City of Dallas

Housing Needs Analysis

Note: Policy recommendations identified in Section V of this document do not reflect final City Council action of March 16, 2020. See City of Dallas Ordinance No. 1827, passed by City Council on April 6, 2020. Exhibit 2 thereto identifies changes to policies in Volume 1, Chapter 3 of the Dallas Comprehensive Plan.

FINAL

June 27, 2019

ACKNOWLEDGEMENTS

This work is made possible through the sincere input received from community volunteers who serve on the Dallas Housing Needs Advisory Committee, Planning Commission and City Council. We recognize and appreciate their time and attention to producing this analysis.

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Section I.   INTRODUCTION

This report presents Dallas' Housing Needs Analysis for the 2019 to 2039 period. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing) and OAR 660 Division 8. It provides Dallas with a factual basis to update the Housing Element of the City's Comprehensive Plan and zoning code, and to support future planning efforts related to housing and options for addressing unmet housing needs in Dallas.

Future planning efforts, including development and redevelopment will be informed by this report as it provides the City with information about the housing market in Dallas and describes the factors that will affect future housing demand, such as changing demographics. This analysis will help decision makers understand whether the City has enough residential land to accommodate growth over the next 20 years.

This process included a series of technical advisory meetings coupled planning commission work sessions to receive feedback and provide revisions to the final housing needs analysis draft.

The City of Dallas and FCS Group solicited public input from an ad-hoc committee comprised of local housing developers, real estate experts, housing assistance experts, property managers and others with knowledge about the housing industry or housing needs. This committee, titled the HNA Advisory Committee, met five times to discuss project assumptions, results, and implications. The project relied on the HNA Advisory Committee to review draft products and provide input at key points (e.g. before recommendations and decisions were made and before draft work products were finalized).

The project required many assumptions and policy choices that the committee needed to vet and agree upon, as these choices affect current and future residents. In short, local review and community input were essential to developing a locally appropriate housing needs analysis and housing strategy.

Public Engagement

The city and consultants solicited input from the HNA Advisory Committee and Dallas Planning Commission at three public meetings. The first meeting, held on November 13, 2018, before the Dallas Planning Commission, solicited comments on the preliminary results of the housing needs analysis including the projected housing need over the 20-year planning horizon. The second public meeting, held on March 12, 2019, before the Planning Commission, solicited comments on proposed policies and actions stemming from the HNA work completed to that point. The third public meeting, held on June 11, 2019, again before the Planning Commission, reviewed the HNA process and next steps and allowed for public comment on the principal findings and assumptions used. The draft final HNA requires two public hearings to occur before taking final action.

The City of Dallas had not updated its Comprehensive Plan Housing Element since 1998. Data and policies found in Chapters 3 and 6 of the Dallas Comprehensive forecast housing needs to the year 2020. This HNA provides the following updates:

- A new 20 year population projection and residential land needs analysis for 2019-2039.
- An analysis of the city's buildable land inventory (BLI) for all land within the UGB that's planned to accommodate housing growth.
- Identification of housing goals, objectives, and policy recommendations that address housing needs.
- Housing strategies to meet needed housing.

Housing Needs Analysis Structure

Goal 10 and Oregon Regulatory Requirements

The passage of the Oregon Land Use Planning Act of 1974 (ORS Chapter 197) established the Land Conservation and Development Commission (LCDC) and the Department of Land Conservation and Development (DLCD). The Act required the Commission to develop and adopt a set of statewide planning goals. Goal 10 addresses housing in Oregon and provides guidelines for local governments to follow in developing their local comprehensive land use plans and implementing policies.

At a minimum, local housing policies must meet the applicable requirements of Goal 10 and the statutes and administrative rules that implement it (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008). Goal 10 requires incorporated cities to complete an inventory of buildable residential lands. Goal 10 also requires cities to encourage the numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households.

Goal 10 defines needed housing types as "all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes." ORS 197.303 defines needed housing types:

(a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy.

(b) Government assisted housing.[1]

(c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490.

(d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.

(e) Housing for farmworkers.

A recommended approach to conducting a housing needs analysis is described in *Planning for Residential Growth: A Workbook for Oregon's Urban Areas*, the Department of Land Conservation and Development's guidebook on local housing needs studies. As described in the workbook, the specific steps in the housing needs analysis are:

1. Project the number of new housing units needed in the next 20 years.

2. Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.

3. Describe the demographic characteristics of the population and, if possible, the housing trends that relate to demand for different types of housing.

4. Determine the types of housing that are likely to be affordable to the projected households based on household income.

5. Determine the needed housing mix and density ranges for each plan designation and the average needed net density for all structure types.

6. Estimate the number of additional needed units by structure type.

While ORS 197.296 specifically applies to cities with 25,000 or more population, this statute is generally followed to determine housing needs for Dallas (2017 pop. 15,570). This analysis incorporates 20-year population growth for the Dallas Urban Growth Boundary (UGB) based on forecasts provided by Portland State University's Population Research Center.

Dallas must identify needs for all of the housing types as well as adopt policies that increase the likelihood that needed housing types will be developed. This housing needs analysis was developed to meet the requirements of Goal 10 and its implementing administrative rules and statutes.

Report Organization

This report provides the technical basis of findings that support proposed housing policy recommendations and subsequent actions that the city will take to update its Comprehensive Plan and Development Code. Each section of this report provides current data, assumptions and results that comprise all findings and conclusions.

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[1] Government assisted housing can be any housing type listed in ORS 197.303 (a), (c), or (d).

I. **Introduction**.

II. **Housing Needs Projection:** The section describes the methodology for projecting housing needs, in addition to relevant statistical data pertaining to demographics and market trends.

III. **Buildable Land Inventory:** This section identifies vacant, partially vacant and redevelopable residential land within the Dallas UGB, and accounts for constraints to get to a final determination of capacity to meet 20-year needs.

IV. **Residential Land Needs Analysis:** This section compares expected land demand to vacant land supply to meet housing mix and densities described in the HNA.

V. **Policy Considerations:** This section identifies key findings and related policy recommendations based on data from land needs analysis.

VI. **Housing Implementation Strategies:** This section identifies specific actions in response to rules and statutes that call for measures that compensate for need deficiencies as discovered.

Section II.   Housing Needs Projection

The housing needs forecast is a 20-year projection from the base year of 2019 through year 2039 to accommodate population growth for the Dallas UGB. This section of the report will describe the characteristics of the future demand for housing in the City over the planning period.

Methodology

The methodology for projecting housing needs for the Dallas UGB takes into account a mix of demographic and socio-economic trends, housing market characteristics and long-range population growth projections. Population is a primary determinate for household formations—which in-turn drives housing need.

Regional (Polk County) and local (City or UGB) population, households, income and market characteristics are described in this Memorandum using available data provided by reliable sources, such as the U.S. Census Bureau (Census and American Community Survey), the U.S. Department of Housing and Urban Development (HUD), Oregon Department of Housing and Community Services, Portland State University (PSU) and the City of Dallas. Where trends or long-range projections are provided by an identified data source, FCS GROUP has included extrapolations or interpolations of the data to arrive at a base year (2019 estimate) and forecast year (2039 projection).

The housing need forecast translates population growth into households and households into housing need by dwelling type, tenancy (owner vs. renter) and affordability level.

Population Growth

The City of Dallas recorded a record-high population of 15,570 in 2017 (July 1 estimate by PSU). When you take into account the additional land area outside the City and inside the UGB, the total Dallas UGB population is estimated to be 16,982 people.

As the Polk County seat, the Dallas UGB accounts for nearly 20% of all county residents. Polk County is now one of Oregon's fastest growing counties outside the greater Portland-Hillsboro-Vancouver metro region. Since 2000 the City, the UGB and Polk County have been adding population at a faster average annual growth rate (AGR) than the State of Oregon as a whole (see **Exhibit 2.1**).

Exhibit 2.1: Population Trends (2000-2017)

	2000	2010	2017	AGR 2000-2017
Dallas City	12,459	14,590	15,570	1.3%
Polk County	62,380	75,495	81,000	1.5%
Oregon	3,421,399	3,837,300	4,141,100	1.1%

Source: 2000 and 2010: U.S. Census Bureau; 2017; PSU PRC

Abbreviations: AGR - Annual Growth Rate

Long-range population forecasts prepared by Portland State University's Population Research Center (PRC) state that 6,887 additional people will be added to the Dallas UGB and 27,032 people will be added to Polk County by year 2039. This equates to an annual average growth rate (AGR) of 1.7% and a 25.5% "capture rate" of the future County-wide population growth for the Dallas UGB (see **Exhibit 2.2**).

Exhibit 2.2: Population Projections (2019-2039)

	Estimate 2019	Forecast 2039	Proj. Change 20 Years	Proj. AGR (2019-2039)
Dallas UGB	16,982	23,869	6,887	1.7%
Polk County	83,398	110,430	27,032	1.4%
Oregon	4,141,100	5,151,616	1,010,516	1.0%

Source: Portland State University Population Research Center

Forecasts of Oregon's County Populations and Components of Change, 2017-2068.

Compiled by FCS Group. AGR = average annual growth rate.

As shown in **Exhibit 2.3**, Dallas has a high share of older residents in comparison with the State average. The median age of local residents was 42.1 in 2017.

Exhibit 2.3

Median Age, Dallas, Polk County, Oregon, 2017
Source: U.S. Census Bureau, 2013-2017 American Community Survey, compiled by FCS Group

42.1	37.3	39.2
Dallas	Polk County	Oregon

Dallas also has a relatively high average household size, which is evidenced by that fact that there are 2.51 people per dwelling unit, which exceeds the State average (2.32), as indicated in **Exhibit 2.4.**

Exhibit 2.4

Average Number of People per Unit, Dallas, Polk County, Oregon, 2017

Source: U.S. Census Bureau, 2013-2017 American Community Survey, compiled by FCS Group

2.51	**2.54**	**2.32**
Dallas	Polk County	Oregon
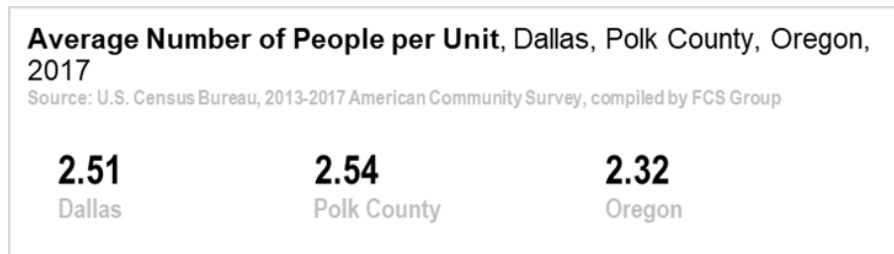
Factors Affecting Housing Needs

Housing needs change over a person's lifetime. Other factors that influence housing include:

■ Homeownership rates increase as income rises.

■ Single family detached homes are the preferred housing choice as income rises.

■ Renters are much more likely to choose multifamily housing options (such as apartments or duplexes / triplexes) than single-family housing.

■ Very low income households (those earning less than 50% of the median family income) are most at-risk for becoming homeless if their economic situation worsens.

As people age and their socio-economic conditions change, their housing preferences and choices evolve as illustrated in the "Housing Life Cycle" chart (**Exhibit 2.5**).

Exhibit 2.5: Housing Life Cycle
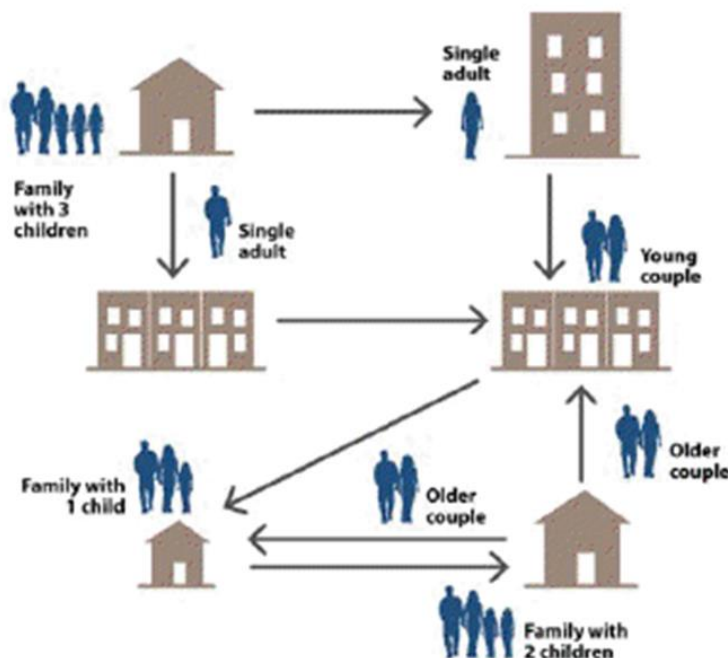
Demographic and Socio-Economics

Demographic trends are important for a thorough understanding of the dynamics of the Dallas housing market. This section documents demographic, socioeconomic, and other trends relevant to Dallas at the national, state, and regional levels.

Demographic trends provide a context for growth in a region; factors such as age, income, migration, and other trends show how communities have grown and how they will shape future growth. Characteristics such as age and ethnicity are indicators of how the population has grown in the past and provide insight into factors that may affect future growth.

The relationship between demographics, income levels and housing needs can be used to forecast future housing needs. The primary demographic cohorts in Dallas is shown in **Exhibit 2.6** and described below:

Exhibit 2.6: Population by Age Cohort

Population by Generational Cohort, Dallas, 2017

- Generation Z
- Millenials
- Generation X
- Baby Boomers
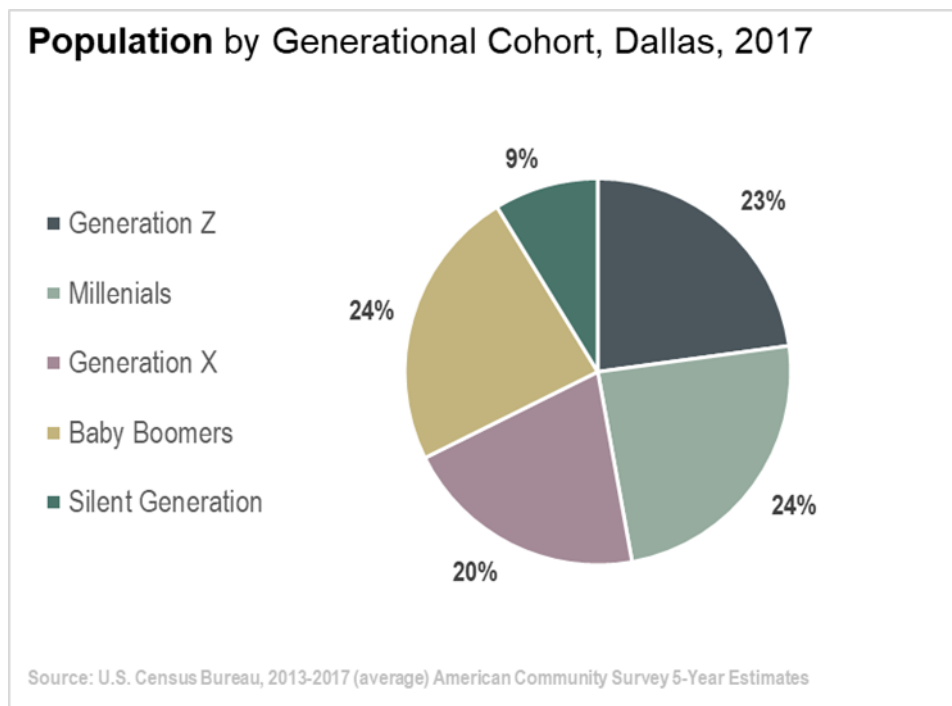- Silent Generation

9%
23%
24%
20%
24%

Source: U.S. Census Bureau, 2013-2017 (average) American Community Survey 5-Year Estimates

Greatest/Silent Generation (those born before 1925 to 1945)

This includes retirees better than age 74, who were raised during the Great Depression, Word War I or World War II. This cohort currently accounted for 9% of the city's population in 2017 and is projected to be the fastest growing segment over the next 20 years. As they reach their 80s some move into assisted living facilities with convenient health care services and transit access.

Baby Boom Generation (those born 1946 to 1964)

Baby boomers (currently age 55 to 74) accounted for 24% of Dallas residents in 2017, up from 20% in 2010. The boomer population segment has been growing more rapidly than the other cohorts over the past 10 years and many are now entering their retirement years. Boomers usually prefer to "age in place" until after age 80, then may downsize or move in with family members (sometimes opting to reside in accessory dwellings off the main house).

Generation X (born early 1965 to 1980)

Gen X is the demographic cohort following the baby boomers and preceding the Millennials. This cohort (currently includes people between age 39 to 54) accounted for 20% of the Dallas residents in 2017, and has been trending upwards over the past several years. GenX households often include families with children, and many prefer to live in single family detached dwellings at various price points.

