

Inclusionary Zoning



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Inclusionary zoning is a mechanism to generate affordable housing through a community's zoning code. Inclusionary Zoning programs either require or incentivize housing developers to set aside a portion of their residential development's units as affordable housing in ways that are both environmentally and economically appropriate.

Inclusionary zoning programs were first introduced in 1975. Maryland's Montgomery County was one of the first to adopt one and serves as a national model, having produced about 11,000 affordable units in the program's 25-year history. Inclusionary zoning programs are now in use in hundreds of communities throughout the U.S. California, Massachusetts and New Jersey each have statewide inclusionary zoning programs. In addition, numerous large cities such as Boston, Chicago, Denver, San Diego, and San Francisco all have mandatory inclusionary zoning laws in place that require affordable housing be built when an area is rezoned.

The Basics of IZ:

Inclusionary zoning programs vary by municipality and have many different elements that impact how effective they are. These elements include:

- Whether the program is voluntary or mandatory (or "guaranteed");
- What income levels qualify as "affordable";
- What percentage of units must be set aside as affordable;
- Whether developers can receive any additional subsidies;
- How long the units must remain affordable;
- The size of the developments that qualify for the program;
- And whether the affordable units must be built onsite, or if the developer has the option to either build them off site or not build them at all and instead pay a fee into a housing fund.

What Are the Advantages of Inclusionary Zoning?

- Can generate a significant number of affordable housing units.
- Fosters economic integration by promoting a mix of affordable and market-rate housing;
- Slow the effects of gentrification by promoting the creation of affordable housing

Mandatory Inclusionary Zoning would benefit more people in more neighborhoods

Under current policy, since 2005 the affordable housing units built through Inclusionary Zoning represents only 2% of all multifamily housing (4+ units) built citywide. The majority of the affordable units are concentrated in just two developments, but on average, only 6% of new units in Inclusionary Zoning developments were affordable. A guaranteed inclusionary zoning

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policy could generate 4,000 affordable units per year (approximately 32,000 units over 8 years), instead of the current 400 per year.

ANHD calls for a Mandatory Inclusionary Zoning law for NYC where:

- All large and medium sized developments in the City would be required set aside affordable housing units without accessing subsidies.
- Developers who seek subsidies could be required to build more affordable units or make housing affordable at lower-income levels.
- The affordable housing would be permanently affordable and would not expire or transition to market-rate housing