised of Addison residents and business community stakeholders) that would be tasked with developing targeted recommendations for the future use of these areas. These targeted planning efforts were intended to serve as the primary long-range planning policy guiding these areas, superseding the comprehensive plan and other Town policies. Past projects include the [2014 Sam's Club Special Area Study](#), the [2017 Inwood Road Enhancement Zone](#), and the [2018 Addison Circle Special Area Study](#). Currently, public review is ongoing for the [2022 Sam's Club Special Area Study](#).

In 2017, the City Council adopted an amended [Housing Policy](#) to guide Town Staff and potential developers as new housing developments are proposed and brought forward for City Council consideration. When new housing is proposed in Addison, this policy encourages it to be developed according to the following principles:

1. Where feasible and appropriate, new housing should increase the proportion of fee simple ownership in Addison's housing mix. Apartment-only rezoning is unlikely to be approved, as currently the ratio of rental to ownership properties is higher than desired.
2. A proposal should offer a 'best fit' mix of uses and housing choices within the context of the surrounding Addison community. The Town may use a study area committee (with staff, elected, and appointed members such as area residents and business representatives) to evaluate a proposal's fit in Addison.
3. New housing should create or enhance neighborhoods of urban character rather than locate on a stand-alone, nonintegrated property and should continue the high quality design and walkability that make Addison's existing neighborhoods distinctive.
4. Proposals for independent and/or assisted living may be considered by the Town of Addison. Since there are no assisted living housing units in Addison today, the Town will conduct research to understand how this housing could or should be included in Addison's future.
5. The City Council acknowledges that there may be exceptional projects that do not comply with elements of this policy. The Council encourages developers and staff to pursue projects that represent the highest and best use of each property and that advance portions of this policy or other Town goals.

Housing, Land Use, and Economic Development Policies

How does Town staff evaluate proposals for new housing?

Staff consideration of proposals for new housing is typically initiated by interested real estate brokers or developers contacting the Development Services Department.

In the majority of cases, these engagements are very speculative, and they comprise a simple inquiry regarding whether multifamily rental housing would be permitted and/or supported at a particular site. The majority of these inquiries are focused on the few available tracts of land in Town that are vacant and that are being actively marketed for sale. In responding to these inquiries, staff will review the current zoning that applies to the property in question, as well as the long-range planning policies that would apply to any potential rezoning request. Based on the nature of these requests and the lack of supportive zoning and planning policies, Development Services staff typically responds that multifamily rental housing is not appropriate at a site in question, and if housing were to be proposed, fee simple ownership housing would best meet the intent of the Town's long-range planning policies.

Less frequently, a developer will first approach Development Services staff after they have researched the zoning and long-range planning policies that apply to their site and will have created a development program that attempts to comply with those policies. In these engagements, the developer will have typically already entered into a contract to purchase a property and have developed more detailed plans for the property's use. The developer will request to meet with the Town's Development Review Committee (DRC), which includes planning staff, as well as staff members from Public Works, Parks & Recreation, Public Safety, Building Inspections, and Environmental Health.

At a DRC meeting, a developer presents their plan and staff provides feedback on how the plan complies with Town regulations and policies. If multifamily rental housing is proposed, planning staff directs the developer to consider fee-simple housing options such as townhomes, condo flats, or senior housing options. In most cases, the developer responds by stating that the market does not support condos or senior housing, and the cost of land and/or redevelopment limits the viability of townhomes or other fee simple housing options.

If these developers elect to continue with a multifamily rental proposal, planning staff will strongly emphasize that their proposal must comply with any applicable special area study, as well as the Town's Housing Policy. If compliance with those policies is not possible, staff will strongly discourage the developer from moving forward with a rezoning application.

If compliance with those policies is possible or if the applicant decides to move forward regardless of staff discouragement, the DRC will review the developer's rezoning application in order to achieve the best possible site design and land use mix for the site. This is critical, as a project could ultimately be approved by the Town regardless of staff support or opposition. Where projects involving housing are proposed near existing neighborhoods, staff requires developers to conduct neighborhood meetings prior to any formal consideration of their application. Staff will use feedback received at neighborhood meetings to improve the developer's plans and to inform the formal review process.

Housing, Land Use, and Economic Development Policies

Public review of proposals for new housing begins with consideration by the Planning & Zoning Commission, a citizen advisory committee appointed by the City Council. The Commission receives review feedback and technical analysis from Town staff and conducts a public hearing to obtain feedback from the community. The Commission’s recommendation will result in termination of the application or final consideration, public hearing, and action by City Council. If City Council approves a rezoning application for a project, that action will serve to officially rezone the property and to allow the Town to begin considering more detailed design plans from the developer.

Does the Town have any economic development policies that target housing? When has the Town provided incentives for private development of housing?

In 2019 the Addison City Council adopted a new [Economic Development Strategic Plan](#) to serve as a blueprint for generating economic success and prosperity for the community. The strategic framework of this plan is depicted below:

Addison is the vibrant, active and growing hub of north Texas where both people and businesses thrive.



Goal 1: Promote Addison as a place of choice for talent to live, work, and play in the Dallas Fort-Worth region.

Goal 2: Maintain a business climate that differentiates Addison and supports the needs of its existing and new corporate audiences in Addison's recommended target industries.

Goal 3: Promote Addison's key assets and points of difference to its target industries.

Goal 4: Leverage Addison's quality of place to support its "people" audiences (residents, employees, visitors).

While the focus of this plan is the business community, the plan does acknowledge the role housing plays in attracting and retaining talent. As part of Goal 4, "Quality of Place", this plan addresses the need for the Town to introduce unique housing options at major employment nodes and to continue to promote increased ownership options at locations where new housing would be appropriate.

This plan does not directly address the utilization of economic development incentives for housing. In the past, the Town has incentivized several mixed-use projects where housing was a primary use. These include Addison Circle (\$9 million), Vitruvian Park (\$50 million), and Addison Grove (\$6.5 million). For each of these projects, Town incentives were directed towards financing the construction of the public infrastructure, parks, and trails that support these developments.

Housing, Land Use, and Economic Development Policies

Can the Town stop approving high density residential development?

Yes, with the exception of those projects that have already obtained zoning approval.

Communities that have taken this approach leave themselves open to critique that can result in reputational damage that impacts their ability to retain existing businesses and attract new businesses. Blanket mandates addressing housing can also make communities vulnerable to litigation related to housing discrimination as well as State pre-emption efforts.

The best approach to evaluating new housing requests is to continue to evaluate each request on its merits through the application of Town policies and the consideration of public input, and what should be considered as the highest and best use of the land. If policy refinements are warranted to better address housing issues, formal policies should be developed, reviewed, and acted on by the City Council.

What are the potential impacts if the Town were to stop approving high density rental housing?

The most impactful outcome of this approach would be a reduction in market interest in redeveloping declining properties in Addison. Instead of seeing reinvestment, poorly positioned properties could continue to decline, potentially resulting in deferred maintenance, lower rents attracting less desirable land uses, and vacancy.

Declining commercial business properties can have a detrimental effect on the appearance and reputation of a commercial corridor. These impacts can spillover to adjacent property owners and the Town, as these underutilized declining spaces can become vectors for crime and people experiencing homelessness. This often causes property values to decline and influences relocation decisions of adjacent businesses, creating a cascading cycle of decline that is very challenging for cities to reverse.

Additionally, foregoing approval of high density rental housing would likely result in less opportunity for new ownership housing, as the compact ownership housing options that perform best in a redevelopment environment, frequently co-locate with multifamily rental housing. This co-location occurs to subsidize the construction of the ownership housing and because that form of ownership housing performs best in a walkable mixed-use environment, of which multifamily rental housing is frequently an anchor component.

What other policy options are available to the Town?

Development Services staff has submitted a budget request to fund an update of the Town's Comprehensive Plan, which was last updated in 2013. If this project is funded, staff would recommend the inclusion of an update of the Town's Housing Policy as part of that project.

If the Town's goal is to increase the proportion of fee simple ownership in our housing mix, the Town would likely need to aggressively subsidize the development of fee simple ownership housing in order for the market to be able supply a housing type that is attainable for households that wish to become homeowners in Addison. This could be more proactive, with the Town serving as Master Developer, acquiring and developing parcels in partnership with fee simple housing developers and builders. Or, it could be more passive, through the provision of financial and regulatory incentives.

Housing, Land Use, and Economic Development Policies

Acting as Master Developer in this scenario would be an unusual role for a municipality, as cities typically target these efforts towards addressing broader economic development goals such as the provision of workforce housing or the development of a major civic node, such as a downtown district or transit area.