Millennials (born early 1980s to early 2000s)

Millennials (currently in their twenties or thirties) accounted for 24% of the Dallas residents in 2017, and its numbers overtook the Baby Boomers in recent years. This segment is expected to increase more slowly than the overall population over the next few decades. Younger millennials tend to rent as they establish their careers and/or payback student loans. Working millennials often become first-time homebuyers, opting to purchase smaller single family detached homes or townhomes.

Generation Z (born mid-2000s or later)

GenZ includes residents age 19 or less, which accounted for 23% of the Dallas residents in 2017. This segment mostly includes children living with GenXers or younger Baby Boomers, and has been decreasing in numbers in Dallas over the past several years. This trend is forecasted to continue as people are delaying starting families and tend to have fewer children than past generations.

Income Characteristics

Income levels in Dallas are below Polk County and the state. This may be partially attributed to the combination of lower-wage agricultural and government-sector jobs within the region and a relatively high concentration of retirees in Dallas (**Exhibit 2.7**).

Exhibit 2.7: Households by Income Level, 2017
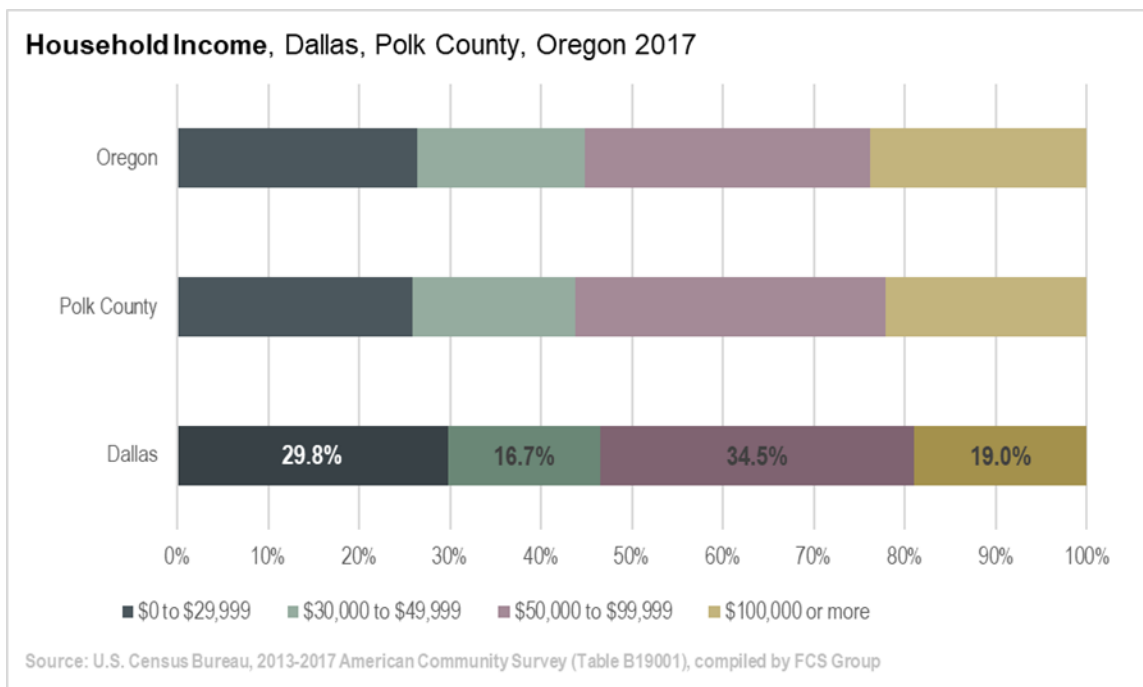
Existing Housing Characteristics

Analysis of historical development trends in Dallas provides insight into the functioning of the local housing market. The mix of housing types and densities, in particular, are key variables in forecasting the capacity of residential land to accommodate new housing and to forecast future land need. The specific steps are described in Task 2 of the DLCD *Planning for Residential Lands Workbook* as:

1. Determine the time period for which the data will be analyzed.
2. Identify types of housing to address (all needed housing types).
3. Evaluate permit/subdivision data to calculate the actual mix, average actual gross density, and average actual net density of all housing types.

The HNA presents information about residential development by housing type. There are multiple ways that housing types can be grouped. For example, they can be grouped by:

1. Structure type (e.g., single-family detached, apartments, etc.).
2. Tenure (e.g., distinguishing unit type by owner or renter units).
3. Housing affordability (e.g., subsidized housing or units affordable at given income levels).
4. Some combination of these categories.

For the purposes of this study, we grouped housing types based on: (1) whether the structure is stand-alone or attached to another structure and (2) the number of dwelling units in each structure. The housing types used in this analysis are consistent with needed housing types as defined in ORS 197.303:

- **Single-family detached** includes single-family detached units, manufactured homes on lots and in mobile home parks, and accessory dwelling units.

- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.

- **Multifamily** is all attached structures (e.g., duplexes, tri-plexes, quad-plexes, and structures with five or more units) other than single-family detached units, manufactured units, or single-family attached units.

In Dallas, government assisted housing (ORS 197.303(b)) and housing for farmworkers (ORS 197.303(e)) can be any of the housing types listed above.

HNA findings indicate that changes in demographic and socio-economic patterns over the next two decades will result in a shift in housing demand from what is now predominantly single family detached housing to wider mix of housing types. Based on analysis of household incomes and housing costs, the most attainable housing products for Dallas in the future will include small-lot "cottage" homes, townhomes, plexes, manufactured home parks, and apartments.

Housing Inventory

Like many communities, the existing housing stock in Dallas is dominated by single family detached (low density development) which accounts for over two-thirds of the inventory. Townhomes/plexes (medium density development) make up 15% of the inventory. Multifamily apartments and condos (with more than 5 units per structure) make up 11% and mobile homes/other housing types comprise the remainder (**Exhibit 2.8**).

Exhibit 2.8

Households by Housing Type, Dallas, 2017

- Single Family Detached
- Townhouses / Plexes
- Multi-family (5+)
- Other

7%
11%
15%
67%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates
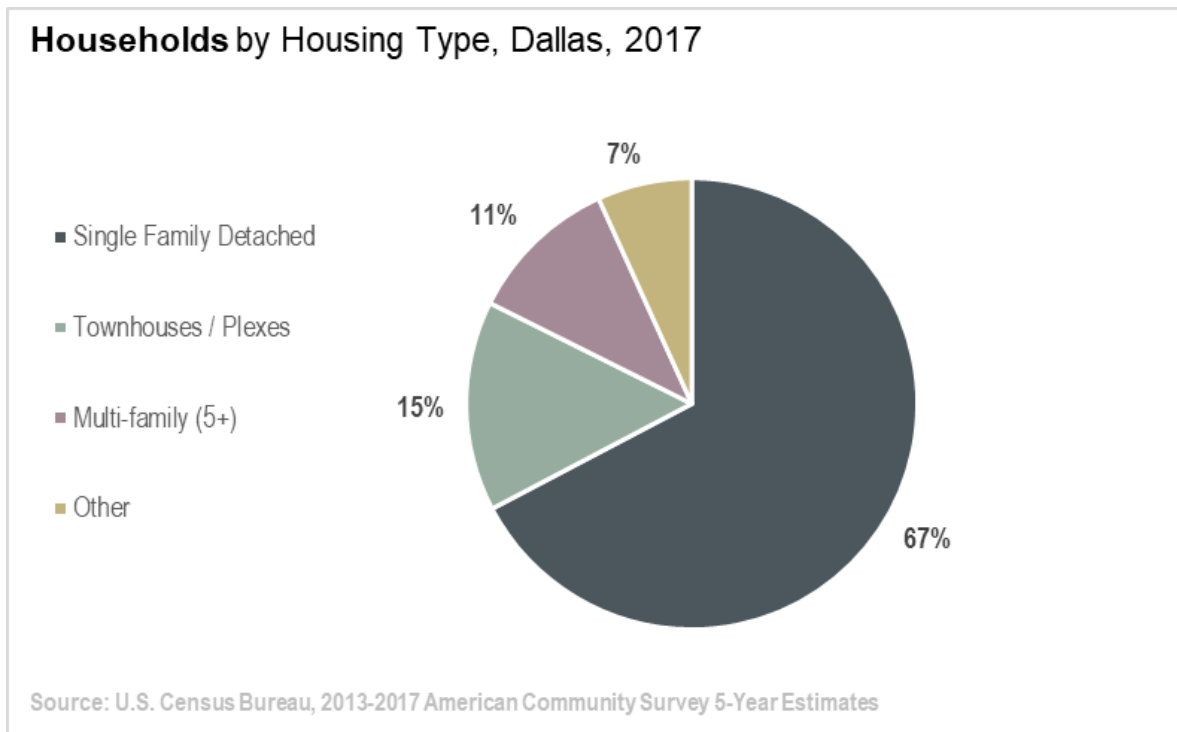
As shown in **Exhibit 2.9**, most home owners in Dallas reside in single family detached homes or mobile homes and most renters reside in townhomes/plexes and multifamily units.

Exhibit 2.9

Tenancy by Type of Housing, Dallas, 2017

Source: U.S. Census Bureau, 2013-2017 American Community Survey (Table B25032), compiled by FCS Group
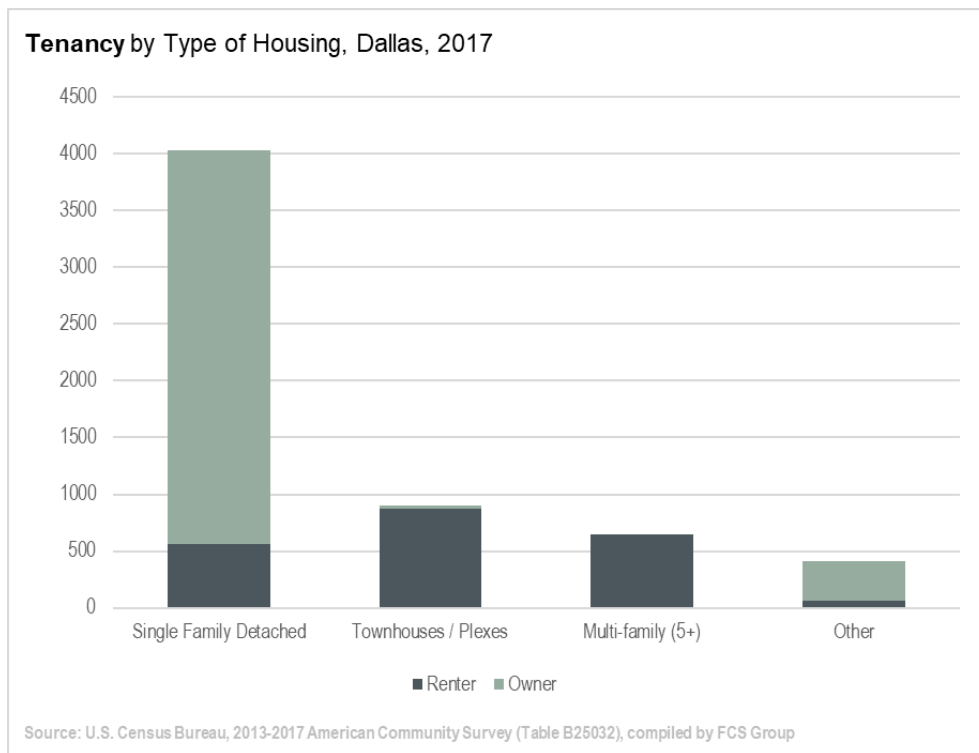
As mentioned previously, housing in Dallas is primarily dominated by single-family detached development with most units constructed in the post WWII era (1950 to 1970). Recent development patterns suggest a slight shift towards a more diverse mix of housing types. Dallas added 14 single-family detached units between 2010 and 2016, according to the U.S. Census. During this time frame, Median home values in the City at the end of 2016 were $179,400, while median rents were $715, according to the U.S. Census. Home values and rents decreased slightly between 2010 and 2016 according to US Census data due in part to an increase in mid-market housing and apartment construction. See **Exhibit 2.10**.

Housing Vacancy Rates

More recent trends indicate that home prices are starting to increase as vacancy rates decline. Housing vacancy rates have grown tight in recent years with the most recent available Census data denoting a 2.28 percent vacancy rate for all housing units in Dallas, as shown in **Exhibit 2.10**.

Exhibit 2.10: Dallas Housing Characteristics (2010-2016)

	2010	2016	2010-2016 Avg. Annual Absorption
Owner Occupied	3,668	3,660	-1
Renter Occupied	1,878	2,099	37
Vacant	203	141	-10
Total	5,749	5,900	25
Owner Occupied %	66.1%	63.6%	
Renter Occupied %	33.9%	36.4%	
Total	100.0%	100.0%	
Vacant Dwellings %	3.5%	2.4%	
Single-Family Detached	3,754	3,768	2
Townhome/Plexes	980	1,085	18
Multifamily	592	612	3
Mobile Home	423	405	-3
Total	5,749	5,870	20
Median Home	$190,800	$179,400	
Median Gross Rent	$791	$715	

Source: U.S. Census Bureau, 2010 Decennial Census,
2011 to 2016 and 2006 to 2010 ACS Surveys (Table B25077)

In comparison to other regional housing market areas, Dallas home values are beginning to increase rapidly, by 15.4 percent year-over-year (June 2017 and June 2018). **Exhibit 2.11** shows the median home price in Dallas was $303,200 (2019, 1st Q), which is lower than Polk County and well below the median home price throughout Oregon as a whole.

Exhibit 2.11

Median Home Price, Dallas, Polk County, Oregon, 2019
Source: Zillow, 2019

$303,200
Dallas

$309,200
Polk County

$346,100
Oregon
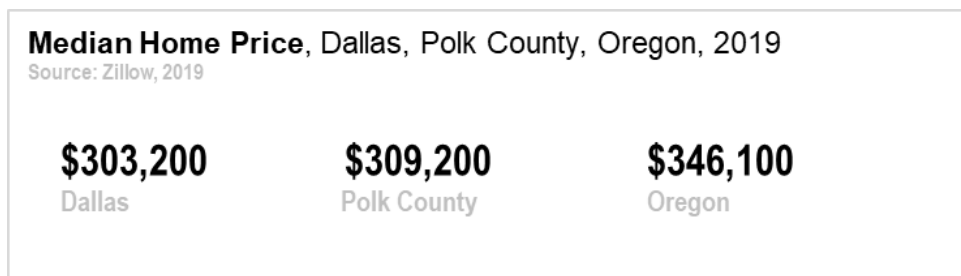
Housing rents are also comparatively lower in Dallas than Polk County and Oregon as a whole. (**Exhibit 2.12**).

Exhibit 2.12

Median Gross Rent, Dallas, Polk County, Oregon, Other Comparison Cities, 2013-2017

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates (Table DP05)
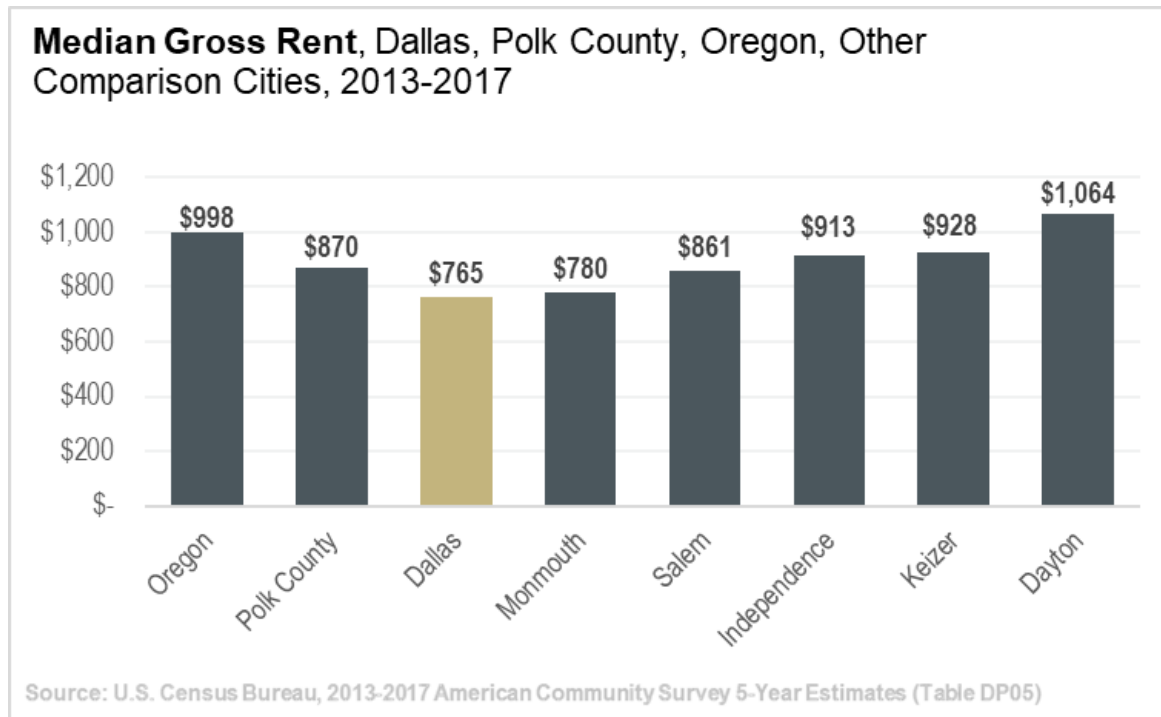
Recent Construction Activity

During the past several years, new building construction in Dallas has primarily consisted of single family housing. From 2012 to 2017, the City issued an average of 65 single family permits, which far outpaces that of other housing types. The issuance of permits for five or more family units peaked at 63 in 2015 but otherwise has remained below that level (**Exhibit 2.13**).

