



STRATEGIC  
COMMUNITY  
SOLUTIONS

# memo

<b>Strategic Community Solutions LLC</b>	
To:	Addison Mayor and City Council
From:	Karen Walz
Date:	February 20, 2015
Re:	Results of Housing Workshop

On Monday, February 16, 2015, the Addison City Council held a workshop to discuss housing issues and opportunities. Strategic Community Solutions, LLC, Ricker-Cunningham and Kimley-Horn provided background information and facilitated the discussion. This memo summarizes key points about the Council agreement on housing issues. It also provides additional information in response to Council questions. Finally, it outlines a proposed set of next steps to formalize and implement this agreement.

**Workshop Objective:** Council discussion, agreement and direction on housing issues in the Town of Addison.

**Workshop Outcomes:** By the end of the workshop, the Council had:

- A common understanding of the terminology used to describe various housing choices.
- A shared agreement about the housing choices that will best support the Council's view of Addison's desired future.
- Provided general direction to staff about steps to take so Addison's development and redevelopment over time provides these housing choices. This memo includes staff's recommendations for action.

## **Housing Choice Terminology**

The housing choices shown in Table 1 below. For each housing choice, we describe the housing type (the physical characteristics of the unit) as well as the housing tenure (the ownership status of the unit). Note that units which are individually owned are not necessarily owner-occupied; the unit owner may rent these units to a tenant. Detailed information about each housing choice are provided in tables at the end of this memo.



Table 1: Housing Choices for Addison

#	Housing Choice	Housing Type	Housing Tenure
1	Detached Home	Single unit in a building with yards on some or all sides	Each unit is individually owned
2	Townhome/ Rowhouse	Multi-story unit on its own lot that shares a wall with at least one other unit.	Each unit is individually owned. The land on which the unit is located may or may not be individually owned.
3	Flat	Single story unit in a multi-story building that includes other residential and non-residential uses.	Each unit is individually owned.
4	Garden Apartment	Unit in a 2 or 3 story residential building.	Building owner(s) rent individual units to residents.
5	Urban Apartment	Unit in a multi-story building that includes other residential and non-residential uses.	Building owner(s) rent individual units to residents.
6	Extended Stay Hotel Room	Hotel structure with cooking facilities in rooms.	Hotel owner(s) rent individual rooms to guests; in some instances, these guests are essentially long-term residents.
7	Assisted Housing Unit	Unit in a building that includes common areas and services to assist residents in daily life activities.	Building owner(s) rent individual units to residents.

**Council Direction on Housing Issues:** The points listed below reflect the Addison City Council’s direction, as we understand it. They describe the housing choices that are part of the future City Council desires for this community.

- Whenever possible, the Town should establish plans for revitalization and development for districts or special study areas, instead of considering plans on a site-by-site basis. A process like the one used for the Sam’s Club Special Study Area should be followed.
- For study areas and individual developments, the Town encourages mixed use designs that integrate residential and non-residential components.
- Mixed use developments in Addison should include a mix of housing choices, not simply a single residential option.

- The Town encourages development that makes more individually owned housing choices available in Addison. Desired ownership units include detached homes, townhome/rowhouse and flats, so a wide range of residential densities support this objective and may be approved.
- At the property or project scale, Addison will consider the highest and best use of the property and the 'best fit' mix of uses and housing choices for that property within the context of the entire Addison community.
- Addison will continue to insist on high quality building and site design, an inviting public realm and trails or sidewalks that connect each building with the rest of the Addison community.
- Addison views independent and/or assisted housing as housing choices which address the demands of the growing 55+ age group and as a potential fit with this community's character. Since there are no assisted housing units in Addison today, the Town will conduct research and investigation to understand how this housing could or should be included in Addison's future.

**Potential Next Steps:** The items below propose steps to formalize and implement this City Council direction over the next 18 months. Staff will take the lead on carrying out these steps and will bring products back to Council for consideration and action.