When taking this approach, it is important to understand that public subsidies do not guarantee market support. For example, with Addison Grove, the developer has constructed 44 townhomes in four years (during a historically strong housing market), and at that rate, is on track to complete the project 17 years from project initiation.

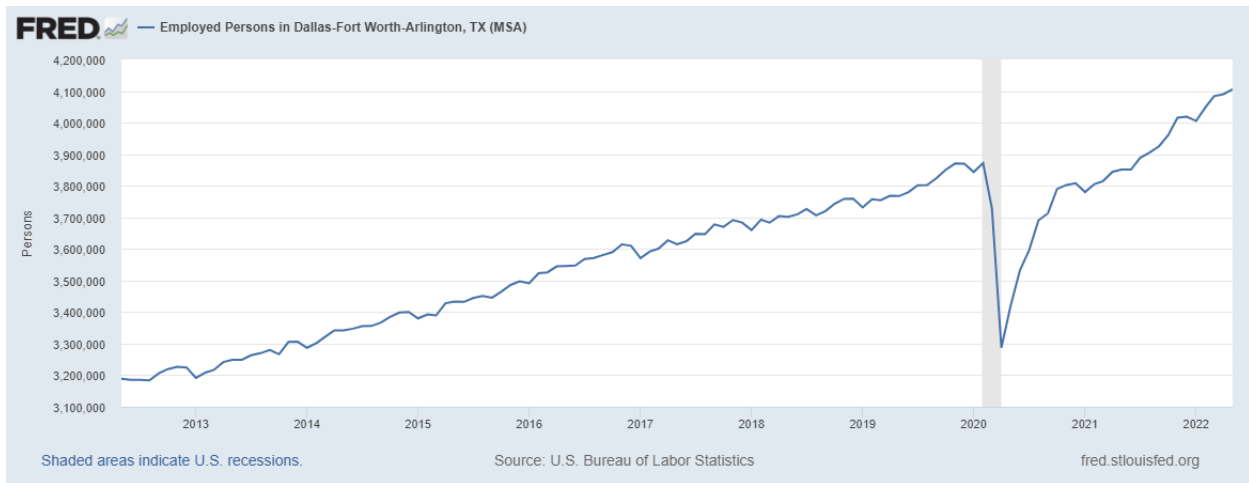
If the Town does not wish to divert funds needed for infrastructure replacement, park and trail improvements, and business recruitment and retention, it would be advisable to look at all aspects of the Town's housing, land use, and urban design policies to best achieve desired development outcomes. Key issues to examine may include, but are not limited to:

- Removal of regulatory barriers to single-family housing, senior housing, and condos. This may include:
 - Allowing developers the option to pursue “condo ready” development, where the project could be rental for the first 10 years of its existence, and then have the option to convert to condos after the construction defect liability period has ended.
 - Reduced buffer and transition zone requirements from single-family neighborhoods.
 - Proactive rezoning to allow these housing types to be constructed “by right” at compatible locations.
- Conduct targeted land use planning to identify where multifamily rental housing may be most appropriate and to identify critical investment and character defining attributes that should apply to that housing type. Key considerations may include, but are not limited to:
 - Requiring new rental multifamily rental housing development to meet one or more of the following objectives:
 - Act as a stand-alone mixed use project through the true integration of retail restaurant, employment, entertainment, or hospitality uses with the project.
 - Creation of a true mixed residential development with multiple housing types and a meaningful inclusion of ownership options.
 - Provision of a destination open space or trail corridor that benefits the surrounding area.
 - Creating architectural form standards and an advisory committee comprised of design professionals that advise applicants and provide support to Town staff.
- Policies to support reinvestment in all forms of housing as they age. These include more passive measures such as code enforcement and rental inspections, or it may include more proactive measures such as a housing rehab program, where grant funds are offered to homeowners to make exterior improvements to their property.
- Policy Advocacy at the state and federal level to address issues such as the corporate ownership of single-family homes, workforce development for the construction trades, homebuyer assistance programs, and funding support for 3-D printed home technology.

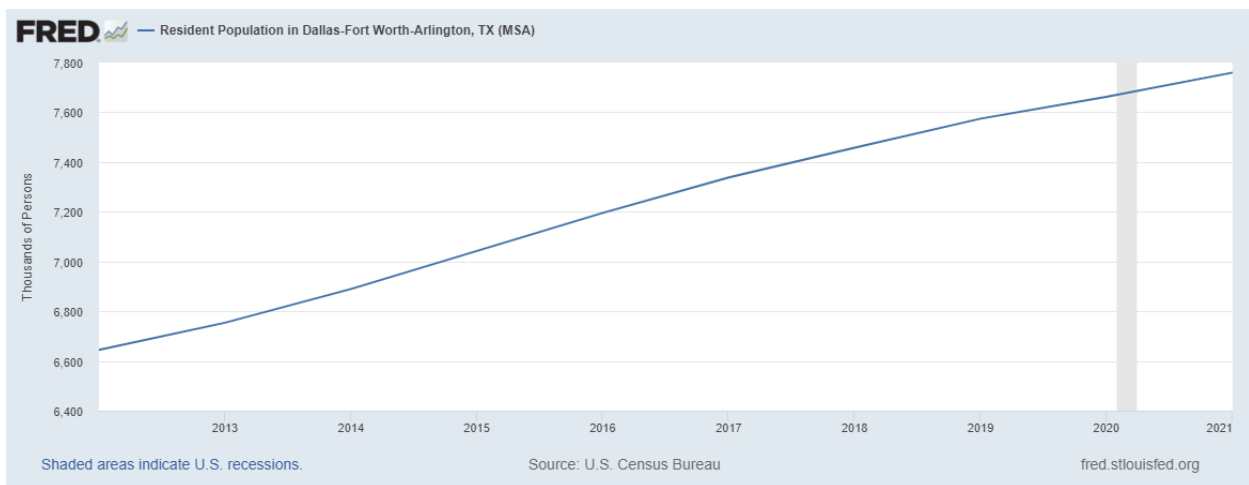
Regional Market Trends

What are the catalysts for demand for new housing in our region? What conditions influence how housing types are allocated within the region?

We are fortunate to live in a region that, for some time, has been adding more jobs than nearly any other region in the country. Job growth is the primary driver for housing demand, as it creates population migration from both within and outside the state. Over the last 10 years, the population of employed persons in our region has grown by 900,000 people and it is estimated that up to 80,000 people per year are moving to North Texas from other parts of the country.



As a result of this job growth, our region added over 1 million residents in the last decade, propelling North Texas to its position as the 4th largest region in the nation. By 2030, North Texas is anticipated to add an additional 1.2 million residents, once again, driven by continued job growth.



While job and subsequent population growth are the main drivers of demand for new housing, how new housing is allocated within the region is driven by the availability of vacant land, costs of construction, market demographics and preferences, and proximity to job centers. As a region, the prevailing development pattern for new housing is driven by the market's preference for ownership of a single-family home at a cost that is attainable for the average household.

Regional Market Trends

This dynamic has resulted in the recent and continued rapid growth of single-family homes at the edges of our region, on vacant land in places like McKinney, Frisco, Celina, Anna, Forney, Denton, and West Forth Worth. This growth is particularly strong in areas where there is sufficient infrastructure to initiate this growth in undeveloped areas.

In largely built out areas like North Dallas, Addison, Richardson, and Plano, housing is still in high demand due to the proximity to major job centers and the rich amenities, culture, and community character that these more mature cities offer. To supply new housing in these communities, it must be achieved through infill development or redevelopment on smaller parcels or larger land assemblies. Due to the higher land values and redevelopment costs in these more mature communities, infill and redevelopment projects must achieve a higher development value to cover these costs. This is achieved by developing a product that either has a higher unit cost or is produced at a density that allows a higher quantity of units to be produced at a cost that is attainable for the target demographic for that product.

This dynamic is why these mature communities are seeing decreased developer interest in low density single-family residential development, as the cost to construct that type of housing in a place like Addison would far exceed the cost of similarly situated existing homes. Instead, these areas see proposals for mixed-use development, where small lot single-family housing such as townhomes, is integrated with multi-unit housing such as apartments or condos, and/or commercial development to create a more walkable, urban development pattern. The compact single-family housing can be accommodated in these developments at an attainable cost because the costs of redevelopment are carried by the higher value commercial and multi-unit housing development.

What are the catalysts for redevelopment activity in our region?

The most prominent catalyst for redevelopment in this region is declining development value in areas that are highly accessible and that are near major job centers and amenities. A key characteristic of this decline is when the value of land in these areas begins to rival the value of private improvements on the land. This is a key indicator that redevelopment may allow the site to become more economically viable.

