



## TALKING ABOUT INCLUSIONARY HOUSING



### ***What happens if my community passes “inclusionary housing”?***

An inclusionary housing ordinance requires that all new residential developments of a certain size include a percentage of units priced affordably for low- and moderate-income households.

### ***Why is inclusionary housing needed in my community? Who is it for?***

Nurses, bank tellers, preschool teachers, store managers, and church staff work in our community and want to live here, too. However, new development in recent years has not created new housing opportunities for people with moderate and low incomes. We’re talking about families and seniors who earn **less than \$59,600 a year**.



### ***Doesn’t affordable housing look cheap? Won’t it hurt property values and the character of my neighborhood?***

Inclusionary housing requires the affordable homes to be mixed in with the market-rate homes; the affordable homes and apartments are indistinguishable. At left are photos of affordable homes produced in communities with inclusionary housing programs.

### ***How does inclusionary housing work?***

Any new construction of a certain size (e.g. more than 10 units) must include a percentage of the units as affordable. It’s that simple. The affordable units would likely be priced between \$140,000 and \$200,000. The developer is given cost-offsets or incentives (such as fee waivers, parking reductions, zoning changes) in return for the affordable units. In some instances, the developer can choose to build or rehabilitate and preserve affordable housing elsewhere, or the developer can pay a fee to the community so that others can build affordable housing.



### ***Isn’t this unfair to developers?***

Developers often say that flexible zoning is the greatest cost-saving asset in their projects. Under an inclusionary housing program, a “density bonus” could allow a developer some flexibility to build a few extra market-rate units in the development. Floor area ratios, height requirements, and front and rear setbacks could also be adjusted to help the developer make the affordable units feasible. A developer might receive a reduced off-street parking requirement or a waiver of permit fees on the affordable units.



### ***Won’t people just sell their affordable home immediately and get a “windfall” of appreciation?***

The units can be restricted to stay permanently affordable through the use of deed restrictions, covenants, mortgage liens, contractual agreements, or land trust arrangements. Non-profit organizations can purchase the units and ensure their affordability forever. These actions can ensure that homes stay affordable for the long-term and continue to provide housing opportunities for low and moderate income households.



## BUSINESS AND PROFESSIONAL PEOPLE FOR THE PUBLIC INTEREST



### ***How do we know that inclusionary zoning is a good tool? Or the right tool?***

Hundreds of communities across the country have successfully implemented inclusionary housing ordinances, and thousands of affordable homes have been produced. Communities such as Highland Park, Illinois; Cambridge, Massachusetts; Chapel Hill, North Carolina; Boulder, Colorado; and Irvine, California have passed ordinances and created hundreds of affordable homes for their seniors and workforce without using their scarce public dollars.

### ***Isn't it true that inclusionary housing will harm our local property values and discourage new development?***

No. Based on documented experiences from the over 200 communities across the country with some form of inclusionary housing, neither built-out communities nor communities with significant development potential need worry about a "chilling" effect on development. Economic analyses, national case studies, analytical reports, feasibility studies, and developer and community reaction across the country all indicate that inclusionary housing does not stifle development or drive down property values.

### ***I'm worried that an influx of affordable housing will erode our tax base.***

Of the more than 200 inclusionary housing programs nationwide, no evidence exists that inclusionary housing programs hurt local property tax revenues. Inclusionary housing programs have the potential to enhance the local property tax base by: (1) preserving a municipality's property tax base for other needs, (2) expanding homeownership to more working class households, (3) creating more ownership units than otherwise would be created without inclusionary housing, (4) enabling families to reduce the amount of money they spend on housing, and (5) improving the region's economic competitiveness by creating housing for the workforce.

### ***Is inclusionary housing legal? Isn't this an "illegal taking" of property"?***

Over 200 inclusionary housing programs exist nationwide with programs in California, Colorado, Florida, Maryland, Massachusetts, New Mexico, Vermont, Virginia, and Wisconsin. Inclusionary housing has been recognized as a legitimate use of the zoning power to protect the public health, safety, and welfare and when appropriately crafted, has been found to pass muster under takings analysis.

### ***What if a developer says he/she can't build the affordable units—that it's impossible?***

Inclusionary housing programs can provide flexibility and options. The developer might pay a fee in lieu of building the affordable homes. This fee could be deposited into an affordable housing trust fund and used to create or preserve affordable housing elsewhere. Or the developer might be allowed to build affordable homes or apartments at another site or rehab affordable homes or apartments at another site.

### ***Will an inclusionary housing program cost our community a lot of money to administer?***

No. Inclusionary housing actually saves communities money by preserving scarce public resources for other needs. Implementing an inclusionary housing program may require a *small* outlay of municipal money for ongoing administration.

