



The Promise and Challenge of Infill Development

Infill development is the process of developing vacant or underused property within established neighborhoods- something that Dallas Habitat has been doing since completing our first home in 1986 in West Dallas. Infill development is promoted by environmentalists, smart growth advocates, and urban planners as a more efficient development model because it uses existing infrastructure and established service provision structures (i.e., garbage routes, police patrol areas, fire stations, parks and recreation facilities). To learn more about infill development click [here](#). For a municipality like Dallas that is essentially land locked, infill development also offers a good strategy for long-term growth and vitality. For the residents of established neighborhoods, infill development can breathe new life into communities.

Within the City of Dallas, there are about 20,000 vacant residential parcels (2011 DCAD) representing a large amount of unrealized potential for the community. However, there are some significant costs and challenges related to developing these lots. A comparison of the development costs for a Habitat infill home versus a Habitat subdivision home provides a good look at some of the typical challenges of infill development.





Fair Park Infill



South Dallas/ Seagoville Subdivision

Dallas Habitat developed these two homes this year; one on an infill lot in a Fair Park neighborhood and the other in a subdivision in the southern portion of Dallas near Seagoville.

Comparative Development Costs

Development Cost	Fair Park Infill	South Dallas/Seagoville Subdivision
Lot Price	\$6,689.08	\$15,037.45
Erosion Control	115.30	310
Building Permit	844.80	820.50
Water/Sewer Permit	2,343	950
Grading/Site Prep	8,332.50	225
Site Security	1,535.01	234.19
Tree Removal	780	0.00
Site Survey	200	200
Geotech/Site Remediation	1,250	0.00
TOTAL	\$22,089.69	\$17,777.14
Home Sales Price	\$84,000	\$95,000

Significant development costs such as site preparation and tree removal are built into the lot cost in a subdivision. Site preparation can be particularly expensive on an infill lot because there are often remnants of old foundations, buried trash, and other obstacles on the lot. The slope of the lot may also require placing select fill dirt before building. In addition to the visible differences, here are some potential hidden costs awaiting the infill developer:

Infrastructure Costs – When connecting to the City water system, each residence needs:

- A **City water meter pit** --the place where you go to turn off the water to your home at the street. Every new subdivision lot will already have that in place; often infill lots do not and it can cost the developer \$2,073 to get one installed



- A **fire hydrant** -- Current Dallas regulations about the number and placement of fire hydrants provide a higher level of fire protection than what is found in many existing, older neighborhoods. If the infill lot is on a block that does not meet the current code, the developer must pay for the installation of a new fire hydrant – a cost that can exceed \$13,000, plus an engineering design fee. The infill developer bears the cost of bringing the street or block up to current fire protection standards--something that is not

a concern when building in a subdivision. Neither the water meter pit nor fire hydrant costs were reflected in the infill example above.

Rezoning and Replatting – In older areas of the city, lots may need to be replatted. Lots can be too small and need to be combined with an adjoining lot to make a standard residential lot; some lots are actually double lots and need to be divided into two residential lots; and changing the orientation of a lot that impacts setbacks can also

trigger replatting requirements. Additionally, the older neighborhoods in which we work often have lots with small apartment buildings or small commercial buildings dropped into the middle of a single-family dwelling neighborhood. Those lots may require rezoning and can cost between \$1,000 and \$2,700 in City fees, in addition to costs associated with legal services, surveys, and engineering. Dallas Habitat is fortunate to have Board member and real-estate attorney Suzan Kedron and Jackson Walker LLP, who handles our planning and zoning issues pro bono, a luxury most potential infill developers do not have.

Tree Mitigation - The City of Dallas is rightly protective of its trees as they are an important contributor to air quality, reduce heat islands in the City, and generally improve the quality of life. If a Dallas developer removes a protected tree with a base of 8 inches or more, either the tree must be replaced or the replacement cost must be paid to the reforestation fund at \$1,090 for one 8-inch caliper tree, then an additional \$36 for every inch over 8 inches. For lots that have been vacant for a long time, the tree cover can substantially increase costs both in terms of tree removal and mitigation fees. For builders looking to create new affordable housing in our neglected neighborhoods, tree removal and mitigation costs can make an infill lot undevelopable.

Environmental Testing - Finally, many of our city's older neighborhoods have a history of environmental degradation that an infill developer must address. For example, because of the pollution from a lead smelter that was once located in West Dallas, Dallas Habitat conducts environmental testing on every lot it plans to build on in that part of the city, if the lot has not previously been tested. Dallas Habitat incurs the cost of environmental testing and there have been instances where a lot has needed extensive remediation prior to development, a cost that can run many thousands of dollars.

If the Fair Park infill home had needed a water meter pit, fire hydrant, rezoning, and tree mitigation for one 8-inch tree, the development costs would easily have exceeded \$40,000. That level of development costs would make it impossible to build on that infill lot in a neighborhood that cannot support a new home sales price of even \$90,000.

None of these barriers to infill development is meant to suggest that it is not a worthwhile undertaking. However, it is important to understand why infill development can be so difficult, particularly in neighborhoods that are not targets for high-end infill homes. As a community, if we are to succeed in promoting infill development, it will be critical that we recognize and overcome impediments to such development.