Inclusionary Zoning
Study Item: Housing Affordability

Office of Legislative Research and General Counsel

Political Subdivisions Interim Committee
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“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
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

15% of the total residential units constructed

Image by Michelle Raponi from Pixabay, click here to view Park City's Resolution
Nebraska required housing action plan for cities of 50,000 +

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

Hawaii required implementation plan for ALOHA program

California amended Density Bonus Law

Cities report annually

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


“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