

Inclusionary Housing Policies: A strategy for new urbanism



Panel on Affordable Housing
and New Urbanism

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Overview

- What are inclusionary policies about?
- Key questions in designing a program
- What it takes to succeed
- Ex: Montgomery County MD

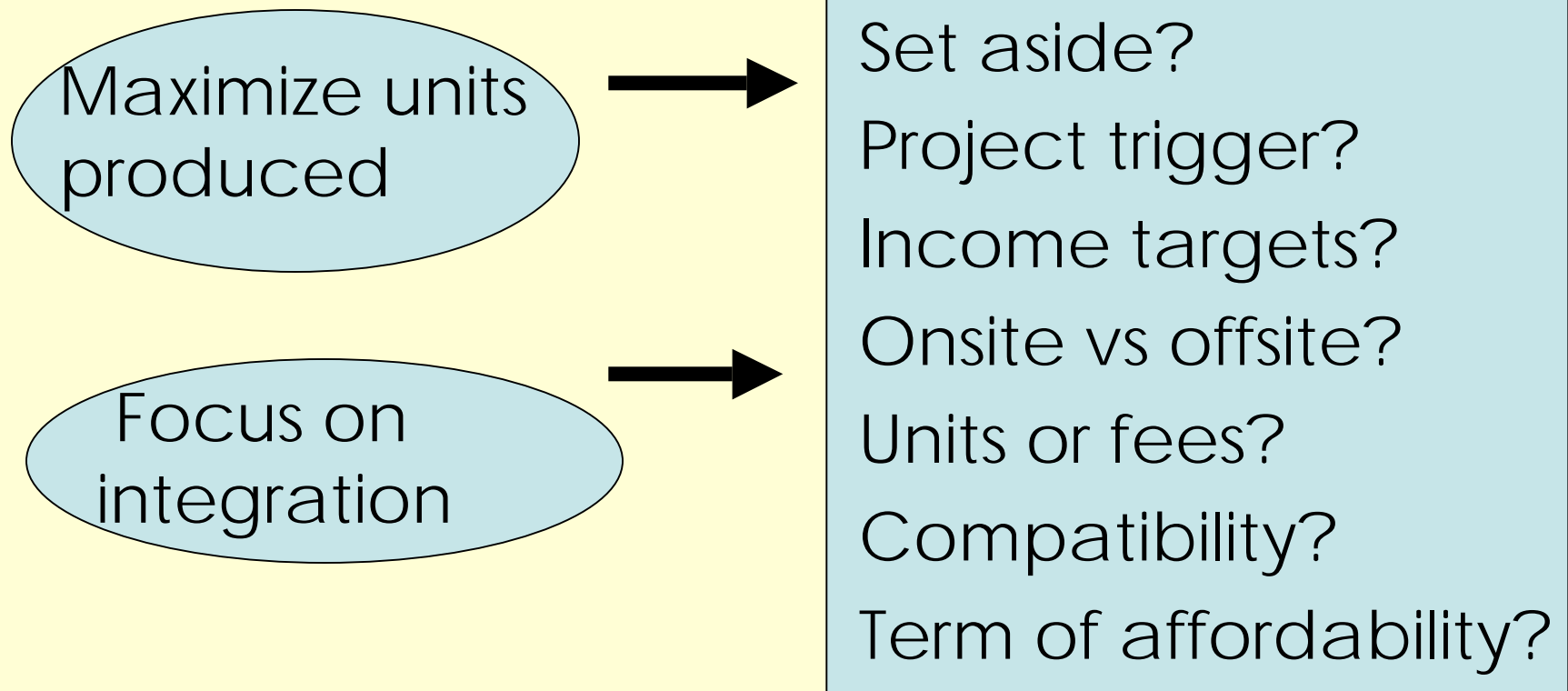


Defining the approach

- Umbrella term for strategies to include affordable housing in larger projects.
- A strategy for meeting housing needs with local resources, leveraging private market production
- A strategy for greater economic and racial integration



The mechanics of inclusionary programs—aligning local goals and program features



Will developers participate?

- Mandatory vs voluntary programs
- Developer compensation
 - Density bonus
 - Unit size
 - Parking requirements
 - Design flexibility
 - Fee waivers/reductions
 - Fee deferrals
 - Fast track permitting



Cartoon by John Elsom of King Knul's Comedy Club.

What it takes to succeed:

- Evidence-based consensus on housing needs and policy strategies
- Neutral information on development costs, by submarket
- A process for linking city planning and housing planning, to align goals, foster ongoing communication
- Stakeholder engagement on mechanics of program
- Ongoing monitoring, adjustments, cost-benefit analysis

