



SUPPORTING HOUSING ATTAINABILITY

Zoning Strategies and Approaches

Many current zoning requirements can limit housing affordability and attainability (modestly priced for-sale homes) by requirements for features that may not meet market demand, such as off-street parking. Zoning uncertainty and lengthy approvals processes also add to costs.

Exclusionary zoning laws that created and maintain segregation are common across the United States. They include provisions such as minimum lot size requirements and prohibitions on multifamily homes that limit opportunities to address the need for more housing.

Modernizing outdated zoning rules can set the stage for accelerated investment in development that supports housing affordability and attainability.

Common housing attainability goals of zoning updates include the following:

- **Allowing multifamily or “missing middle” homes in more areas** by eliminating zoning barriers,
- **Increasing housing affordability by removing excessive parking requirements,**
- **Promoting investment in affordable housing,** and
- **Allowing or encouraging accessory dwelling units.**

Examples of zoning reforms to promote housing affordability and attainability follow:

- **Comprehensive zoning overhauls** can lay the groundwork for developers to build more lower-cost housing through increased predictability of zoning requirements and/or incentives.
- **By-right zoning** potentially lowers the costs of development through streamlined approvals processes, thereby supporting increased housing affordability.
- **Overlays** can support equitable development strategies, including by requiring affordable or mixed-income housing.
- **Floating zones** can be used to plan for future needs, including affordable housing.
- **Zoning incentives** can be designed to expand and accelerate housing production and promote diversity of housing types (including mixed-income, attainable, and affordable units).

Zoning and Housing Affordability and Attainability

Allowing Missing Middle Housing

Action at the city and state levels has led to the elimination of exclusionary zoning provisions in certain jurisdictions to allow missing middle housing—a range of house-scale buildings with multiple units that are compatible in scale and form with detached single-family homes. Missing middle housing commonly encompasses duplexes, triplexes, and fourplexes.

Zoning that allows building multiple units on individual parcels can potentially play a role in reducing housing costs, because the costs of development are spread across multiple units.

Eliminating single-family zoning alone is unlikely to solve the nation's housing affordability crisis, but it may set the stage for complementary policies that reduce housing costs while also lessening racial segregation and associated disparities in health outcomes and economic opportunity.

Municipalities with recent policies to allow missing middle housing in areas formerly zoned for single-family-only development include Minneapolis; Portland, Oregon; Arlington, Virginia; and Decatur, Georgia. California, Maine, Oregon, and Washington have statewide policies.

As of 2022, the number of missing middle homes built in Minneapolis increased modestly, but the elimination of parking minimums citywide has so far played a more significant role in advancing increased development of smaller apartment buildings. As of 2023, Minneapolis's zoning update eliminating single-family zoning was paused because of a legal challenge.

“Single-family zoning is inherently exclusionary, but eliminating single-family zoning is not inherently inclusionary. Cities need to invest in affordable housing to make a significant impact.”

—Heather Worthington, managing consultant, Center for Economic Inclusion; former director of long-range planning, city of Minneapolis

PROFILE: Allowing Lower Parking Ratios by Right for Affordable Housing in Denver

In 2021, the Denver City Council approved a change to the city's zoning code that reduced minimum parking requirements for affordable housing developments. The change was made after a 2020 study showed the following:

- Income-restricted properties in Regional Transportation District (RTD) station areas currently provide 50 percent more parking than residents use.
- The cost to provide unused parking at RTD station areas is over \$9 million—roughly equivalent to the cost to build 40 units of affordable housing.

Specifically, the updated zoning included the following:

- Requiring only one parking spot for every 10 units for affordable housing developments; and
- Increasing the applicable area median income (AMI) from 40 to 60 percent.

Before the zoning change, evidence showed that affordable housing developments in Denver and across the United States could not move forward because of the high costs associated with providing unnecessary parking.

