



*A partnership among Keystone College, King's College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Wilkes-Barre, The Commonwealth Medical College, University of Scranton & Wilkes University*

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## **Infill Development**

### **Definition**

Infill development involves the development of vacant or underutilized pieces of urban or suburban land into housing strategies. With infill development comes many of the benefits of mixed use zoning. Infill aims to use land more efficiently and spur development in areas that have easy access to existing utilities and transportation options. Much like mixed use development, infill projects can help to revitalize parts of a city. In addition to its role in housing strategies, infill development plays a critical role in the conservation of land, the creation of community centers, and provides an alternative to sprawl.<sup>1</sup>

### **Description/Summary**

An increased emphasis on developing unused land within developed areas and on maximizing use of existing public facilities is needed. Many communities are implementing programs designed to reverse inefficient patterns of sprawling, low density growth. Most communities have significant vacant land within city limits, which, for various reasons, has been passed over in the normal course of urbanization. Infill developments usually focus on filling in the gaps in a community. Residents who live near where they work, shop, or pursue other activities often can choose to walk, and carpools may be easier to arrange. Such choice is particularly important for those who can't drive, including elderly, youth, or low income residents who lack a car; hence, spread out development is not convenient for these demographics.<sup>2</sup> Also, building expensive new facilities while existing facilities have existing capacity is wasteful duplication. While new investment has been redirected to distant areas,

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<sup>1</sup> "Infill Development."

n.d.[http://des.nh.gov/organization/divisions/water/wmb/repp/documents/ilupt\\_chpt\\_1.6.pdf](http://des.nh.gov/organization/divisions/water/wmb/repp/documents/ilupt_chpt_1.6.pdf)

<sup>2</sup> "Infill Development, Strategies for Shaping Livable Neighborhoods."

1997.<http://www.mrsc.org/publications/infill1.pdf>

older buildings in core areas have been abandoned, and existing utilities are underutilized. A more efficient business climate can result from employment centers located in close proximity, rather than in scattered sites.

Thus, infill development also bolsters local government budgets by putting underutilized vacant land back on the tax rolls. Spreading facility operation and maintenance costs among more residents and businesses ultimately reduces costs for individual city taxpayers.<sup>3</sup> In regard to housing, infill developments are great for smaller families because they can offer more affordable and lower maintenance housing choices. This is especially important in an era where fewer and fewer households can afford the average-priced home. Convenient in-city housing also offers time and transportation cost savings.<sup>4</sup> However, some barriers exist, including crime and the perception of crime, barriers in municipal development approval process, disjointed school districts, and difficulties in obtaining financing due to a lack of comparable projects to use for appraisals.<sup>5</sup>

### **Strategies/How to**

According to the Municipal Research and Services Center of Washington, an infill development project will be successful if the community approves, supports, and benefits from the project. It also must be attractive and profitable for private sector developers to produce infill development. Secondly, there should be cooperation between public officials and representatives from neighborhood organizations, non-profits, private developers and financial institutions revitalizing infill development to occur. Public officials must identify areas where the best opportunities exist for infill development that reinforces community objectives for future growth.<sup>6</sup> In addition, the areas should fill the existing gaps in the community's needs, which include, but are not limited to, affordable housing, security, convenient access, services and other qualities. It is essential to work with the development community to target the housing needs of smaller "non-traditional" family households, such as single parents or childless couples who are more likely to be attracted to close-in housing. It is necessary to identify stakeholders and form a task group or steering committee that is capable of representing the community's various points of view and working together toward a common agenda. Stakeholders may include: local government representatives, neighborhood organizations,

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<sup>3</sup> Ibid

<sup>4</sup> Ibid

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"Best Practices Paper #5: Growing Smarter Implementation Project Infill Development." 2003.

<http://www.azmag.gov/Documents/pdf/cms.resource/Infill-development49065.pdf>

<sup>6</sup> "Infill Development, Strategies for Shaping Livable Neighborhoods."1997.

<http://www.mrsc.org/publications/textfill.aspx#E9E5>

property owners, realtors, home builders and commercial developers, bankers. Such stakeholders must be educated about the benefits of infill development.<sup>7</sup>

It is essential to prioritize the infill parcels according to their development potential and their importance for achieving community objectives. Evaluation measures might include the size of parcel, configuration of parcel, size, condition, quality, and value of existing structures, character of the neighborhood, dynamics of real estate market, infrastructure, surrounding amenities and support services.<sup>8</sup>

Some locations, such as transit corridors, or locations near employment, convenient shopping, and recreational or cultural amenities, will greatly enhance infill success. Infill development success is also enhanced when it is done in a manner that reinforces land use patterns and policy directions. The site plan should incorporate similar elements to enhance compatibility with the surrounding community such as:

- Sidewalks that connect to the adjacent sidewalk system,
- Public streets that connect to the adjacent street pattern and that are designed to discourage speeds and volumes that impede pedestrian activity and safety,
- Preservation of architecturally significant structures whenever feasible,
- Street furniture, lighting and landscaping that is primarily oriented to pedestrian use,
- Setbacks, building envelopes, use and parking compatible with surrounding community, and
- All new buildings (except accessory structures) shall have the primary entrance oriented to the street or public walkway, with direct, barrier-free and convenient pedestrian connections.<sup>9</sup>

## Case Studies

In 1995, the City of Phoenix launched an infill housing program to encourage urban development. Problems encountered included negative views of inner city crime, poor public schools, and higher development costs.<sup>10</sup> In Phoenix's case, higher development costs came from retrofitting existing infrastructure. The city found it difficult to convince people to move from suburban areas to urban infill development, even though it is more efficient and fiscally responsible. To incent infill development, Phoenix gave fee waivers of up to \$2,250 per home.

