Evanston Now

HOUSING

What if Evanston dropped single-family zoning?

by Matthew Eadie August 16, 2024



Envision Evanston 2045 might bring change to the city's residential zoning. Credit: Matthew Eadie

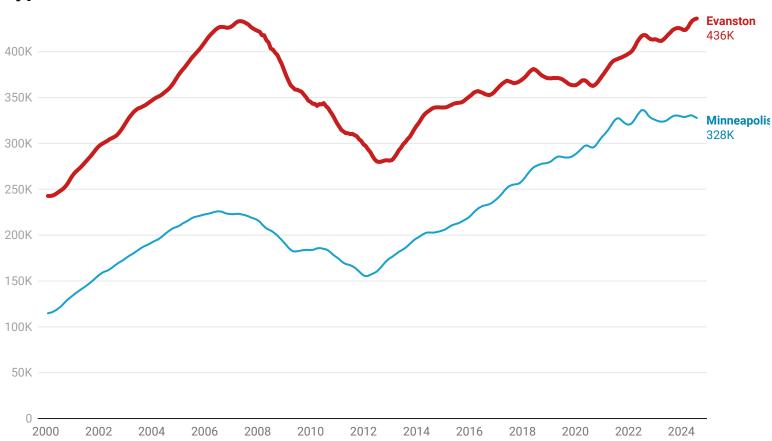
Among many "bold goals" outlined for the city's new comprehensive plan and zoning code, one of the most dramatic would "<u>encourage housing choice</u> by allowing duplexes, triplexes and fourplexes in all neighborhoods."

In other words — eliminate single-family zoning.

Under the city's current <u>complex zoning code</u>, less than half of the city's land is zoned for residential use, and more than three-quarters of that is restricted to single-family homes, according to a <u>preliminary findings</u> <u>report</u> for the comprehensive plan.

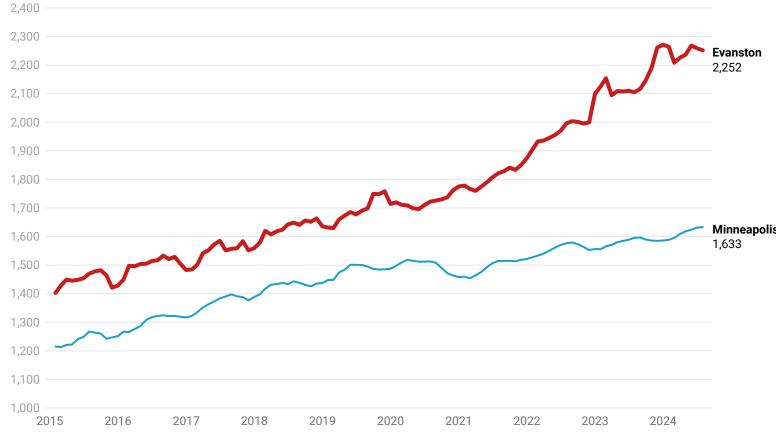
A few other cities, including Minneapolis, have eliminated single-family zoning rules in recent years as part of a package of zoning reforms.

And Minneapolis has achieved some success in the battle against soaring housing costs. Home values and monthly rents have risen less there in recent years than in many other cities — including Evanston.



Typical home values over time

Smoothed, seasonally adjusted, 35th to 65th percentile range, single family homes, condos, coops. Chart: Bill Smith / Evanston Now • Source: Zllow Home Value Index • Get the data • Created with Datawrapper



Typical monthly rent values over time

Smoothed, seasonally adjusted, 35th to 65th percentile range, homes, condos, multifamily. Chart: Bill Smith / Evanston Now • Source: Zillow Observed Rent Index • Get the data • Created with Datawrapper

But does eliminating single-family zoning get the credit? Or is it more the result of a boom in new large-scale developments with dozens of units in high density areas?

How Minneapolis did it

Minneapolis in 2018, adopted a new comprehensive plan called <u>Minneapolis 2040</u> that went into effect in 2020.

