



When the Madison City Council adopted substantial revisions to the ordinance MGO 28.04 (26) for the inclusionary zoning program, the Common Council also established an Inclusionary Zoning Oversight Advisory Committee. The Council charged the committee with the following responsibilities:

- a) Evaluate housing needs relative to the iz program target households;
- b) Develop gap analysis and waiver methodologies;
- c) Revise the policies document;
- d) Make recommendations concerning the marketing of the inclusionary dwelling units;
- e) Seek public input on the iz program;
- f) Report annually on implementation issues to the Common Council.

Based on a report by the Oversight Committee in September 2006, the Council delegated to the Oversight Committee the authority to review and revise the Policies document, in order to make the policy review process more responsive to the various participants in the inclusionary zoning program.

**Oversight Committee Members:**

The members of the IZ Oversight Committee include a diversity of interests and experience with housing and public policy. The members of the Committee are:

Marianne S. Morton, Chairperson  
Natalie L. Bock  
Judith A. Bowser  
Curtis V. Brink  
Alder Lauren Cnare  
Nancy E. Fey  
Thomas E. Hirsch  
Alder Brenda K. Konkel  
Matthew T. Miller  
Brian A. Munson  
Alex Salutos  
David Simon, Alternate

**Housing Needs:**

Thanks to the support of the Common Council and private donations from Veridian, the Wisconsin Realtors' Association and the Madison Area Builders Association, the IZ Committee sponsored the issuance of a request for proposals for a housing **demand and supply study**. The Committee and two of its subcommittees recommended the selection of a consultant (the Taurean Group) to the Council and has actively discussed the shape of the research as it has developed. The original target date was February 2007. Calculating the supply and demand was more complicated than either the Committee or the consultant anticipated. The Committee is working diligently to get the study completed. The Committee expects to issue a separate report within the next few months on housing demand and supply.

**Analytical Tools for the revenue gap and offsets:**

The Committee established a subcommittee to intensively discuss and explore alternative analytical tools to measure the perceived loss of revenue and the value of the City incentives offered to developers. The Committee developed and adopted a **revenue gap offset analysis model** and policy assumptions that are incorporated into a spreadsheet format that uses developer-supplied information to assess the opportunity cost of iz units, balanced against the value of the incentives (or offsets). Staff can use the tool to explore combinations of various approved offsets, units, payments in lieu of, and off site units.. These scenarios are then used to help make recommendations to the developer and to the Plan Commission for the Commission's action in the land approval process.

**Policies:**

Since its inception the Committee has held more than 20 meetings to listen to a range of diverse perspectives on the content of a **policies document**. The Committee has reviewed over eight different versions of a policy document to implement the adopted ordinance. At its September 21, 2007 meeting, the Committee adopted a final version, and staff and the Plan Commission have begun to implement the adopted changes.

**Marketing Strategies:**

The Committee established a marketing subcommittee to evaluate and review competing strategies that would improve the effectiveness of the program. The Committee considered the perspectives of all stakeholders, including developers, brokers, lenders, home-seekers, city representatives, and others. The subcommittee brainstormed various **marketing strategies**, ranked them, and is now working to develop some strategic effective alternatives. The subcommittee expects to present a report on the recommended strategies by December 31.

**Public Participation:**

The Committees and its subcommittees have held their meetings in a manner that permits the comments and observations of various representatives or stakeholders involved in the development of housing or the IZ program. The Committee plans to survey various key parties in the IZ program, evaluate their experience, and seek additional steps for improvements.

**Measures of Success:**

The Committee adopted six **measures of success** for the inclusionary zoning program:

1. IZ Units approved, marketed, purchased, built, occupied, and resold;
2. Geographical dispersion of the inclusionary dwelling units
3. Participant feedback
4. Buyer characteristics
5. Longer term affordability
6. Benefits/costs

The actual results based on these measures are described graphically in Attachment E.

**Next steps:**

The Committee will continue to monitor the overall program, assess the implementation of the revised policies; complete its discussion of the housing need study and continue to develop its marketing strategies.

Staff will continue to streamline the educational and administrative systems to implement the IZ ordinance. Major projects for the next nine months include implementation of the new marketing strategy, revision of the web site, sponsorship of targeted homebuyer education services, survey of key participants, and continued coordination of IZ marketing with other home ownership counseling and home purchase assistance. Staff will also continue to work with developers and realtors@ to identify ways to use to the program to work with employers to address issues of workforce housing.

**Attachments:**

- A. Resolution creating the Committee
- B. Revenue Gap Offset Analysis Model
- C. Policies Document dated October 22, 2007
- D. Marketing Strategies
- E. Measures of Success