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<sup>7</sup> "Infill Development Program." n.d. [http://www.dca.state.ga.us/intra\\_nonpub/Toolkit/Guides/InfilDevtProg.pdf](http://www.dca.state.ga.us/intra_nonpub/Toolkit/Guides/InfilDevtProg.pdf)

<sup>8</sup> Ibid

<sup>9</sup> "Infill Development." n.d. [http://www.dca.state.ga.us/intra\\_nonpub/Toolkit/Guides/InfilDevtProg.pdf](http://www.dca.state.ga.us/intra_nonpub/Toolkit/Guides/InfilDevtProg.pdf)

<sup>10</sup> [http://0-go.galegroup.com.libcat.lafayette.edu/ps/retrieve.do?sgHitCountType=None&sort=DA-SORT&inPS=true&prodId=AONE&userGroupName=east55695&tabID=T002&searchId=R4&resultListType=RESULT\\_LIST&contentSegment=&searchType=BasicSearchForm&currentPosition=1&contentSet=GALE%7CA74643769&&docId=GALE|A74643769&docType=GALE&role](http://0-go.galegroup.com.libcat.lafayette.edu/ps/retrieve.do?sgHitCountType=None&sort=DA-SORT&inPS=true&prodId=AONE&userGroupName=east55695&tabID=T002&searchId=R4&resultListType=RESULT_LIST&contentSegment=&searchType=BasicSearchForm&currentPosition=1&contentSet=GALE%7CA74643769&&docId=GALE|A74643769&docType=GALE&role)

The waivers covered building plan review, water and sewer development fees as well as a fence permit, if needed.<sup>11</sup> Even with plenty of incentives in place, the city had modest goals for infill development. While 5,200 homes were being built outside of central Phoenix, the mayor considered a year with 50 infill homes constructed a success.

Still, examining Phoenix's infill housing program shows how successful government incentives can be. Developers are hesitant to begin infill projects. Their concern lies in profit margins. During Phoenix's infill program, developers raised concerns that the average infill home would only bring a 4 percent profit margin, while higher margins were more easily available on the city's outskirts. Through subsidies and fee waivers, however, the City of Phoenix was able to boost profit margins to 7 percent. This profit increase left builders more interested in development.<sup>12</sup>

### **Sample Policies or Legislation**

The Washington Growth Management Act of 1990 (GMA) requires that most counties in the state of Washington, in cooperation with cities, designate urban growth areas (UGAs). UGAs include cities, lands already characterized by urban growth, and, if necessary, additional lands adjacent to such lands. Urban growth is not permitted outside of UGAs. By reducing the supply of land that can be developed in urban uses, the GMA minimizes competition from outlying areas and enhances infill prospects. GMA goals for reducing sprawl, encouraging affordable housing and a variety of residential densities, assuring adequate facilities and other goals also strengthen infill prospects. The GMA planning process is intended to develop consensus and provide clear guidelines about what development is appropriate in a community long before individual applications are considered. The process, which promotes citizen involvement and development of a shared vision, can reduce neighborhood opposition when projects are consistent with community goals.<sup>13</sup>

However, because most times it is left to the city to decide what regulations or policies should be used for infill development projects, the following Model Infill Ordinance, created by the Maryland Department of Planning, sets an example of what an ordinance may look like. First, the intent of the project should be clearly stated. It should include, but is not limited to, the following criteria:

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<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

<sup>13</sup> "Infill Development, Strategies for Shaping Livable Neighborhoods." 1997. <http://www.mrsc.org/publications/infill1.pdf>

- Accommodate growth by encouraging and facilitating new development on vacant, bypassed and underutilized land within areas that already have infrastructure, utilities, and public facilities, while addressing the needs of residents;
- Stimulate economic investment and development in older established communities;
- Provide developers and property owners with flexibility so that they can achieve high quality design and develop infill projects that strengthen existing communities;
- Create a high quality community environment that is enhanced by a balanced compact mix of residential, commercial, recreational, open space, employment and institutional uses and building types;
- Implement the goals, objectives, and policies of the comprehensive plan, or the small area plan; and
- Encourage compact development that is pedestrian-scaled and, if applicable, transit-oriented.<sup>14</sup>

Next, general requirements should be established from the onset. The site plan should incorporate the same elements as mentioned above that will enhance compatibility with the surrounding community, such as:

- Sidewalks that connect to the adjacent sidewalk system;
- Public streets that connect to the adjacent street pattern;
- Preservation of architecturally significant structures whenever feasible;
- Street furniture, lighting and landscaping that is primarily oriented to pedestrian use;
- Setbacks, building envelopes, use and parking compatible with surrounding community; and
- All new buildings (except accessory structures) shall have the primary entrance oriented to the street or public walkway, with direct, barrier-free and convenient pedestrian connections.<sup>15</sup>

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<sup>14</sup> "Models and Guidelines for Infill Development." 2001.

