

Planning (Inclusionary Zoning Strategy) Amendment Bill 2023

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The capacity of inclusionary zoning for affordable housing to address housing deficiencies and advance social justice

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Purpose and Scope

By combining market forces with government regulation, Inclusionary Zoning provides an effective tool to forestall recurrent housing affordability crises and advance social justice and efficiency, to meet predictable accommodation needs. As a result, it is being widely adopted in the UK, USA, Canada and Australia, and in many other mixed economy societies. In the UK for the last decade a figure of 25% has been mandated for designated areas. In Canada, Toronto has mandated the policy, and since 2018, it has been officially authorized for adoption throughout Toronto, the country's most populous province. In the USA by the end of 2016, inclusionary zoning laws had been introduced in 886 jurisdictions in a total of 25 states as well as the District of Columbia, with particular concentrations in Massachusetts, New Jersey, and California. Eleven percent of Americans now live in jurisdictions with Inclusionary Zoning policies (Willis, 2017). According to Willis, the policies are popular, with the characteristics which appeal most to the community being:

- Applicable citywide
- Helps to preserve diversity of neighborhoods
- Units will be permanently affordable
- Serves those with very low incomes
- Fills in income gaps not served by other programs
- Accompanied by infrastructure dollars
- Community preference

In Australia, the Housing Plan for South Australia, introduced in 2005, mandates that 15 per cent of new dwellings in all significant development projects be affordable, including at least 5 per cent for high-needs groups. Initially, the affordable housing requirement was applied to government land releases on the urban fringe; however, the policy is now being applied to urban renewal sites. A similar policy applies in the city of Sydney. In Victoria, a multi-party committee report calls for mandatory inclusionary zoning for new developments. In Queensland inclusionary zoning has been a live issue for two decades, dating from 2003, when Brisbane City Council proposed that 15% of development on specified housing sites in the riverside portion of the West End Woolloongabba Neighbourhood Plan should be reserved for affordable dwellings, though this was later over-turned by the then State Government.

Operation

Inclusionary zoning ensures that appropriate housing provision match current urban growth by requiring that a specified proportion (often in the range of 15%-25%) be set aside for affordable housing, normally for rental. This may be delivered either by Not for Profit providers of social and community housing including faith-based housing associations and public interest organisations such as the Brisbane Housing Company, or as part of the State's own public housing programme. Benefits include effective reduction of homelessness, provision of accommodation for essential workers in growth areas especially requiring their contributions, and preservation of a healthy social mix in areas of growing population.

Outcomes

Benefits include demonstrable social logic, administrative flexibility and financial viability. It is clear that in dynamic mixed income societies, sanctioned urban growth should ensure affordable accommodation for the full range of households and workers. The alternatives are homelessness or reliance on large scale programmes of state provision that have often proved insensitive, unpopular, and prohibitively expensive. By contrast, cost levels that can

be met from within the wide range of incomes inherent in market economies is essential to support both a healthy society and a resilient economy. The flexible mechanisms of inclusionary zoning allow for it to be applied in designated growth areas, where it is most needed, varying from all developments of a certain scale to specific locations. Financial viability is ensured by sharing the costs of providing decent housing for all between private and public sectors, with government provision of hard and soft services for the growing city being matched by private enterprise being required to ensure that new developments provide for the full range of society's households.

References

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