Exhibit 2.13: Privately-Owned Residential Units Permitted, Dallas (2012-2017)

Units In Structure	2012	2013	2014	2015	2016	2017	Average Annual Absorption (2012-2017)
Single Family	23	56	41	72	91	109	65.3
2 Unit Multifamily	2	6	-	6	4	2	3.3
3 & 4 Unit Multifamiliy	-	-	-	-	8	-	1.3
5+ Unit Multifamily	-	-	-	63	-	-	10.5
Total Units Permitted	**25**	**62**	**41**	**141**	**103**	**111**	**80.5**

Source: HUD government website, SOCDS Building Permits Database 2012 - 2017 (https://socds.huduser.gov/permits/)

Current Housing Market Gaps

An analysis of housing needs indicates that there are market gaps in the housing supply that currently exist in the local rental housing market. As shown in **Exhibit 2.14**, the market gaps are occurring at upper and lower ends of the rental housing market. For example, with 657 existing rental households in Dallas earning over $50,000 in annual income, the number of available rental units at attainable price levels ($1,250+ per month for two or more bedroom units) included only 267 units in 2017 (according to data provided by the U.S. Census, American Community Survey, 2013-2017 estimates for City of Dallas). Hence, there is a market gap of approximately 390 units in this price category. As such, upper-income households are currently occupying lower cost (available) rental units.

There is also a market gap for lower-cost rental housing, particularly for households earning less than $20,000. There are 632 rental households in Dallas with incomes below $20,000 but only 226 rental units priced under $500 per month. This creates a market gap of 334 rental units needed at a monthly rent of $500 or less to be attainable to these low-income households. Many of these low income households are paying well over 50% of their income on rental housing; which is a factor driving the relatively high share of severely rent burdened households in Dallas today.

Exhibit 2.14: Current Rental Housing Market Gaps, City of Dallas, 2017

Median Household Income Range	Affordable Monthly Rent Costs *	Renter-Occupied Households	Estimated Available Rental Units	Housing (Gap) or Surplus
$75,000 or more:	$1,875	296	51	(245)
$50,000 to $74,999:	$1,250-$1,875	361	216	(145)
$35,000 to $49,999:	$875-$1,250	356	514.50	159
$20,000 to $34,999:	$500-$875	495	1,133	638
Less than $20,000:	Less than $500	532	217	(315)
Zero or Negative Income	Requires Subsidy	100	9	(91)
Total	-	**2,140**	**2,140**	-

Source: U.S. Census Bureau, 2013 - 2017 American Community Survey, compiled by FCS GROUP.

* Calculated as 30% of income range based on HUD guidelines

A recent 2016-17 statewide study of housing affordability was led by the Oregon Department of Housing and Community Services (DHCS). The study included all cities and counties, including Polk County and the City of Dallas. The study included an inventory of existing public housing and federal/state subsidized housing in each community and compared the housing supply to the need (based on an equitable distribution of demand) for affordable housing.

As indicated in **Exhibit 2.15,** the results of the DHCS study indicate that there is an existing affordable housing supply gap of 393 units in Polk County (1,109 units of equitable need less 716 units available). The results for the City of Dallas indicate that the "equitable distribution of affordable housing units" was adequate in 2017, with an affordable housing unit count of 240 dwellings and an estimated equitable demand of 231 units. In the future, as population and housing levels increase within the Dallas UGB, so too will the demand and need for affordable housing.

Exhibit 2.15: Inventory of Affordable Housing Units

	City of Dallas	Polk County
Affordable Housing Units in Inventory	240	716
Need (Equity) Distribution Percent	0.4%	1.8%
Equitable Distribution of Units	231	1,109
Actual Units / Equitable Distribution of Units	104.0%	64.5%

Source : Oregon Housing and Community Services Housing Needs Versus Inventory Summary

Housing Cost Burden

According to the U.S. Housing and Urban Development (HUD) standards, households are considered "cost burdened" if they pay over 30% of their income on housing. Households are "severely cost burdened" if they pay over 50% of their income on housing.

Despite having lower housing costs than most of Oregon and of Polk County, Dallas still has a relatively high share of households experiencing significant rent burden. Over 1 in 4 Dallas renter households (26%), paid more than 50% of their income in rent. This level is below the Polk County average and comparable with Oregon as a whole (**Exhibit 2.16**).

Exhibit 2.16

Severe Rent Cost Burden, Dallas, Polk County, Oregon, Other Comparison Cities, 2013-2017

*Based on the assumption that the housing cost burden threshold is 50% of income

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates (Table B25065)
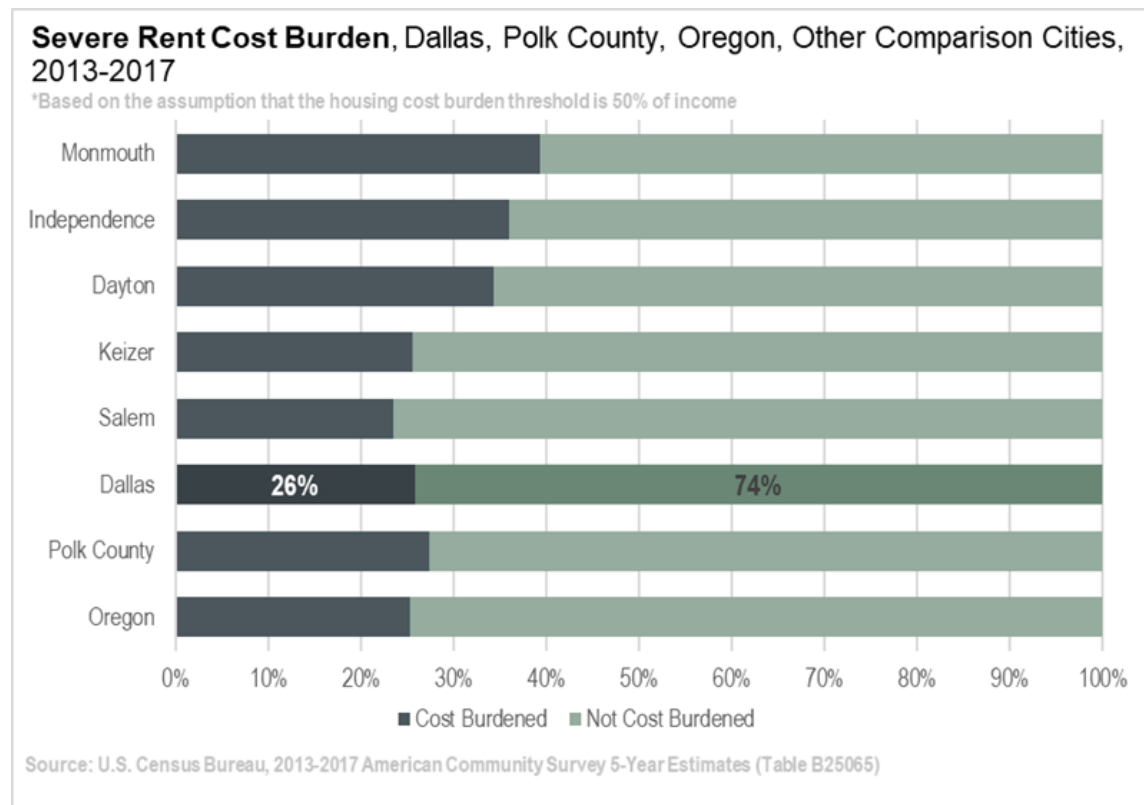
Dallas home owners are less severely cost burdened than renters, with only 7% of homeowners being severely cost burdened. Taken together, about 12% of all households in Dallas are severely housing cost burdened (**Exhibit 2.17**).

<div align="center">Exhibit 2.17</div>

Severe Housing Cost Burden by Tenure, Dallas, 2013-2017
*Based on the assumption that the cost burden threshold is 50% of income

Tenure	Cost Burdened	Not Cost Burdened
Owners	7%	93%
Renters	26%	74%
Total	12%	88%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates (Tables B25091 and B25070)
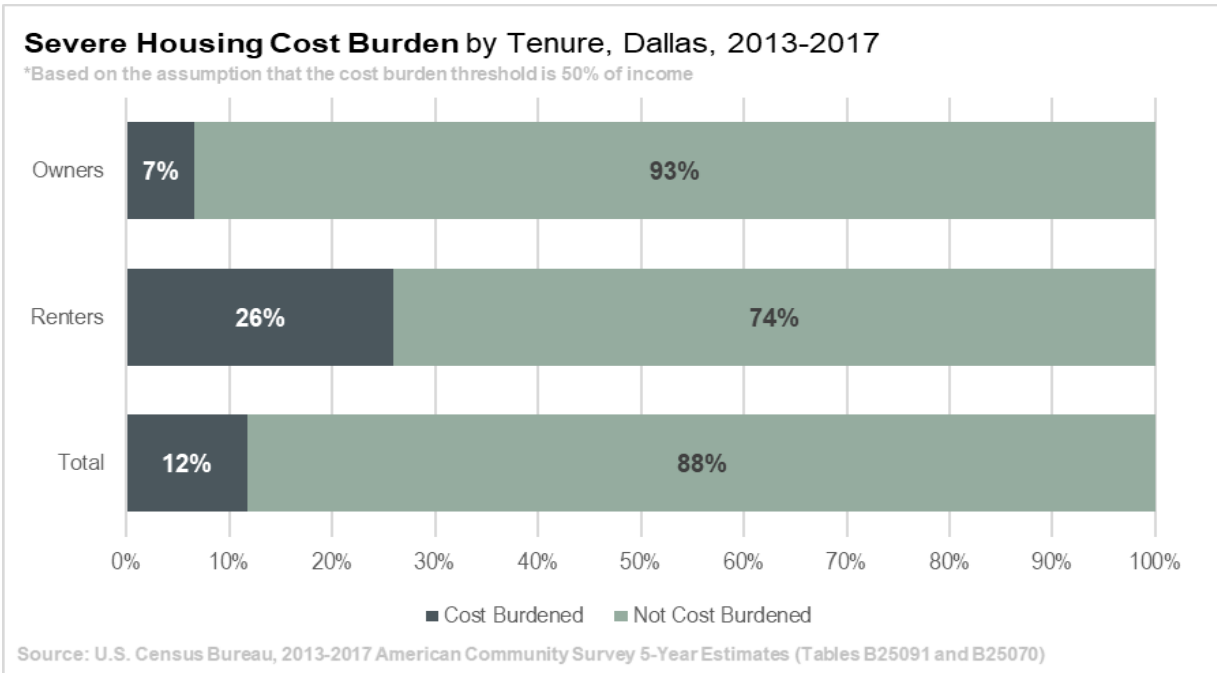
Housing Needs Forecast

The future (20 year) housing need forecast for Dallas takes into account demographic and socio-economic factors. Based on the projected population growth and housing market conditions, Dallas is expected to add 6,887 people and that will require 2,786 net new dwelling units over the next 20 years.

Housing Need by Dwelling Type and Tenancy

The 20-year projected housing need is expected to consist of: 1,457 owner-occupied dwellings and 1,311 renter-occupied dwellings. The types of housing that are most suited to meet qualifying income levels for home ownership vary by family income level, as indicated in **Exhibit 2.18**.

The housing mix that addresses future demand will likely consist of: 1,389 single-family detached homes, 661 townhomes/duplexes, 554 multifamily housing units, and 134 manufactured housing units. There will also be some "group quarters" housing demand for about 31 people that require shared living arrangements (such as congregate care or group housing).

Exhibit 2.18: Projected Housing Need by Tenancy and Housing Type, Dallas UGB

Proj. Housing Needs Forecast, Dallas UGB, 2019-2039			
Housing Type and Tenure	Owner-Occupied Units	Renter-Occupied Units	Total
Single Family Detached	1,208	181	1,389
Townhomes / Plexes	132	529	661
Multi family (5+ units per structure)	50	504	554
Manufactured homes	67	67	134
Total Housing Units	**1,457**	**1,280**	**2,736**
Group quarters		31	31
Grand Total	**1,457**	**1,311**	**2,768**

Proj. Housing Land Use Densities, Dallas UGB, 2019-2039			
Housing Classification	Owner-Occupied Units	Renter-Occupied Units	Total
Low-density (single family detached & mfg. homes)	1,275	247	1,522
Medium-density (townhomes, plexes, group quarters)	132	560	692
High-density (apartments/condos with 5+ units per structure)	50	504	554
Grand Total	**1,457**	**1,311**	**2,768**

Note: numbers may not exactly add due to rounding.

Source: Dallas HNA, Housing Needs Forecast (Task 2) findings, May 2019.

A comparison between the current and future housing mix identifies current mix as 74% single family and 26% multifamily and projected housing mix shifting to 68% single family and 32% multifamily (**Exhibit 2.19).** The findings indicate that the current share of single family detached housing is projected to decrease by 6% over the next 20 years. The share of townhomes/plexes is expected to increase 2% and the share of multifamily housing is also projected to increase 2% from the current inventory. This shift from single family to multifamily signals that the preferences for different types of housing will be different in the future.

Exhibit 2.19

Source: Dallas HNA recommended housing needs forecast, May 2019.
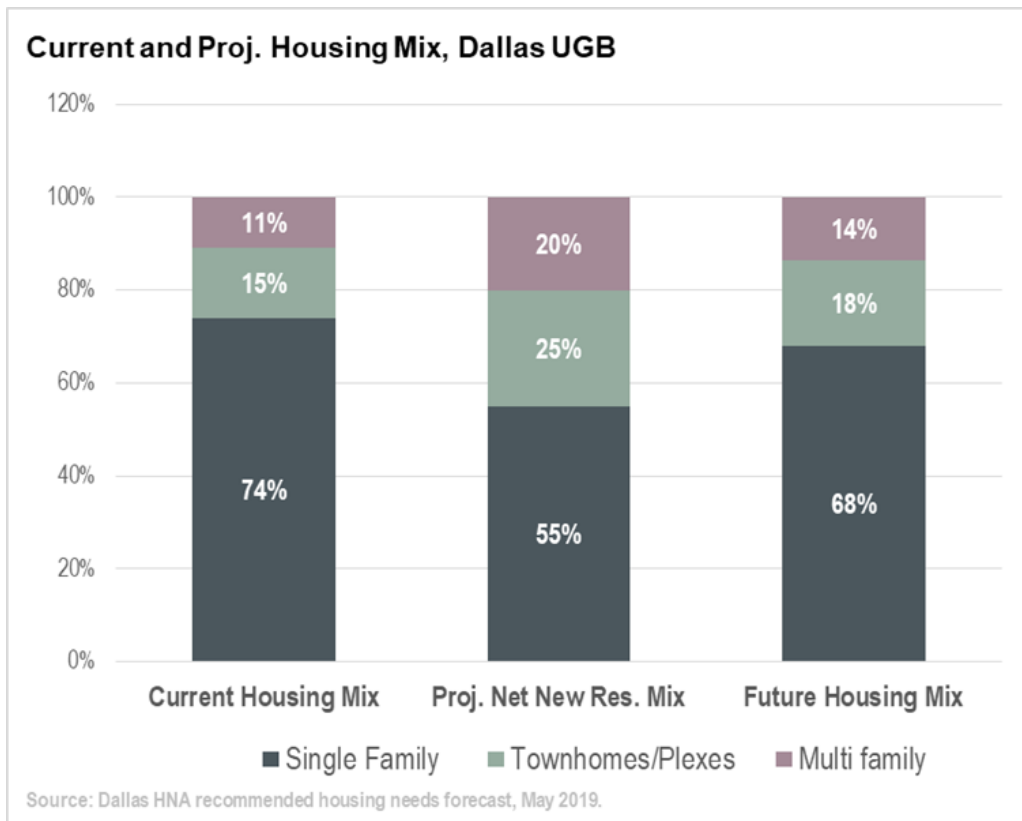
Forecasted Housing Demand by Income Level

As used in ORS 197.307 (*Effect of need for certain housing in urban growth areas*), cities are required to provide adequate land zoned for residential use to meet needs of housing within the UGB at price ranges and rent levels that are affordable to households within the city, including but not limited to households with low incomes, very low incomes and extremely low incomes, as defined by U.S. Housing and Urban Development[2].

