

Policy Tool: Inclusionary Zoning



Examples: Montgomery County, MD
Carlsbad, CA

Summary: Communities with transit stations can adopt inclusionary zoning requirements to ensure that a modest share of newly-constructed rental and homeownership units in the area around the station are affordable.

Inclusionary zoning helps create privately-financed affordable housing when communities attract new housing construction, as is often the case in newly transit-served communities. Most inclusionary requirements are enacted as a zoning ordinance and require that a modest proportion (usually between 10 and 25 percent) of units in a housing development be affordable. Some inclusionary zoning ordinances compensate developers by providing density bonuses.

Montgomery County, Maryland adopted its Moderately Priced Dwelling Unit Ordinance, the first inclusionary zoning requirement in the US, in 1976. The ordinance requires developers of mixed-use projects with 20 or more residential units to make 12.5 percent to 15 percent affordable for lower-income households in exchange for a 22 percent density bonus. To date, this ordinance has resulted in the construction of more than 11,800 affordable units. The ordinance applies to all developments including those near Metro transit stations. A garden apartment community across the street from the Glenmont Metro station in Silver Spring, for example, was redeveloped with a mix of 1,550 apartments, condominiums, live-work units and townhomes—12.5 percent of which are “moderately priced” workforce housing (CTOD, 2009b).

Many California communities, empowered by state authorizing legislation, have adopted inclusionary requirements. The Carlsbad, California Inclusionary Housing Ordinance

requires that no less than 15 percent of all residential units in any residential subdivision with more than 7 homes must be affordable to households below 70 percent of median income; rental units must remain income-restricted for at least 55 years. As a result of this inclusionary zoning requirement, the Poinsettia Station transit-oriented development in Carlsbad provides 92 affordable rental homes within walking distance of the commuter train station. Nonprofit developer Bridge Housing worked with Benchmark Pacific, developer of a larger master-planned community, to create these units in order to satisfy affordability requirements.



For additional information: www.mitod.org/inclusionaryzoning.php?tab=1&return=listpos12
www.housingpolicy.org/toolbox/strategy/policies/inclusionary_zoning.html