

Myths & Facts about Inclusionary Zoning

Under Inclusionary Zoning developers who are building new apartments, condominiums and homes are required to make a few of the units affordable. It is an excellent tool for creating and preserving mixed-income communities because affordable homes and apartments are built at the same time and in the same neighborhoods as market-rate residences.

In March 2000, the City's Housing Crisis Task Force made over 100 recommendations of actions the City could take to help alleviate the housing crisis. Among the recommendations was creating a \$100 million housing trust fund and adopting an inclusionary zoning ordinance.

In 2002, the City commissioned a study by David Rosen & Associates on the economic feasibility of inclusionary zoning locally. In April 2004 Council members Ed Reyes and Eric Garcetti introduced a motion to create an inclusionary zoning program for the City of Los Angeles. The proposal enjoys growing support on the Council and was seconded by Council Members Alex Padilla, Cindy Miscikowski and Antonio Villaraigosa. The Reyes/Garcetti proposal is also supported by the LA Inclusionary Zoning Coalition, a broad coalition of over 60 community groups, religious leaders, unions, tenant organizations, housing developers, economic development and social service organizations.

The Southland Regional Association of Realtors has distributed an inflammatory and misleading brochure on the Reyes/Garcetti Inclusionary Zoning proposal. It's time to set the record straight.

Myth: Inclusionary Zoning is an attack on single-family neighborhoods.

Fact: The Reyes/Garcetti proposal makes no changes in zoning for single family neighborhoods. In fact, IZ will target the building of apartments and condominiums on commercial boulevards, not in single family areas. This is in keeping with the City of Los Angeles' General Plan Framework.

The proposal does not cover individual single family homes. It would only apply to developments of more than five homes.

Myth: Inclusionary Zoning will not help middle class families.

Fact: The proposal will provide much needed housing for middle class families. The affordability formula in the Reyes/Garcetti proposal focuses on families earning as much as \$66,000/year would be eligible. Many of these families could not otherwise afford market-rate housing.

Myth: Teachers, firefighters, police, single parents and young families would not be helped because the income limit would be too low.

Fact: In LA County there are 2.4 million jobs that pay less than 80% of the area median income for one person and 2.7 million jobs that pay less than 80% AMI for a family of four.

Myth: Families who buy inclusionary units wouldn't build any equity in their homes.

Fact: Homes purchased under the IZ proposal, will increase in value over time and homeowners will be able to share in that increase. The proposal will limit windfall profits to speculators. It encourages long term ownership.

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Occupation	# of Jobs in LA County	Average Annual Earnings
Registered Nurses	62,000	\$60,100
Firefighters	4,800	\$58,700
High school teachers	34,000	\$55,300
Police & sheriffs	17,000	\$53,600
Elementary school teachers	45,000	\$51,000
Correctional officers	1,900	\$49,000
Office supervisors	49,000	\$47,800
Computer Support	15,000	\$45,000
Plumbers	10,000	\$45,000
Carpenters	17,000	\$44,300
Electricians	11,000	\$41,800
Retail managers	32,000	\$40,600
Lic. Vocation Nurses	18,000	\$38,100
Truck drivers	28,000	\$36,200
Roofers	2,400	\$34,400
Accounting clerks	61,000	\$32,500
Secretaries	45,000	\$32,200
Customer service reps	55,000	\$32,000
Teacher assistants	58,000	\$25,700
Office clerks	107,000	\$26,300
Shipping clerks	42,000	\$24,700
Pre-school teachers	12,000	\$24,000
Retail sales workers	109,000	\$23,900
Receptionists	33,000	\$23,600
Janitors	57,000	\$22,200
Cashiers	90,000	\$21,100
Security guards	52,000	\$20,600
Child care workers	12,000	\$20,400
Maids	20,000	\$18,600
Sewing machine operators	42,000	\$17,200
Restaurant workers	42,000	\$17,000
Waiters	56,000	\$16,500

State Employment Development Department,
Labor Market Information, Occupation Employment (2002) and Wage
Data (2003) for Los Angeles-Long Beach MSA (LA County).

Myth: Inclusionary Zoning will lead to higher rents and home prices.

Fact: Between 80% and 90% of housing units built under inclusionary zoning will be market rate units. As they do now, landlords and homebuilders will charge the highest rents and home prices the market will bear.

Myth: Inclusionary Zoning means less housing construction.

Fact: More than 100 cities and counties in California already have Inclusionary Zoning. These jurisdictions have seen no dampening of housing construction due to Inclusionary Zoning. This was confirmed by David Rosen in his economic feasibility study for the City.

Myth: Inclusionary Zoning means fewer homes and jobs.

Fact: Inclusionary Zoning will help the economy in three ways. 1. It will provide “workforce housing for working families who otherwise would be shut out of the housing market. 2. Working families who buy or rent inclusionary units will have more discretionary income to spend in local businesses. 3. It will help employers who want their workers to have quality housing relatively close to work.