



This paper studies the use of inclusionary zoning, a municipal tool for generating affordable housing from private residential development via the development approval process. Two cities, Vancouver, British Columbia and San Francisco, California, are similar west coast cities with a , 36 333.36 cm BT 50 0 0 50 436 0 Tm /F1.0 1 Tf (C)Tj ET Q q 7 1000 96.72 319.4401 cm BT 50 0 0 50735 0 1

Vancouver, on the other hand, has a much more flexible policy. The developer is only required to set aside land for affordable housing, while construction is financed with funds from the provincial government. As a result, only about half of the dedicated affordable units are built and the rest are waiting for funding from the provincial government. The city may accept in-lieu fees and/or reduce the inclusionary requirement if not enough funding is secured. Thus, unlike San Francisco, Vancouver has a more discretionary procedure, where the city negotiates the term