

## ZONING CODE TEXT AMENDMENT SUMMARY

<i>Initiator:</i>	Council Member Bender and Council Member Reich
<i>Introduction Date:</i>	April 15, 2016
<i>Prepared By:</i>	<a href="#">Aaron Hanauer</a> , Senior City Planner, (612) 673-2494 <a href="#">Lisa Steiner</a> , Senior City Planner, (612) 673-3950
<i>Specific Site:</i>	Citywide
<i>Ward:</i>	Citywide
<i>Neighborhood:</i>	Citywide
<i>Intent:</i>	To reduce lot area requirements for two-family dwellings in the R2 and R2B Two-Family Districts

## APPLICABLE SECTIONS OF THE ZONING CODE

- Chapter 525, Administration and Enforcement
- Chapter 546, Residence Districts

## BACKGROUND

On April 15, 2016, Council Member Bender and Council Member Reich introduced an ordinance amendment to reduce the minimum lot area requirements to establish a two-family dwelling in the R2 and R2B Two-Family Districts. Currently, the minimum lot area to establish a two-family dwelling is 12,000 square feet in the R2 Two-Family District and 10,000 square feet in the R2B Two-Family District.

Duplexes are an important part of the Minneapolis residential fabric comprising approximately 9 percent of all housing units.<sup>1</sup> The book *Legacy of Minneapolis* succinctly summarizes the construction history of two-family homes in Minneapolis: “On a walk or drive along the residential streets of Minneapolis, one is struck by the high percentage of duplex units that are interspersed among the single-family dwelling units. For a city supposedly committed to the sanctity of the detached house, it is remarkable how many duplexes were built, not only before World War I but especially afterward, in the twenties and early thirties.”<sup>2</sup>

### 1924 - 1963

Prior to 1924, there were few regulations in terms of where a two-family dwelling could be built in Minneapolis. In 1924, the city’s first zoning code was adopted. There were three maps that shaped land use decisions: the use district map, the density district map, and the height district map. Two-family dwellings were allowed in all zoning districts except the heavy industrial use district. The lot area requirement for a duplex varied by density district. The construction of a two-family home required 12,000 square feet in the A Density District, 9,600 square feet in the B Density District, and 4,800 square feet or less in Density Districts C through F. Even with these zoning code requirements, two-family homes were allowed in most of Minneapolis given the prevalence of the C through F density districts citywide.

## **1963 - 1995**

The zoning code was overhauled in 1963. The use district, density district, and height district maps were retired and the residential zoning districts that we have today were created (R1 through R6). From 1963 through 1994, two-family dwellings in the R2B District required a minimum lot area of 5,000 square feet and 12,000 square feet in the R2 District.

## **1995 - Present**

In 1994, a zoning code text amendment increased the minimum lot area to allow a duplex in the R2B District to 10,000 square feet; the lot area requirement to allow for a duplex in the R2 District remained the same (12,000 square feet). The intent of the amendment was to “maintain the low density character of single-family neighborhoods and to promote home ownership, and maintenance and investment in residential property.” The ordinance had an effective date of January 1, 1995. When the minimum lot area requirement was increased, the city simultaneously adopted an authorized variance that allowed applicants to vary the minimum lot area requirement up to 55 percent for newly constructed two-family dwellings located in the R2B District.

## **Current Proposal**

The proposed text amendment would reestablish the lot area requirements that were in place from 1963 to 1995 for the R2B Two-Family District. The amendment would reduce the minimum lot area for two-family dwelling units to 6,000 square feet in the R2 District and 5,000 square feet in the R2B District. These are the same lot area requirements necessary to establish a single-family home within the two respective zoning districts. The specific authorized minimum lot area variance of up to 55 percent in the R2B District is proposed to be eliminated.