Because our region is so sprawling, access to jobs, education, and amenities are a true driver of redevelopment activity. This dynamic is why home teardowns are so prevalent in places like the Park Cities, Lakewood, and North Oak Cliff, and why projects like Prestonwood Place and Vitruvian Park are so viable in Addison.

In our region, it has long been understood that retail was significantly overbuilt, and now coming out of the pandemic, we have learned that office and hospitality may be experiencing a similar dynamic. Even as we see new corporate headquarters relocate from out of state, most are moving to new Class A office buildings. This dynamic as well as the new normal of remote work has placed downward pressure on Class B and C properties, leaving them vulnerable to underutilization and decline.

As the region continues to grow and redevelop rapidly, how are development patterns and consumer preferences reacting?

Due to the strong supply of vacant, physically unconstrained land, low-density suburban development will likely continue to be the prevailing pattern of development for the region. Where

Regional Market Trends

the future will differ is how major and minor nodes of activity are treated both with new development and redevelopment.

Instead of developing single use regional malls, power centers, and employment centers, these nodes of activity will be designed to be complete places, where housing, retail, dining, employment, and social amenities will be integrated as components of mixed use developments. Due to the sprawling nature of North Texas, in the short-term this is unlikely to be the prevailing development pattern, but it will likely be the natural evolution of prominent locations along major corridors. Where public transit can be effectively implemented, this dynamic will be more pronounced.

Current examples of this pattern include Legacy West in Plano, CityLine in Richardson, Cypress Waters in Coppell/Dallas, Downtown Carrollton, McKinney, and Plano, Watters Creek in Allen, Southlake Town Square, and the Star in Frisco. As the inner core of the region starts to shift towards redevelopment, smaller scale projects will become more common.

Why have Addison's property values been increasing? What motivates developers to propose projects in Addison?

Addison's location and other desirable qualities means that people want to live, work, dine, and shop in Addison. This translates into higher property values. It also means that older and underutilized properties present attractive redevelopment opportunities.

Developers look for opportunities to create a product (residential, office, hospitality, and/or retail space) that will sell at a price sufficient to reward them for their investment. Addison is a desirable location because of the community amenities, educated workforce, strong brand reputation, public safety, and a track record of successful developments.

How is Addison viewed by the region?

Addison is viewed as a unique community that aggressively capitalized on the northward extension of the Dallas North Tollway and the population and job migration that followed. Over the years, the community has worked hard to build and maintain a strong brand name.

For Generations X, Y (millennials), and Z, Addison has frequently served as their gateway to North Texas, due to its high quality housing (ownership and rental), close proximity to several major job centers, and rich array of dining options and social amenities such as parks, trails, and the Town's special events. Some of these people stay and make Addison their permanent home, while others continue to work and socialize here, while living in neighboring communities.

This regenerative dynamic often leads to Addison being perceived as a youthful community with a can do spirit, commonly referred to as *the Addison Way*.

Given this spirit, its location in the region, continued desirability, and lack of vacant land, Addison is viewed as a favorable location for reuse and redevelopment opportunities that align with the prevailing demographics of the community.

Single-Family Housing Trends

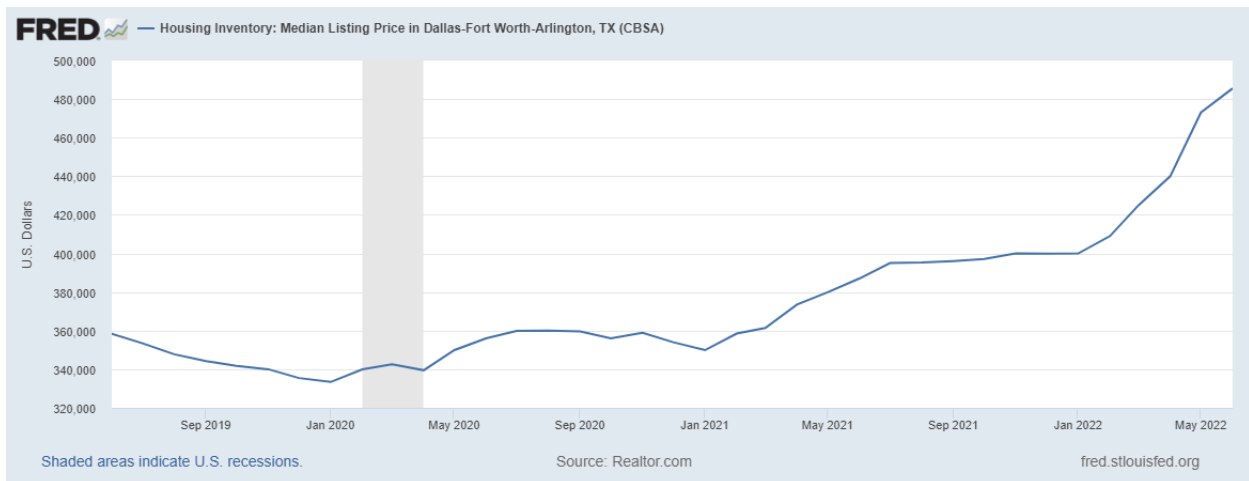
Why are there no new low density residential developments being proposed in Addison?

The last single-family detached neighborhood to be developed in Addison occurred in 1994, through the development of the Grand Homes neighborhood.

Low density residential development is driven by the availability of vacant land and consumer preferences for school districts and facilities. In Addison, the Town is served by Dallas ISD and Carrollton-Farmers Branch ISD, with only one public school facility (Bush Elementary School) within the Town's limits. Additional private education options are available within the Town limits through the Greenhill School and Trinity Christian Academy. While both of the public school districts that serve Addison are high quality options, the lack of facilities within the Town may be perceived negatively when compared to other communities. Frisco and Plano are prime examples of this, where each major neighborhood has an embedded elementary school and is in close proximity to a middle and high school.

With the lack of available vacant land suitable for low density residential development, market preferences driven by school districts and district facilities are not strong enough to create dynamics where there is demand to support housing costs that are well above market (resulting from land assembly and redevelopment costs). With this dynamic, Addison generally has more one and two member households than other suburbs in the region. For two income households, this may result in much greater purchasing power, but for single income households, accounting for the costs of redevelopment may push the cost of a single-family detached home to an unattainable price.

With current market conditions resulting in a median listing price of \$485,000, this puts many potential homeowners – particularly Gen Y & Gen Z buyers as they enter the post-pandemic housing market – in a position where home ownership is temporarily unattainable, and high quality rental options are needed to support their desired lifestyle.



This dynamic has also created an emerging market for “Build to Rent” single-family communities where entire neighborhoods are developed for the purpose of supplying rental homes.

Single-Family Housing Trends

Why is there not more redevelopment interest in high density single-family housing types such as townhomes or cottage homes?

There is unmet demand for high density single-family housing types in this region and in Addison. The challenge that the Town faces is that due to the cost of redevelopment, the development value required to cover those costs frequently pushes the margins of housing attainability for the segment of the market that wishes to live in Addison. For a site like Addison Grove, the cost to develop the 178 townhome lots has been subsidized by the construction of the multifamily component of that project, as well the \$6.5 million in Town performance-based economic development incentives that were provided for the project. Even with those benefits, most available units listed on the [Addison Grove website](#) have a starting cost in the low \$500K range with a top end cost above \$700K. That cost is unattainable for many potential homeowners, requiring the attraction of a niche market for that development.

Cobalt Homes, a more recent example, benefited from the opportunity to achieve lower development costs by purchasing a vacant, smaller tract (vacancy resulted from a motel fire) with limited infrastructure costs. High density single-family housing types will be more viable in Addison in circumstances like this, or where they can be subsidized by being co-located with higher value real estate assets.

What is the Town doing to make Addison more attractive for single-family housing types?

In 2017, the City Council adopted an amended [Housing Policy](#) to guide Town Staff and potential developers as new housing developments are proposed and brought forward for City Council consideration. This policy strongly favors single-family and ownership housing options and Town staff strongly conveys that direction in discussions with potential developers.

In addition to this policy, the Town has economic development policies and other land use policies that speak to the importance of single-family and other ownership housing options. In the recent past, the Town has provided performance-based economic development incentives for Addison Grove, a project that contains a substantial component of single-family, ownership housing.

Town staff, Advisory Boards, and the City Council proactively shape a business friendly environment and work with developers to create “win/win” outcomes in the development review process.