Montgomery County's Moderately Priced Dwelling Unit program

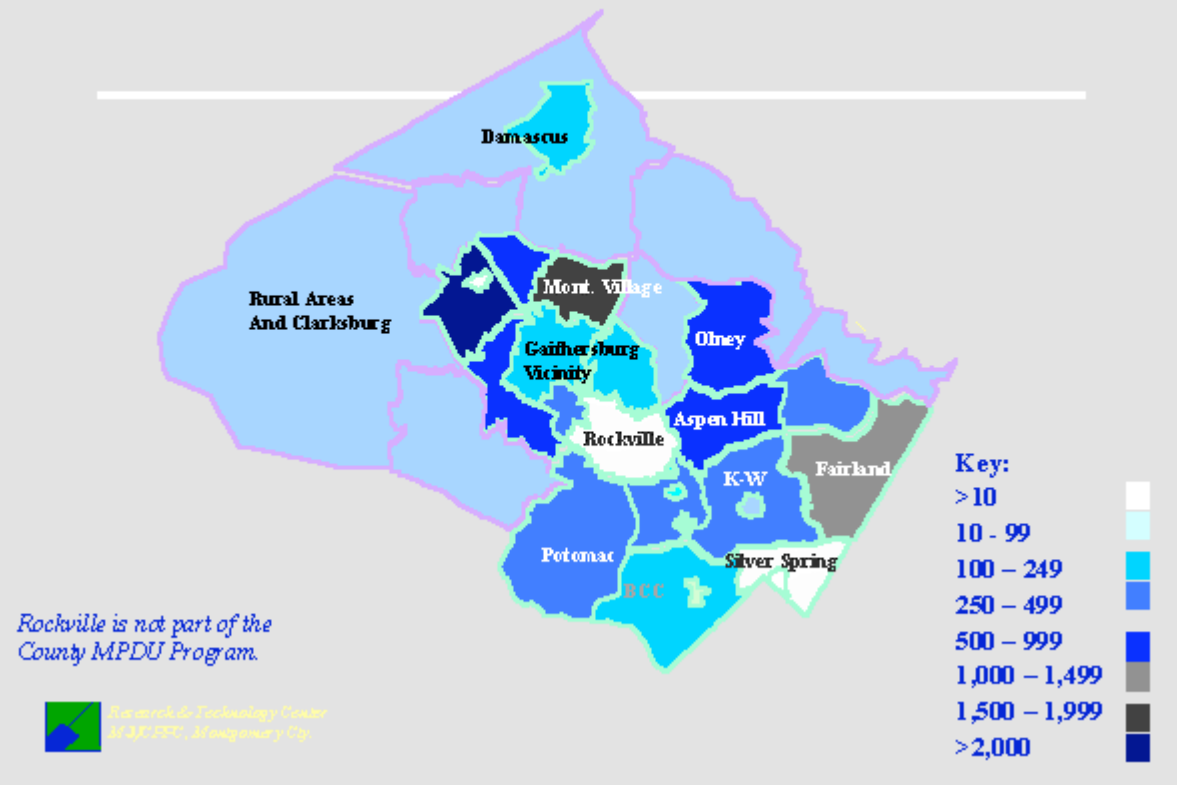
- Origins in civil rights, reaction to development trends
- Goals:
 - Help residents/workers buy or rent in the county
 - Distribute low and moderate income households throughout growth areas
 - Retain an inventory of AH by allowing HOC and nonprofits to buy up to 40% of Aff units
 - Provide funds for future AH development



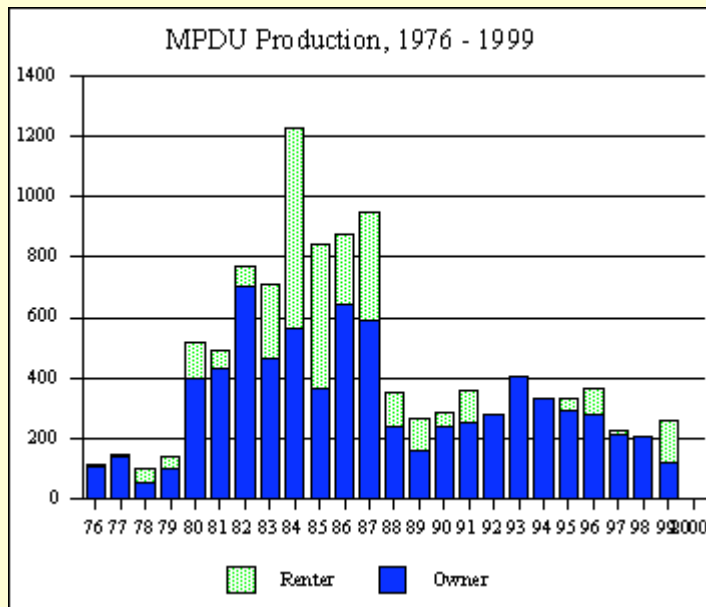
Program features

- Mandatory program:
 - Cost offsets: density bonus up to 22% above normal allowed. Attached homes allowed in SF zones.
- Set aside: 12.5-15% set aside on all subdivisions or high rise buildings with 20+ units.
- Income targets: 70% median family income.
- Control period varies according to year built
- Resale and occupancy restrictions apply
- County has first right of refusal when unit for sale (almost all units sold purchased by county or housing authority).

Dispersal of MPDUs by Policy Area



Results



- Production strong during periods of growth, as growth slows, focus shifts to other strategies
- Short initial control period meant many homes left program
- Many changes over time
- Overall, has resulted in stock of AH in a low poverty suburban area