- Take action to provide policy direction for the Sam's Club Special Study Area. The Council should consider and act on the recommendations from its study area committee.
- Review and refine the 2013 Comprehensive Plan to reflect this Council direction.
  - The goals, objectives and strategies for residential land use and mixed use development should be reviewed.
  - The maps or diagrams that illustrate appropriate development patterns and intensities in Addison may need revision as well.
  - The Council has identified three areas from the plan for special revitalization studies. As these studies are completed, new study areas may be identified and added to the plan.
  - The plan's policy direction for land use change outside these special study areas should be clarified, so property owners and developers understand the Town's intent for redevelopment in other parts of the Town.
- Research the market for flats and identify barriers that may discourage or delay the construction of this housing in Addison. Determine what actions by the Town could remove those barriers and implement those actions supported by the Council.
- Investigate examples in other US regions where redevelopment of commercial properties has included detached homes. Understand what factors are important to the projects' successes. Determine how these examples might be applied as part of Addison's future.

- Investigate tools that help address the past experience of market volatility for condominium ownership units. Determine what actions by the Town could reduce that volatility and implement those actions supported by the Council.
- Ensure that Town programs and incentives do everything they can to ensure that housing, once it's built, remains desirable. Work with owners of existing urban apartment complexes to understand and support their initiatives to keep these areas thriving. Do the same with owners of existing garden apartment complexes, and with the homeowner associations in the townhome, rowhouse and detached home neighborhoods within Addison.
- Research the details of independent/assisted housing for the 55+ age group – what is included in the various housing products and what factors make them successful. Investigate the demographic and market trends affecting demand for these units in Addison. Determine how or whether independent/assisted housing units fit in Addison's future.
- If independent/assisted housing is found to be a desirable component of Addison's future housing mix, prepare a set of design guidelines for these projects, so their physical design will be compatible with the Addison community.
- When resources are available, initiate processes like the one used for the Sam's Club Study Area for redevelopment of the Inwood Road and Midway West areas.

### Implications of Housing Choices

Table 2 provides information on the implications of typical examples of these housing choices. It shows the typical density and value per acre for each housing type. These values have been updated by Ricker-Cunningham in response to the Council's discussion. In the February 16<sup>th</sup> presentation, density and unit values were based on 2014 sales in Addison and surrounding Trade Area communities, weighted toward sales within the Town. In response to Council's discussion, current (2015) listings for single family, townhome/rowhouse, and condominium/flat units were reviewed to further "test" values going forward. Because single family detached units in Addison tend to be at a higher density than surrounding communities, the value per acre calculation was adjusted upward. Current listings of condominium/flat units also supported an increase in value per acre for that housing product type.

Table 2 also shows the rate of crime per unit based on actual data from the Addison Police Department for the past six months.



*Table 2: Implications of Housing Choices*

Housing Choice	Density (Units/Acre)	Value per Acre	Crimes/ Unit
Detached Home	6	\$2,100,000	0.036
Townhome/ Rowhouse	12	\$4,200,000	0.032
Flat	30	\$6,750,000	0.032
Garden Apartment	20	\$1,600,000	0.063
Urban Apartment	50	\$5,750,000	0.022
Extended Stay Hotel Room			0.079
Assisted Housing Unit (none in Addison today)			NA

Source: Strategic Community Solutions LLC; Kimley-Horn; Ricker-Cunningham.

Table 3 provides information on the number of units that exist today in the Town of Addison and the share of existing housing units (including the Extended Stay Hotel Rooms) represented by each of these Housing Choices. Though Extended Stay Hotel Rooms and Assisted Housing Units are not generally considered as part of a community's housing stock, these housing choices are included here because they are relevant in terms of existing or future choices in Addison. Table 3 also shows Addison's future housing choices if the units in Vitruvian's remaining phases are added to the existing housing stock and the garden apartment units that they replace are deducted from the existing housing stock.