While the demand for home ownership at the very low and extremely low income levels will always exceed the availability of housing supply, these findings indicate that the city should plan for housing that would be attainable to households earning 80% or less of the median family income level for Polk County. Attainable home types in that price range would consist of manufactured homes, and government assisted programs aimed at first time buyers of small lot "cottages" or plexes.

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[2] Email from Kevin Young (DLCD Senior Urban Planner) 1/24/19

The projected owner-occupied housing forecast that's suited to meet qualifying income levels is shown in **Exhibit 2.20.**

Exhibit 2.20: Owner-Occupied Housing Needs, Dallas UGB 2019-2039

Family Income Level	Upper Range of Qualifying Income	Upper Range of Home Price*	Housing Types	Estimated Distribution of Owner-Occupied Units	Projected Owner Dwellings Needed
Upper (120% or more of MFI)	Greater than $70,080	Greater than $347,000	Standard Homes	46.5%	678
Middle (80% to 120% of MFI)	$70,080	$347,000	Small and Standard Homes, Townhomes	30.5%	444
Low (50% to 80% of MFI)	$46,720	$266,800	Small Homes, Townhomes, Mfgd. Homes, Plexes	21.0%	306
Very Low (30% to 50% of MFI)	$29,200	$166,750	Govt. Assisted	2.0%	29
Extremely Low (less than 30% of MFI)	$17,520		Govt. Assisted	0.0%	0
Total				100.0%	1,457

Note: numbers may not exactly due to rounding.

*Assumes 30% of income is used for mortgage payment, 20% downpayment, 6% interest, 30-year mortgage for middle and upper-income housing, and 5% downpayment for low and very-low income housing.

Source: FCS based on preceding tables, and forecasts based on project funding expectations.

The projected rental housing forecast that's consistent with qualifying income levels is shown in **Exhibit 2.21.**

Exhibit 2.21: Renter-Occupied Housing Needs, Dallas UGB 2019-2039

Family Income Level	Upper Range of Qualifying Income	Upper Range of Monthly Rent*	Attainable Housing Products	Estimated Distribution of Units	Projected Renter Dwellings Needed
Upper (120% or more of MFI)	Greater than $70,080	Greater than $1,752	Standard Homes, Townhomes	17%	225
Middle (80% to 120% of MFI)	$89,640	$1,752	Small Homes, Townhomes, Apartments	17%	227
Low (50% to 80% of MFI)	$59,760	$1,168	Small Homes, Townhomes, Mfgd. Homes, Plexes, Apts.	21%	276
Very Low (30% to 50% of MFI)	$37,350	$730	ADUs, Govt. Assisted Apts.	18%	230
Extremely Low (less than 30% of MFI)		$438	Govt. Assisted Apts.	27%	354
Total				100%	1,311

Note: numbers may not exactly due to rounding.
*Assumes 30% of income is used for rental payments.
Source: FCS based on preceding tables and U.S. Census, ACS, 2012-17 data for Dallas.

Currently the fair market rents within Polk County range from $658 for an efficiency unit to $1,707 for a four-bedroom unit (see **Exhibit 2.22**).

Exhibit 2.22

HUD Fair Market Rent (FMR) by Unit Type, Polk County, 2019
Source: U.S. Department of Housing and Urban Development

$658	$736	$972	$1,405	$1,707
Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom

To help gauge housing and income attainability in Dallas, FCS GROUP examined current median family income (MFI) levels using U.S. Housing and Urban Development (HUD) guidelines. As indicated in **Exhibit 2.23**, the current (2016) median family income (MFI) for Dallas is $51,349. Using HUD guidelines for upper middle households earning 80% of the MFI, a 4-person family would be able to afford monthly rents at $1,027 or lower and homes priced at less than $204,000. These price levels should be considered "attainable" to households earning 80% of the local MFI.

Exhibit 2.23: Dallas Affordable Housing Analysis

Dallas Median Family Income Level (2016)*	$51,349	
Available Monthly Rent or Payment (@30% of income level)	**Lower-end**	**Upper-End**
High (120% or more of MFI)	$1,540	or more
Upper Middle (80% to 120% of MFI)	$1,027	$1,540
Lower Middle (50% to 80% of MFI)	$642	$1,027
Low (30% to 50%)	$385	$642
Very Low (less than 30% of MFI)	$385	or less
Approximate Attainable Home Price**	**Lower-end**	**Upper-End**
High (120% or more of MFI)	$305,000	or more
Upper Middle (80% to 120% of MFI)	$204,000	$305,000
Lower Middle (50% to 80% of MFI)	$127,000	$204,000
Low (30% to 50%)	$76,000	$127,000
Very Low (less than 30% of MFI)	$76,000	or less

Notes:

* based on American Community Survey data for City, 2012-16.

** assumes 20% down payment on 30-year fixed mortgage at 6.0% interest.

Source: analysis by FCS Group using Housing and Urban Development guidelines, and US Census data.

Summary of Housing Needs Forecast

Based on the population projections detailed earlier and average household size estimates of 2.51 people per household, the total net new housing demand within the Dallas UGB amounts to 2,768 housing units over the next 20 years. This housing need forecast assumes that the current share of group quarters population and housing vacancy rates remain constant.

The forecasted housing mix for Dallas from 2019-2039 includes 2,768 housing units of which 68% will be single family detached and 32% will be multifamily or attached housing.   This results in net new housing development as follows:

- Low density: 1,522 dwellings (including standard and small lot single family detached housing and manufactured housing units)

- Medium density: 692 dwellings (includes townhomes, plexes and group quarters units)

- High density: 554 dwellings (includes apartments and condominiums with 5+ units per structure)

The projected number of housing units that would be suited to meet affordable median family income levels for owners and renters is summarized in **Exhibit 2.24.**

Exhibit 2.24

Dallas UGB Housing Need Forecast by Tenancy and Income Cohort
(dwelling units)

Income Cohort	Owner-Occupied	Renter-Occupied
Upper (120%+ MFI)	678	225
Middle (80% to 120% MFI)	444	227
Low (50% to 80% MFI)	306	276
Very Low (30% to 50% MFI)	29	230
Extremely Low (<30% MFI)	-	354
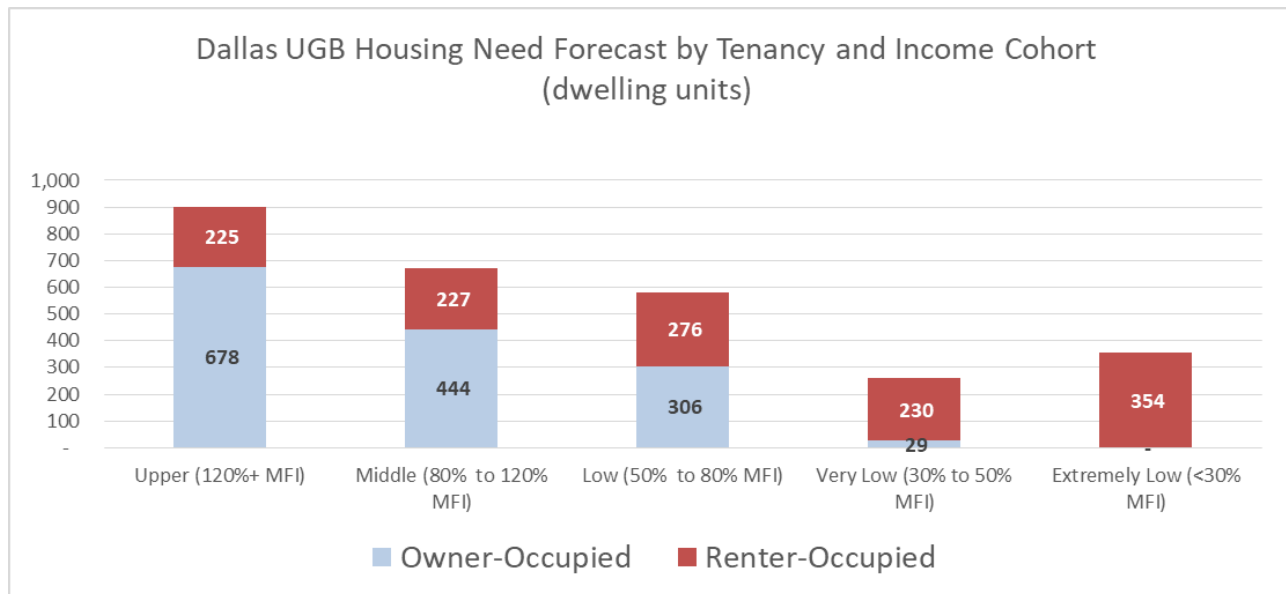
Housing Density Levels

The Dallas city planning staff reviewed: historic construction permits issued (years 2012-2017), recent development applications; and local development and zoning code provisions to document allowed densities and expected future average density levels (as measured in dwelling units per net acre).[3] As indicated in **Exhibit 2.25**, there are four general housing classifications: low-density, medium-density, high-density, and commercial/mixed-use were considered used in this analysis.

Single family detached housing is primarily provided in the RL zone. The RL zone currently allows 4 to 9 dwellings per acre, and permits the development of virtually all housing types: detached, attached, duplexes, accessory dwellings, and manufactured homes. Multifamily with 5+ units per structure is prohibited in the RL zone.

Single family also includes homes with small lots and buildings within common lots, including cottage home parks and accessory dwellings, as well as manufactured home parks. According to the *Housing Choices Guide Book* (for housing resources see the Oregon DLCD website: https://www.oregon.gov/lcd/UP/Pages/Housing-Resources.aspx), cottage cluster developments are ideal for smaller households as an alternative to standard single family homes and apartments. They are often built in clusters of 5 to 25 units at densities ranging from 5 to 35 units per acre (note the

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[3] The City of Dallas recorded construction permits for 483 dwellings between Jan. 2012 and Jan 2018, including 392 single family units, 63 multifamily units, and 28 townhome/plex units.

maximum allowable RL density in Dallas is currently 9 units per acre). The overall expected average density for single family detached housing in Dallas is 6 units per acre.

Townhomes and plexes are classified as medium-density housing and are permitted in all residential zone districts (RL, RM and RH); and allowed as a conditional use in the CBD and commercial districts. The RM district focuses primarily on medium density development, with allowed densities ranging from 6 to 16 dwellings per acre. The overall expected average density levels for townhomes/plexes in Dallas is 9 units per acre.

Apartments are typically constructed as multifamily developments with 5 or more units per structure. Apartments and multifamily dwellings are permitted (with standards) in the RM and RH zones, and allowed as a conditional use in the CBD and commercial zones. The allowable density ranges from 6 to 16 units per acre in the RM zone, and 10 to 40 units per acre in the RH zone. The overall expected average density for high density apartments in Dallas is 16 units per acre.

Exhibit 2.25 Allowed and Expected Development Density by Housing Type, City of Dallas

Relative Housing Density	Housing Types	Local Zoning Classifications	Allowed Density (DU per acre)	Expected Avg. Density (DU per acre)
Low Density	Single family detached	RL	4 - 9	6
Medium Density	Small lot single family, townhomes, plexes, cottages	RM	6 - 16	9
High Density	Apartments, condos	RH	10 - 40	16
Commercial and Mixed Use	Apartments or condos with commercial	CBD (Central Business District, CG (Commercial General Zone), CN (Commercial Neighborhood)	Up to 24	16

Section III.   BUILDABLE LAND

INVENTORY

In In accordance with OAR 660-008-0005 (2), an estimate of buildable land inventory (BLI) within the Dallas Urban Growth Boundary (UGB) has been created to determine that amount of land available to meet housing needs. The BLI analysis uses the most current Geographic Information Systems (GIS) data provided available for the Dallas UGB (specific GIS data sources are shown in **Exhibit 3.1**).

Buildable Land Inventory Methodology

The objective of the residential BLI is to determine the amount of developable land available for future residential housing development within the UGB. The steps taken to perform this analysis are as follows:

1. **Calculate gross acres** by plan designation, including classifications for fully vacant and partially-vacant parcels. This step entails "clipping" all of the tax lots that are bisected by the current UGB to eliminate land outside current UGB from consideration for development at this time. City staff input was provided to provide a level of quality assurance to review output is consistent with OAR 660-008-0005(2).

2. **Calculate gross buildable acres** by plan designation by subtracting land that is constrained from future development, such as such as existing public right-of-way, parks and open space, steep slopes, and floodplains.

3. **Calculate net buildable acres** by plan designation, by subtracting future public facilities such as roads, schools and parks from gross buildable acres.

4. **Determine total net buildable acres by plan designation** by taking into account potential redevelopment locations and mixed-use development opportunity areas.

Exhibit 3.1: Dallas BLI Data Sources

Dataset Name	Type	Description	Source
City_Limits	GIS Layer	Dallas City Limits Boundary	City of Dallas
UGB	GIS Layer	Urban Growth Boundary for areas outside of Dallas city limits	City of Dallas
Dallas_Zoning_June_2018	GIS Layer	City of Dallas Zoning Designations	City of Dallas
Comp_Plan	GIS Layer	City of Dallas and UGB Comprehensive Plan Designations	City of Dallas
Master_Plan_Nodes	GIS Layer	Layer representing 3 Sub Areas	City of Dallas
Urban_Renewal_Area	GIS Layer	Layer representing Urban Renewal Area	City of Dallas
Approved_Barberry_Lots	GIS Layer	Barberry Sub-Area lots. Geometry only	City of Dallas
LaCreole_Land_Use	GIS Layer	La Creole Sub-Area lots. Geometry only	City of Dallas
Approved_Wyatt_Lots.shp	GIS Layer	Wyatt Sub-Area lots. Geometry only	City of Dallas
Floodplain	GIS Layer	FEMA 100-yr. Floodplains	City of Dallas
Floodway	GIS Layer	FEMA Floodways	City of Dallas
Parks_and_Open_City	GIS Layer	City owned Parks and Open Space lots	City of Dallas
Parks_and_Open_Private	GIS Layer	Privately owned Parks and Open Space lots	City of Dallas
WO_Streams_Project1_Clipped	GIS Layer	Fish presence-State of Oregon. Identified Forest Practice Rules required streams. Non-Buffered streams layer	ODF/City of Dallas
Wetland_Line	GIS Layer	Wetlands linear features only. No polygon features	City of Dallas
Slope25	GIS Layer	Slopes 25% or Greater. Layer extent for City Limts and UGB	City of Dallas
Dallas_Taxlots_Clipped	GIS Layer	Taxlots for City of Dallas and lots within approx. 2 mile radius of UGB	City of Dallas
REAL_VALUE_SUMMARY	Tabular	Summary table for assessed and real market values for land and improvements	Polk County Assessor
LOOKUP_PROPERTY_CLASS	Tabular	Lookup table for assessed property class (typing)	Polk County Assessor
LOOKUP_RMV_PROPERTY_CLASS	Tabular	Lookup table for real market value property class (typing)	Polk County Assessor
tblFIELD_DESCRIPTIONS	Tabular	Data dictionary for attributes related to assessment. Used to identify attribute codes	Polk County Assessor
NAIP 2016	GIS Service	Web service providing aerial imagery	Oregon-GEO[1]

1 - http://imagery.oregonexplorer.info/arcgis/services

The detailed steps used to create the land inventory are described below.

Residential Land Base

The residential land base reflects current Dallas Comprehensive Plan land use designations. The Comprehensive Plan map for the Dallas UGB is provided as **Exhibit 3.2**.

Properties that are within the residential land base include the following Comprehensive Plan classifications that permit housing either outright or as a conditional use. This includes the following Comprehensive Plan land use classifications:

Residential Land Use Classifications

- Residential

Commercial and Mixed-Use Land Use Classifications

- Commercial
- Central Business District

It should be noted that the following zoning classifications are contained within the broader Comprehensive Plan general land use classifications for commercial and mixed-use areas within the Dallas BLI since housing is allowed as a conditional use in each of these zones.

CBD	Central Business District
CG	Commercial General Zone
CN	Commercial Neighborhood

For analysis purposes, each of these Plan classifications have been grouped into residential development categories that represent the expected level of development based on the housing types/densities that are permitted by the City (housing types must be permitted outright or by conditional development approval). This includes: low, medium and high density residential categories; as well as a commercial/mixed use category (which allows a mix of low, medium and high density housing).

Draft BLI findings and results were reviewed by City Staff and subjected to public review, then refined accordingly based on the input received.