[http://planning.maryland.gov/pdf/ourproducts/publications/modelsguidelines/infillfinal\\_1.pdf](http://planning.maryland.gov/pdf/ourproducts/publications/modelsguidelines/infillfinal_1.pdf)

<sup>15</sup> Ibid

In addition, there should be an exemplary site design, architectural design and high quality materials that are compatible with, and does not negatively alter the character of, the existing neighborhood. This should include:

- Building Size, Height, Bulk, Mass, Scale - Similar in height and size or articulated and subdivided into massing that is more or less proportional to other structures in the area, and maintains the existing architectural rhythm;
- Building Orientation - Primary facades and entries face the adjacent street with a connecting walkway that does not require pedestrians to walk through parking lots or across driveways;
- Privacy - Optimize privacy of residents and minimize infringement on the privacy of adjoining land uses by considering the placement of windows and door entrances, and create opportunities for interactions among neighbors in common pedestrian circulation areas of the project; and
- Building materials shall be similar to materials of the surrounding neighborhood or use other characteristics such as scale, form, architectural detailing, etc. to establish compatibility.<sup>16</sup>

Finally, there should be a design for flexibility for the number of parking spaces that will be considered if the project is pedestrian-oriented and serviced within one-quarter mile by a transit stop. This can include, but is not limited to the following:

- Parking for private automobiles provided based on safety, convenience, pedestrian and vehicular circulation, and proximity of public parking and public transportation;
- Combination of off-street and on-street spaces. On-street parking is encouraged;
- Shared parking is encouraged;
- Sub-grade single garages may be allowed at the front of the building, subject to local design standards;
- As is practicable, at-grade off-street parking areas should be located at the rear of the dwelling, with alley access;
- All parking spaces should be shown on the site plan;
- Bicycle spaces should be provided for commercial/employment and mixed-use projects;

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<sup>16</sup> Ibid

- Parking requirements can be waived where ample public parking is available in close proximity.<sup>17</sup>

Overall, the plan should be internally and externally compatible with existing and planned land uses in the area, planned public facilities should be adequate to service the proposed development, and the plan should be consistent with the purposes and provisions of the Smart Growth Areas Act and other applicable Smart Growth legislation.<sup>18</sup>

### **Definition of Frequently Used Terms**

*Smart Growth* - Building urban, suburban and rural communities with housing and transportation choices near jobs, shops and schools. Smart Growth supports local economies and protects the environment.

*Mortgage Revenue Bond* - A type of tax-exempt industrial development bond offered by state and local governments through housing financing agencies.

*Tax Increment Financing (TIF)* – A public financing method used as a subsidy for redevelopment, infrastructure, and other community improvement projects in many countries, including the United States. TIF is a method to use projected future gains in taxes to justify current improvements intended to create the conditions for the projected gains.

*Write Down:* Reducing the book value of an asset because it is overvalued compared to the market value.

### **Resources**

Many local jurisdictions may make private developers aware of specific funding for projects like a housing development.<sup>19</sup> Another way to reduce infill costs is through public land assembly and land price write-downs, or below-market financing through mortgage revenue bonds. Additionally, major lenders and Government Sponsored Enterprises (GSEs) may include procedures that recognize and further smart growth–infill techniques in their appraisal process guidelines. Many lenders already have such mechanisms in place for fair housing and other concerns. The public sector can also promote innovation in appraisals by providing information on pending public infrastructure improvements, parallel private investments, and other data needed in making accurate predictions crucial to the income approach to estimate value.<sup>20</sup>

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<sup>17</sup> Ibid

<sup>18</sup> Ibid

<sup>19</sup> Ibid

<sup>20</sup> Ibid

In many parts of the country, Tax Increment Financing (TIF) has become a way to finance infill or redevelopment areas. The typical TIF method works by temporarily freezing the tax base at the pre-development level within a defined district. Property owners pay taxes while the TIF district is in effect. A city then makes public improvements to the surrounding area, in anticipation of attracting additional private investment. If private development occurs, tax revenues will increase above base level. Existing properties increase in assessed valuation and new developments generate new tax revenues producing the tax increment. The tax increment is earmarked to finance selected improvements within the TIF district, rather than going to a community's general fund or to other taxing entities. Typically, a community will sell tax increment bonds at the initiation of the district so that funds are available to finance initial expenses such as infrastructure or land assembly. Annual increment revenues are then used to retire the bonds. Alternately, improvements can be financed on a pay-as-you-go basis from annual tax increment revenues. The successful experience with TIF suggests that it may be a tool worth pursuing.<sup>21</sup>

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<sup>21</sup> "Infill Development, Strategies for Shaping Livable Neighborhoods." 1997. <http://www.mrsc.org/publications/infill1.pdf>