

# Inclusionary Zoning

## In a Nutshell

Inclusionary Zoning (IZ) is a tool that requires or encourages developers to make a percentage of housing units in new residential developments available to low-and moderate-income households. In return, developers receive incentives or development rights in the form of density bonuses, zoning variances and/or permits that decrease construction costs. IZ broadens the supply of affordable housing and encourages mixed-income communities.

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## The “How To”

[PolicyLink](#) is a leading advocate for inclusionary zoning. See Policylink's [Development Toolkit](#) on Inclusionary Zoning (IZ).

IZ are either “mandatory” or “voluntary” in their requirements.

**Mandatory-** requires developers to build affordable units in exchange for various incentives, which can include development rights or density bonuses. This method, although met with some resistance from developers, has produced more affordable units than the alternative.

**Voluntary-** allows developers the opportunity to “opt-in” in exchange for incentives.

## Planning & Zoning

The American Planning Association produced this [model inclusionary zoning ordinance](#). The ordinance includes the following sections:

- Definitions
- Procedures for review of affordable housing developments
- A requirement that the developer enter into agreements to ensure that he is building affordable housing units
- Designate an officer or review panel to review affordable housing development plans
- Enforcement provisions.

The actual ordinance starts on the second page. The City of Minneapolis has implemented [inclusionary zoning requirements](#).

## Dollars & Cents

Costs are going to vary depending on a number of variables, but are usually rolled in to development incentives. Research is being compiled on best practices. Please check back soon.

## Measuring Success

One of the OneSTL performance indicators is Housing Choice, which is measured by the percent of census tracts with housing stock at a variety of price points for owners and renters. The desired trend is for the percentage to go up. Another relevant indicator is Housing Affordability, measured as a percentage of renter units and owner units affordable to households earning 80% of HUD area median family income. The 2010 baseline was %33.1, and the desired trend is for the percentage to go up. Successful inclusionary zoning should help move both performance indicators in their desired direction.

## **Discover More**

The Innovative Housing Institute promotes providing quality affordable housing in communities throughout the nation, mostly through Inclusionary Housing (or inclusionary zoning). This [site](#) includes a variety of educational resources for IZ.

The [Non-Profit Housing Association of Northern California](#) is the collective voice of those who support, build and finance affordable housing.

[Massachusetts Housing Partnership](#) champions new financing tools and new local strategies for the development of affordable housing in Massachusetts.

## **Case Studies**

### **Affordable Housing Ordinance - Highland Park, Illinois**

#### **Description**

Highland Park (suburb of Chicago) Affordable Housing Ordinance. Click here for the [ordinance](#).

### **Illinois Affordable Housing Planning and Appeal Act**

#### **Description**

Illinois Affordable Housing Planning and Appeal Act, 310 Ill. Comp. Stat. 67/1 et seq. (2004) For more information about the Act, [click here](#).