

What's the Verdict on Inclusionary Housing?



Patrick Maier, Executive Director
Innovative Housing Institute



Innovative Housing Institute

The Innovative Housing Institute was founded to foster the provision of quality affordable housing in inclusive community settings.



MONTGOMERY COUNTY, MD

HOUSING EXPERIENCE

- Inclusionary Housing got its start in the United States with Montgomery County's Moderately Priced Dwelling Unit Program, which is still the most successful program nationally.



- Private, for-profit homebuilders have delivered 12,500+ “MPDUs” integrated into market rate developments of about 90,000 units.

MONTGOMERY COUNTY, MD

HOUSING EXPERIENCE

- One of several effective housing programs that included a significant housing trust fund, local housing finance agency, and substantial development capacity and expertise in both the private and public sectors
- The MPDU law provided for a significant density bonus and other “offsets” including the ability to incorporate townhouse and multiplex homes in single family zones



MONTGOMERY COUNTY, MD

HOUSING EXPERIENCE

- One of the most progressive features of Montgomery County's policy is that they direct the Housing Opportunities Commission to purchase or rent one-third of the MPDUs in order to extend housing assistance to working families far below the 65% of Area Median Income price point.
- This requires the "layering" of other subsidies to enable lower income families to reside in the affordable homes produced.

NATIONAL INCLUSIONARY HOUSING CONFERENCES

- In October of 2003, IHI convened the first Inclusionary Housing Conference in Bethesda, Maryland. This event drew just over fifty participants from around the country.
- In 2004 IHI reached out to three other organizations with substantial experience with inclusionary housing: the National Housing Conference; PolicyLink; and Business and Professional People for the Public Interest.

NATIONAL INCLUSIONARY HOUSING CONFERENCES

- With planning support from the Fannie Mae Foundation, and event support from the Ford Foundation, Annie E. Casey Foundation and others, the first National Inclusionary Housing Conference was held in Washington D.C. in October of 2005.
- The second National Inclusionary Housing Conference was held in San Francisco in October of 2007.

www.Inclusionary.org

- Program presentations from last conference
- Resources and research on inclusionary housing
- Links to other useful sites

NATIONAL INCLUSIONARY HOUSING CONFERENCE

Welcome to the National Inclusionary Housing Web Site

Is your community considering or currently crafting a policy?
Are you looking for help implementing an existing policy?

The National Inclusionary Housing Conference brings together diverse participants from urban, suburban and rural areas who are interested in learning more about inclusionary housing and about crafting and administering inclusionary zoning ordinances that benefit communities and the people who build them. Participants connect with outstanding experts in the field and collect valuable of resource information as they learn about the value of inclusionary housing and how these promising policies are working in diverse communities throughout the United States. They discuss best practices and find answers to challenges that arise with any inclusionary housing program. The conference also seeks to build bridges between key constituencies who often disagree over policy options to address the affordable housing crisis.

News! Take a look at "THE WHO PAYS THE PIPER ... An Assessment of Research on Inclusionary Zoning" by David Rusk now posted on RESOURCES. Mr. Rusk provides a broad review of contemporary research on inclusionary zoning and provides an insightful analysis of many of the major studies now being sourced as definitive.



"Never doubt that a small, group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has."
-- Margaret Mead

