

# MEMO

**From:** Cathi Crabtree, Sarah Cahillane, and Deborah Myerson, Monroe County Affordable Housing Advisory Commission

**To:** Monroe County Plan Commission

**RE:** Recommended Considerations for the Update to the Monroe County Consolidated Development Ordinance

**Date:** March 26, 2021

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*The members of the Monroe County Affordable Housing Advisory Commission have reviewed and adopted these recommendations to share with the Monroe County Plan Commission regarding the update of the Consolidated Development Ordinance and its capacity to support local housing needs.*

*We appreciate your consideration of these recommendations and welcome any questions or requests for clarification.*

## **Consider the Desired Housing Outcomes**

Updating Monroe County's land use controls offers an important opportunity to promote racially and economically inclusive development and to eliminate exclusionary zoning.

To determine the optimal updates to residential zoning in the Monroe County Consolidated Development Ordinance, is important to ask: "What are the desired housing outcomes?"

Another way of thinking about this is to consider: is the Monroe County housing market functioning appropriately to meet the needs of current and future residents?

Specifically:

- Is the housing market producing enough additional housing to meet increased demand, as driven by population and job growth? Monroe County should evaluate current housing stock and determine the future housing needs of the growing community and economy.
- Within the county, is new housing being built in the locations where people most want to live?
- Does the market provide a diverse range of housing choices that match household budgets, size, and other characteristics?

In the absence of regulatory barriers or other frictions that impede the market, housing stock should adjust to changes in demand to meet all these conditions.

### *Housing and Mobility Options in Urbanized Areas*

Most people who live in Monroe County live in urban areas. While the urbanizing area of Monroe County just beyond the city limits is a relatively small amount of land, it is also the fastest growing part of the county in terms of population growth.

Yet, 80% of all new homes built in unincorporated Monroe County since 2015 have been single-family, detached homes--the most costly form of housing. This urbanized area is where zoning really needs to change. Neighborhoods need to be able to more readily accommodate a more diverse range of housing choices with a wider range of price points. Otherwise, large lot single-family subdivisions are just going to keep eating up the less urban parts of the county.

Transportation is also an important factor in housing affordability. In the urbanizing area, transportation choice and equity should be a priority and every effort should be made to maximize walkable and bikeable development, which will also support public transportation should expansion be feasible in the future.

### *Housing Affordability*

County leaders can encourage affordable housing development by recognizing housing affordability as a key priority for the well-being of residents and for economic development. The county can then work with community and business leaders to weave affordable housing incentives and regulations into zoning and land use policies, thereby ensuring future housing needs are met.

## **Recommended CDO Policy Considerations**

We present these policy considerations to the Plan Commission as tools that can foster the production of a variety of housing types and price points to meet the needs of current and future residents.

### *Overlay Zones*

Examine the potential of incentivized affordable housing overlay zones to facilitate the provision of affordable housing units through the retention and rehabilitation of existing affordable units, or the construction of new affordable units.

Overlay zones establish additional standards and regulations to specific areas, in addition to the requirements of the underlying base zoning district. The overlay zone can apply to portions of multiple zones, or to just a portion of one zone.

Affordable housing overlay zones can incentivize the development of affordable units by:

- Assisting both the public and private sector in making the provision of affordable units economically viable.
- Providing a means of directing and simplifying the process for creating and maintaining affordable housing.

### *Form-Based Code*

Consider the applicability of form-based codes that establish regulations for the physical structure and form of a building, rather than its specific use.

Counties can use form-based code to encourage mixed-income communities, since it can allow developers to build higher-density units next to lower-density ones. For example, a neighborhood zoned with form-based code could have a mix of single family homes, duplexes and fourplexes throughout, and still look uniform.

### *Tiny Homes*

Include an option for small lots for tiny homes and/or multiple 3-4 tiny homes on a standard lot in the urbanizing area with sanitary sewer access. (These would need to be tiny homes with foundations since those without foundations are regulated as RVs.)

### *Accessory Dwelling Units*

Allow accessory dwelling units by right in established neighborhoods with sanitary sewer as well as undeveloped or underdeveloped sites in urbanizing areas.

### *Regulatory Authority*

Use authority over the creation of subdivisions, density regulations and the timing of development to foster affordable housing development.

- Provide density bonuses to incentivize developers to build units at a higher density if they build units that are affordable for low-income residents.
- Allow for smaller subdivisions or reduced setback or lot size requirements so residents who prefer to purchase less land with a home can do so.
- Eliminate parking minimums. This lowers construction costs by allowing the market to decide optimal parking provisions for residents.
- Review zoning codes to ensure that regulations do not interfere with the by-right production of cooperatively-owned housing.

### *Expedited Review*

Streamline review processes as an incentive for affordable housing proposals that meet needs identified by the county.

### *Provide Incentives For Affordable Housing Development*

Incentives may include fee waivers or tax abatements.

### *Allow Housing Diversity*

Permit mid-scale housing such as duplexes and townhouses to be built by-right in urbanizing areas (i.e., does not require discretionary approval from staff or elected officials), as is the norm for most single-family homes.

### *Leverage Publicly-Owned Land*

Encourage the production of affordable housing units by assessing the land that the county owns and making it available for rental or for-sale residential development at targeted price points.

Offer publicly owned land via a request for proposals (RFP) process, providing clear and comprehensive site information in the RFP to enable developers and subcontractors to estimate fees and bid on projects accurately.

### *Fair Housing and the CDO*

Zoning policies such as large minimum lot requirements, minimum multifamily zoning and age-restricted zoning may restrict and limit the ability for lower income families and families of color from moving into certain neighborhoods and suburbs. Such strict zoning restrictions limit the affordability and number of rental multifamily housing opportunities and should be carefully considered in light of fair housing laws.

Some local governments are starting to address fair housing considerations as part of zoning codes. The CDO offers an opportunity for Monroe County to pursue this option. A good resource from the Fair Housing Center of Central Indiana: “Ensuring Fair and Affordable Housing Through Zoning.” LINK: <https://www.fhcci.org/programs/education/zoning/>

## Resources:

- Housing Policy Guide, American Planning Association  
[https://planning-org-uploaded-media.s3.amazonaws.com/publication/download\\_pdf/Housing-Policy-Guide-rev.pdf](https://planning-org-uploaded-media.s3.amazonaws.com/publication/download_pdf/Housing-Policy-Guide-rev.pdf)
- Is zoning a useful tool or a regulatory barrier? Brookings Institution  
<https://www.brookings.edu/research/is-zoning-a-useful-tool-or-a-regulatory-barrier/>
- Local Housing Solutions: Zoning <https://www.localhousingsolutions.org/zoning/>
- Flexible zoning and streamlined procedures can make housing more affordable, Brookings Institution (May 2020)  
<https://www.brookings.edu/research/flexible-zoning-and-streamlined-procedures-can-make-housing-more-affordable/>
- “Ensuring Fair and Affordable Housing Through Zoning,” Fair Housing Center of Central Indiana  
<http://www.fhcci.org/wp-content/uploads/2014/07/FHCCI-FS-14-Affordable-Housing.pdf>
- National Association of Counties:
  - Affordable Housing: Toolkit for Counties  
<https://www.naco.org/resources/featured/affordable-housing-toolkit-counties>
  - Housing Connections: Promoting Affordability Through Community Engagement  
<https://www.naco.org/resources/featured/housing-connections-promoting-affordability-through-community-engagement>
  - Planning Ahead: County Planning, Land Use and Zoning Strategies for Affordable Housing (Sept 2018)  
<https://www.naco.org/resources/featured/planning-ahead-county-planning-land-use-zoning-strategies-affordable-housing>