

INCLUSIONARY
ZONING:
THE DOOR TO
OPPORTUNITY-BASED
HOUSING

A presentation to the
Indianapolis Neighborhood
Housing Partnership
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**Despite slow progress,
metro Indianapolis
housing market
is still very segregated
for African Americans.**

**Racial Segregation Index
(0 to 100; 100 = total apartheid)**

1970 82

2000 71*

(*17th worst among 100 large metro areas)

*** * ***

**But *economic* segregation
has been slowly increasing.**

**Economic Segregation Index
(0 to 100; 100 = total apartheid)**

1970 34

2000 37*

(*44th worst among 100 large metro areas)

**SEGREGATED HOUSING
(RACIAL AND ECONOMIC)
IS A RESULT OF
FEDERAL, STATE, & LOCAL
POLICIES THAT SHAPED
(AND REINFORCED)
PRIVATE PREJUDICES.**

**EXAMPLES:
FHA/VA “REDLINED” BLACK &
INTEGRATED NEIGHBORHOODS**

*** * ***

CITIES ENACTED RACIAL ZONING

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**STATE COURTS ENFORCED
RESTRICTIVE DEED COVENANTS
AND ALLOWED REALTORS
TO DISCRIMINATE**

**TODAY
JIM CROW BY INCOME
IS REPLACING
JIM CROW BY RACE.**

**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
growing suburban job centers
or must make long, costly drive to
low-wage jobs;**

**Their children denied access to
low-poverty suburban schools;
(Housing policy *is* school policy.)**

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

**Over 130 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:
Highland Park, IL
Madison, WI
and**

State of Illinois

***requires 10% affordable housing in
all 2,824 local jurisdictions**

***can qualify for state approval by
enacting IZ law with 15% set-aside**

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**
- 6. Mandatory vs. voluntary**

**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% “workforce” homes
(sold or rented to persons at
maximum 65% of median income)**

**—5% purchased by
county public housing agency
(“welfare-to-workforce” homes)**

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

***amendment pending to lower to 20+ units**

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.**

**What if
MPDU policy
had been in effect
in Greater Indianapolis
from 1980 to 2000?**

**From 1980 to 2000
230,000 housing units built
in Greater Indianapolis.**

**An MPDU-type policy
would have yielded**

a. about 18,400

**“workforce” units,
and**

b. about 9,200

**“welfare-to-workforce” units
primarily in
new subdivisions.**

PROJECTED MPDU IMPACT IN METRO INDIANAPOLIS 1980 to 2000

<u>community</u>	<u>work- force units</u>	<u>welfare-to- workforce units</u>
<u>receiving communities</u>		
FISHERS town	1,175	558
HAMILTON CO (u)	885	443
HENDRICKS CO (u)	675	337
CARMEL city	628	314
JOHNSON CO (u)	550	275
MORGAN CO (u)	535	267
HANCOCK CO (u)	379	189
MADISON CO (u)	279	140
BROWNSBURG town	252	126
BOONE CO (u)	206	103
<u>stabilizing communities</u>		
LAWRENCE city	685	342
GREENWOOD town	642	321
NOBLESVILLE city	535	268
FRANKLIN city	302	151
SHELBY CO (u)	163	82
<u>sending communities</u>		
INDIANAPOLIS	7,751	3,826
ANDERSON city	313	157

**PRE- AND POST-MPDU
POVERTY RATES
IN METRO INDIANAPOLIS
IN 2000**

<u>community</u>	<u>pre-MPDU rate</u>	<u>post-MPDU rate</u>
<u>receiving communities</u>		
FISHERS town	1.2%	6.0%
HAMILTON CO (u)	2.1%	6.0%
HENDRICKS CO (u)	3.2%	6.0%
CARMEL city	2.3%	6.0%
JOHNSON CO (u)	1.7%	6.0%
MORGAN CO (u)	5.7%	6.0%
HANCOCK CO (u)	0.9%	5.1%
MADISON CO (u)	3.7%	6.0%
BROWNSBURG town	1.7%	6.0%
BOONE CO (u)	3.3%	6.0%
<u>stabilizing communities</u>		
LAWRENCE city	7.2%	7.2%
GREENWOOD town	7.4%	7.4%
NOBLESVILLE city	6.1%	6.1%
FRANKLIN city	6.5%	6.5%
SHELBY CO (u)	6.2%	6.2%
<u>sending communities</u>		
INDIANAPOLIS	13.8%	12.0%
ANDERSON city	18.4%	15.0%

Six Steps for IZ Campaigns

- **Build broad coalition of housing advocates, employers, faith-based groups, unions, educators, etc.**
- **Motto: “Anyone who is good enough to work in a community is good enough to live in that community.”**
- **Involve progressive homebuilders – effective IZ law must be workable for private, for-profit builders.**
- **Bring experienced practitioners from elsewhere (officials, builders, etc.) to testify and build support.**
- **Don’t need statewide law; work community by community: priority targets: Indianapolis, high housing cost cities and towns, and counties (for unincorporated areas).**
- **Assure percentage of IZ units for working poor families**