This culture of collaboration was most recently illustrated by the Town’s consideration of the Cobalt Homes townhome rezoning request for the former Super 8 Motel site. The developer and Town staff facilitated a community meeting and follow-up outreach efforts to neighboring residents and business owners. Feedback received throughout that process was used to improve and refine the developer’s plans for that project.

This *Addison Way* approach to development review resulted in the approval of a single-family housing development that was strongly supported by the community.

Senior Housing Trends

What is the history of senior housing development in Addison?

Senior housing includes a spectrum of housing options ranging from independent living, which typically serve as age-restricted rental multifamily buildings or condos, to a variety of assisted living options that are typically offered as rental housing options. Larger senior living facilities are frequently referred to as continuum of care facilities, where a senior may start off in more of an independent living environment, and as their health conditions evolve, graduate to the various forms of assisting living options.

Addison does not currently have any age-restricted senior housing options in its housing inventory and we have a very limited history of development interest in that use.

In 2014, a senior housing developer presented a concept plan for a 5-story facility comprised of independent living units, assisted living, and memory care to be constructed on the east side of Montfort Drive, between an existing pond and the Oaks North neighborhood. This application did not receive support from Town staff and was ultimately withdrawn by the applicant prior to Planning & Zoning Commission action.

In 2019, a senior housing developer presented a concept plan for a 4-story facility to be constructed at the southeast corner of Vitruvian Way and Spring Valley Lane, in the Vitruvian Park development. This proposed project did not come to fruition.

In 2020, the Town [approved a rezoning request](#) to allow for an 11-story senior living facility comprised of independent living units, assisted living, and memory care, to be constructed at the southwest corner of the Dallas North Tollway and Excel Parkway. This project failed to secure construction financing and the development group that advanced the rezoning application no longer has interests in the property. The property owner continues to market the property for that use.

In 2022, the Town considered proposals from master developer candidates to facilitate a partnership for the Addison Circle Transit-Oriented Development (TOD). Independent living units were considered by proposal respondents.

Development Services staff periodically receives inquiries from senior housing developers who participate in the State's [Low Income Housing Tax Credit program](#). Due to the nature of these projects, these developers typically focus on vacant properties, which frequently are either too costly to support the project or are subject to physical or environmental constraints that substantially limit the viability of those properties to support residential uses.

What conditions have been perceived as barriers to senior housing development in Addison?

There are several factors that serve as real or perceived barriers to senior housing in Addison. These include:

- *Typology of Existing Housing Stock:* Addison's existing ownership and rental housing stock is strongly suited to support seniors who wish to age in place. With the bulk of the single-family housing stock being moderately sized homes on smaller lots, aging residents are well-positioned to retrofit their homes to support universal design features that assist with reduced mobility. With much of our multifamily rental properties achieving a density that requires structured parking and elevators within the building, these properties are able to provide a comparable option to an age-restricted independent living development. For seniors who may be looking for options that are a bit more affordable and that have a more

Senior Housing Trends

diverse residential population, the Town's rental housing provides a range of attractive options.

- *Costs of Redevelopment*: The prevailing market for senior housing options in North Texas tends to favor low density options that look more like garden apartments and single-story care facilities. These development typologies are typically surface parked and include small private open spaces for dog parks, gardening, and other social activities. With Addison being largely built out, most development opportunities must account for elevated development costs, resulting in a need to achieve a higher density of development. With ample opportunity to develop low density projects on vacant land in places like McKinney and Flower Mound, more mature inner ring communities like Addison are frequently at a competitive disadvantage in this market.
- *Proximity to Family Housing Options*: A key attribute of senior housing locational choices is the ability for the senior to be in close proximity to their family. With the most affordable family housing options being developed at the edges of the region, new senior housing development tends to follow those development patterns.
- *Demographics*: With approximately 90 percent of the Town's population (~17,000 residents) being 65 or younger, there is limited immediately localized demand for senior housing options.

Where in our region is senior housing development being successfully executed? What conditions are contributing to that success?

Recent growth in senior housing has tended to focus on the region's second and third ring suburbs, most prominently in places like Frisco, McKinney, Plano, Grapevine, Flower Mound, and Keller. These communities are perceived to be some of the more market-favored locations for family housing options, which in turn activates the senior housing market which wishes to co-locate in these communities. Where vacant land is available, these communities are able to support a range of housing densities and there are frequently master planned communities that seek to offer senior housing as an option for their community.

In more urban settings similar to Addison, senior housing options are commonly situated within or in close proximity to popular retail areas/lifestyle centers/major parks, and adjacent to major corridors that provide convenient access to high quality medical services.

Condominium Housing Trends

What is the history of condominium development in Addison?

Condominium housing in Addison is currently provided in two forms: townhomes and stacked flats. Townhome condos are single-family building types that share a common wall where the unit owners own the interior space of the condo and share a percentage ownership in the land and site common areas with other members of the condo association. Stacked flats are multifamily building types where individually owned units share common walls and are vertically stacked. Like townhome condo owners, stacked flat condo owners own the interior space of the condo and share a percentage ownership in the land and site common areas with other members of the condo association.

Townhome condos comprise 44 percent of the Town’s condo supply and include Brooktown (Vitruvian Park), LaMirada (Proton Drive/Peabody Lane), and the Parkview/District A Townhomes (Addison Circle).

Stacked flat condos comprise 56 percent of the Town’s condo supply and include Pecan Square (Beltway Drive/Morman Lane), Bent Tree Valley (Ledgemont Lane), Aventura (Addison Circle), and Meridian Square (Addison Circle).

Property	Condo Type	Dwelling Units	Development Approval Date
Brooktown Townhomes	Townhomes	39	1972
Pecan Square	Stacked Flats	63	1981
Bent Tree Valley	Stacked Flats	102	1981
La Mirada	Townhomes	44	1984
Aventura	Stacked Flats	86	2000
Parkview / District A	Townhomes	183	2004
Meridian Square	Stacked Flats	90	2008
TOTAL UNITS		607	

Consistent with the rest of our region, condo development has achieved varying degrees of success in Addison. La Mirada and Pecan Square are stable properties that provide quality housing options. The condo component of these projects was originally more ambitious. La Mirada saw its planned second phase revert to fee simple housing through the development of the Townhomes of Addison. Pecan Square’s sister project, Walnut Square, received similar zoning, but has been owned and operated as multifamily rental housing for decades.

The Town experienced its most success with condo development in the Addison Circle neighborhood. This nationally recognized walkable urban neighborhood is home to the Parkview/District A townhomes and the stacked flats of Aventura. These are both very stable properties that are viewed favorably by the market.

The most recent condo project in Addison is Meridian Square, a multi-building, 90 unit stacked flat project that was approved in 2008 at the northern edge of Addison Circle. This project has proceeded very slowly, with construction commencing in 2012, and the final building projected to be completed by the end of this year. Throughout the lifecycle of this project, resolution of construction defects has been a consistent theme for Meridian Square property owner association members.

In recent years, Development Services staff has not received any strong developer interest in condo development opportunities.

Condominium Housing Trends

What conditions have been perceived as barriers to condo development in Addison?

Conditions impacting the successful development of condos are more of a regional issue, as our region has long struggled to elevate condos as a market-favored housing option. These conditions impact both the capacity of the development community to produce condos as well as the demand from the market to absorb new condo development.

Supply-Side Issues

The most significant supply-side barrier to the development of new condos in North Texas is the ability for developers to obtain financing for potential projects. Key Issues include:

- *Liability for Construction Defects*: In accordance with the [Texas Residential Construction Liability Act](#), a condo developer can be held liable for any construction defects for the first 10 years following completion of construction of the building. This state law does not apply to multifamily rental development.
- *Pre-sales to Secure Financing*: For traditional construction financing options, it is very common for the capital market to require a portion of the building to be sold or leased prior to commitment on a construction loan. With condos typically having a 2- 3 year construction timeline, securing 30 percent pre-sales for the construction loan can be a major challenge, particularly where condos serve a niche market, here in North Texas.

