

Inclusionary zoning overview

Inclusionary zoning (IZ) policies create dedicated affordable housing units by requiring or encouraging developers to include a specified share of below-market units as part of market-rate rental or homeowner developments.

IZ policies leverage the private market, generally allowing new affordable units to be created with little or no public subsidy. Depending on how an IZ policy is structured, IZ can also be an effective way to ensure that affordable units are integrated throughout the community, including in low-poverty neighborhoods and resource-rich areas near public transportation, good schools, and high-quality healthcare.

Because the creation of affordable units through an IZ policy depends on the development of market-rate housing, this approach is most likely to yield a significant amount of affordable housing in markets with a robust level of construction activity (or where new development is anticipated). IZ policies work best when they are tailored to the development realities of the city or county to which they apply and regularly revisited to ensure they keep pace with changing market circumstances.