The plan set several goals to address affordable housing, one being the effort to "expand opportunities to increase the housing supply in a way that meets changing needs and desires," by "allowing more housing options, especially in areas that lack choice and areas with access to frequent and fast transit, employment, and goods and services."

Minneapolis 2040 was <u>caught up in court</u> after a lawsuit from an environmental group concerned with environmental effects of rapid development, <u>but in May this year</u> the state legislature protected the

comprehensive plan from legal challenges.

Despite the litigation, implementation of the plan began in 2020 along with zoning reforms that allowed for more multiunit developments in historically single-family neighborhoods.

But **reason.com** says Minneapolis' change has yet to appear as a glowing success.

"Housing production is up, and rents do indeed appear to be falling. But the effects of Minneapolis' particular means of eliminating single-family-only zoning, and allowing up to triplexes on residential land citywide, have been exceedingly modest," the <u>2022 article said</u>, adding that "Newly legal triplexes and duplexes make up a tiny fraction of new homes being built."

About half of duplexes, triplexes and fourplexes built in 2020 and 2021 (the years immediately after the plan went into effect) were permitted in zones that were formerly restricted to single-family homes, according to **data from the Federal Reserve Bank of Minneapolis**. In 2022, it was about 31%, or just four buildings.

When it comes to multifamily buildings with five or more units, including high-rise apartment buildings and large-scale developments, the city approved a record high 4,646 units in 2019, followed by three consecutive years of over new 3,000 units, mainly in the city's central, more densely populated areas, <u>according to</u> <u>Federal Reserve data</u>.

The single-family zoning elimination would not have impacted the approval of these housing structures, which now make up nearly 50% of the city's total housing stock, while the percentage of single-family homes in the city has decreased 7% in the past decade.

The Federal Reserve does estimate, however, that the city would've seen substantial housing growth even without the comprehensive plan and indicates that the "difference after 2020 is not currently statistically significant."

Across the board, though, Minneapolis has seen substantially higher growth in its housing stock with a 12% increase in total housing units from 2010 to 2020, <u>according to census data</u>. Evanston's <u>housing stock</u> has grown just 4% in that time.

Of course, Minneapolis is significantly larger than Evanston, with a total population of over 425,000 residents over nearly 60 square miles. But comparing how both cities are responding to the <u>growing housing crisis</u> isn't unreasonable, and the rapid growth of approved housing since their comprehensive plan is significant.



A triplex in southwestern Minneapolis built in 2023. The neighborhood was previously zoned for single-family only homes. Credit: Zillow.

It'll likely take years to learn how successful Minneapolis' policy will be, says Geoff Smith, executive director of the <u>Institute of Housing Studies at DePaul University</u>. "Development takes time to happen."

But what the data does show is while Minneapolis appears to be a success in growing their housing stock, it's the large-scale units that are really get the credit — at least for now.

But — can it solve affordability?

Solving the issue of affordable housing is about <u>more than just building more housing</u>, even if it's deemed "affordable," Smith said.

"I think the key thing that I think is important to consider is that new housing that's being developed is probably not going to be 'affordable' because its really hard to build affordable housing without subsidy," Smith added.

He said that the process of building new housing simply adds to the housing supply which could in theory turn drive prices down, but said it's a longer process that doesn't necessarily manifest right away.

"There's a process for the impact of that development to filter into the broader affordability of the area," he said, adding the importance and need of "naturally occurring affordable housing," or existing more affordable apartment buildings often deemed as "less desirable" than new high-rise apartment buildings or a bunch of shiny new duplexes.

Evanston of course, like Minneapolis, does have an **inclusionary housing ordinance** that requires a portion of most new large-scale developments to include "affordable" units or contribute to the city's affordable housing fund.

But building new duplexes, triplexes or fourplexes in Evanston's single-family neighborhoods doesn't necessarily mean they'll be affordable for buyers or renters.

It also remains unclear what areas of the city could see single-family zoning elimination, or if the plan is to eliminate single-family zoning city-wide.

But regardless, Minneapolis' recent history could be indicative of the fight Evanston might be in for in the coming months, when Envision Evanston is drafted, presented and undoubtedly fiercely debated.



mmirapaul August 16, 2024 at 11:53 am

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