



MEMORANDUM

TO: Planning Commission

FROM: Brett Lenart, Planning Manager

DATE: April 5, 2022

SUBJECT: **City Council FY 23 Policy Agenda**

At the March 15th Planning Commission meeting, the Commission postponed any action on the proposed City Council FY 2023 Policy Agenda, pending additional information/consideration of inclusionary zoning (IZ) as a legislative concept for City Council support. I recommend retaining the reference, as the more tools that the City has available to consider and apply provides, for more pathways toward the City's goals.

Attached are additional resources that Commissioner Clarke has shared that you may find helpful in considering this concept. I've added high level summary of each source based on my review, but of course encourage you to review the information as well:

From Governing.com, Connor Harris of the Manhattan Institute - https://www.governing.com/community/affordable-housing-and-the-dubious-promise-of-inclusionary-zoning?_amp=true (2021)

Mr. Harris opines that in those communities where IZ is required, on average 27 units are added annually, and policies have adverse impact on the overall housing market. This supposes an adverse impact that fewer market rate homes are built, and research is wide ranging, but at times suggests that IZ can result in fewer, higher priced houses added to the market. Voluntary IZ programs seem to show a better track record. Mr. Harris advocates that there is no substitute for broader loosening of zoning regulations.

From The Counselors of Real Estate, Dustin Read of the University of North Carolina – Charlotte - https://cre.org/wp-content/uploads/2016/05/34_2.pdf#page=13 (2009)

Inclusionary Zoning has been effective in communities with strong housing demand, but can act as an excise tax, and can have the effect of stifling development.

From San Jose State University, Tom Means and Edward Stringham from the Department of Economics - <https://www.sjsu.edu/economics/docs/econ-ws/BMR.Mandates.2012.01.pdf> (2012)

IZ can restrict supply and lead to higher prices, as evidenced by study of California communities between 1980-2000. Cities there with IZ mandates ended up with 20% higher prices and 7% fewer homes overall.

From the Vanessa Brown Calder of the CATO Institute - <https://www.cato.org/policy-analysis/zoning-land-use-planning-housing-affordability> - (2017)

Government can't rely on federal programs for affordable housing challenges. Reforming local regulations such as streamlining approval processes, making development by right, and reallocating state funds to cities are better options than adding regulatory requirements to private sector.

From InclusionaryHousing.org, from the Grounded Solutions Network, a calculator that can be used to explore IZ scenarios - https://inclusionaryhousing.org/calculator/?fbclid=IwAR2u_e83oRGEqQAqbEerIRO7Sz_mZq-F_MbULnupsPqmSx7Tm6JsvPQuNQYc - (2018)

Attached are draft amendments for the Planning Commission's consideration of the FY 2023 City Council Policy Agenda as presented and/or modified at the March 15th meeting.

Proposed Action:

Staff recommends one of the following:

- A Planning Commission motion to make recommended amendments to the draft Policy Agenda as presented or modified, and forward to the Mayor and City Council.

Or

- Planning Commission moves to make no recommendation on content to the Mayor and City Council.

Attachments: Draft FY 2023 Policy Agenda