

1) Mukhija, V., Regus, L., Slovin, S. and Das, A. (2010). Can Inclusionary Zoning Be An Effective And Efficient Housing Policy? Evidence From Los Angeles and Orange. Journal of Urban Affairs, 32: 229-252. [\[LINK TO DOCUMENT\]](#)

a. Analysis:

- i. Evaluated the experience of inclusionary zoning programs in Los Angeles and Orange Counties, including their structure and elements, effectiveness in delivering affordable housing, and effect on housing markets and supply.

b. Key takeaways:

- i. In-lieu fees, if they are set too low or if they are inappropriately and irregularly revised to match market appreciations and cost escalations, can be the weak link in inclusionary zoning programs.
- ii. Critics underestimate the affordable housing productivity of inclusionary zoning, and overestimate its adverse effects on housing supply.

c. Findings:

- i. Of the existing inclusionary zoning programs in Los Angeles and Orange Counties they have successfully, albeit modestly, added to their affordable housing stock. (This paper predates the establishment of the Transit Oriented Communities Program, its associated inclusionary requirements and bonus and incentive structure in Los Angeles.)
- ii. Found no statistically significant evidence supporting the purported negative effects of inclusionary zoning on housing supply.
- iii. Analysis indicates that voluntary programs are less likely to be effective in delivering affordable housing. The authors recommend mandatory programs.
- iv. Low in-lieu fees hurt inclusionary programs and reduce their effectiveness. Recommend that in-lieu fees be set close to the cost of construction of a housing unit, or the cost of keeping a market-rate unit affordable and be updated consistently.

2) Rosen, D. (2004). Inclusionary Housing and its Impact on Housing and Land Markets. NHC Affordable Housing Policy Review, Vol.3. Iss.1 [\[LINK TO DOCUMENT\]](#)

a. Analysis:

Inclusionary Housing Literature Review

- i. Compiled data over a 20-year period using several cities in CA.
 - ii. Examined annual new construction residential building permits for 28 cities with and without IHO located in LA, Orange, SD, SF and Sacramento counties.
- b. Key Takeaway:
 - i. Writes that external factors outside of the inclusionary program may affect the production of housing. Unemployment rates could have affected the production.
- c. Findings:
 - i. Of the jurisdictions surveyed with an inclusionary housing program, they are not associated with a negative effect on housing production. In the cities of San Diego, Carlsbad, and Sacramento, housing production increased dramatically after the passage of an inclusionary housing ordinance, although there is no evidence of a causal link.
 - ii. There is an inverse relationship between unemployment rate and housing production. As unemployment increases, housing production decreases.
 - iii. If development costs increase, land buyers and sellers may be reluctant to make a sale/purchase, and land prices will react accordingly.

3) Sturtevant, A. L. (2016). Separating Fact from Fiction to Design Effective Inclusionary Housing Programs. Center for Housing Policy. [\[LINK TO DOCUMENT\]](#)

- a. Analysis
 - i. Thematic research review examining literature to determine effects of IZ (inclusionary zoning) and identifies the factors associated with successful inclusionary housing programs.
- b. Findings:
 - i. Literature on IZ is inconclusive and varies in terms of research approaches because market and housing conditions vary from place to place. Posits that local economic and housing market conditions are a greater indicator at determining if IZ will be successful.
 - ii. Housing Production
 - 1. IZ programs can produce affordable housing and don't lead to an overall decline in housing production or increase in housing prices.

Inclusionary Housing Literature Review

2. IZ programs do produce lower income housing but it's hard to determine which affordable housing units were produced as a result of the inclusionary housing rather than other compliance options such as in-lieu fees.
 3. It's estimated that as of 2010, there have been between 129,000-150,000 affordable housing units produced nationally as a result of IZ programs.
 4. Variability across jurisdictions isn't accounted for in research but affordable housing units are produced.
- iii. Effect on Market
1. The effects of IZ programs are mixed in terms of the effects that the inclusionary housing program has on the overall supply of housing and market prices.
 2. Generally, there is modest to no impact on housing supply on housing prices.
 3. When inclusionary housing programs are weak, they tend to increase the rental prices in the jurisdictions examined.
 4. Cities in CA which had inclusionary programs didn't experience a significant reduction in single-family housing production but multi-family production increased significantly in cities with IZ programs compared to those without. Single family home prices went up 2.2% whereas in higher markets the prices increased up to 5%.

