

Inclusionary Zoning Best Practices

Presentation to
Palm Beach County
September 26, 2006

Purpose

- Identify inclusionary zoning best practices
- Compare PBC inclusionary zoning program to industry best practices
- Make recommendations
- Suggest alternative means of assisting families

Public/Private Partnership

- Inclusionary zoning is a partnership between private developers and the public sector
- For an inclusionary zoning program to be effective, it must work for the community, its residents, and for developers

Inclusionary Zoning

Keys to an effective program

- Specify the program in detail
- Create certainty for developers and municipal staff
- Offer developers the opportunity to make a normal economic return

PBC Inclusionary Zoning Percentage of Units

- The percentage of required affordable units is higher than in most places
 - Only one quarter of IZ programs require 20% affordable units
 - Less than 5% of programs require more than 20% affordable units

PBC - Inclusionary Zoning	
<u>Zoning Class</u>	<u>Required Affordable Units (With PUD)</u>
LR-2	20.4%
LR-3	21.5%
MR-5	23.7%

PBC Inclusionary Zoning Bonus Density

- The density bonus per affordable unit is lower than in most other places

Community	Required Affordable Units	Density Bonus	Ratio of Density Bonus to Affordable Units
Palm Beach County - LR-2 zoning	20.4%	30.0%	1.47
Palm Beach County - LR-3 zoning	21.5%	30.0%	1.40
Carlsbad, CA	15.0%	25.0%	1.67
Fairfax Co., VA - single family	12.5%	20.0%	1.60
Miami - Dade County, FL (proposed)	12.5%	25.0%	2.00
Montgomery County, MD	12.5%	22.0%	1.76
Sacramento, CA	15.0%	25.0%	1.67
Tallahassee, FL - ownership	10.0%	25.0%	2.50
Walnut Creek, CA	10.0%	25.0%	2.50

PBC Inclusionary Zoning In-Lieu Fee per Unit

- The in-lieu fee per unit in Palm Beach is higher than in many other places

Community	In-Lieu Fee per Affordable Unit	In-Lieu Fee per Unit
Palm Beach County - LR-2 Zoning*	\$90,000	\$18,360
Palm Beach County - LR-3 Zoning*	\$90,000	\$19,350
Palm Beach County - MR-5 Zoning*	\$90,000	\$21,330
Boulder, CO		\$18,210
Chula Vista, CA	\$70,000	\$7,000
Denver, CO	\$70,000	\$7,000
Livermore, CA	\$122,720	\$12,272
Madison, WI	\$20,000	\$2,000
Monterey County, CA	\$339,636	\$50,945
Napa, CA		\$3,400
Tallahassee, FL- ownership	\$20,000	\$2,000

* Minimum Fees for Palm Beach County shown. Maximum fee can be \$110,461 per affordable unit

PBC Inclusionary Zoning Flexibility/Specification

- Program flexibility
 - For changing market condition
 - When bonus density cannot be used
 - When results would be inconsistent with program goals
- Detailed program specifications
 - Provide certainty for developers, staff, and residents