

Inclusionary Housing: Creating and Maintaining Equitable Communities

By Rick Jacobus

From Seattle to San Francisco to Chicago to Portland, Maine, debates are raging over inclusionary housing—the requirement that developers reserve a percentage of new residential development as affordable. Some say the policy discourages development—or, in an argument that could reach the Supreme Court, that it threatens property rights. Meanwhile, New York City Mayor Bill de Blasio faces dual criticisms that his inclusionary housing proposal goes too far, or not far enough.

This new report by Rick Jacobus, *Inclusionary Housing: Creating and Maintaining Equitable Communities*, separates myth from fact, charting a path forward for policy makers and showing how inclusionary housing can be used effectively to reduce economic segregation.

“In hot-market cities, skyrocketing housing prices push middle-class and low-income residents far away from well-paying jobs, reliable transportation, good schools, and safe neighborhoods,” says Lincoln Institute President and CEO George W. McCarthy. “Inclusionary housing alone will not solve our housing crisis, but it is one of the few bulwarks we have against the effects of gentrification—and only if we preserve the units that we work so hard to create.”

Through a review of the literature and case studies, author Rick Jacobus of Street Level Urban Impact Advisors offers solutions for overcoming the

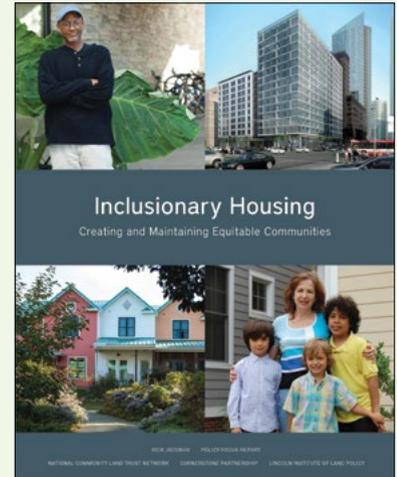
major political, technical, legal, and practical barriers to successful inclusionary housing programs.

“More than 500 communities have used inclusionary housing policies to help maintain the vibrancy and diversity of neighborhoods in transition, and we’ve learned much along the way,” Jacobus says. “Research shows that if programs are thoughtfully designed and implemented, they can be a valuable tool at a time when affordable housing is desperately needed.”

In particular, the report addresses the concern that inclusionary housing can impede new construction by making development less profitable. According to the report, many cities have avoided such impacts by allowing flexibility in how developers comply and offering incentives, such as the ability to build at greater densities.

Other key findings and recommendations in the report include:

- Rapid construction of market-rate housing actually fuels the need for more affordable housing by changing the character of neighborhoods.
- Inclusionary housing programs have been challenged in court, but programs can be thoughtfully designed to minimize legal risks.
- Follow-up in the form of enforcement and stewardship is critical. Some communities have created thousands of affordable homes, only to see them disappear after subsequent sales.



September 2015 / 64 pages / Paper / \$15
ISBN 978-1-55844-330-3
Policy Focus Report

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The Lincoln Institute has for many years developed strategies to support permanently affordable housing, including the establishment of community land trusts and other shared-equity arrangements. The effort is in recognition of the ongoing housing affordability crisis in many cities. Stratospheric rents and home prices in hot real estate markets are displacing longtime residents and changing the character of cities and neighborhoods. □

Rick Jacobus, a national expert in inclusionary housing and affordable home ownership, is the principal of Street Level Urban Impact Advisors (StreetLevelAdvisors.com). He was the founder of Cornerstone Partnership, and he currently serves as a strategic advisor to Cornerstone.