Exhibit 3.2. City of Dallas Comprehensive Plan Designations
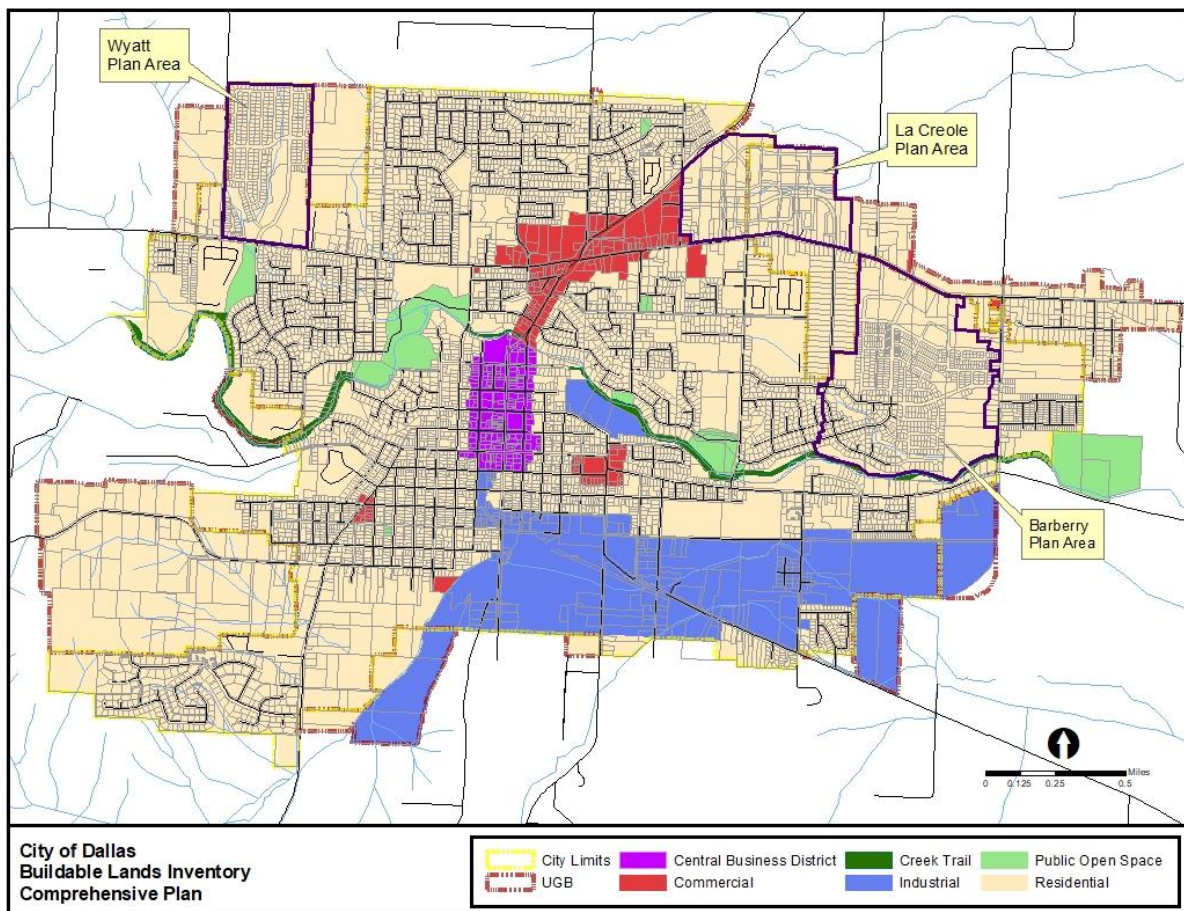
It should be noted that the City of Dallas currently has three designated Nodal Plan Areas: Barberry, La Creole, and Wyatt; which are identified in Exhibit 2. These areas are expected to be developed as planned unit developments (PUD) with specific levels of housing development that is expected.

Land Classifications

The next step includes classifying each tax lot (parcel) into one of the following categories.

- **Vacant land**: Properties with no structures or have buildings with very little value. For purpose of the BLI, residential lands with improvement value less than $10,000 are considered vacant. These lands were also subjected to review using aerial photography; and if the land is in a committed use such as a parking lot, an assessment has been made to determine if it is to be classified as vacant, part vacant or developed.

- **Partially vacant land:** Properties that are occupied by a use (e.g., a home or building structure with value over $10,000), but have enough land to be subdivided without the need for rezoning. This determination is made using tax assessor records and aerial photography. For lots with existing buildings, it is assumed that ¼ acre (10,890 sq. ft.) is retained by each existing home, and the remainder is included in the part vacant land inventory.

- **Vacant Undersized:** Properties that are vacant or part-vacant with less than 3,000 sq. ft. of land area. Vacant undersized properties are excluded from the vacant land inventory since these lots are not likely large enough to accommodate new housing units. However, it is possible that some may be suitable for accessory dwelling units (ADUs).

- **Developed & Non-Residential Land Base:** Properties unlikely to yield additional residential development for one of two reasons: they possess existing building structures at densities that are unlikely to redevelop over the planning period; or they include parcels with Comprehensive Land Use Plan designations that do not permit housing development.

- **Public and Constrained (unbuildable) land**: Properties which are regarded as unlikely to be developed because they are restricted by existing uses such as: public parks, schools, ballfields, roads and public right-of-way (ROW); common areas held by Home Owners Associations, cemeteries; and power substations. In cases where public-owned land does not fall into one of the above mentioned categories and is planned or zoned to allow housing, those tax lots are included in the vacant or part-vacant residential land inventory.

These tax lot classifications were validated using aerial photos, building permit data, and assessor records. Preliminary results were refined based on City staff and public input received during the Housing Needs Analysis (HNA) planning process.

Development Constraints

The BLI methodology for identifying and removing development constraints is consistent with state guidance on buildable land inventories per OAR 660-008-0005(2). By definition, the BLI is intended to include land that is "suitable, available, and necessary for residential uses."

"Buildable Land" includes residential designated land within the UGB, including vacant, part vacant and land that is likely to be redeveloped; and suitable, available and necessary for residential uses. Public-owned land is generally not considered to be available for residential use unless the underlying zoning permits housing.

Land is considered to be "suitable and available" unless it:

- Is severely constrained by natural hazards as determined by the Statewide Planning Goal 7;

- Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;

- Has slopes over 25 percent;

- Is within the 100-year flood plain; or

- Cannot be provided or served with public facilities (no land was identified in this category).

Based on state guidelines and data provided by the City of Dallas, the following constraints have been deducted from the residential lands inventory.

- Land within floodplains. This includes lands in flood-hazard areas (the 100-year floodplain).

- Land within Parks and Natural areas that are protected from future development.

- Land with slopes greater than 25%. However, no land was identified as having steep slopes.

Exhibits 3.3-3.4 illustrate these types of constraints.

Exhibit 3.3. Floodplains and Floodways

City Of Dallas
Buildable Lands Inventory
Floodways and Floodplains

Legend
UGB   FEMA Floodway
City Limits   FEMA Floodplain
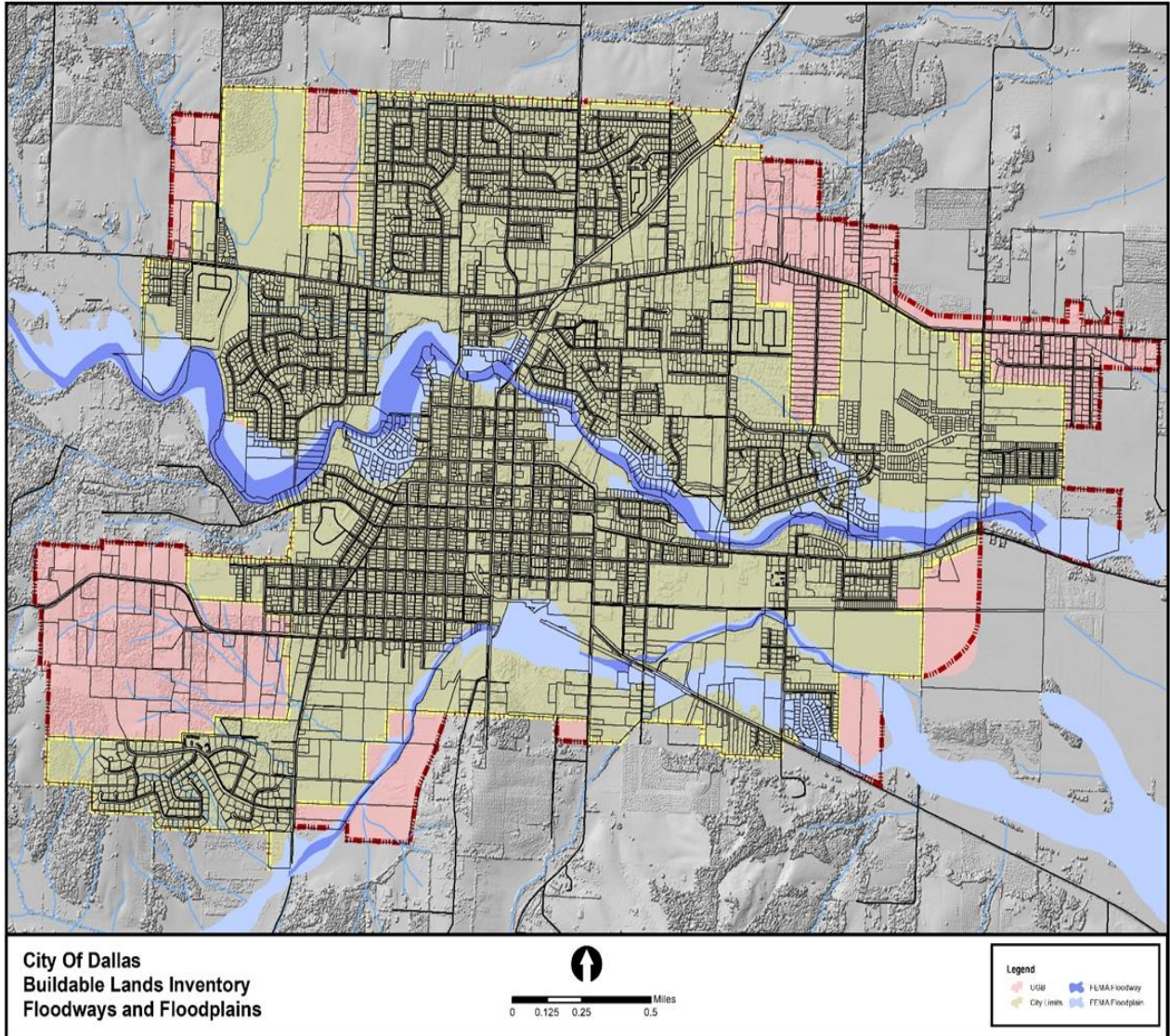
Exhibit 3.4. Protected Parks and Open Space Natural Areas

City Of Dallas
Buildable Lands Inventory
Parks and Open Spaces

Legend
UGB
City Limits
Parks and Open Space

Miles
0   0.125   0.25   0.5
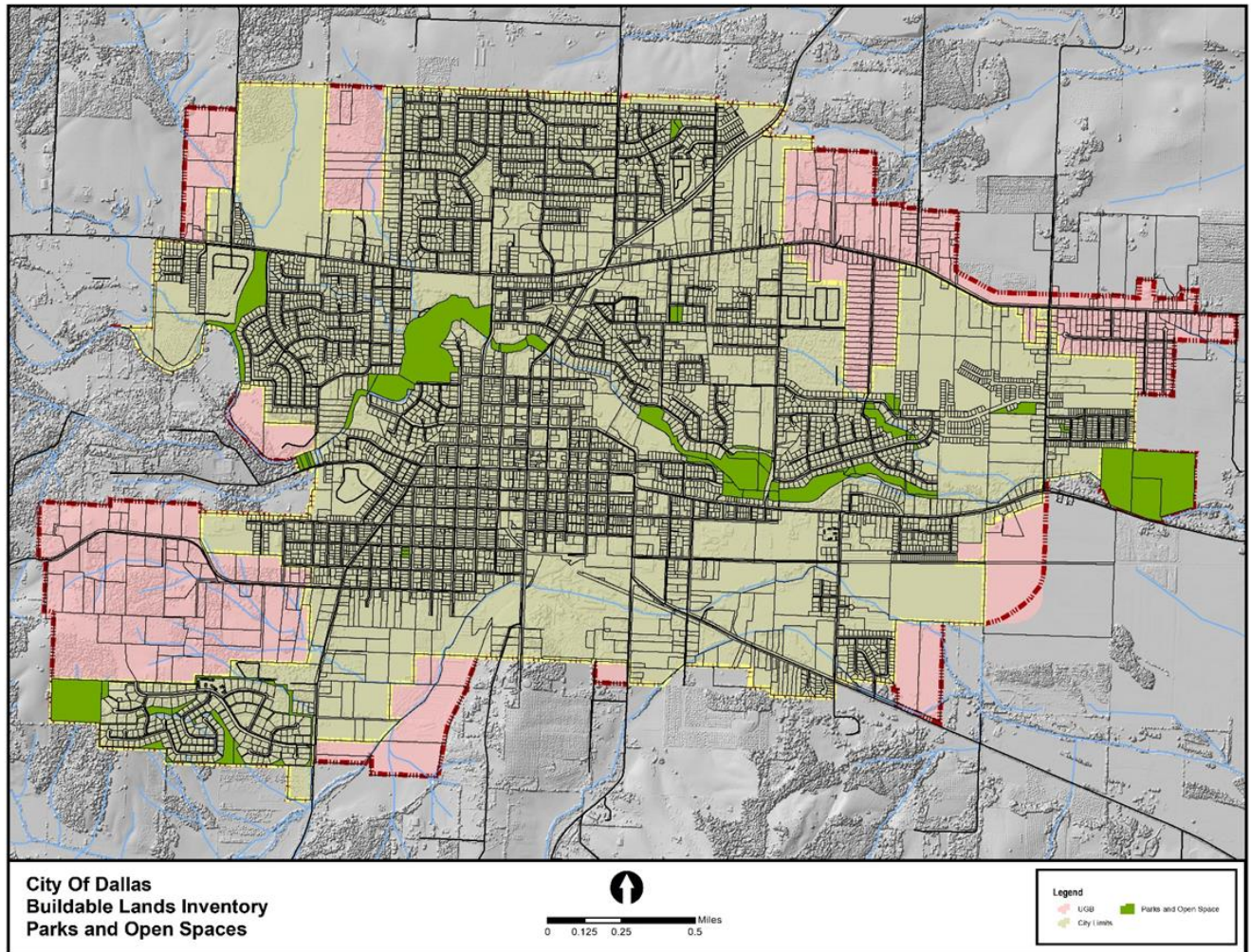
Residential Buildable Land Inventory Results

Land Base

As noted above, the residential land base for the BLI includes all tax lots in the UGB with residential, commercial and mixed-use land use designations. A summary of the land base by generalized plan designation is provided in **Exhibit 3.5**. The findings indicate that there are 11,665 tax lots in the land base with 3,459 gross acres.

Exhibit 3.5: Gross Acreage in Residential Land Base, Dallas UGB

Generalized Plan Designation	Number of Taxlots	Percent	Total Gross Acres	Percent
Low-Density Residential	4,902	42%	2,865	83%
Medium-Density Residential	439	4%	192	6%
High-Density Residential	328	3%	223	6%
Commercial/Mixed Use	5,996	51%	180	5%
Total	**11,665**	**100%**	**3,459**	**100%**

Source: City of Dallas GIS data, FCS GROUP analysis.

Mixed Use Nodes

The City of Dallas Comprehensive Plan and the Dallas Development Code include detailed land use planning allocations and development standards for three nodal planning areas within the UGB, including:

- Barberry Mixed Use Node
- LaCreole Mixed Use Node
- Wyatt Mixed Use Node

Each of these areas have adopted levels of planned acreage by land use type and city planning staff have generated current estimates of net buildable acres and expected net new dwelling units, which are detailed in **Appendix A** and summarized below in **Exhibit 3.6**.

The results indicated that the three mixed-use nodes include an estimated 218.5 net acres, and are expected to accommodate 1,530 dwelling units. This includes 482 single family dwellings (low density), 434 townhomes/plexes/small lots (medium density) and 529 multifamily units (high density) plus an additional 85 dwellings on commercial and mixed use areas.

Exhibit 3.6: Net New Development and Buildable Land Area within Mixed-Use Nodes

Dwelling Type	General Classification	Est. Buildable Acres	Dwelling Units
Single Family Detached (RL)	Low-Density Residential	93.9	482
Plexes/Townhomes/Small Lot (RM)	Medium-Density Residential	53.9	434
Multifamily (RH)	High-Density Residential	33.1	529
Commercial Mixed Use (CN)	Commercial/Mixed Use	37.6	85
Total		**218.5**	**1,530**

Source: *City staff based on detailed assumptions shown in Appendix A.*

The following buildable land analysis focuses on the remaining portions of the Dallas UGB outside the three mixed use nodes.

