

Rethinking Inclusionary Zoning

DISCUSSION LEADER

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DISCUSSION SUMMARY

Our group discussed how inclusionary housing policies could be made more workable for private developers in the current housing market. With most participants representing the public sector or nonprofits, the conversation explored other challenges as well.

KEY TAKEAWAYS

- Density bonuses and relaxed height limits are not always as valuable for developers as they were in the past. Several participants talked about how increasing density doesn't necessarily improve conditions for affordability. In places where zoning already allows modest densities, bonuses may necessitate moving from wood-frame to more expensive product types, offsetting the added value of being able to build more units per acre. One participant mentioned that this is especially true in Raleigh, where rents are insufficient to make high-rise buildings "pencil" even without affordability requirements. On the other hand, unlimited heights and FAR appear to be enticing developers to take on affordability requirements in high-rent areas awaiting new Metro stations in Tysons (Corner), Virginia.
- Relaxed zoning is particularly valuable when it expands the permissible lot coverage and reduces needlessly high parking requirements.
- The inability to apply inclusionary zoning to rental developments in a handful of states means that inclusionary policies are missing the market where most construction activity is currently happening.

- Jurisdictions may be able to use the right forms of flexible zoning to entice developers to voluntarily include affordable homes in new developments, but this opportunity disappears when a jurisdiction adopts a form-based code or otherwise loosens zoning restrictions in a comprehensive manner without asking for a degree of affordability in return.
- As-of-right development opportunities may also be a helpful incentive. But the first concern for a developer is that s/he can get an adequate return. Also, reducing discretionary approvals is most effective in places where the entitlement process is unpredictable, and where communities are well bought-in to the expanded building envelope being offered.

LEARN MORE

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ADDITIONAL RESOURCES

http://www.housingpolicy.org/toolbox/strategy/policies/inclusionary_zoning.html