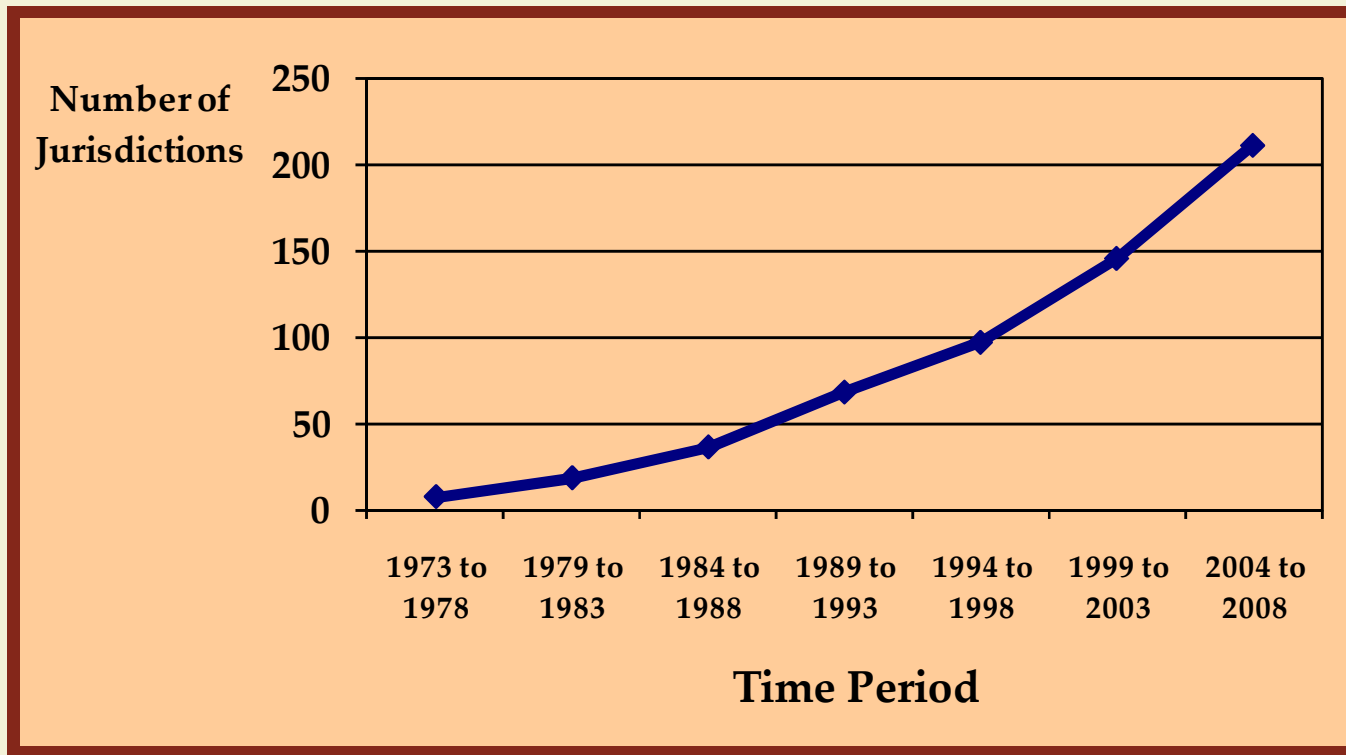
 INNOVATIVE HOUSING INSTITUTE
 NHC
National Housing Conference
The United Voice for Housing
 PolicyLink
Lifting Up What Works[®]

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WHAT HAVE WE LEARNED - BIG PICTURE

The adoption of inclusionary policies by localities is growing rapidly ...

