Inclusionary Zoning for Workforce Housing

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Affordable Housing Defined:

A household should pay no more than 30% of its gross income on housing costs (HUD).

- For renters = rent + utilities
- For home owners = principal + interest + taxes + insurance

Who needs affordable housing?

Low & moderate income people are your workforce at all levels of the economic scale and are of critical importance to a functioning and growing society.
Rental Housing
A crucial step in the process of self-sufficiency.

The 5 most common myths about affordable housing:
1. Affordable housing is ugly.
2. Affordable housing produces more traffic.
3. Affordable housing increases crime.
4. Affordable housing overburdens schools and infrastructure.
5. Affordable housing lowers property values.

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Affordable housing will not just happen in a community.
Planning and hard work among the community leaders and stakeholders is necessary for communities to provide a full range of housing options.

Make no little plans. They have no magic to stir men's blood and probably themselves will not be realized. Make big plans; aim high in hope and work, remembering that a noble, logical diagram once recorded will never die, but long after we are gone will be a living thing, asserting itself with ever-growing insistency. Remember that our sons and grandsons are going to do things that would stagger us. Let your watchword be order and your beacon beauty. Think big.

~ Daniel Burnham
Chicago architect (1864-1912)

Communities need to consider why affordable and workforce housing is necessary!

The “Traditional Family”
Married couples with children – Less than 25 percent of American households.

Non-family households now outnumber traditional families in the suburbs.

PANEL URGES MORE CITY HOUSING
Group makes recommendations to Planning Commission
By CLAUDIA MELÉNDEZ SALINAS
Herald Salinas Bureau

New affordable housing should be high density and located in areas that already offer nearby services.

These are some of the informal recommendations made by the Housing Advisory Committee to the Monterey County Planning Commission on Wednesday as commissioners consider revisions to the general plan, the document that will guide county growth for the next 20 years.
Market-rate and workforce housing should be interspersed in a community.
The owner/occupant’s income level or tenure should not be discernible from the street.

Encouraging Mixed-Income Development

- Planning Documents to Consider:
  - Comprehensive Plans
  - Zoning Ordinances
  - Subdivision Requirements
  - Park and Open Space
  - Transportation Impact Fee
Encouraging Mixed-Income Development

• Comprehensive Plan
  – Full range of housing MUST be a goal of the community
  – Consideration must be given to issues such as transportation needs, sewer & water service areas, park and open space, and jobs
  – Levittown Model: Master plans to build affordable homes rather than depending on Government Subsidies and Sub-Prime mortgages

• Zoning Ordinance
  – Minimum Lot sizes
  – Density
  – Inclusionary Zoning
  – NIMBY
  – CAVE

Encouraging Mixed-Income Development

• Subdivision and Land Development Ordinance
  – Entitlement Process: Time = Money
  – Infrastructure Improvement Costs
  – Park & Recreation Fees

PERMIT AND APPROVAL/ENTITLEMENT TIMELINE:

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Economic Incentives for Affordable Housing

- Density Bonus
- Fee Waivers
- Expedited permitting
- Alternate Design Standards
- Cash Subsidies
- Property Tax Abatement

Sample Ordinance:

- Define your terms:
- What is workforce? Income limits?
- What is the bonus?

Section 205-54.8

(b) Workforce housing is defined as dwelling units that meet the standards of this Subsection (b). If a neighborhood development will include a minimum of 10% of the total dwelling units that are to be sold or leased as workforce housing, then a density bonus shall be allowed. Such density bonus shall result in an ability to build two additional dwelling units for every workforce housing dwelling unit, up to the maximum density allowed by Subsection (f) using density incentives. Such dwelling units shall only be sold, leased or subleased to individual(s) within a household that has an income of less than 85% of the Lancaster County median income for households as determined by the most recent data issued by the United States Census Bureau. The census median income data shall be increased by a standard U.S. government measurement of inflation to update the median income to the present.

- Design
- Location?
- Size?
- Architectural guidelines?
- Indistinguishable?

- Length of restrictions?
  Method? – Land trust, deed restrictions, soft 2nd mortgages

- Other considerations:
  Flexibility – changes in income levels, underwriting standards for mortgages, restrictions established by funding agencies

- Rent vs Own – source of subsidies

(c) The proposed workforce housing shall be integrated throughout the development, as opposed to being isolated to one area of land. In addition to complying with the architectural guidelines established per Subsection M, the workforce housing dwelling units shall be, to the greatest extent possible, 215 – 195 indistinguishable as viewed from the front from other dwelling units within the development.

(d) This Subsection (b) shall not by itself limit the sales price or rental price of a dwelling unit.

(e) At the time of initial occupancy, a minimum of 50% of the workforce housing dwelling units shall be available for purchase as opposed to lease.
Who monitors compliance?
Conditional Use or By-right provisions?

Florin Hill Facts
- 61 Acres
- 462 Dwellings
- 7.8 Dwellings / Acre
- 62 Workforce Dwellings
- $118,900 / Workforce Dwelling
- Workforce < 80% Area Medium Income
  80% AMI = $50,720 (2006)
- 223 Detached Dwellings
- 59 Townhouses
- 180 Apartments
- 4 Density Bonuses
- Charter Homes
  - Design Guidelines
  - Workforce Housing
  - Land
  - Community Center $
- LHOP
  - Finance
  - Qualified Buyers
  - Workforce Housing
  - Rotating Fund
  - Land

How Did We Agree?
A Charette

Florin Hill Partner Tradeoffs

Florin Hill Site View
Opportunities & Constraints

First Rough Draft

Phase One

Design Guidelines

Developer

Partnership

Municipality Nonprofit
Lessons Learned:

- Partnership(s) essential
- Design critical
- Talented consultants necessary
- Flexibility needed

Busting the 5 myths of affordable housing can be downloaded at:

http://www.tcah.org/index.cfm