

***INCREASING
WORKFORCE
HOUSING
through
INCLUSIONARY
ZONING***

**A presentation to
Green Bay-Brown County leadership
sponsored by JOSHUA
Green Bay, WI
February 9, 2005**

**by
David Rusk
4100 Cathedral Avenue, NW #610
Washington, DC 20016-3584
(202) 364-2455 (phone)
(202) 364-6936 (fax)
drusk@starpower.net
www.davidrusk.com**

**While housing barriers
based on race
are slowly coming down,
barriers based on income
are rising.**

**BIGGEST TOOL:
EXCLUSIONARY
ZONING**

- *large minimum lots**
- *large minimum sq ft**
- *anti-apartment bias**

CONSEQUENCES OF EXCLUSIONARY ZONING

**Low- and modest-income workers
denied ready access to
outlying job centers; or
must make long, costly commute
to low-wage jobs;**

**Their children denied access
to high performance
(i.e. low-poverty) schools;
(Housing policy *is* school policy.)**

**Exclusionary zoning promotes
urban sprawl, air pollution, and
loss of farmland & open space.**

INCLUSIONARY **ZONING**

**“Fair share” workforce housing
 (“opportunity-based housing”)
 on a regional scale
 through *inclusionary* zoning can
 simultaneously improve**

- a) access to growing job centers;**
- b) access to high performance
 (low-poverty) schools; and**
- c) access to more affordable
 housing opportunities.**

WHO NEEDS HELP?

(AMI = Area Median Income)

**70%-80% AMI: teacher, plumber,
police officer, school counselor**

**60%-70% AMI: paralegal, LPN,
postal worker, firefighter**

**50%-60% AMI: medical lab tech,
court clerk, meter reader**

**40%-50% AMI: dental assistant,
paramedic, garbageman**

**30%-40% AMI: nursing home aid,
hairdresser, salesperson**

**20%-30% AMI: home health aid,
waiter/waitress, store cashier**

**Over 135 cities and counties
(with 13 million residents – 5% of USA)
have enacted mandatory
inclusionary zoning (IZ) laws
requiring specified percentage
of affordable housing
in new developments.**

**Recent adoptions by:
Frederick County, MD (2003)
Highland Park, IL (2003)
Arlington County, VA (April, 2004)
Annapolis, MD (June, 2004)
Madison, WI (January, 2004)**

Key Issues

1. **Geographic scope**
2. **Minimum project size**
3. **Percentage of affordable housing set-aside**
4. **Income ceiling for eligible families**
5. **Density bonus – other cost offsets for builders**
6. **Mechanism for aiding very low-income workers**

**Fair inclusionary zoning law
must not only meet
affordable housing needs
but also
must allow homebuilders
to meet profitability goals.**

Madison Law

- **Ten units or more;**
- **15% set-aside;**
- **< 80% AMI for owner-occupied housing;**
- **< 60% AMI for rental housing;**
- **“brownie points” earned for cost off-sets, including density bonuses, reduced park development and dedication requirements, 25% fewer parking spaces, city cash subsidies, and others;**
- **50-year affordability period;**
- **sliding scale home equity;**
- **city right of repurchase at assessed value**

**Montgomery County, MD:
Moderately-Priced Dwelling Unit
(MPDU)**

**Adopted as county ordinance in 1974
(controls 88% of county area)**

**Requires any larger housing development
(35+ units - homes, townhouses, apartments)
to be**

—85% market rate

**—10% MPDUs
sold or rented to
modest-income workers
(65% of area median income)**

**—5% purchased by
county public housing agency
for low-income workers**

**To offset profit loss from
15% below-market sales or rentals,
law provides up to 22% density bonus.**

Results (thru 2002)

**11,210 MPDU housing units
built by private developers
(2/3 for-sale, 1/3 rentals)**

**1,700 MPDUs bought
and 1,500+ MPDUs rented
by county's**

**Housing Opportunities Commission
(scattered in 220 different neighborhoods)**

MPDU sales price=\$80,000 (1992-97)

Non-MPDU sales price=\$250,000

**No significant social problems in mixed-
income communities**

**No negative impact whatsoever
on resale prices of market rate homes
in mixed income neighborhoods**

HYPOTHETICAL IZ IMPACT*

1980 to 2000

<u>community</u>	modest- income workforce <u>units</u>	low- income workforce <u>units</u>
BROWN COUNTY	2,600	1,300
GREEN BAY	900	450
BELLEVUE	284	142
DE PERE	282	141
HOWARD	236	118
ASHWAUBENON	198	99
SUAMICO	158	79
rest of Brown County	542	271

***assumes 15% set-aside for ten units or more; 20% of all new housing not covered**

**ANYONE
GOOD ENOUGH
TO WORK HERE
IS
GOOD ENOUGH
TO LIVE HERE**

**For more information
on inclusionary zoning and
other mixed-income housing strategies,
contact:**

**Innovative Housing Institute
Patrick Maier
Executive Director
22 Light Street
Baltimore, Maryland
(410) 332-9912
pmaier@ihibalto.com
www.inhousing.org**