Demand-Side Issues

The most significant demand-side barrier to the development of new condos in North Texas is the lack of supply constraints on fee-simple ownership options such as single-family detached homes and townhomes. Key issues include:

- *Unconstrained Exurban Growth*: In older regions that are built out (New York, Chicago, San Francisco) or regions where there are significant environmental constraints to suburban sprawl, condos are strongly desired by the market and perform well. In North Texas, all four of the major counties – Dallas, Collin, Tarrant, and Denton – have municipalities that have growth policies that will facilitate the development of tens of thousands of new single-family, fee-simple properties for decades to come. In addition to the four major counties, outlying counties such as Grayson and Kaufman, will also see substantial growth in single-family, fee-simple properties. Currently, market preferences in our region favor traditional housing options, and with limited constraint on new supply, that trend is very likely to continue.
- *Undifferentiated Housing Costs*: Due to the lack of supply constraints noted above, the gap in affordability between a condo and a single-family, fee-simple property is minimal compared to cities where the traditional single-family housing supply is more constrained. In a place like New York City, ownership of a condo is far more attainable than ownership of a single-family, fee-simple property, while in the North Texas region, that difference is marginal.
- *Shared Ownership of Common Areas*: While Homeowner's Associations have become a common feature for single-family, fee-simple properties, the extent to which these Associations become elevated with a condo development, can be viewed as being less desirable by potential purchasers. Having financial liabilities in multiunit buildings and major features such as parking structures, pools, common area landscaping and irrigation, can paint a daunting financial picture that leaves significant room for future conflict within the association.

Condominium Housing Trends

Where in our region is condo development being successfully executed? What conditions are contributing to that success?

The regional hotspot for condo development can be found in the Uptown/Oak Lawn/Turtle Creek area of Dallas. Additional condo development has occurred in major master planned, suburban mixed-use districts, most notably, Legacy West in Plano, Southlake Town Square in Southlake, and Lakeside DFW in Flower Mound. Several senior-oriented condo projects were recently constructed in the master-planned, single-family anchored communities of Mercer Crossing in Farmers Branch and Twin Creeks in Allen.

For most of these projects, the key attribute to successful development is their location at the heart of major, walkable mixed-use districts. These sites are situated in neighborhoods that are within or adjacent to substantial employment and entertainment nodes and are within walking distance to prime restaurant and retail options. The streetscapes in these areas are more pedestrian-friendly and they typically have access to public parks and trail corridors.

As suburban master-planned community developers continue to adapt to market preferences for lifecycle housing, senior condos like what has been developed in Farmers Branch and Allen may see more growth. The senior housing market favors co-location within larger single-family nodes, and these master developers are better positioned to help mitigate some of the financial hurdles associated with condo development.

Where these projects are being successfully developed, the vast majority of these condos are being built to address the ultra-luxury market, with entry-level units exceeding \$1 million in costs, plus \$1,500+ in monthly HOA fees. Frequently, the market for these condos is most attractive to individuals seeking a second property.

Capturing this very unique segment of the market continues to be a challenge for condo developers. One of the more prominent Uptown projects, [Blue Ciel](#), is on pace to require seven years to sell all of its 158 units. Suburban mixed use condo projects in developments like Legacy West appear to be performing better. This is likely attributable to these new developments having elevated roles as regional destinations for dining, entertainment, and hospitality.

Multifamily Rental Housing Trends

Why does the market view Addison favorably for multifamily rental development?

Addison is viewed favorably by the multifamily rental market due its close proximity to major job centers and transportation hubs within both Dallas and Collin County, and its immediate access to major social amenities such as the Town's expansive dining offerings and special events, and our robust inventory of parks, trails, and open space. These conditions, along with the Town's prevailing commercial development patterns and challenging conditions for low density residential development (limited inventory of vacant land and public school facilities) drive Addison's demographics and the resulting housing options that the development community pursues.

Historically, Addison has also been successful in differentiating itself from neighboring communities both with its long range planning policies and intentional embrace of mixed use development, as well as its "can do" spirit, that is commonly referred to as the *Addison Way*.

A common theme in the story of Addison is how many professionals in North Texas started their journey in this region by renting an apartment in Addison Circle and experiencing the walkability and rich amenities that the Addison Circle neighborhood offers. Addison's role as a prominent gateway to this region resonates with the development community and continues to position the Town as an attractive place for developers to invest in.

Why do consumers choose to rent multifamily dwelling units in Addison? What are the demographics of Addison renters?

People choose to rent in Addison for a variety of reasons, most of which can be attributed to the desire of these households to maintain flexibility to support their lifestyle needs. Common lifestyle considerations include:

- Households that do not want to be encumbered by a mortgage.
- Households that prefer to live in mixed use areas, where supply of ownership housing may be more limited.
- Young professionals who wish to own a home but cannot yet do so (expensive housing market, saving for the down payment, building credit worthiness, etc.).
- Someone who has relocated to the area and is renting while looking for a home.
- Empty nest couples who have sold their home but wish to stay in their community or relocate to a community rich with amenities.
- Retirees who no longer want the maintenance demands and costs of owning a home.
- Households that need to live in close proximity to work or family.
- Tax code changes that started in 2018 decreasing the tax breaks for homeowners, making renting more economically comparative.

The demographics of Addison's resident population are strongly influenced by the Town's rental population. This results in Addison having a lower median age, higher median income and educational attainment, and smaller household size when compared to the Metroplex as a whole.

Does Addison have more multifamily rental housing units than the market will support?

Developers conduct thorough market research and evaluation before investing in the design and proposal of a project. They would not invest in any class of real estate unless they believe the market demand exists to support the project and make a profit.

Multifamily Rental Housing Trends

Market demand for multifamily rental housing in Addison remains very strong. This is confirmed by its 95.5% occupancy rate and average rents of \$1,668/month. With job growth and population migration to the region projected to continue, demand for new housing will be strong for the foreseeable future.

Further fueling the demand for multifamily rental housing is the challenge of housing attainability in our region. This dynamic is being driven by labor shortages, material costs, inflationary impacts, high mortgage interest rates, student loan debt, and [corporate/REIT investment in single-family housing stock](#). This impact is even stronger in built out communities like Addison, where development of new ownership housing must also absorb the higher costs associated with redevelopment.

Many high income Generation Y and Z households have had to forego home ownership for the foreseeable future due to rapid growth in single-family home prices. These households still desire and require high quality housing, and multifamily rental housing is well-positioned to meet that need.

Multifamily rental buildings are frequently perceived to be of lower construction quality. Where do Addison's multifamily buildings fall in the quality spectrum?

The quality of experience in multifamily rental buildings has vastly improved since the early days of apartment construction in Addison. With new construction in Addison, it is common for multifamily buildings to achieve LEED or National Green Building Standard (NGBS) certification. Parking garages are structured and secured, corridors are enclosed and air-conditioned, and common areas typically include high end fitness centers and studios, co-working space, highly amenitized clubhouses, resort style pools and outdoor grilling areas, dog parks, and dog wash stations.

Unit interiors are outfitted with walk in closets and showers, granite or quartz countertops, wood grain floors, washers and dryers, stainless steel energy efficient appliances, smart home features, and built-in workspaces.

This elevated quality is reflected in the rental rates that our most recent multifamily rental projects are achieving, where a two bedroom unit in these developments frequently exceeds the monthly cost of a mortgage for a \$500,000 home.

- [Addison Grove](#): Studio (\$1,455 - \$2,190/month); 1 BR (\$1,785 - \$3,340/month); 2 BR (\$2,705 - \$4,410/month).
- [AMLI Addison](#): Studio (starting at \$1,806/month); 1 BR (starting at \$2,035/month); 2 BR (\$2,728 - \$3,071/month).
- [Vitruvian West](#): Studio (starting at \$1,372/month); 1 BR (starting at \$1,477/month); 2 BR (starting at \$2,065/month); 3 BR (starting at \$2,810/month).

The sweet spot in the market for these developments are the one bedroom units, where high income single professionals, young couples, and downsizing seniors can experience a high quality, low maintenance housing option that is less costly than a typical mortgage, allowing them to address other financial goals, such as saving for a down payment on a house, paying off student loan debt, or funding future assisted living expenses.

The high rental revenue achieved by these assets incentivizes property managers to maintain and reinvest in these properties to guarantee their viability and competitiveness over the long-term.

Multifamily Housing Development Impacts

Do multifamily rental developments produce a disproportionate amount of crime when compared to other development types?

The relationship between development density and crime shows that high density rental and ownership housing is not necessarily associated with a high crime rate, but socioeconomic status is. High crime rates tend to be associated with a higher poverty rate and unemployment rate, low education attainment, and large household size.

According to the 2020 5-year (2016-2020) American Community Survey (ACS) compiled by the US Census Bureau, Addison resident demographics include the following characteristics:

- Median rent: \$1,413
- Persons per Household: 1.85
- High School Graduation Rate: 95.7%
- Bachelor’s Degree or Higher (percent of persons age 25+): 56.4%
- In civilian labor force (population 16+): 80.6%
- Median Household income (in 2020 dollars): \$75,235
- Persons in Poverty: 6.4%

During a recent meeting where City Council considered a rezoning application for a multifamily rental project, the developer, JPI, presented income and age data for projects they have completed within the region. For these projects, the average household income is \$111,000 and the average age of residents is 34. This exceeds the median household income in Addison by 48 percent.