*Table 3: Mix of Housing Choices*

Housing Choice	Existing Units	% of Units	Existing and Future Vitruvian Units	% of Units
Detached Home	1,467	13.9%	1,467	9.3%
Townhome/ Rowhouse	555	5.3%	555	3.5%
Flat	345	3.3%	345	2.2%
Garden Apartment	3,600	34.2%	2,567	16.3%
Urban Apartment	3,624	34.4%	9,856	62.6%
Extended Stay Hotel Room	945	9.0%	945	6.0%
<b>Total Units</b>	<b>10,536</b>	<b>100.0%</b>	<b>15,735</b>	<b>100.0%</b>

## Details of Workshop Discussion

The Council's discussion addressed the questions shown below. Comments on each question are presented here based on notes recorded on flip charts during the discussion.

### 1. How do each of these housing choices contribute to the Council's view of Addison's desired future?

#### *Detached Home*

- It's consistent with what I know
- Is it feasible here?
- More stable residences and residents
- Difficult in infill locations due to land price
- Need to learn lessons from other areas of country on how to model infill detached residential and redeveloped detached housing
- Cambridge Crossing may be good prototype for smaller lot detached
- School district may drive demand
- Need detached to provide balance to community
- Balance will continue to decrease since there's not much room left for this

#### *Townhome/Rowhouse*

- Will be good fit – infill and redevelopment
- Provide neighborhood stability since they're ownership units
- Individuality of units
- More opportunity for unique design
- May bring better balance of ownership units
- Increase value so there will be future reinvestment in parcels with single family

#### *Flats*

- Condos tend to become rental in a down economy
- Provide stability (ownership)
- Better balance (ownership)
- Flats tend to lead the downward trend in the real estate market and are the last to rebound
- More tendency to go into default
- Appeal to Active Seniors and Millennials

#### *Garden Apartments*

- Less quality than urban

- Values go down over time
- Demographics in units change over time

*Urban Apartments*

- Appeal to people who are “renters by choice”
- Have a large number in Addison
- Post Properties project (in Addison Circle) has aged well
- Natural fit in Addison’s commercial environment (opportunities for people to live here and walk to work in office buildings)
- Need these to attract corporations
- Demand for live/work/play
- Attract desirable demographics (Empty Nesters/Millennials)

*Extended Stay Hotel Room*

- Serves a purpose – have adequate supply
- Difficult for a city to regulate – pre-empted by state
- Not typical to have residents in lodging – need to regulate
- Risky for Addison until State regulates (close loopholes)

*Assisted Housing*

- Need to add to mix to provide balance
- Desired by existing residents who want to stay in Addison
- Addison has no experience in this – What are the issues? – Next step may be to Research/Education; we have no knowledge currently
- Should be high priority
- People need all levels of care
- But Addison has only 4.4 square miles – we may not provide for all needs
- Flats serve part of this need
- There may be other options that property owners will bring forward that Council wants to entertain

**2. What mix of housing choices is most desirable for Addison in the future?**

Short Term	Long Term
	Mixed Use with open space Look at bigger picture (on larger sites) Mixture of housing choices Diversify some uses as they redevelop



What mix is desired by Council?

- Want more owner occupied (detached, townhome, flats)✓✓✓
- Want highest and best use and best fit for parcel by parcel✓✓✓
- For redevelopment of existing commercial areas, want multi-use, including a variety of residential (mix of choices)
- 85% multi-family is out of balance – want more ownership – could be condo/flat/townhome/detached✓✓
- Don't want rezonings for multi-family alone
- Want a process for looking at larger chunks of land
- Want to start the learning curve on assisted living

**3. Where could or should desired new housing locate within Addison?**

The Council did not address this issue, but recognized it could be part of a future discussion.

**4. What steps could or should the Town take to shift the market to achieve the desired mix? The answers to this question will provide staff with direction for action on next steps. Some of these steps could be:**

- a. Removing barriers to investment
- b. Changing plans and development policies/regulations
- c. Making Town infrastructure investments
- d. Changing Town incentives

The Council agreed that staff should develop recommendations for these next steps.