



DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

MEMORANDUM

Date: January 16, 2018
To: City Council
From: Jennifer Sutton, AICP
Senior Planner
Subject: Next Steps for Inclusionary Zoning Regulations

BACKGROUND

A Comprehensive Plan high-priority implementing action was to establish an Affordable Housing Task Force (AHTF) to identify affordable housing programs, policies, regulations, and incentives, and to make specific recommendations to the City Council for near-term action. The AHTF was appointed by the City Council on June 20, 2017, and began meeting regularly in September.

During the AHTF October 4, 2017 meeting, Kellie List (City Management Intern) presented an overview on Inclusionary Zoning, a well-known affordable housing strategy. At their November 1, 2017 meeting, the AHTF voted unanimously to recommend to the City Council that the City pursue an Inclusionary Zoning program.

Inclusionary Zoning refers to regulations that a local government could adopt to promote the construction of affordable housing; state guidance for such a program is outlined in [RCW 36.70A.540](#). An inclusionary zoning program generally has the following elements:

- 🏠 Mandatory or voluntary program?
- 🏠 Minimum project size that triggers inclusionary zoning requirements
- 🏠 Amount of affordable units required (e.g. 10% of total units)
- 🏠 Incentive to promote inclusionary zoning (e.g. bulk or height incentive, bonus lots or units)
- 🏠 Targeted income range for designated affordable units
- 🏠 Geographic scope or zones where inclusionary requirements apply
- 🏠 Program administration to ensure that residents are income-qualified, and that affordability is managed and maintained over time.

The Council heard the recommendation from the AHTF that the City pursue an Inclusionary Zoning program at the November 7, 2017 Council meeting. The same Inclusionary Zoning presentation was also given at the [November 7, 2017 City Council meeting](#).

A Municipal Research Services Center (MRSC) article on Inclusionary Zoning and the 2017 Affordable Housing Median Income table is also attached for background information. Additional background information helpful for the larger discussion on affordable housing are posted to the City's AHTF webpage <http://www.ci.bainbridge-isl.wa.us/921/Affordable-Housing-Task-Force>

NEXT STEPS

Staff recommends that the City pursue inclusionary zoning by taking the next steps:

The AHTF consider and make recommendations on the following issues:

- 🏠 Geographic areas or zones where inclusionary requirements apply
- 🏠 Targeted income range for designated affordable units, rentals and owner occupied.
- 🏠 Whether or not to consider a “Fee in lieu” option, where an applicant would pay a fee to go towards constructing units elsewhere, instead of building the affordable units. The fee would likely go to the City’s Housing Trust Fund, to be used to support or build other affordable housing.

Concurrently, the City should begin to pursue consultant services, with expertise in real estate law and housing and real estate development to assist the City in determining a nexus between residential development and the amount of affordable housing that could be required through an inclusionary zoning program. The standards for the following elements are interconnected, and would be analyzed by a consultant:

- 🏠 Minimum project size that triggers inclusionary zoning requirements
- 🏠 Amount of affordable units required (e.g. 10% of total units)
- 🏠 Incentive to promote inclusionary zoning (e.g. bulk or height incentive, bonus lots or units)

The AHTF recommendations would factor into assumptions that a consultant would use in analyzing the issues