

Inclusionary Housing: A Legal Update

April 12, 2016

What is Inclusionary Housing?

- Also known as:
 - Inclusionary Zoning or I.Z.
 - Mixed Income Housing
- A policy that requires new housing development to include a percentage of affordable units



State Law and Court Cases

- Costa-Hawkins Rental Housing Act
- *Palmer/Sixth Street Properties v. City of Los Angeles* (2009)
- *California Building Industry Association v. City of San Jose* (2015)



Inclusionary Housing: For-Sale Units



- *San Jose*
 - Valid if “reasonably related” to a “legitimate public purpose”

Inclusionary Housing: Rental Units

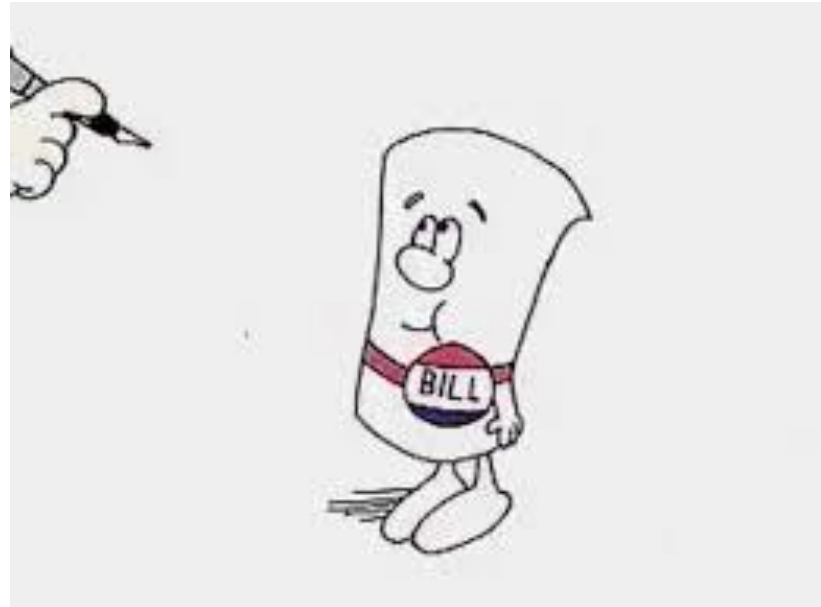
Palmer and the Costa-Hawkins Act

- Residential landlords may
 - “establish the initial rental rate for a dwelling unit”
 - Except where the owner has agreed by contract with city for financial assistance



Proposed Legislation

- AB 1229 (Atkins)
- AB 2502 (Mullin)



AB 1229

- 2013: Legislative response to the *Palmer* case
- Passed in the Senate with 52% in favor
- Passed in the Assembly with 51% in favor
- Vetoed by Governor Brown

AB 2502

- Also a legislative response to the *Palmer* case
- Introduced in February 2016

Public Counsel

Natasha Reyes

Attorney/Equal Justice Works Fellow

Community Development Project

nreyes@publiccounsel.org, (213)385-2977 x 182