4) Powell, B., & Stringham, P. E. (April 2004). Housing Supply and Affordability: Do Affordable Housing Mandates Work? Reason Foundation Policy. 318: 1-45, Los Angeles: Reason Public Policy Institute. [\[LINK TO DOCUMENT\]](#)

a. Analysis

- i. To determine how production of housing was affected by IZ policy, Powell et al. examined Construction Industry Research Board yearly housing permit data for single and multifamily dwellings to determine the average construction of housing pre and post adoption of an IHO.
- ii. 45 cities included in the sample.

b. Findings

- i. Housing production

Inclusionary Housing Literature Review

1. Found that IZ (inclusionary zoning) not only increased housing prices, but there was also a decrease in housing production.
 2. Based on the 45 cities examined, production fell by 31% the year after an IHO was adopted. Of the 45 cities examined, the year prior to an IHO there were 9,618 units produced which fell to 6,636 units following the IHO.
 - ii. Effect on the market
 1. Landowners and market rate buyers will subsidize the cost of the units which will make housing less affordable and will decreased overall supply.
- 5) **Powell, B. & Stringham, P. E. (June 2004). Housing Supply and Affordability: Do Affordable Housing Mandates Work? Reason Foundation Policy. 320: 1-26** [\[LINK TO DOCUMENT\]](#)
- a. Analysis:
 - i. Cities evaluated in the study
 1. Agoura Hills, Brea, Huntington Beach, Irvine, Laguna Beach, Long Beach, Monrovia, Pasadena, Rancho Palos Verdes, San Clemente, San Juan Capistrano, Santa Monica and West Hollywood.
 - b. Findings:
 - i. Unit production
 1. Found that of the 13 LA and OC cities which have an IHO, they produced 6,379 with 70% of the units being produced in Irvine in part due to a lawsuit requiring that they produce affordable housing units.
 2. The average jurisdiction with inclusionary zoning produces only 34 inclusionary units each year since adoption of its inclusionary zoning requirement.
 - ii. Effect on market
 1. Articulates that IZ affects the market-rate housing by making it more expensive and that the cost of IZ will be borne by a combination of market-rate homebuyers, who will in part be subsidizing the affordable units; landowners, who will be limited at what they can sell their land/property at; and builders, who will lose out on profit from the affordable units.

Inclusionary Housing Literature Review

2. Found that new housing drastically decreased the year after cities adopted IHO. For the 13 years evaluated within, the average production of housing fell the year following the adoption of IHO. Posits that IZ drives away builders because they will develop in cities that do not have IZ.
- iii. Price controls on new development lower assessed tax values, thereby costing state and local governments lost tax revenue each year.

6) Schuetz, J. & Meltzer, R., & Been, V. (2009). 31 Flavors of Inclusionary Zoning: Comparing Policies From San Francisco, Washington, DC, and Suburban Boston. Journal of The American Planning Association. 75: 441-456. 10.1080/01944360903146806. [\[LINK TO DOCUMENT\]](#)

a. Analysis

- i. Examined the prevalence, structure, applicability, and affordable housing production of IZ programs in San Francisco and Washington, D.C., metropolitan areas and the Boston-area suburbs.
 1. Articulates differences between the differences across the programs to determine market effects on housing production and areas of improvement.

b. Findings

- i. In the San Francisco region, they found that there were no impacts on housing production or prices after implementation of IHO. Between the years 1980 through 2006, the San Francisco region produced over 400,000 building permits, 2.3% of which were affordable units created by the IHO.
- ii. Within the Boston area, they found a decline of 10% in new housing production and a modest increase of 1.4% in housing prices.
- iii. Found no relationship between the program design and outcomes except for those programs which have been implemented for a longer period of time.