JPI Properties	Avg. Household Income	Average Age
Jefferson East Branch	101,500	32
Jefferson Gallery House	100,500	33
Jefferson River East	78,000	32
Jefferson Terrace	95,000	35
Jefferson Innova	109,000	34
Jefferson Lumen	134,500	35
Jefferson North Collins	95,000	32
Jefferson Vantage	99,000	34
Jefferson Reserve	91,000	32
Jefferson Boardwalk	100,000	35
Jefferson Eastshore	126,000	37
Jefferson Alpha West	117,000	36
Jefferson 1900	83,000	33
Jefferson Silverlake	155,000	40
Jefferson Mockingbird	156,000	34
Jefferson Promenade	134,000	36
Total/Average	111,000	34

Source: JPI

Last Fall, the Addison Police Department presented an overview of department operations to the 2021 Addison Citizen’s Academy. With that presentation, the Police Department shared several slides that summarized department response to calls for service and criminal activities in the Town.

With this presentation, the Police Department shared that 2 out of every 3 calls (67%) for service were generated by commercial areas such as hotels, offices, and restaurants. The remaining 33

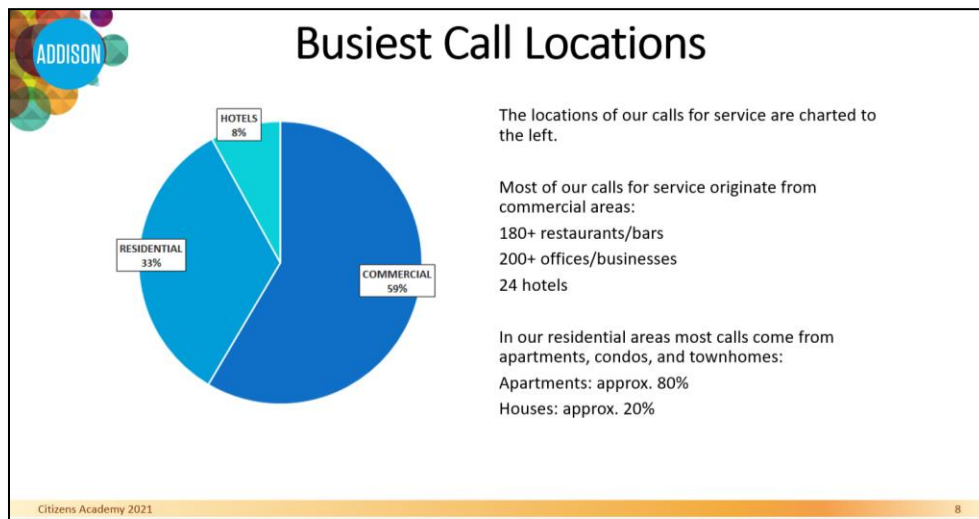
Multifamily Housing Development Impacts

percent of calls were generated by residential areas, with 80 percent (26% of total calls) of those calls being attributable to apartments, townhomes, or condos, and 20 percent (7% of total calls) being attributable to single-family neighborhoods.

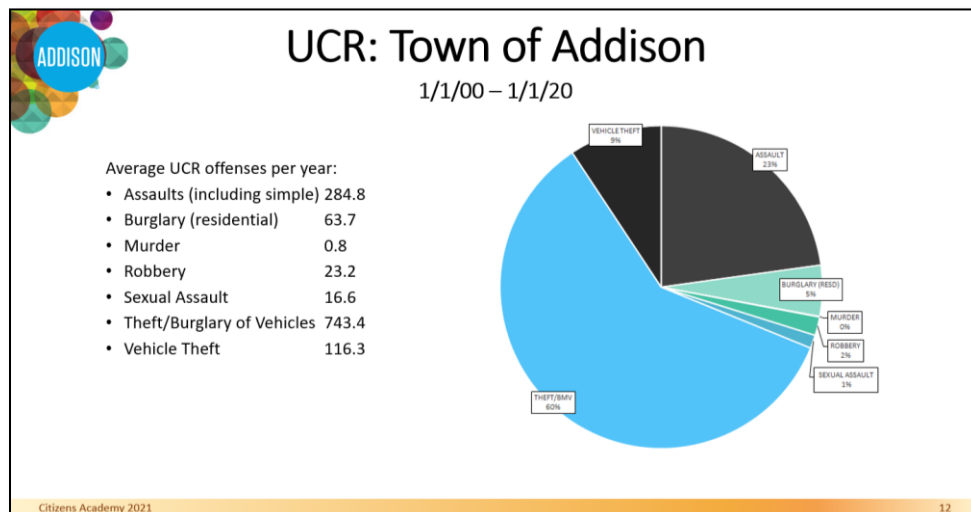
Based on the data that is presented and the ratio of multifamily to single-family housing in Addison (approximately 79% rental to 21% ownership), the rate of calls for service generated in multifamily housing areas is similar to the rate of calls for service generated by single-family neighborhoods.

Note that for reporting purposes, the Police Department includes ownership common wall and multiunit housing types such as townhomes and condos in the “multifamily” category of crime reporting. The outcome of this allocation is as follows:

- “Multifamily” Category (rental multifamily + ownership townhomes and condos): 87± percent of total dwelling units and 80± percent of total residential service calls.
- “House” Category (single-family detached homes): 13± percent of total dwelling units and 20± percent of total residential service calls.



Based on historical crime data presented by the Police Department, on average, 75 percent of major crimes committed in Addison each year are theft crimes, while the remaining 25 percent are assault crimes. This mix and quantity of crime is typical for a suburban community with a significant daytime population and vibrant nightlife.



Multifamily Housing Development Impacts

Do multifamily rental developments produce a disproportionate amount of traffic on Addison roadways?

According to the Institute of Traffic Engineers (ITE), multifamily rental housing typically generates a lower volume of trips per unit than less dense housing types. This can largely be attributed to demographic considerations such as household size. However, because a higher quantity of dwelling units is typically accommodated in a multifamily development, these projects typically generate more traffic than lower density residential development. More appropriate traffic generation comparisons can be made between multifamily development and commercial development, such as employment, retail, and restaurants.

Currently, there are over six times as many jobs (110K+) in Addison, versus permanent residents (17,000). This dynamic is illustrated by our substantial daytime population, where the Town supports 120,000 residents, employees, and visitors on any given workday. Additionally, due to the Town's location along several major corridors – Dallas North Tollway and Belt Line Road – a substantial amount of pass through traffic traverses Addison each day.

Traffic generated by higher density multifamily development must be carefully planned for and mitigated. Traffic conditions in Addison are most prominently impacted by the Town's substantial employment base and pass through traffic resulting from Addison's central location in the region.

Site specific analysis must be conducted to compatibly integrate new projects into this traffic mix. Key considerations may include, but are not limited to:

- Location and spacing of site access points.
- Allocation of perimeter street safety features such as turn lanes, and where warranted, traffic signals.
- Accommodating appropriate connectivity, while eliminating conditions that support cut through traffic.

How can cities regulate multifamily developments to mitigate concerns about crime and traffic?

The Town currently maintains high standards for multifamily development and staff continues to work to improve upon that strong foundation.

Areas of focus for regulatory improvement include, but are not limited to:

- Provision or contribution of funds for appropriate open space and pedestrian amenities.
- Accommodation of sustainability features such as recycling programs and electric vehicle charging stations.
- Employment of parking management regulatory strategies.
- Heightened architectural standards that achieve more visually interesting buildings and streetscapes.
- Co-locating a mix of uses and housing options with multifamily rental projects.

Town staff also regularly engages property management teams to ensure community standards are maintained and Town codes are enforced.

Multifamily Housing Development Impacts

For traffic mitigation, it is important for communities to support land use planning efforts that situate multifamily rental housing in areas planned for mixed use, where residents have the option to walk or bike to nearby businesses, parks, and trail corridors. Close analysis of site access to the surrounding street network is critical to managing the localized impacts of these projects. When projects are situated adjacent to public transit facilities, even more traffic generated by the development can be reduced.

How do multifamily rental developments impact the costs of city infrastructure and services?

The per capita costs of providing public infrastructure such as streets, sidewalks, water and wastewater utilities, drainage infrastructure, and waste collection services decreases as density increases and development becomes more compact. This occurs because development is less sprawling, requiring less infrastructure to meet the needs of the development. Additionally, it is frequently common for these projects to construct private infrastructure, where deemed appropriate by the Town.

These same dynamics can be applied to the provision of park and trail amenities, provided that the development provides these amenities on site or contributes their pro rata share to the improvement of existing or planned amenities in the surrounding area.