WHAT HAVE WE LEARNED - BIG PICTURE

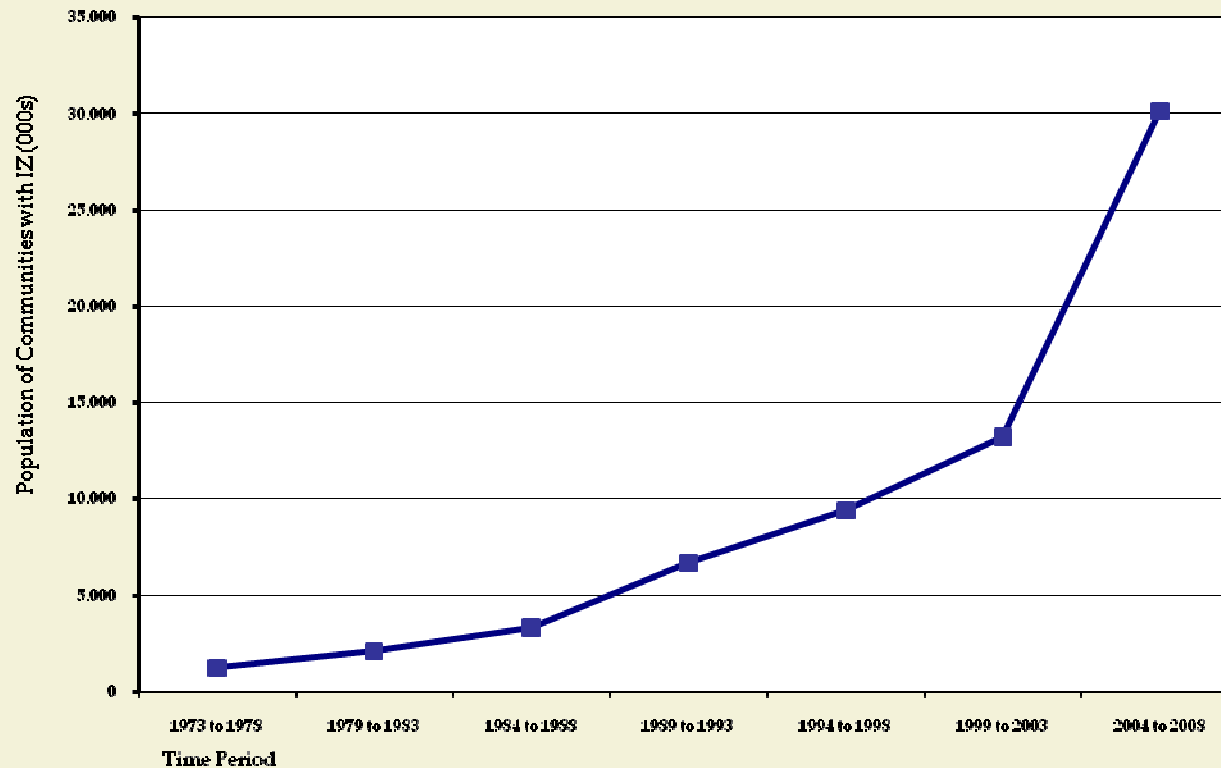


Growth of
the IZ
Movement
Since 1973 –
Jurisdictions*

* Does not include 184 New Jersey towns pending classification

David Rusk research, 2008

WHAT HAVE WE LEARNED - BIG PICTURE



Growth of
the IZ
Movement
Since 1973 –
Population*

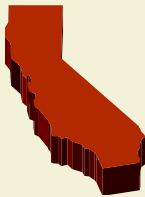
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David Rusk research, 2008



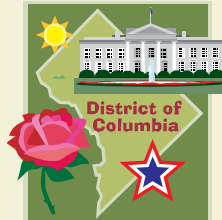
WHAT HAVE WE LEARNED - BIG PICTURE

- 400-500 communities nationally have some form of inclusionary program in place



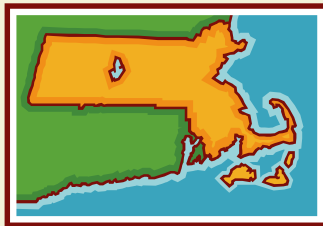
- California- 170 local jurisdictions 29,281 affordable homes

- D.C. Metro Area- 4 jurisdictions 15,000 affordable homes



WHAT HAVE WE LEARNED - BIG PICTURE

- New Jersey -250 local governments used “de facto” inclusionary housing programs to create over 10,000 affordable homes



- In Massachusetts over 118 communities have some form of inclusionary housing

WHAT HAVE WE LEARNED - BIG PICTURE

- San Francisco, Denver, New York, Baltimore, Sacramento, San Diego, Philadelphia, Chicago, and Boston

- There are programs in smaller places throughout the nation:
 - King County, Washington
 - the Research Triangle in North Carolina
 - Eagle County, Colorado
 - Jackson, Wyoming
 - Annapolis, Maryland

WHAT HAVE WE LEARNED - BIG PICTURE

- It will not work in every market and every community
- It must be carefully tailored to the local community and to the existing economic and political conditions
 - Engaging the local development community in planning for the implementation of an inclusionary law is critical – it should represent a win-win situation, where economic returns are not impaired by the requirement to provide affordable units

WHAT HAVE WE LEARNED - BIG PICTURE

- Programmatic success comes about through sustained effort and consistent management-the rules of the game need to be understood and fairly applied
- It is “just one tool” but it is a critically important tool in the successful provision of affordable housing

WHY INCLUSIONARY HOUSING Now?

- ✦ State and local governments are experiencing crises in neighborhoods suffering from default and abandonment as well as contractions in tax revenues
- ✦ Causes of the slump range from overvaluation of homes; ill-advised mortgage schemes; predatory lending practices; lax credit standards; and one cause that is little noted, **a lack of affordable homes in desirable locations.**

WHY INCLUSIONARY HOUSING Now?

