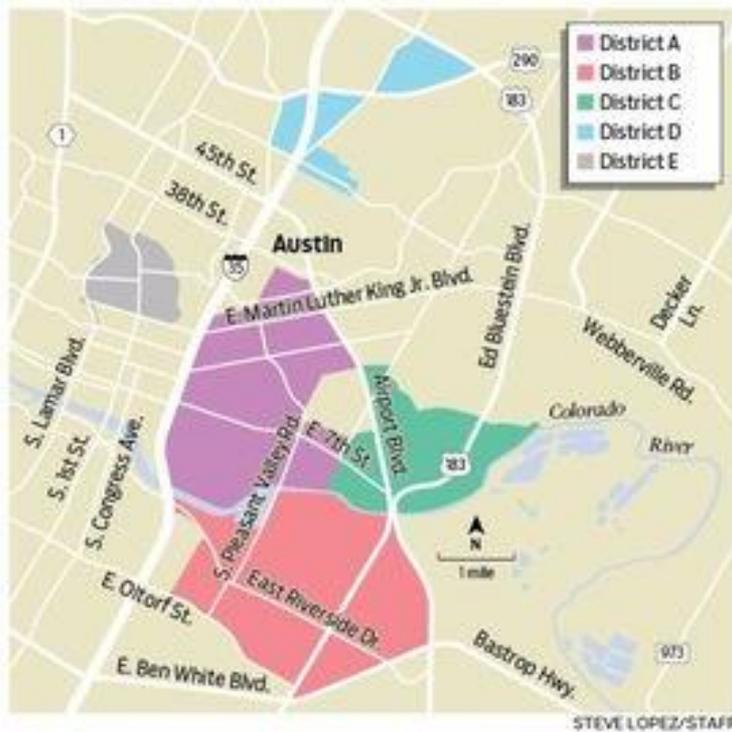


Inclusionary Housing Policies: A tool for Austin's Homestead Preservation Districts



Housing and Community
Development Committee
Austin City Council

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HB 2266 (2005)

HB prohibits cities from setting a maximum sales price for properties or lots but allows for the following exceptions:

“This section does not affect any authority of a municipality to:

1) create or implement an incentive, contract commitment, density bonus, or other voluntary program designed to increase the supply of moderate or lower-cost housing units; or

2) *adopt a requirement applicable to an area served under the provisions of Chapter 373A, Local Government Code, which authorizes homestead preservation districts, if such chapter is created by an act of the legislature.*

3) This section does not apply to a requirement adopted by a municipality for an area as a part of a development agreement entered into before September 1, 2005.

4) This section does not apply to property that is part of an urban land bank program.”

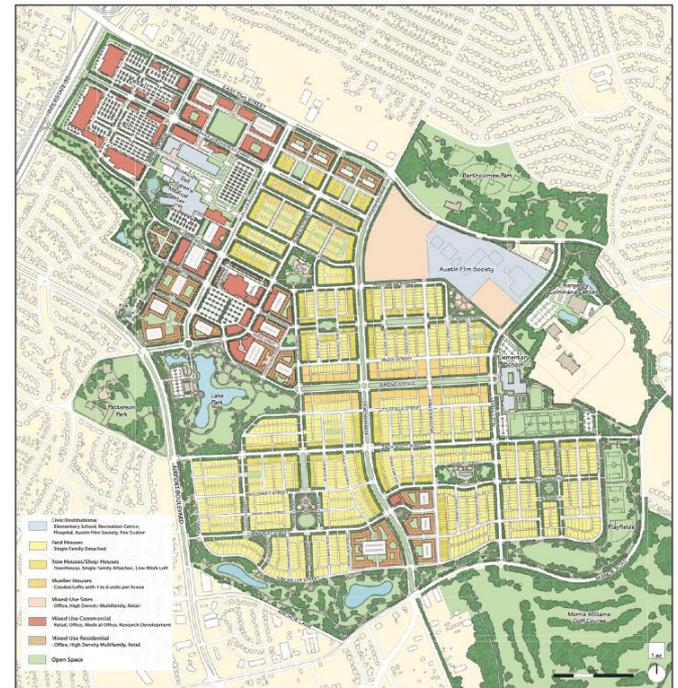
Overview

- What are inclusionary policies about?
- Key questions in designing a program
- Implementation



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 fostering economic and racial integration



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

Maximize units produced



Project trigger?

Set aside?

Income targets?

Onsite vs offsite?

Focus on
Integration,
planning goals



Units or fees?

What kind of units?

Term of affordability?