Development Potential in remainder of UGB

Before the deduction of environmental constraints, the residential land base has been classified by development status to estimate land that is "committed" and not likely to be developed for additional residential uses. These definitions include residential land that is developed, tax lots that exempt residential development, public-ownership, and public right-of-way[4], as described previously (results are summarized in **Exhibit 3.7**).

Exhibit 3.7: Residential land base before environmental constraints are applied, Dallas UGB outside mixed-use nodes

Generalized Plan Designation	Acres on Vacant Taxlots	Acres on Part-Vacant Taxlots	Total Vacant & Part-Vacant Acres	Developed, non-residential and other constrained acres			
				Developed or Non-Res Land Base	Public/ Unbuildable	Undersized (less than 3,000 SF)	Total Committed Acres
Low-Density Residential	380	299	679	1,310	427	1.1	1,738
Medium-Density Residential	1	0	1	86	42	0.0	129
High-Density Residential	0	-	0	129	38	0.0	167
Commercial/Mixed Use	11	3	14	117	38	0.0	155
Total	**393**	**302**	**695**	**1,642**	**546**	**1.1**	**2,189**

Source: City of Dallas GIS data, FCS GROUP analysis.

Buildable Land after Constraints and Public Facilities

The BLI methodology calculates the residential land base outside the three mixed use nodes, after accounting for environmental constraints (described in prior section) and future public facilities.[5] The findings indicate that out of a total of 3,459 gross acres in the UGB, there are 2,884 acres located outside the three mixed use nodes within the residential land base. Within this area, 2,189 acres are committed (derived from **Exhibit 3.7**) and 35 acres are environmentally constrained (derived from **Exhibit 3.8**).

After allowing for future public facilities and future right-of-way, there are 498 net buildable acres within the residential vacant and part vacant land inventory outside the three mixed use nodes. This includes 483 acres with low-density plan designations, 1 acre with medium-density designations, no high-density land area, and 13 acres in commercial and mixed-use designations (see **Exhibit 3.8**).

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[4] Includes right-of-way that is defined as a tax lot in the GIS database, which exempts residential development. This includes most major existing right-of-way which is excluded from the buildable land base.

[5] Per OAR 660-024-0040 (10), the Dallas buildable land inventory assumes the safe harbor assumption that 25% of the net buildable land area contained in the low-density and medium-density residential land base is allotted to future land needs for roads, parks and school facilities.

As noted above, approximately 67% of the buildable land inventory is classified as vacant and 33% is classified as partially vacant land.

Buildable land with commercial/mixed-use designations is included as a separate category than the residential designations since it is likely to contain a mix of housing and employment uses in the future. The amount of vacant buildable land area within this category includes 13 acres.

The vacant land calculation for areas outside the three mixed use nodes is derived by calculating the gross commercial/mixed use land area (2,884 acres) and subtracting the committed land area (2,189 acres) and then deducting the constrained area (35 acres) and future public facilities (161 acres) shown in **Exhibit 3.8**.

Exhibit 3.8: Residential land base outside mixed-use nodes after constraints, Dallas UGB, 2019

Generalized Plan Designation	Total Acres	Committed Acres	Env. Constrained Acres*	Buildable Acres	Less Future Public Facilities**	Net Buildable Acres
Low-Density Residential	2,417	1,738	35	644	161	483
Medium-Density Residential	130	129	-	1	0.37	1
High-Density Residential	168	167	-	0	-	0
Commercial/Mixed Use	169	155	1	13	-	13
Total	**2,884**	**2,189**	**35**	**660**	**161**	**498**

Source: City of Dallas GIS data, FCS GROUP analysis.
*reflects land within 100-year floodplains.
** assumes 25% of buildable low and medium density land area is utilized for future public facilities.

The total residential land inventory for the Dallas UGB includes buildable land within the three mixed-use nodes (shown in **Exhibit 3.6**) and the buildable land that has been calculated outside the nodal plan areas (shown in **Exhibit 3.8**). The amount of buildable residential land inventory within the Dallas UGB contains approximately 678 acres, of which 577.1 acres are planned for low-density residential, 55 acres are planned for medium-density residential, 33.5 acres are planned for high density residential, and 12.8 acres are planned for commercial and mixed-use development (see **Exhibit 3.9**).

Exhibit 3.9: Summary of Buildable Land Inventory, Dallas UGB, 2019

Generalized Plan Designation	Net Buildable Acres Outside Nodes	Net Buildable Acres In Nodal Areas	Total Net Buildable Acres	Residential use factor*	Total Net Buildable Acres for Housing
Low-Density Residential	483.2	93.9	577.1	100%	577.1
Medium-Density Residential	1.1	53.9	55.0	100%	55.0
High-Density Residential	0.4	33.1	33.5	100%	33.5
Commercial/Mixed Use	13.4	37.6	51.0	25%	12.8
Total	**498.1**	**218.5**	**716.6**		**678.3**

Source: Dallas Buildable Land Inventory, May 2019.
* Residential conversion factor based on city staff estimates.

Commercial and Mixed-Use Land Assumptions

It should be noted that all vacant and part-vacant commercial and mixed-use land (45 acres in total) is included in the table above. This land was included because housing development is a permitted use (i.e. it is allowed) on land with commercial and mixed-use zoning. However, since most commercial and mixed-use zoned land area will be developed for non-residential use (e.g., retail, services, office, etc.), it is assumed that *only* 25% of the commercial and mixed-use land area will be developed as housing over the next 20 years. That assumption will be reflected in the "Residential BLI Results" section of this report below.

Redevelopment Areas

In accordance with OAR 660-024-0050, FCS GROUP also considered "redevelopable" lands, defined as follows by OAR 660-008-0005(7):

> "Redevelopable Land" means land zoned for residential use on which development has already occurred but on which, due to present or expected market forces, there exists the strong likelihood that existing development will be converted to more intensive residential uses during the planning period."

Given the unpredictable nature of real estate development, especially as it relates to residential redevelopment projects resulting in demolition and replacement of existing structures and development of net new housing units, the following broad-based methodology was used to estimate redevelopment potential in Dallas:

- To comply with the redevelopment definition above, the Dallas buildable land inventory includes an analysis of developed residential/commercial & mixed-use properties that have existing structures and are located within the Dallas UGB.

- In order to sharpen the focus on land most likely to "be converted to more intensive residential use during the planning period", the redevelopment land inventory includes: tax lots with over 10,890 square feet (1/4 acre) of buildable land area; and tax lots with "land values" that are greater than "improvement values" based on current county assessor records. As a proxy for "present or expected market forces" which will drive redevelopment, these remaining properties were considered the universe of "redevelopable" lands.

- Like the analysis of vacant and partially-vacant lands described in preceding sections, "redevelopable" lands were by low, medium, high density residential and commercial/mixed-use categories based on their underlying comprehensive plan and zoning classifications, and environmental constraints were removed to determine net buildable land area.

- Finally, this analysis assumes a rate of redevelopment which results in net new housing of the properties identified above. It is assumed that redevelopment will occur on 3% of properties in Dallas. This factor was applied to the total universe of redevelopment land area to determine the net redevelopable land to be included in the Dallas residential buildable land inventory (**Exhibit 3.10**).

Exhibit 3.10: Redevelopable Land Inventory, Dallas UGB, 2019

Land Classification	Taxlots	Map Acres	Environmental Constraints	Net Lot Acres	Redevelopable Acres*
Low Density	23	52.2	0.0	50.2	1.5
Medium Density	3	3.5	0.0	3.5	0.1
High Density	1	2.8	0.0	2.5	0.1
Commercial and Mixed Use	10	18.0	0.0	16.5	0.5
Grand Total	37	76.5	0.0	72.7	2.2

Source: City of Dallas GIS data, 2019.

*Assumes a 3% redevelopment rate per City Staff.

Summary of Buildable Land Inventory

The combination of vacant, partially-vacant and redevelopable land area for the residential and commercial/mixed use classifications results in the total Dallas residential buildable land inventory. The sum of all categories provides nearly 680.5 acres of buildable residential land within the Dallas UGB. As shown in **Exhibit 3.11** this is primarily made up of 578.6 acres of low-density land (577.1 acres of vacant land and 1.5 acres of redevelopable land); 55.1 acres of medium-density land; and 33.6 acres of high-density land. The commercial and mixed-use land area expected for housing includes 13.2 acres (12.8 acres of vacant land plus 0.5 acres of redevelopment).

Exhibit 3.11: Summary of Residential Buildable Land Inventory, Dallas UGB, 2019

Net Buildable Residential Land by plan designation, Dallas UGB

Generalized Plan Designation	Net Buildable Vacant Land Area	Redevelopment Land Area	Total Net Buildable Acres
Low-Density Residential	577.1	1.5	578.6
Medium-Density Residential	55.0	0.1	55.1
High-Density Residential	33.5	0.1	33.6
Commercial/Mixed Use	12.8	0.5	13.2
Total	678.3	2.2	680.5

Source: derived from prior tables, Dallas BLI Report, May 2019.

Exhibits 3.12 and 3.13 illustrate the buildable vacant and partially vacant buildable land areas for the residential and commercial/mixed-use land base within the Dallas UGB.

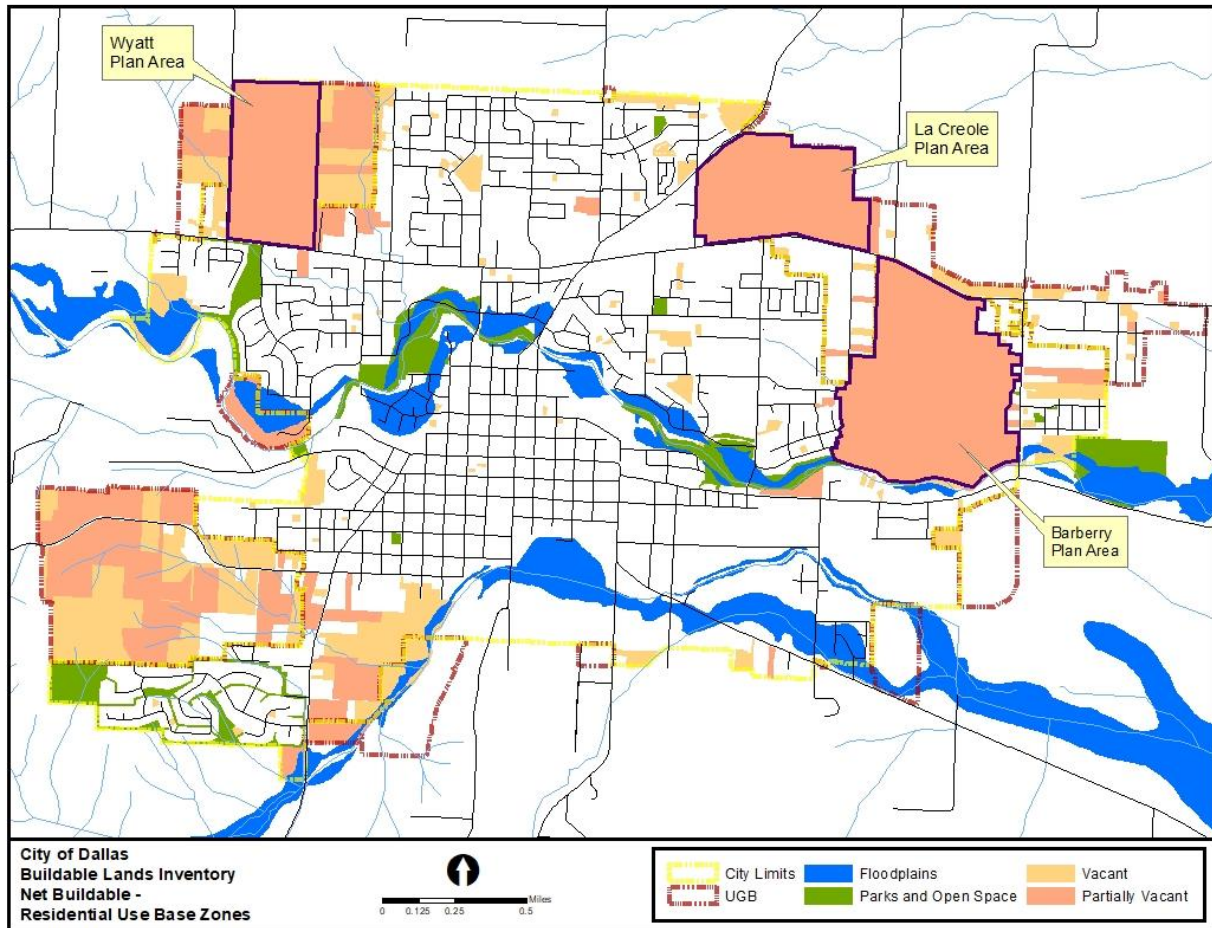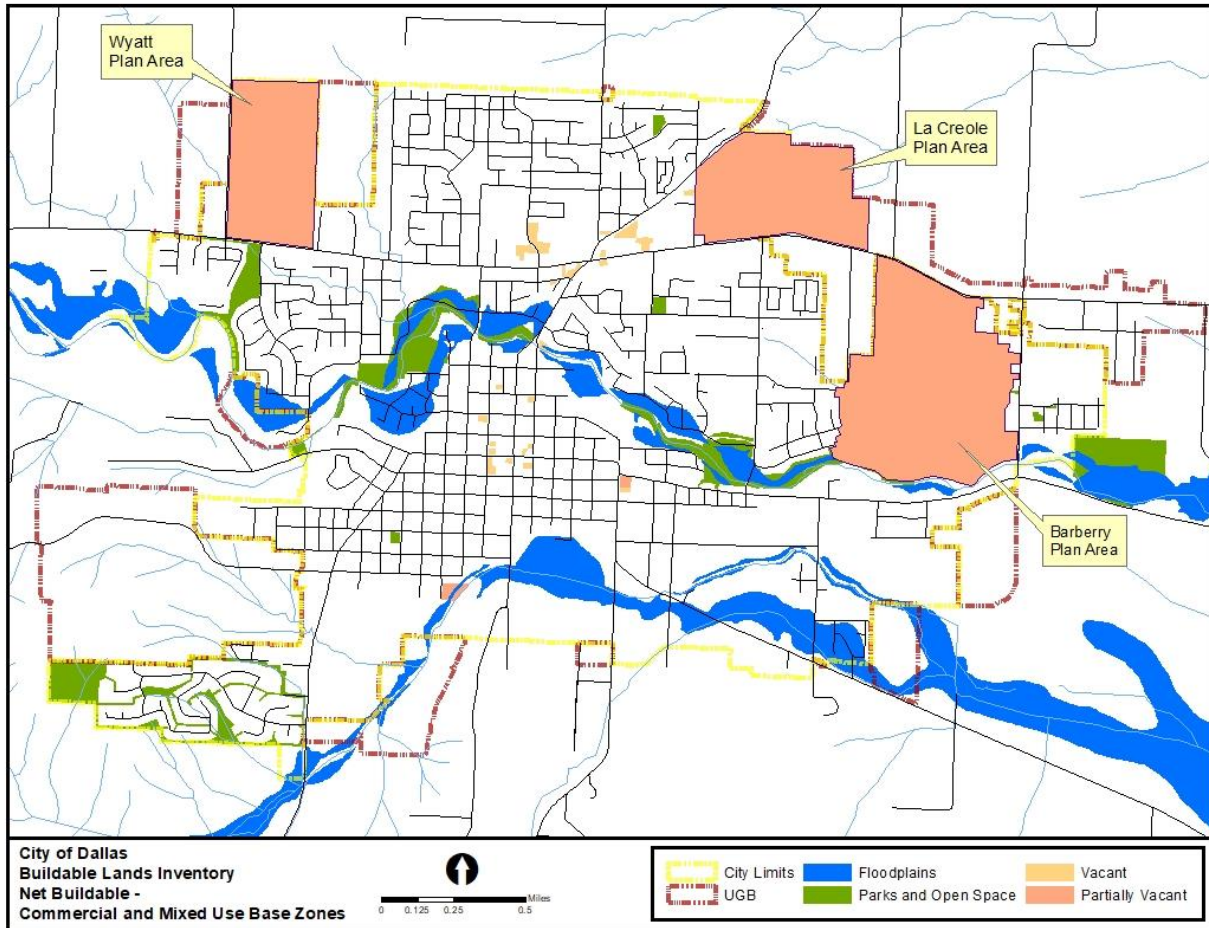**Exhibit 3.12: Residential Buildable Land Inventory, Dallas UGB, 2019**

Exhibit 3.13: Commercial and Mixed Use Buildable Land Inventory, Dallas UGB, 2019

Section IV. RESIDENTIAL LAND NEEDS ANALYSIS

This section provides an evaluation of the sufficiency of vacant residential land in Dallas to accommodate expected residential growth over the 2019 to 2039 period. This also includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of the city's ability to accommodate needed new housing units based on the housing needs analysis. A comparison of 20-year residential land needs (demand) is made relative to the residential buildable land inventory. This provides a means of reconciling housing land demand with buildable land supply within the Dallas UGB.

