

INCLUSIONARY ZONING



Affordable Units in Amherst

What are the objectives of inclusionary zoning?

To increase the affordable housing inventory in a community, and to help provide a range of housing options to include homebuyers or renters whose income is below the regional median household income of \$62,900.

Why do we need inclusionary zoning?

Rising housing costs and lack of housing diversity can make housing choices difficult for young adults seeking to live in the town they grew up in, for people to live in the same community where they work to avoid long commutes, or for the elderly to continue

living in the same community as their housing needs change. Communities need to make a concerted effort to ensure that homes are available for modest-income households. The task is complicated for several reasons. First, increasing construction and land costs have driven up the cost of development projects, especially after Hurricane Katrina. Developers also profit more by building luxury homes, which has spurred the construction of “McMansion” subdivisions throughout the state. At the same time, many cities and towns do not have zoning that allows more affordable multi-family dwellings or homes to be built on smaller lots.

How does inclusionary zoning work?

Cities and towns can pass a zoning bylaw or ordinance that requires private developers to make a fixed percentage of their housing affordable to low- or moderate-income households. Amherst, for example requires that in all new developments of over 21 housing units, at least 12% of the units have to be affordable. The affordability of the units is maintained through a deed restriction, typically for 20 or 30 years and in some cases in perpetuity. Most programs contain “cost offsets” (e.g., density bonuses, expedited permitting processes, or fee waivers) that help developers meet the cost of producing affordable homes. Chapter 40R Smart Growth Zoning districts, which are also included in this toolkit, could also be considered a kind of inclusionary zoning. It requires that in any development in the Smart Growth District over 13 units, 20% of the units have to be affordable. In exchange the developers may build at a higher density within the district designated by the community. Over 100 Massachusetts communities have adopted inclusionary zoning regulations.

DID YOU KNOW...

Households whose income falls at or below 80% of the median income for the area qualify for affordable housing programs. For 2007, in Hampshire and Hampden Counties, this is \$57,350 for a family of four and \$61,950 for a family of five. For example, a five person “household” could be a couple, one working full-time and the other part-time, with two children and an elder parent living with them.

(Source: US Department of Housing and Urban Development)

EXAMPLES FROM THE PIONEER VALLEY

Town of Hadley

The Town of Hadley was awarded a Smart Growth Technical Assistance Grant to prepare an Inclusionary Zoning bylaw as a result of the Pioneer Valley Planning Commission's regional application to the Executive Office of Environmental Affairs. A model Inclusionary Zoning bylaw developed by PVPC and tailored to Hadley's needs was prepared and given to the Planning Board for their review and consideration. PVPC worked with the Planning Board over the summer of 2006 to finalize the language of the proposed inclusionary zoning bylaw. PVPC also prepared a fact sheet on affordable housing and inclusionary zoning regulations to be used as an educational tool during the public hearing process. The Inclusionary Zoning Bylaw was adopted at a Special Town Meeting held in the fall. The bylaw requires that all new residential developments of six (6) or more dwelling units must provide a minimum of fifteen percent (15%) of the units to be affordable as defined in M.G.L. Chapter 40B.

Town of Amherst

Amherst has also adopted an inclusionary zoning bylaw. Following is an excerpt from their bylaw:

SECTION 15.1 REGULATIONS

To ensure the purposes of this section, the following regulations shall apply to residential development in Amherst:

- 15.10 All residential development requiring a Special Permit and resulting in additional new dwelling units shall provide affordable housing units at the following minimum rates:

<u>Total Development Unit Count</u>	<u>Required Affordable Unit Provision</u>
1-9 units	None*
10-14 units	Minimum one (1) dwelling unit
15-20 units	Minimum two (2) dwelling units
21 units	Minimum 12% of total unit count

* While provision of affordable units is not required for developments containing 1-9 units under this section, the Bylaw encourages affordability and provides for incentives. See Sections 4.33 and 4.55. For developments of 21 or more total units, calculation of the number of affordable units shall, if the required percent of the total results in a fraction, be rounded up to the next whole number where the fractional portion is equal to 0.5 or greater, and shall be rounded down to the next whole number where the fractional portion is less than 0.5.

- 15.11 Affordable dwelling units provided under Section 15.10 shall be counted as meeting the requirements for affordability density bonuses under the provisions of Section 4.550.0 (Open Space Community Developments).
- 15.12 The applicant shall establish such housing restrictions, conditions, and/or limitations as are necessary to ensure that the affordable housing units provided under this section will be permanently available for purchase by eligible low-and moderate-income buyers, and available for a minimum of twenty years in the case of rental housing.

[MODEL INCLUSIONARY ZONING BYLAW \(EOEEA\)](#)

Other resources:

"Inclusionary zoning: Guidelines for cities and towns" prepared for the Massachusetts Housing Partnership Fund by Edith M. Netter, Esq.

http://www.mhp.net/uploads/resources/inclusionary_zoning_guidelines_netter.pdf