How do multifamily developments impact the Town's tax base?

Multifamily developments, particularly the modern urban buildings seen with recent Addison projects, have a positive impact on the Town's tax base. These Class A properties generate taxable values that are more consistent with Class A commercial properties than the multifamily properties of the past.

This dynamic was illustrated in research performed during the Sam's Club Special Area Study, where the tax yield of the multifamily component of Addison Grove (4.2 acres) was compared to the tax yield of all of the commercial properties situated between Beltway Drive and Proton Drive (32.2 acres). The land area covered by the multifamily development was over 7.5 times smaller than the land area of the commercial properties, while the property tax yield was 70 percent larger than the cumulative property tax yield of those same commercial properties.

	Parcel Size (ac)	Land Value*	Improvement Value*	2021 Estimated Town Property Taxes* (\$0.615105 per \$100 of Valuation)	Property Taxes Collected Per Acre
Midway Office Park	2.643	\$ 1,434,290	\$ 2,238,290	\$ 22,590.22	\$ 8,547.19
James Antony Home	1.749	\$ 914,230	\$ 1,941,660	\$ 17,566.72	\$ 10,043.87
Courtyard by Marriott	4.1416	\$ 1,804,080	\$ 2,445,920	\$ 26,141.96	\$ 6,312.04
Office in the Park	11.39	\$ 5,186,390	\$ 4,817,450	\$ 61,534.12	\$ 5,402.47
Cinema Event Center	2.281	\$ 993,600	\$ 856,400	\$ 11,379.44	\$ 4,988.80
Midway Square	8.1676	\$ 3,913,580	\$ 757,270	\$ 28,730.63	\$ 3,517.63
Motel 8 Tract	1.804	\$ 942,980	\$ -	\$ 5,800.32	\$ 3,215.25
TOTAL	32.1762	\$ 15,189,150	\$ 15,406,180	\$ 188,193.40	\$ 5,848.84

	Parcel Size (ac)	Land Value*	Improvement Value*	2021 Estimated Town Property Taxes* (\$0.615105 per \$100 of Valuation)	Property Taxes Collected Per Acre
Elan Addison Grove Multifamily	4.194	\$ 2,740,350	\$ 49,256,470	\$ 319,835.04	\$ 76,260.14

* Based on the 2021 property appraisal role published by the Dallas Central Appraisal District (DCAD) and the proposed tax rate included in the City Manager's FY21-22 Proposed Budget.

Multifamily Housing Development Impacts

Do multifamily rental developments lower the property values in surrounding areas?

Property values are most vulnerable to adjacency to declining properties, regardless of land use. Due to the value of the multifamily assets being built in Addison and the institutional investors that are holding these properties, these properties are being appropriately managed to prevent decline.

There are many examples within the region of the positive economic contributions of multifamily rental properties. This dynamic is most apparent in suburban mixed use districts such as traditional downtowns (Plano, Carrollton) and major mixed use nodes (Addison Circle, Shops at Legacy/Legacy West, Lakeside DFW, Cypress Waters, CityLine, Watters Creek, Las Colinas Urban Center, and Craig Ranch). Multifamily is an anchor component of all these districts, strongly shaping the development character and vibrancy of these places.

Multifamily housing increases the pool of potential future buyers for area homes and allows for the subsidy of needed retail and social amenities to help make these areas into more complete neighborhoods. Appropriately designed multifamily and mixed use development creates a unique environment that differentiates a place from the dominant development pattern of the region, creating a value premium for both residential and commercial property owners in the surrounding area.

There are no clear indicators within our region that multifamily development is causing adjacent property values to decline.

Density

What are the major opportunities and challenges associated with high density residential development?

Opportunities and challenges associated with high density residential development include:

Opportunities

- Higher density development helps attract new employers because employers want to be where their workforce lives. Likewise, talented people will gravitate to communities that offer attractive employment opportunities, quality residential offerings, and community amenities.
- Density is a frequent tool used to revitalizing declining properties. Redevelopment helps repurpose these properties into vibrant and revenue-generating assets for the community.
- Mixed use developments with retail and apartments tend to pay more in taxes and provide more services privately than developments of the same land area comprised of low-density homes.

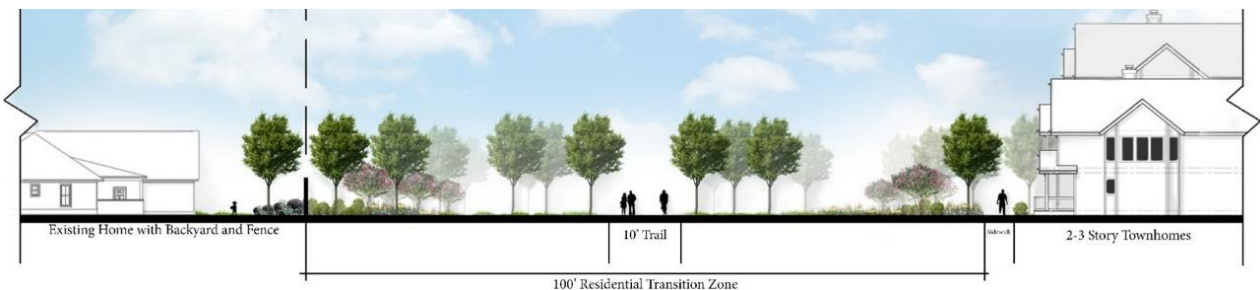
Challenges

- Higher density developments must be designed properly to integrate with adjacent neighborhoods. Like any property class, they must be well maintained to retain a high value.
- Higher density developments need to offer ample access to open space for recreational activities.
- Appropriate site design must be achieved to mitigate the impacts of traffic generated by higher density development.
- Communities may be more challenged to obtain engagement from residents of high density residential development.

How do cities ensure higher density residential development is compatible with surrounding development?

The most proactive approach to achieving land use compatibility is through the development of long range planning policies that balance consideration of the physical constraints of a community, preferences of the market, and the aspirational goals of the community. These policies should be used to guide land use decisions related to density, while high quality development standards should be established to implement those policies.

One key regulatory condition to consider is residential compatibility. To address these adjacency conditions, communities may establish residential transition zones where enhanced setbacks, height, and land use transitions, and enhanced landscape and architectural treatments are required.



Density

Other regulatory conditions to consider include street connectivity, parking, and access management, and ensuring that traffic generated by more dense development is distributed equitably and safely.

The aesthetic quality of dense development is most prominently addressed through the application of architectural and streetscape standards that shape attractive building frontages and pedestrian pathways.

What are the synergies that density could facilitate?

Where density is thoughtfully executed, it allows cities to cohesively integrate housing, employment, entertainment, and social amenities such as parks and trails. These nodes of activity become neighborhood and regional centers, allowing occupants to live, work and socialize within the same district, neighborhood, or place. This reduces time spent driving to other places, allowing residents and workers to walk to nearby amenities. This has positive physical and mental health impacts for these individuals, and it also reduces stress on the city's infrastructure and our environment.

Where areas of a community are experiencing a level of decline that cannot be successfully addressed through reuse, density can be used as a tool to achieve transformational reinvestment, revitalizing these areas and increasing tax revenue generation to fund needed city services, infrastructure improvements, and social amenities.

Density can also be used as an economic development tool, by creating a level of investment and development character that is attractive to retailers, restaurants, and employers. Density is frequently used in development programs to subsidize these uses. This dynamic of density subsidizing other classes of real estate can also be applied to the co-location of medium and high density ownership housing in mixed use areas.

Where is the Town on the spectrum of density today?

Due to Addison's size and its unique housing mix that is largely comprised of multiunit housing and small lot single-family homes, Addison is denser than most suburban communities in Texas.

As a comparison, Addison has 11,432 dwelling units and 4.4 square miles of land area within the town limits, resulting in a gross density of 4.06 dwelling units per acre. Plano has 117,020 dwelling units and 72 square miles of land within its city limits, resulting in a gross density of 2.54 dwelling units per acre.

While Plano has a much larger population and land area, its density is lower because much of the city was developed with low density residential development, and it also contains far more environmentally constrained land resulting from the large watersheds that traverse the city.

A more appropriate comparison would be to compare Addison to Plano's Legacy Business Area or other suburban central business districts, where there is a large employment center supported by a mix of diverse housing options tailored to meet the needs of the local workforce.

Density

What sorts of developments might get us to the level of density that would prove beneficial? Have those sorts of developments proven successful in other cities?