Residential Land Needs Forecast Methods

The methodology for forecasting residential land needs is based on the 20-year housing needs forecast from 2019-2039. Further, this methodology is informed by guidance provided by Oregon Administrative Rule OAR-024-0040(4) as follows:

> *(4) The determination of 20-year residential land needs for an urban area must be consistent with the appropriate 20-year coordinated population forecast for the urban area determined under rules in OAR chapter 660, division 32, and with the requirements for determining housing needs in Goals 10 and 14, OAR chapter 660, division 7 or 8, and applicable provisions of ORS 197.295 to 197.314 and 197.475 to 197.490.*

This analysis utilized four methods that are consistent with Oregon land use planning rules. The first three methods (Methods 1-3) were developed using "safe harbor" provisions. **"Safe harbor"** means an optional course of action that a local government may use to satisfy a requirement of Goal 14 (urbanization); and if the city needs to expand their urban growth boundary, a safe harbor analysis lends protections from appeals on certain elements. A safe harbor is not the only way or necessarily the preferred way to comply with the requirements of a housing needs analysis. It was employed for the city of Dallas as an alternative way of looking at residential land need scenarios for the 20-year forecast. Method 4 is a customized analysis of residential land needs based on the housing needs forecast, along with information derived from recent residential permitting activity in Dallas. Method 5 is a hybrid of housing mixes based on the customized analysis of Method 4, input from the Dallas HNA Advisory Committee, and review and discussion of Methods 1-4.

The three (3) safe harbor methods that were considered for the determination of residential land needs for Dallas are:

- Method 1 Safe Harbor Combined Housing Mix and Density

- Method 2 Safe Harbor Incremental Mix A

- Method 3 Safe Harbor Incremental Mix B

Method 1. Combined Housing Mix and Density Method

As indicated in **Exhibit 4.1**, this method assumes 2,768 net new dwelling units, with a required mix as follows: 55% low-density, 25% medium-density, and 20% high-density.

This method requires an overall (citywide) minimum density within residential base zones of: 5 dwellings per net acre; 7 dwellings/acre for UGB analysis; and the city must allow at least 9 units per acre overall (citywide) on its buildable residential land base.

Land needs are determined by dividing the housing need forecast (2,768 dwellings) by 7 dwellings per acre, which results in a potential UGB residential land need of 395 net buildable acres. The Dallas UGB Buildable Land Analysis determined that the UGB currently has 680 net buildable acres for future residential. Hence, the overall UGB would be sufficient to meet future demand.

Exhibit 4.1

	Factor	Finding	Units
1 20-Yr Population Growth Forecast:		16,982	population
2 Is Growth Forecast 10,001 to 25,000?	Yes		
3 20-Yr Population Change		6,887	
4 Group quarters [1]	2.52%	31	dwelling units
5 Population in Households		6,713	population
6 Average Household Size	2.51		
7 Number of Households		2,674	households
8 Vacancy Factor	2.28%	61	dwelling units
9 Dwelling Units Added		2,768	dwelling units
10 Dwelling Mix Safe Harbor	Percent	Dwellings	
Low Density Residential [2]	55%	1,522	dwelling units
Medium Density Residential [3]	25%	692	dwelling units
High Density Residential	20%	554	dwelling units
Total	**100%**	**2,768**	dwelling units
11 Dwelling Unit Density Requirements	DU/Net Acre [3]	UGB Land Need Net Acres	
Required overall minimum	5		
Assume for UGB analysis	**7**	**395**	net acres
Zone to Allow	9		

[1] reflects people residing in shared living areas (congregate care), adjusted to exclude institutionalized population.

[2] Includes mobile homes and manufactured dwellings.

[3] This applies to all residential zones within City.

Method 2. Incremental Mix Method A

This method considers the existing overall housing density level of 3.7 dwellings per net acre, then factors that up by 25 percent, to 4.625 dwellings/acre for future housing development.

Applying similar residential need forecasts and safe harbor housing mix requirements as Method 1, this method calculates land needs based on a lower overall housing density assumption for new construction (4.6 dwellings per acre). The city would still need to zone to allow at least 9 units per acre overall (citywide) on its buildable residential land base.

Land needs are determined by dividing the housing need forecast (2,768 dwellings) by 4.6 dwellings per acre, which results in a projected residential land need of 598 net buildable acres. As the UGB is shown to contain 680 net buildable acres for future residential, the UGB is sufficient to meet future demand (see **Exhibit 4.2**).

Exhibit 4.2

1 Existing Percentage of Density of Developed Land	Existing Dwellings	Existing Mix	Developed Acres	Current DUs Per Acre
Low Density Residential [1]	4,441	74%		
Medium Density Residential	912	15%		
High Density Residential	650	11%		
Total	6,003	100%	1,622	3.7
2 Increase Overall Density as follows:	Increase Mix by:			New Overall Density
Average Increase	25%			4.6
3 Planned Percentage of Housing Mix	Percent	Dwellings		
Low Density Residential [1]	55%	1,522 dwellings		
Medium Density Residential	25%	692 dwellings		
High Density Residential	20%	554 dwellings		
Total	100%	2,768 dwellings		
4 Zone to allow new housing mix			UGB	
	New Dwellings	Zone to Allow[2]	Assumption for Analysis	Max UGB Land Need (Net Acres)
Low Density Residential [1]	1,522	6.0		
Medium Density Residential	692	16.0		
High Density Residential	554	30.0		
Total/Average	2,768	9.0	4.6	598

[1] Includes mobile homes and manufactured dwellings.

[2] This applies to all residential zones within City.

Method 3. Incremental Mix Method B

This method considers the existing housing mix by residential type (low, medium and high density), and then factors up the mix of medium density housing by 10 percentage points, and high density housing up by 5 percentage points to arrive at a future planned housing mix. This results in a planned housing mix for Dallas as follows: 59% low density, 25% medium density, and 16% high density.

Applying a similar residential need forecast and safe harbor housing mix requirements as in the prior safe harbor methods, this method calculates land needs based on density assumptions that vary by general housing type.

Land needs are determined by dividing the housing need forecast by the average density assumptions as follows:

- Low density: 1,632 dwellings ÷ 3 units/acre = 544.1 acres

- Medium density: 697 dwellings ÷ 6 units/acre = 116.2 acres

- High density: 438 dwellings ÷ 13 units/acre = 33.7 acres

The sum of land requirements equates to 694.1 net buildable acres. As the UGB contains 680 net buildable acres for future residential, the UGB is insufficient to meet future demand (see **Exhibit 4.3**). Applying the 4 unit per acre standard would bring the total land requirement to 558 acres, which is far less than UGB total of 680 net buildable acres. However, it should be noted that Method 3 applies a lower density standard (3 units/acre) than minimum standard applied by the Dallas Development Code (4 units per acre for RL zone). Therefore, we do not recommend this method, as it is not efficient in using Dallas' existing residential land.

Exhibit 4.3

1 Existing Percentage of Density of Developed Land	Existing Dwellings	Existing Mix	Developed Acres	Current DUs Per Acre
Low Density Residential [1]	4,441	74%		
Medium Density Residential	912	15%		
High Density Residential	650	11%		
Total	6,003	100%	**1,622**	3.7
2 Increase Percentage of Density as follows:	Increase Mix by:	New Mix		
Low Density Residential [1]		59%		
Medium Density Residential	10%	25%		
High Density Residential	5%	16%		
Total		100%		
3 Zone to allow new housing mix	Net New Dwellings Expected	Zone to Allow2	UGB Assumption for Analysis	Max UGB Land Need (Net Acres)
Low Density Residential [1]	1,632	6.0	3.0	**544.1**
Medium Density Residential	697	16.0	6.0	**116.2**
High Density Residential	438	30.0	13.0	**33.7**
Total/Average	**2,768**	**9.0**	**7.0**	**694.1**

[1] Includes mobile homes and manufactured dwellings.

[2] This applies to all residential zones within City.

Method 4 Baseline Housing Need Forecast

This method is also based on the housing need forecast of 2,768 dwelling units. But unlike the preceding methods, this approach projects expected average development density levels based on local data.

This planned housing mix for Dallas using the baseline forecast is as follows: 63% low density, 5% manufactured housing, 15% medium density, 17% high density. Land needs are determined by dividing the housing need forecast by the average density assumptions as follows:

- Low density: 1,742 dwellings ÷ 6 units/acre = 290.3 acres

- Medium density: 413 dwellings ÷ 9 units/acre = 45.9 acres

- High density: 480 dwellings ÷ 16 units/acre = 30 acres

- Mfg. housing: 134 dwellings ÷ 10 units/acre = 13.4 acres

The sum of land requirements equates to approximately 380 net buildable acres. As the UGB contains 680 net buildable acres for future residential, the UGB is sufficient to meet future demand (see **Exhibit 4.4**).

Exhibit 4.4

		Net New Dwellings Expected	Planned Mix
1	Future Housing Need		
	Low Density Residential	1,742	63%
	Medium Density Residential *	413	15%
	High Density Residential	480	17%
	Manufactured Housing	134	5%
	Total	2,768	100%
		Avg. Dwellings per acre **	UGB Land Need (Net Acres)
2	Expected Housing Density		
	Low Density Residential	6.0	290.30
	Medium Density Residential*	9.0	45.87
	High Density Residential	16.0	29.99
	Manufactured Housing	10.0	13.37
	Total/Average	**7.3**	**379.53**

* Includes townhomes, plexes and group quarters.

** Density estimates based on city staff estimates

Recommended Housing Need Forecast (Hybrid Method 5)

The Dallas HNA Advisory Committee met in April and May of 2019 to review the draft findings in Methods 1-4. After discussion, it was determined that the forecast housing mix associated with Methods 1 and 2 most closely resemble local market conditions and expected levels of future housing needs.

As such, the hybrid method includes the housing mix identified using the safe harbor forecast methods generated with Methods 1 and 2, and then applies the local average density assumptions (consistent with local City of Dallas expected average density assumptions) to quantify the residential land needs forecast. For a discussion of expected housing densities, please refer to Section II, Housing Density Levels.

This planned housing mix for Dallas forecasts future housing demand as follows: 55% low density, 25% medium density, and 20% high density. Land needs are determined by dividing the housing need forecast by the average density assumptions as follows:

- Low density (e.g., single family detached and manufactured dwellings): 1,522 dwellings ÷ 6 units/acre = 253.7 acres

- Medium density (e.g., townhomes, plexes and group quarters): 692 dwellings ÷ 9 units/acre = 76.9 acres

- High density (e.g., apartments and condos): 554 dwellings ÷ 16 units/acre = 34.6 acres

The sum of land requirements equates to approximately 365.2 net buildable acres. As the UGB contains 680 net buildable acres for future residential, the UGB is sufficient to meet future demand (see **Exhibit 4.5**).

Exhibit 4.5

1	Future Housing Need	Net New Dwellings Expected	Planned Mix
	Low Density Residential [1]	1,522	55%
	Medium Density Residential [2]	692	25%
	High Density Residential [3]	554	20%
	Total	2,768	100%
2	Expected Housing Density	Avg. Dwellings per acre [4]	UGB Land Need (Net Acres)
	Low Density Residential	6.0	253.7
	Medium Density Residential	9.0	76.9
	High Density Residential 3	16.0	34.6
	Total/Average	**7.6**	**365.2**

[1] Includes single family detached and manufactured homes.

[2] Includes townhomes and plexes.

[3] Includes apartments with 5 or more units per structure.

[4] Density estimates based on city staff estimates.

Source: baseline residential need forecast reflects HNA Advisory Committee recommendations, May 2019.

Dallas UGB Sufficiency Analysis

Based on the housing mix and land need characteristics derived from Method 5, the final step in the reconciliation of land needs includes a comparison between the land required to address housing needs and the residential buildable land inventory.

The reconciliation of UGB residential land need and land supply is summarized in **Exhibit 4.6**.

The results indicate that the current buildable residential land supply within the Dallas UGB (680 net acres) is sufficient for addressing the overall 20-year land needs.

The housing and residential land needs forecast indicates that the city is deficient in medium density land designations since the demand for medium density land (76.9 acres) exceeds the current buildable land supply (55.1 acres) by 21.8 acres. As such, , the city would need to identify an additional 21.8 acres for development within the current UGB through changes in development code, rezoning of land from low density to medium density, or a combination of the two.

The buildable residential land within the Dallas UGB as currently planned is sufficient to meet future housing demand for the low and high-density housing types, but would require additional policy measures to address medium density housing demand.

Exhibit 4.6

	20-year Forecast
Dwellings/Units Needed	
Low Density*	1,522
Medium Density**	692
High Density	554
Total Dwelling Units	**2,768**
Dwellings/Units planned in Nodal Areas	
Low Density*	482
Medium Density**	434
High Density	614
Total	**1,530**
Potential Dwellings in downtown redevelopment	
High Density (upper floor units)	20
related land need adjustment (@16 units per acre)	(1.3)
Dwellings/Units needed in remainder of UGB	
Low Density	1,040
Medium Density**	258
High Density	(80)
Total	**1,218**
UGB Land Need Total (Demand)	
Low Density	253.7
Medium Density**	76.9
High Density***	34.6
Commercial/Mixed Use (high density)	-
Total Acres	**365.2**
Buildable Land Inventory Total (net acres)	
Low Density	578.6
Medium Density	55.1
High Density	33.6
Commercial/Mixed Use (high density)	13.2
Total Acres	**680.5**
UGB Land Surplus/Deficit (net acres)	
Low Density	324.9
Medium Density**	(21.8)
High Density	(1.0)
Commercial/Mixed Use (high density)	13.2
Total Acres	**315.3**
Adequacy of UGB to meet housing need	adequate

* Includes single family detached, manufactured homes, and cottage dwellings.

** Includes townhomes, plexes and group quarters.

*** adjusted to account for downtown upper-level development assumptions.

Source: findings based on previous tables.

Section V.   POLICY
CONSIDERATIONS

<mark>[See Volume 1, Chapter 3 of the Dallas Comprehensive Plan for Council-adopted policies]</mark>

Key Findings and Policy Recommendations

Based on the 20-year population growth forecasts for the Dallas UGB (net increase of 6,887 people) and housing and demographic characteristics, the recommended housing needs forecast requires 2,768 net new dwelling units. The Dallas HNA supports a variety of housing is needed over the next 20 years, including 1,457 owner-occupied dwellings and 1,311 renter-occupied dwellings.

Key findings and related policy recommendations from the housing needs analysis include:

Dallas's existing policies generally comply with Goal 10. The local development code allows a wide mix of housing types and density ranges.

There is sufficient capacity within the current UGB to accommodate planned residential development and related land needs over the next 20 years. The current UGB contains 680 acres of buildable residential land inventory, which residential land needs is forecasted to be 365 acres. While this findings holds true, the City should identify ways to increase medium density housing development opportunities and optimize the available land within the UGB by considering the following policies:

- ✓ Consider legislative zoning map amendments to the official zoning map that allow some RL zoned properties within the UGB to become RM, consistent with siting policies.

- ✓ Encourage a mix of housing types in RM and RH zones.

- ✓ Increase housing types and offerings within RL zones, including allowing duplexes on mid-block lots and corner lots smaller than 6,000 sf.

- ✓ Explore Planned Unit Developments (PUDs) that allow medium density housing in exchange for greater protection of natural resource and sensitive lands, together with clear and objective standards that enable developers to qualify for PUDs.

Dallas has an existing deficit for affordable housing. While housing prices and rent levels in Dallas are below Polk County averages, 26% of households are severely rent burdened with over 50% of their income devoted to housing payments. To help encourage or incentivize construction of affordable housing priced at 80% or below of the median family income levels, the City should consider the following policies:

- ✓ Identify public-owned properties (excluding park/open space areas) that could be developed for affordable housing.

- ✓ Partner with local housing authorities or non-profit housing developers to provide infrastructure (sewer, water, road improvements) or parking that supports affordable housing development.

- ✓ Explore implementation of programs that allow SDC payments to be deferred for a period of time after building permit issuance but before a certificate of occupancy is granted.

- ✓ Consider a tax abatement program, such as the multiple-unit limited tax exemption program, to promote development of affordable housing.

- ✓ Consider establishing a local affordable housing construction excise tax to be used to incentivize development of income restricted housing.

- ✓ Explore potential use of inclusionary zoning and other regulatory tools to effectively link the production of affordable housing to the production of market-rate housing.

- ✓ Encourage the recognition of transitional housing as part of the Development Code.