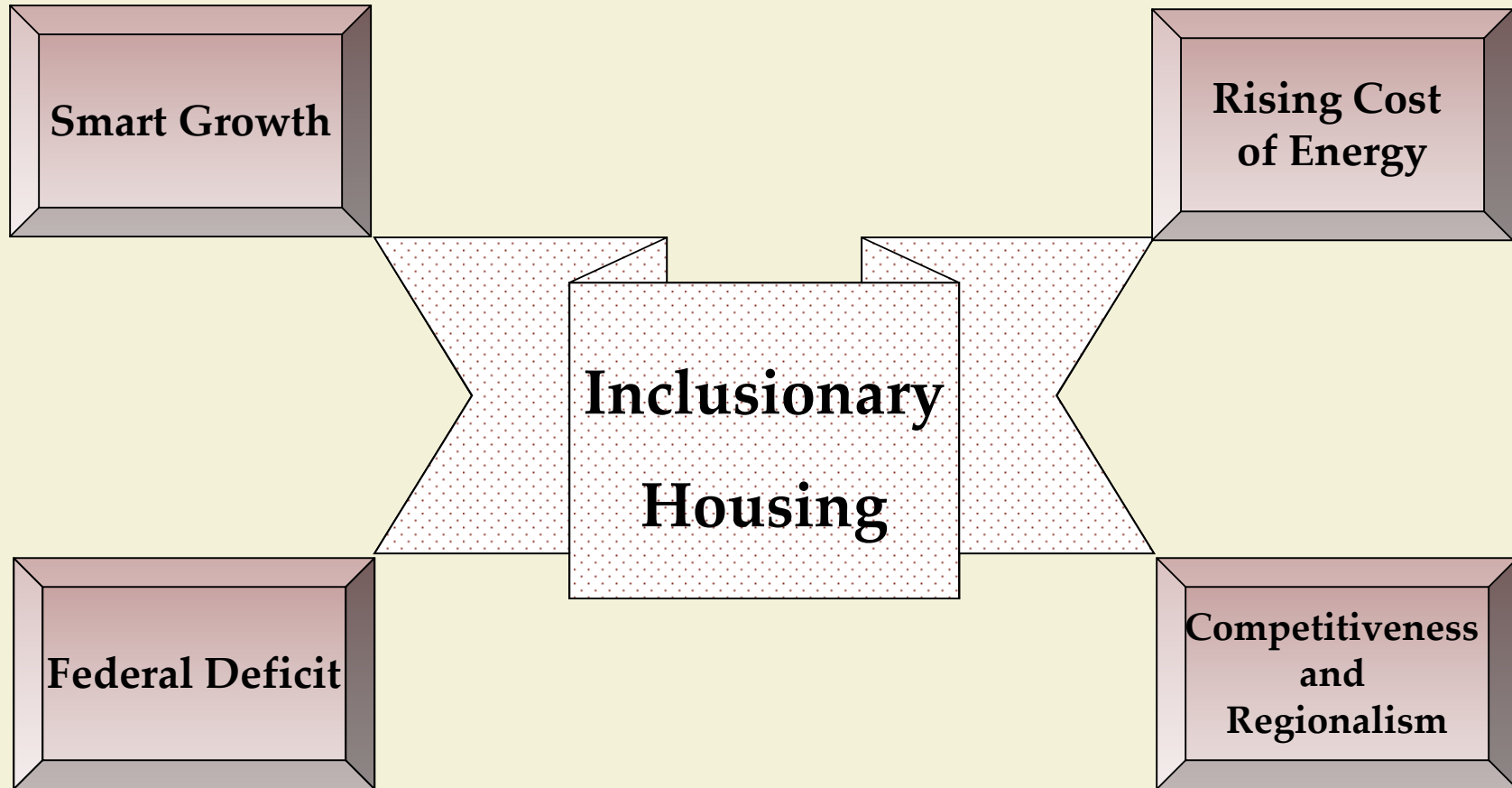
- ✦ A conclusion that is widely subscribed to today is that increased regulation of financial products will be required to restore balance to the nation's housing markets
- ✦ Inclusionary Housing is a form of regulation that will help restore that balance by fostering a more diverse and affordable housing market in areas that are experiencing development and growth

WHY INCLUSIONARY HOUSING Now?

According to Arthur C. Nelson, co-director of the Metropolitan Institute at Virginia Tech:

- ✦ Tendencies toward smaller houses in the suburbs is becoming apparent
- ✦ In the next fifteen to twenty years, there will be a surplus of 22,000,000 detached homes, such as so-called McMansions and homes on larger-sized lots
- ✦ As a reaction to the demand for smaller housing, revitalization of the suburbs will depend on their ability to read market trends and act accordingly, revising zoning codes and policies

CONFLUENCE OF CHANGE





**22 Light Street
Suite 300
Baltimore, MD 21202
Phone: (410) 332 – 9939
Fax: (410) 332 – 1577
Email: housinginfo@ihibalto.org
Website: www.inhousing.org**

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