Communities that successfully manage density and evolving housing needs tailor their long range planning policies and regulatory tools to intentionally shape desired development patterns. A common approach is to focus on the establishment of nodes of activity, where mixed use development is facilitated to create complete neighborhoods where housing, employment, and entertainment/social amenities are cohesively integrated.

Some of these nodes serve as major focal points for the region and have a housing pattern that is nearly uniformly dense. The Shops of Legacy/Legacy West would be an example of a major mixed use suburban node. Other nodes serve as localized focal points for the neighborhoods and businesses that are within a 15 minute walking distance. Downtown Farmers Branch would be an example of a minor mixed use node.

When commercial areas and aging multifamily development reach a point of decline in Addison where quality reuse opportunities are no longer supported by the market, transitioning these areas to support a mix of uses – to include both high and medium density ownership and rental housing – will help these areas become more economically resilient.

This nodal pattern of mixed use development is the direction the more resilient suburbs in our region is going. This development pattern preserves and respects existing neighborhoods, while supporting varied scales of mixed use at key locations along major corridors. This allows more commerce to be local and reduces the time we need to spend driving to other communities. Successful examples of this approach are cropping up all over the Metroplex, ranging from major nodes like CityLine in Richardson, to minor nodes like Downtown Coppell.

In Addison, this does not mean we should try to replicate Addison Circle at every intersection. Instead, we should carefully balance housing types and density to support varied scales of mixed use development.

Appendix A - Ownership Housing Data

Existing Single Family and Condominium Housing

Large Lot Single-Family Detached	Current Dwelling Units	Projected Dwelling Units	Subdivision Approval Year
Lake Forest Drive	17	17	primarily 1990s/early 2000s
Celestial Place	21	21	1994
Bellbrook Estates	47	48	1985
Winnwood-Celestial Estate Lots	34	35	1985
TOTAL	119	121	
Small Lot Single-Family Detached	Current Dwelling Units	Projected Dwelling Units	Subdivision Approval Year
Grand Homes	167	167	1994
Park Place	43	43	1993
Waterford Park Phase II	117	117	1992
Chatham Court	44	44	1991
Les Lacs Phase I	40	40	1991
Waterford Park Phase I	65	65	1991
Waterview Estates	49	49	1991
Westfield	41	41	1991
Les Lacs Garden Homes	210	210	1984
Addison Place	174	174	1982
Midway Meadows	200	200	1979
Oaks North	118	118	1978
TOTAL	1,268	1,268	
Duplexes	Current Dwelling Units	Projected Dwelling Units	Subdivision Approval Year
Morman Lane Duplexes	84	84	1979
TOTAL	84	84	
Townhomes	Current Dwelling Units	Projected Dwelling Units	Subdivision Approval Year
Cobalt Homes	0	31	2022 (Projected Date)
Addison Grove	44	178	2017
Asbury Circle	73	73	2008
Meridian Square	42	42	2008
Stanford Court Villas	19	19	2007
Morris Avenue	6	6	2000
Towne Lake	63	63	1996
Townhomes of Addison	95	95	1996
TOTAL	342	507	
Total Single-Family	Current Dwelling Units	Projected Dwelling Units	
	1,813	1,980	
Condo Development	Condo Type	Current Dwelling Units	Development Approval Year
Meridian Square	Stacked Flats	90	2008
Parkview / District A	Townhomes	183	2004
Aventura	Stacked Flats	86	2000
La Mirada	Townhomes	44	1984
Pecan Square	Townhomes	63	1981
Bent Tree Valley	Stacked Flats	102	1981
Brooktown Townhomes	Townhomes	39	1972
	TOTAL DWELLING UNITS	607	

Appendix B - Multifamily Rental Housing Data

Existing Multifamily Rental Dwelling Units

	Existing Dwelling Units	Lot Size (ac)	Density (dwelling units/acre)	Year Built	Taxable Value	ToA 2021 Property Taxes	ToA 2021 Property Taxes per Acre	Mixed Use Building
Fiore	391	4.40	88.8	2011	\$ 92,165,000	\$ 566,501.39	\$ 128,703.31	No
Vitruvian West I	383	3.51	109.2	2017	\$ 71,000,000	\$ 436,408.60	\$ 124,404.21	No
Savoie^2	347	3.64	95.3	2010	\$ 68,000,000	\$ 417,968.80	\$ 114,732.09	Yes
Elan Addison Grove	321	4.19	76.5	2018	\$ 73,578,000	\$ 452,254.53	\$ 107,834.08	Yes
AML	349	4.98	70.1	2017	\$ 73,950,000	\$ 454,541.07	\$ 91,277.01	No
Savoie	392	4.82	81.4	2008	\$ 71,185,000	\$ 437,545.72	\$ 90,814.84	Yes
MAA Addison Circle	1,334	15.05	88.7	1996, 1998, 2000	\$ 214,466,270	\$ 1,318,238.38	\$ 87,619.59	Yes
Allegro	393	5.85	67.2	2007, 2012	\$ 83,000,000	\$ 510,167.80	\$ 87,193.80	No
Cortland	414	5.91	70.1	2007	\$ 72,950,000	\$ 448,394.47	\$ 75,870.35	No
Addison Keller Springs	353	7.35	48.1	2012	\$ 63,750,000	\$ 391,845.75	\$ 53,341.50	No
Waterford Court	196	10.16	19.3	1995	\$ 42,100,000	\$ 258,771.86	\$ 25,479.44	No
Camden Addison	456	22.03	20.7	1995	\$ 74,000,000	\$ 454,848.40	\$ 20,648.64	No
Cottonwood (Clipper Point)	260	7.84	33.2	1978	\$ 25,739,220	\$ 158,208.69	\$ 20,179.70	No
Addison Apartments at the Park	168	6.37	26.4	1970	\$ 16,631,490	\$ 102,227.12	\$ 16,039.67	No
Shadowood	184	7.25	25.4	1976	\$ 18,200,000	\$ 111,868.12	\$ 15,438.59	No
Walnut Square	57	3.22	17.7	1994	\$ 7,901,000	\$ 48,564.29	\$ 15,068.03	No
Addison Apartments at the Park	181	7.56	23.9	1970	\$ 17,918,460	\$ 110,137.61	\$ 14,568.45	No
Bent Tree Oaks	196	10.02	19.6	1977	\$ 23,045,640	\$ 141,652.33	\$ 14,134.15	No
Jade Addison	136	6.21	21.9	1978	\$ 14,280,000	\$ 87,773.45	\$ 14,125.10	No
Addison Apartments at the Park	204	8.97	22.8	1970	\$ 20,195,380	\$ 124,132.92	\$ 13,844.85	No
Parks at Addison	212	9.41	22.5	1978	\$ 20,250,000	\$ 124,468.65	\$ 13,220.26	No
Bent Tree Trails	202	11.87	17.0	1981	\$ 25,050,770	\$ 153,977.06	\$ 12,970.85	No
Bent Tree Brook	248	14.71	16.9	1978	\$ 30,427,270	\$ 187,024.26	\$ 12,710.09	No
Bent Tree Park	496	24.19	20.5	1980	\$ 49,700,000	\$ 305,486.02	\$ 12,630.66	No
Cherrywood (Springhaven)	184	9.11	20.2	1977	\$ 18,215,450	\$ 111,963.08	\$ 12,287.58	No
Bent Tree Fountains	184	13.00	14.2	1980	\$ 22,956,080	\$ 141,101.84	\$ 10,851.52	No
Vitruvian West II*	366	4.13	88.7	2019	\$ -	\$ -	\$ -	No
Vitruvian West III*	405	4.35	93.1	2021	\$ -	\$ -	\$ -	No
TOTAL	9,012	240.10			\$ 1,310,655,030	8,056,072		

* Due to the recent and ongoing construction of these phases of Vitruvian West, taxable values do not reflect a stabilized condition consistent with the other developments depicted in this list. Due to this condition, the taxable value is currently much lower than similarly situated developments and reflecting it would present misleading data. Current values can be viewed on the Dallas Central Appraisal District website.

Multifamily Rental Dwelling Units with Approved Zoning and/or Agreements to Develop

	Existing Dwelling Units	Proposed Dwelling Units	Lot Size (ac)	Density (dwelling units/acre)
JPI Addison Heights	0	287	3.20	89.6
Addison Circle TOD High-Rise	0	250	1.81	138.1
Addison Circle TOD Mid-Rise	0	450	4.10	109.8
Vitruvian Townhomes	0	85	5.10	16.7
Vitruvian New Development (net of redeveloped dwelling units)	-997	3,157	50.45	62.6
TOTAL	(997)	4,229	64.67	
TOTAL NET OF REDEVELOPMENT	3,232			