Dallas has an existing deficit for market rate rental housing. The current housing vacancy rate of 2.3% is considered to be extremely low relative to many communities, and there is not enough rental units to meet demand for households earning over $50,000 in annual income. The city could encourage development of market rate apartments by considering the following policies:

- ✓ Encouraging upper-level redevelopment and conversions in downtown through financial assistance programs, such as use of urban renewal funds as loans.

Dallas has three mixed use nodes that can address most of not all of the housing need for medium and high density housing. It is recommended that the city consider the following policies:

- ✓ Prioritize the funding of capital improvement projects that extend essential services to these nodes.

- ✓ Proactively provide advance funding for required water, sewer and transportation infrastructure within mixed-use nodes through establishment of developer-initiated local improvement districts or reimbursement district programs.

Dallas has current policies for development of manufactured home parks, including restrictions on new home parks over 3 acres in size on RL zone designations.

- ✓ The City may consider amending its development code to allow home parks greater than 3 acres in size and with densities of up to 10 units per acre on Planned Unit Developments in RL designated areas.

Dallas is the Polk County seat, where regional social service programs are available including but not limited to clothing, food, legal, health, employment and housing assistance. Access and proximity to these services is important to families with low, very low and extremely low income. To ensure access to these services, Dallas should consider the following policies:

- ✓ During the next update of the Transportation System Plan, work with adjacent local city and county governments to evaluate feasibility of providing enhanced paratransit services for low income residents.

SECTION VI   HOUSING

IMPLEMENTATION STRATEGIES

Housing Strategies to Meet Residential land Deficiency in RM

While Section V identifies policies intended to increase medium density housing development opportunities, this section (VI) identifies strategies for implementing these policies.

Relevant statutes and rules for responding to need deficiencies are found in ORS 197.296(10)(a) and OAR Division 24 660-024-0054(4). The rule under OAR 660-024-0054(4) reads:

> *If the inventory demonstrates that the development capacity of land inside the UGB is inadequate to accommodate the estimated 20-year needs determined under OAR 660-024-0040, the local government must amend the plan to satisfy the need deficiency, either by increasing the development capacity of land already inside the city or by expanding the UGB, or both, and in accordance with ORS 197.296 where applicable. Prior to expanding the UGB, a local government must demonstrate that the estimated needs cannot reasonably be accommodated on land already inside the UGB. If the local government determines there is a need to expand the UGB, changes to the UGB must be determined by evaluating alternative boundary locations consistent with Goal 14 and applicable rules at OAR 660-024-0060 or 660-024-0065 and 660-024-0067.*

As explained in Section IV, buildable residential land within the Dallas UGB, as currently planned, is sufficient to meet future housing demand for the low and high-density housing types, but would require additional policy measures to address medium density housing demand. Section IV also explains how the buildable residential land supply within the Dallas UGB (at 680 net acres) is sufficient for addressing the overall 20-year land needs which is identified at 365 net acres.

With surplus acreage identified for low and high density housing types (primarily low density) the city responds to OAR 660-024-0054(4) by increasing the development capacity of land already inside the city UGB specific to the RM zone. This approach is supported by data that show land already inside the UGB can reasonably accommodate the identified need which is limited to an area of approximately 22 acres.

The 22 acres is roughly equal to approximately eight percent of total net buildable residential land that is currently outside the city but inside the UGB and is planned for residential. As all three city residential zones (inclusive of RM) implement the Residential land use plan map designation, it is reasonable to assume that the RM deficiency could be satisfied within the 20-year period by changing the zone of certain unincorporated properties to RM upon annexation. At the same time, this passive and reactive strategy would be subject to Quasi-Judicial Zoning Map Amendment approval criteria, evaluating each property on a case-by-case basis through voluntary annexations as they occur and would require supportive findings in response to siting policies of the Comprehensive

Plan. As the city is unable to account for how many properties would qualify for the RM zone against these criteria via voluntary annexation on a reactive and case-by-case basis for in next 20 years, the city proposes to initiate the following Legislative Zoning Map and Legislative Text Amendments as proactive implementation strategies:

1. **Rezone ten acres of BLI land from RL to RM (FY 2020-2021).** By this measure the city would initiate a Legislative Zoning Map Amendment specific to land <u>inside</u> city limits currently zoned RL to the higher density zone of RM that accommodates a variety of middle housing types. Properties eligible for this change are expected to meet the following:

A. Located inside city limits, currently planned Residential and zoned RL; and

B. Subject area to be either recognized by the BLI map as buildable or partially buildable to an accumulative or total area of approximately ten acres; and

C. Subject area is found consistent with multi-family siting policies as described in Chapter 3, Volume II of the Dallas Comprehensive Plan.

2.   **Master Plan ten acres of BLI land within UGB (not annexed) for future RM (FY 2021-2022)** By this measure the city would to initiate a legislative text amendment process specific to the Development Code in addition to a map amendment (new master plan overlay to Comp Plan map). By this measure the city would also establish density and unit type expectations. Such area / text would preclude consideration of the RL and RH zone upon annexation to the city, specific to an area of approximately ten acres.   Properties eligible for this change are expected to meet the following:

A. Located inside the current UGB and currently planned Residential; and

B. Subject area to be either recognized by the BLI map as buildable or partially buildable to an accumulative / total area of approximately ten acres; and

C. Subject area is found consistent with multi-family siting policies as described in Chapter 3, Volume II of Comprehensive Plan; and

3. **Assume future % of buildable RL to be developed as duplex as allowed by code**. By this measure, the city anticipates the remaining two acres of RL zoned land, identified to the BLI (inside city or UGB) that could be developed for duplex in the next 20 years. Dallas Development Code currently allows duplex in RL but only to corner lots at 6,000 + square feet in size. The Development Code also allows cottage cluster in RL subject to design standards. Additionally, the city acknowledges a pending bill (HB 2001) that would introduce new text to ORS 197 and 455 requiring all cities (with population between 10,000 and 25,000) to allow construction of duplex on lots or parcels that are zoned to allow single-family detached. To date, text shown to HB 2001 specifically acknowledges duplex as a middle housing type. Based on the assumption that HB 2001 is approved, the city would be expected to initiate a Legislative Text Amendment to the Dallas Development Code to allow duplex outright in the RL zone. This could easily be accomplished in the current fiscal year with minimal costs.

APPENDIX A: MIXED-USE NODES

Barberry Mixed Use Node

Barberry Nodal Plan Area

Dwelling Type	Approved Detail Plan Lots	Est. Acres in Approved Lots	Additional Buildable Acres	Est. Buildable Acres	Assumed Units per acre per DDC 2.6	Assumed Units	Total Units
Single Family Detached (RL)	90	15.6	21	36.6	4	84	174
Plexes/Townhomes/Small Lot (RM)	175	16.65	-	16.7	7	-	175
Multifamily (RH)	-		22.1	22.1	16	353	353
Commercial Mixed Use (CN)	-		10.8	10.8		-	-
Total	**265**	**32.25**	**53.9**	**86.15**		**437**	**702**

Source: City staff.

Note: Numbers in this table represent vacant land at a specific point in time (2019), and
may vary from the planned totals shown in the following resources:

  Detailed Development Plan #MP 1401 approved Jan. 13, 2015 and modifications.

  Detailed Development Plan #MP 1501 approved Oct. 13, 2015.

  Dallas Development Code Chapter 2.6.040, Barberry Node Development Standards.

  Dallas Development Code Chapter 4.5 Administration of Master Plan Developments.

  Dallas Comprehensive Plan Volume 1 Chapter 2.6 Mixed Use Node Economic Policies.

LaCreole Mixed Node

LaCreole Nodal Plan Area

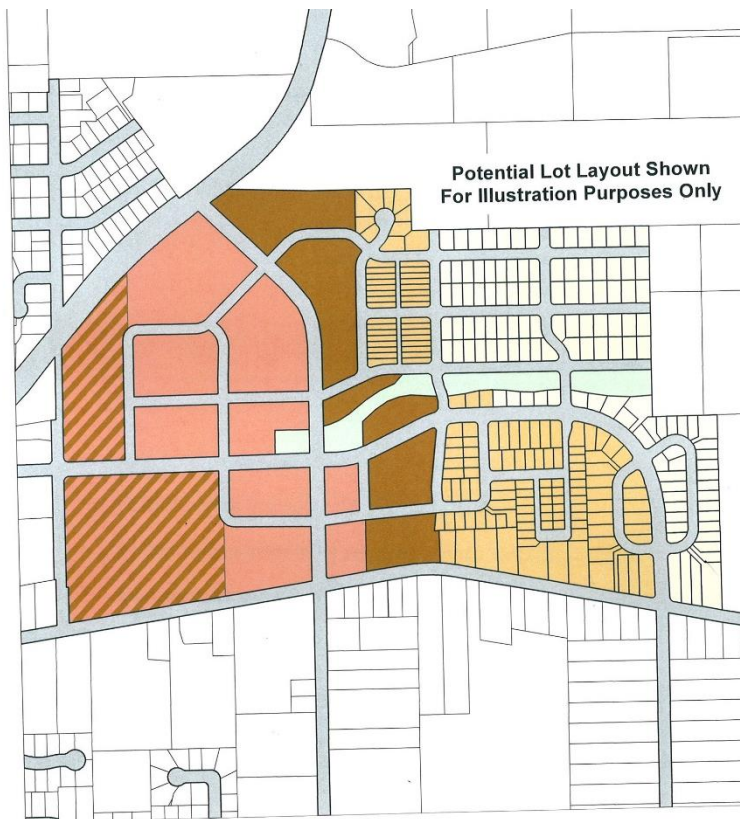| Dwelling Type	Buildable Acres	Units	Average Units per Acre
Single Family Detached (RL)	15.8	63	4.0
Plexes/Townhomes/Small Lot (RM)	9.7	68	7.0
Multifamily (RH)	11	176	16.0
Commercial Mixed Use (CN)	16	85	5.3
Total	52.5	392	7.5

Source: City staff. For additional information refer to:
Concept Development Plan adopted by City Council, July 2000.
Dallas Development Code Chapter 2.6.050, LaCreole Node Development Standards.
Dallas Development Code Chapter 4.5 Administration of Master Plan Developments.
Dallas Comprehensive Plan Volume 1 Chapter 2.6 Mixed Use Node Economic Policies.

Potential Lot Layout Shown
For Illustration Purposes Only

Wyatt Mixed Use Node

Wyatt Nodal Plan Area

Dwelling Type	Approved Detail Plan Lots	Est. Acres in Approved Lots	Additional Buildable Acres	Est. Buildable Acres	Assumed Units per acre per DDC 2.6	Assumed Units	Total Units
Single Family Detached (RL)	245	41.5	-	41.5	4	-	245
Plexes/Townhomes/Small Lot (RM)	44	6.5	21	27.5	7	147	191
Multifamily (RH)	-		0	0.0	16	-	-
Commercial Mixed Use (CN)	-		10.8	10.8		-	-
Total	289	48.0	31.8	79.8		147	436

Source: City staff.

Note: Numbers in this table represent vacant land at a specific point in time (2019), and may vary from the planned totals shown in the following resources:

Detailed Development Plan #MP 16-02 approved April 11, 2016.

Dallas Development Code Chapter 2.6.060, Wyatt Node Development Standards.

Dallas Development Code Chapter 4.5 Administration of Master Plan Developments.

Dallas Comprehensive Plan Volume 1 Chapter 2.6 Mixed Use Node Economic Policies.

APPENDIX B: GLOSSARY

Accessory Dwelling Unit (ADU): A small living space located on the same lot as a single-family house.

Buildable Lands Inventory (BLI): An assessment of the capacity of land within the city's Urban Growth Boundary to accommodate forecasted housing and employment needs.

Buildable Residential Land: Includes land that is designated for residential development that is vacant and part-vacant and not constrained by existing buildings or environmental issues.

Constrained land: Land that is unavailable for future net new residential development based on one or more factors, such as environmental protections, public lands, floodplains, or steep slopes.

Cost Burdened: Defined by US Department of Housing and Urban Development (HUD) as households who spend over 30% of their income on housing.

Cottages: Small, single-level, detached units, often on their own lots and sometimes clustered around pockets of shared open space. A cottage is typically under 1,000 square feet in footprint.

Density: Defined by the number of housing units on one acre of land.

Development density: Expected number of dwelling units (per acre) based on current zoning designations.

Family: A group two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing together.

High Density: Lots with the average density of 12+ dwelling units per acre. Best suited for multifamily housing such as apartments and condos.

Housing Needs Analysis (HNA): The Housing Needs Analysis consists of four distinct reports that analyze the state of housing supply, housing affordability issues and the City's ability to meet projected housing demand going into 2040.

Housing Unit (or Dwelling Unit): A house, an apartment or other group of rooms, or a single room is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters; that is, when the occupants do not live and eat with any other person in the structure and there is direct access from the outside or common hall.

Household: Consists of all people that occupy a housing unit.

HUD: Acronym for US Department of Housing and Urban Development, the federal agency dedicated to strengthening and supporting the housing market.

Low Density: Lots with the average density of 3-4 dwelling units per acre. Best suited for family housing such as single family detached homes.

Manufactured Housing: is a type of prefabricated home that is largely assembled of site and then transported to sites of use. The definition of the term in the United States is regulated by federal law (Code of Federal Regulations, 24 CFR 3280): "Manufactured homes are built as dwelling units of at least 320 square feet in size, usually with a permanent chassis to assure the initial and continued

transportability of the home. The requirement to have a wheeled chassis permanently attached differentiates "manufactured housing" from other types of prefabricated homes, such as modular homes.

Manufactured Home Park (or manufactured home park): a local zoning designation that is specifically intended to address demand for this housing type. OAR chapter 813, division 007 is adopted to implement section 9, chapter 816, Oregon Laws 2009, and sections 2, 3 and 4, chapter 619, Oregon Laws 2005, as amended by sections 10 to 12, chapter 816, Oregon Laws 2009, and sections 19, and 21, chapter 503, Oregon Laws 2011 for the purpose of regulating manufactured dwelling parks.

Median Family Income (MFI): The median sum of the income of all family members 15 years and older living in the household. Families are groups of two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

Medium Density: Lots with the average density of 6-12 dwelling units per acre. Best suited for small lot housing such as single family attached, townhomes, plexes and cottages.

Mixed Use: Characterized as two or more residential, commercial, cultural, institutional, and/or industrial uses into one combined building or building(s) on the same parcel of land.

Multi-Family Housing: Stacked flats in a single buildings or groups of buildings on a single lot. Parking is shared, and entrance to units is typically accessed through a shared lobby.

Oregon Administrative Rules (OAR): Administrative Rules are created by most agencies and some boards and commissions to implement and interpret their statutory authority (ORS 183.310(9)). Agencies may adopt, amend, repeal or renumber rules, permanently or temporarily. Every OAR uses the same numbering sequence of a three-digit chapter number followed by a three-digit division number and a four-digit rule number. For example, Oregon Administrative Rules, chapter 166, division 500, rule 0020 is cited as OAR 166-500-0020. (oregon.gov)

Part-vacant land: Unconstrained land that has some existing development, but can be subdivided to allow for additional residential development.

Plexes and Apartments: Multiple units inside one structure on a single lot. Usually each unit has its own entry.

Seasonal dwellings: These units are intended by the owner to be occupied during only certain seasons of the year. They are not anyone's usual residence. A seasonal unit may be used in more than one season; for example, for both summer and winter sports. Published counts of seasonal units also include housing units held for occupancy by migratory farm workers. While not currently intended for year-round use, most seasonal units could be used year-round.

Severely Cost Burdened: Defined US Department of Housing and Urban Development (HUD) as households who spend over 50% of their income on housing.

Single Family Attached: Dwelling units that are duplexes without a subdividing property line between the two to four housing units. "Attached" duplexes require a single building permit for both dwelling units. The "attached" units would be addressed with one numerical street address for the overall structure with separate alpha-numeric unit numbers for each dwelling.

Single Family Detached: Free standing residential building**,** unattached, containing separate bathing, kitchen, sanitary, and sleeping facilities designed to be occupied by not more than one family, not including manufactured and mobile homes.

Townhome (also known as duplexes, rowhouse, etc.): Attached housing units, each on a separate lot, and each with its own entry from a public or shared street or common area.

Urban Growth Boundary (UGB): Under Oregon law, each of the state's cities and metropolitan areas has created an urban growth boundary around its perimeter – a land use planning line to control urban expansion onto farm and forest lands.

Vacant housing unit: A housing unit is vacant if no one is living in it at the time of enumeration, unless its occupants are only temporarily absent. Units temporarily occupied at the time of enumeration entirely by people who have a usual residence elsewhere are also classified as vacant.

Vacant land: Vacant and part-vacant land identified within the local buildable land inventory that is not developed and unconstrained for future planned residential development.

In review of Limited Land Use decisions, definitions identified to Chapter 6 of the Dallas Development shall apply.