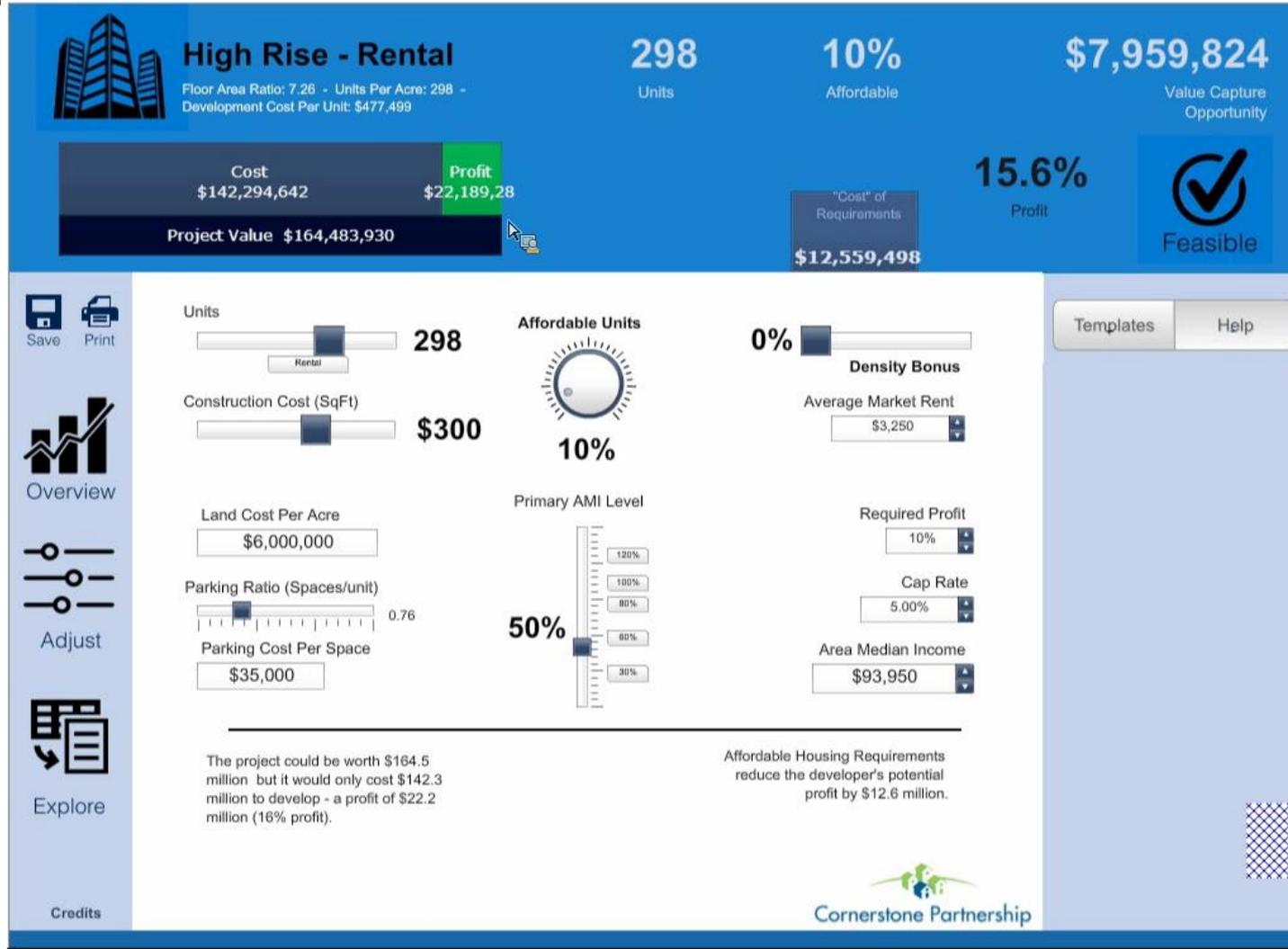
Making it work for developers

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

What it takes to succeed:

- Clarity on needs/priorities for each HPD, best role for IZ in meeting needs
- Accurate, neutral information on development cost
- Stakeholder engagement on mechanics of program
- Ongoing monitoring, feedback, adjustments
- Use of best practice legal tools to ensure units not lost over time
- Partnerships

Consult experts to learn from experience



Examples

Montgomery County, MD.

Program emerged from fair housing concerns, originally aimed at homeownership options.

Has succeeded in developing affordable housing in throughout a suburban county, using density bonuses.

Partnered with housing authority to ensure lowest income groups are included.

Demonstrated importance of adjusting program parameters over time as conditions changed.

Examples

Fairfax County, VA.

Began with a mandatory program targeted at low rise MF housing.

Added a voluntary program targeted at high rise MF housing near transit.

RE-calibrated both programs at key points to improve performance.

Currently focused on challenge of managing boom in production/compliance for rental units.

Resources

HB 2266, Legislative Session 79R (2005) *An Act relating to the authority of municipalities to enact a requirement that establishes the sales price for certain housing units or residential lots*. Texas Legislature online: <http://www.legis.state.tx.us/Home.aspx>

Hickey, Robert; Lisa Sturtevant, and Emily Thaden. (2014). *Achieving Lasting Affordability through Inclusionary Housing*. Lincoln Institute of Land Policy. Working Paper: WP14RH1.

National Community Land Trust Network. *Deed Restricted or Inclusionary Housing Programs*. <http://cltnetwork.org/topics/deed-restricted-or-inclusionary-housing-programs/>

National Community Land Trust Network. *Inclusionary Housing Sample Documents Library*. <http://cltnetwork.org/inclusionary-housing-sample-documents-library/>

Cornerstone Partnership. *Inclusionary Calculator Tool* (to be released online July 2015). <http://www.affordableownership.org/inclusionary-housing/>

All links accessible as of June 24, 2015.