Inclusionary Zoning

Study Item: Housing Affordability

OFFICE OF LEGISLATIVE RESEARCH AND GENERAL COUNSEL

Political Subdivisions Interim Committee

May 18, 2021

What Is Inclusionary Zoning?

“Inclusionary zoning requires or incentivizes private developers to designate a certain percentage of the units in a given project as below market rate (BMR)—cheaper than their value on the market, and often less than the price of producing them.”

Source: Bloomberg CityLab

Mandatory or Voluntary

City **requires** developers to sell or rent 10 percent of new residential units in a project to low-income or moderate-income residents.

City **offers incentives**, such as density bonuses or reduced parking requirements, for developers who reserve a certain percentage of units for low or moderate-income residents.

Ability to Opt-Out

Developer pays in-lieu fees to the city, which then uses the funding to build affordable housing units

Developer creates affordable housing units off-site in a different project

Inclusionary Zoning in Utah

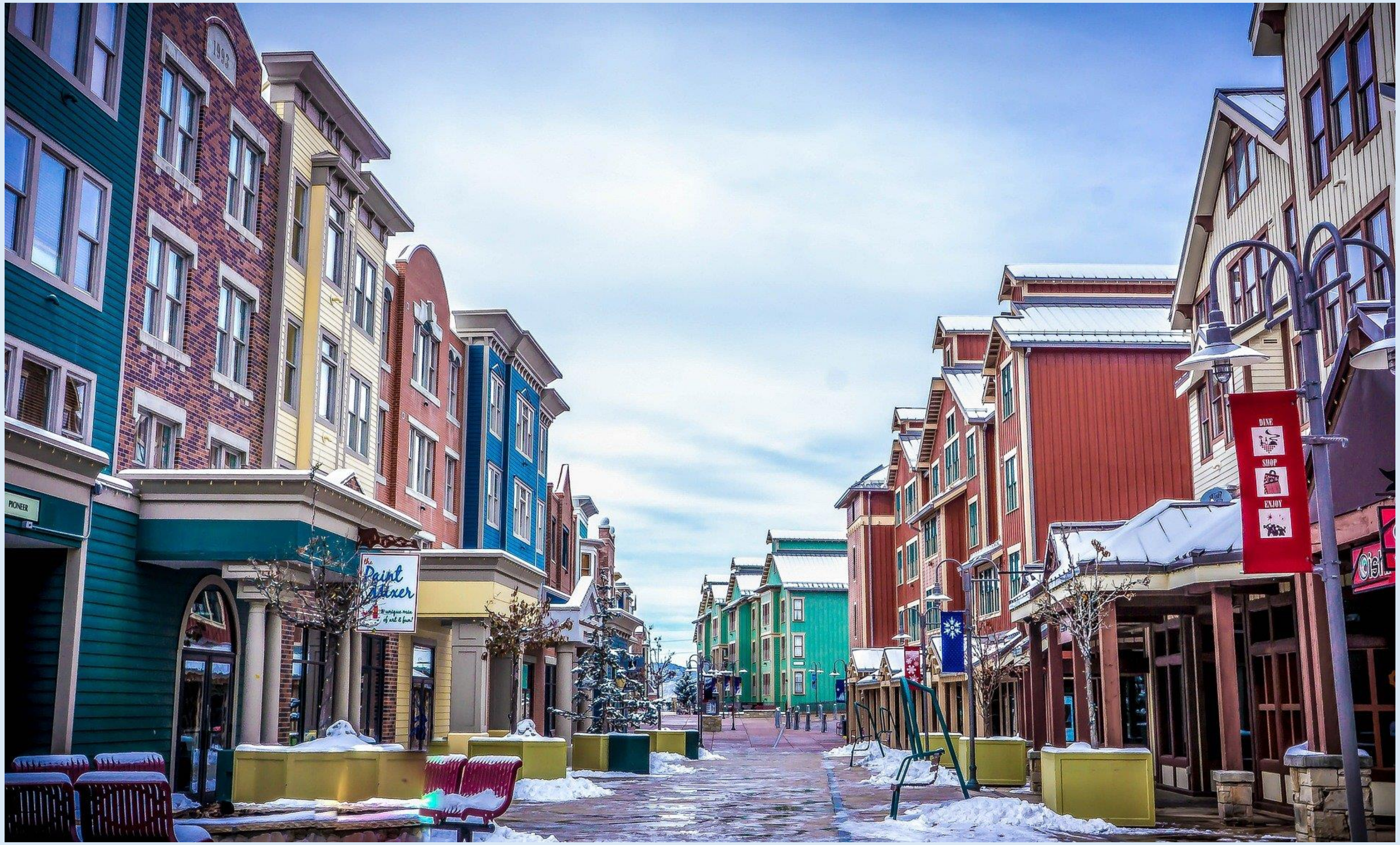

Image by [Michelle Raponi](#) from [Pixabay](#) , click [here](#) to view Park City's Resolution

15% of the total residential units constructed

Actions in Other States

Nebraska required housing action plan for cities of 50,000 +

California amended Density Bonus Law

Washington encouraged additional actions at the local level, including density bonuses

Cities report annually

Hawaii required implementation plan for ALOHA program

11 states preempted or limited local governments’ ability to adopt inclusionary zoning

References

Jacobus, Rick. 2015. "Inclusionary Housing: Creating and Maintaining Equitable Communities." Cambridge: Lincoln Institute of Land Policy.

Ramakrishnan, Kriti, Mark Treskon, and Solomon Greene. 2019. "Inclusionary Zoning: What Does the Research Tell Us about the Effectiveness of Local Action?" Washington D.C.: Urban Institute.

"Inclusionary Housing: the Basics." National Housing Conference.

Legislation in Other States:

2019 CA A 2345

2019 HI H 820

2019 NE L 866

2019 WA H 2343