

What is inclusionary zoning?

Inclusionary zoning (IZ) requires developers to make a percentage of housing units in new residential developments available to low- and moderate-income households. In return, developers receive non-monetary compensation-in the form of density bonuses, zoning variances, and/or expedited permits-that reduce construction costs. By linking the production of affordable housing to private market development, IZ expands the supply of affordable housing while dispersing affordable units throughout a city or county to broaden opportunity and foster mixed-income communities.

Inclusionary zoning, sometimes called "inclusionary housing," can take many forms. Some IZ programs are mandatory, while others are voluntary or incentive-driven. Some jurisdictions require developers to construct affordable units within the development, while others allow affordable units to be constructed in another location. Some require developers to build the units, while other communities allow developers to contribute to an affordable housing fund.

Inclusionary zoning is a flexible strategy and has the potential of meeting a community's affordable housing needs. IZ has become a common tool in California, Massachusetts, New Jersey, Colorado, and the DC Metropolitan Area, as well as other cities like Santa Fe, New Mexico and Burlington, Vermont. More than 170 jurisdictions employ inclusionary zoning in California alone.

Once common only in suburban jurisdictions, IZ programs are increasingly adopted by urban communities. Generally, IZ policies have been most effective in areas that are experiencing growth, since affordable units are only generated if private residential development is occurring in the community.

Helpful Links with information on inclusionary housing:

California Coalition for Rural Housing: www.calruralhousing.org

Greenbelt Alliance: www.greenbelt.org

Homebuilders Association of Northern California: www.hbanc.org

League of California Cities: www.cacities.org

Non-Profit Housing Association of Northern California: www.nonprohousing.org

Policy Link: www.policylink.org

For more information and to view the City of San Jose's current inclusionary housing policy please visit: <http://www.sjredevelopment.org/housing.htm>

Questions or comments? Please email: inclusionarystudy@sanjoseca.gov