

Is Zoning Reform Working? A Minneapolis Case Study

Introduction: Minneapolis was one of the first major US cities to eliminate single-family zoning, under the city's comprehensive plan—*Minneapolis 2040*. The plan adopted in 2019 was sparked after discourse surrounding the negative impact of the zoning type. With the goal of eliminating racial and ethnic disparities, the plan allows duplexes and triplexes in neighborhoods they were previously prohibited from. This article uses descriptive analysis to assess whether the city is meeting its goals by examining homeownership rates, housing affordability, and housing composition.

Background: Single-family zoning is a land use designation that restricts development to detached single-family homes (Planetizen). In recent years, it has drawn criticism for its discriminatory history, as it was used during early suburbanization to segregate communities, excluding low-income individuals and people of color from emerging suburban neighborhoods. In addition to its exclusionary origins, many planners and urban thinkers question its efficiency, as the sprawling nature of single-family homes limits density and restricts neighborhood growth. As housing demand continues to rise, this zoning type is being reconsidered in efforts to promote more inclusive and compact development.

Methodology & data: To understand the zoning change impacts, census tract data from the American Community Survey (ACS) 5-year estimate for Hennepin County, compared pre policy years (2015, 2018), to post policy years, (2020, 2022). Data were cleaned and aggregated on R. The data included:

- Homeownership rate: from ACS table (B25003), compares owner-occupied units to renter-occupied units for all four years.
- Housing affordability: As affordability was one of the city's goals, it measured median home value (B25077) median household income (B19013),
- Housing Units by type: The number of units by structures (B25024) were totaled and compared between 2015 and 2022.

Results:

Homeownership rate over time: As Figure 1. shows, homeownership in Minneapolis remained relatively steady, with a slight uptick post 2019. Although over 60% of households are owner-occupied, the modest post-2019 increase suggests that homeownership remains out of reach for many renters. It should be acknowledged that analyzing homeownership alone is not enough to suggest the zoning changes impact, as it could have been influenced by more dominant forces, housing supply in comparison to housing demand, thus much data was needed.

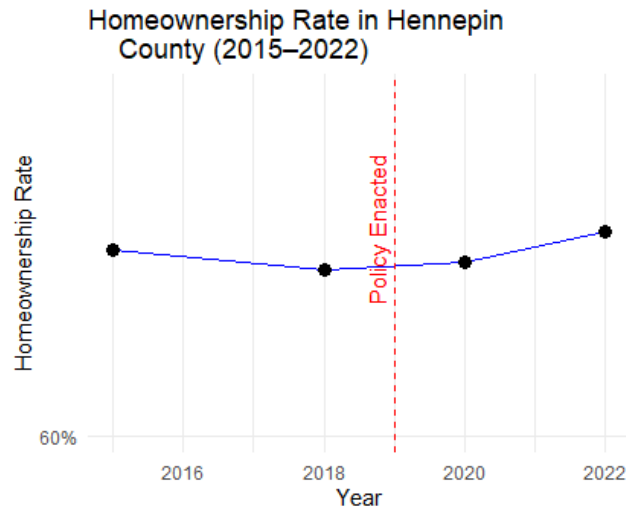


Figure 1. Homeownership rate in Hennepin County from 2015 to 2022 (Census data)

Housing affordability: Figure 2. Compares median household income to median home values, illustrating that home values still exceed income, despite modest income growth and slight declines in home values, home prices continue to outpace earnings, maintaining a significant affordability gap, making homeownership difficult for many first-time buyers.

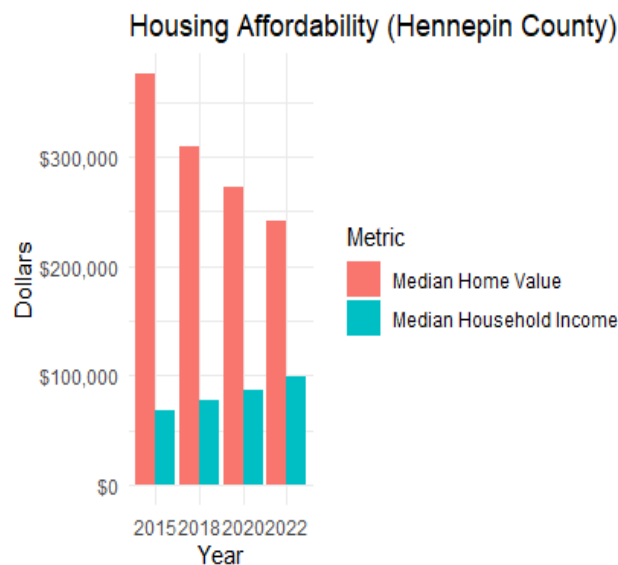


Figure 2. Median home value to median household income from 2015 to 2022

Housing Units by type: As figure 3. shows, between 2015 and 2022, single-family detached homes are still the dominant housing type. However, as the graph shows, there have been improvements in multi-family housing, i.e.: duplexes and small apartments—triplexes and fourplexes. While their shares are much smaller to the growth of single-family detached units, it shows early signs of active diversification of housing, allowed by the zoning change. The slow

growth can also be credited to construction times, and permit waits, as these developments take longer.

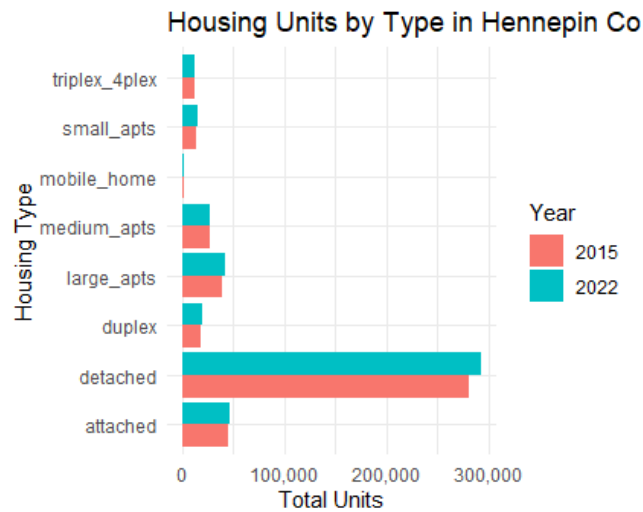


Figure 3. Housing Units by Type 2015 vs. 2022 in Hennepin County (Census data)

Conclusion & Policy Implementation: As single-family zoning has had decades long investment, it would be unrealistic and impossible to see a radical shift in Minneapolis’s housing within the 5–6 years since the zoning change. Changes such as this are slow and to ensure progress is being made, long-term research needs to be done. Policymakers can also create incentives promoting affordable multifamily housing, as well as fast pacing permits, to ensure that the city meets its reform goals. Additionally, developers should be held accountable, creating progress checks and measures ensuring an equitable amount of multifamily housing is developed in comparison to single family homes. Expanding access to local and state level housing grants to potential homebuyers can improve the affordability gap, making homeownership attainable to more.

Limitations: As the analysis was purely descriptive, it cannot confirm if zoning is truly the causal effect, focusing more on analyzing trends pre and post policy reform. Another limitation of this article is that data includes all tracts of Hennepin County, not just those specific to Minneapolis, meaning that data might not be totally reflective. Further research is needed on this topic as the policy is still new, further research would be aggregated by race and income.