## **PURPOSE**

### **What is the reason for the amendment?**

The purpose of this amendment is to reduce minimum lot area requirements for two-family dwellings in two-family districts. Additionally, the proposed amendment would eliminate the existing authorized variance exception which allows minimum lot area to be varied up to 55 percent in the R2B District. Currently, the minimum lot area requirement for a two-family dwellings in the R2 District is 12,000 square feet and in the R2B District is 10,000 square feet. The zoning code would still authorize requests to vary the minimum lot area requirement by up to 30 percent.

### **What problem is the amendment designed to solve?**

The existing minimum lot area requirements for two-family dwelling units in the R2 and R2B Districts are fairly restrictive considering the size of typical lots in these two-family zoning districts. These lot area requirements have led to very few two-family units being established in the two-family districts in the last two decades. Staff has been able to identify that approximately 20 two-family homes have been approved in the last 10 years compared to over 900 single-family homes being built during the same time period.

Staff has also analyzed the parcels currently zoned R2 and R2B in the City and found that 74% (366) of parcels in the R2 District are less than 12,000 square feet in area and 96% (21,250) of parcels in the R2B District are less than 10,000 square feet in area. The median lot area of parcels in the R2 District is 7,965 square feet. Comparatively, the median lot area of parcels in the R2B District is 5,400 square feet.

In total, 95.5% (21,616) of parcels zoned within the two-family districts are not currently eligible to establish a two-family home by-right because of insufficient lot area. A summary of these statistics can be found in the appendix.

While the intent of the two-family districts is to provide for an environment of predominantly low density single and two-family dwellings, the existing lot area requirements make very few lots able to establish a two-family dwelling unit without obtaining a variance. As described above, only 4.5% of properties in these districts currently have sufficient lot area to allow a duplex by-right. The proposed amendment would solve this problem by allowing more properties in low-density residential areas to establish a two-family dwelling unit without needing to obtain a variance.

Additionally, two-family dwellings in the R2 District currently have a maximum floor area ratio of 2,500 square feet *per unit* or 0.5, whichever is greater. Comparatively, two-family dwellings in the R2B District have a maximum floor area ratio of 2,500 square feet or 0.5, whichever is greater. This amendment also would revise the maximum floor area ratio for two-family dwellings in the R2 District to align with that in the R2B District, so that both have maximum floor area ratios of 2,500 square feet of gross floor area or 0.5, whichever is greater.

### **What public purpose will be served by the amendment?**

The public purpose of the amendment is to allow property owners to establish two-family dwellings on typical lots in the R2 and R2B Districts, providing additional housing and increasing the population of the City. The proposed amendment is intended to support City policies and goals related to supporting a range of housing types while respecting the character and scale of low-density residential areas.

Over 10,500 two-family homes are currently located throughout the city, distributed throughout each ward and within the majority of low-density residential areas of Minneapolis (a map of existing duplexes can be found in the appendix). Approximately two-thirds of these existing duplexes in the City are located within the R2B District and approximately one-quarter are located within single-family zoning districts. The remainder are located within higher density zoning districts or other zoning districts.

Parcels zoned either R2 or R2B amount to approximately 17 percent of properties in the overall City. With the proposed amendment, approximately 72 percent of these R2 and R2B zoned parcels would now have sufficient lot area to establish a two-family dwelling unit in the R2 and R2B Districts without obtaining a variance. Note that property owners could still request variances to reduce the minimum lot area for lots as small as 4,200 square feet in the R2 District and 3,500 square feet in the R2B District.

### **What problems might the amendment create?**

Staff does not anticipate that the amendment would cause significant problems. Since the current minimum lot area requirements were put in place, two major text amendments have been implemented that have enhanced design standards as well as bulk, height, and form regulations for single- and two-family dwellings. Two-family dwellings would be subject to the same standards and regulations as single-family dwellings in these districts.

Two-family dwelling units are currently located throughout the City and have been constructed throughout the City's history in low-density residential areas. The R1, R1A, R2, and R2B zoning districts account for approximately 84 percent of all lots in the City and are all considered to be low-density residential zoning. The overall number of R2 and R2B zoned lots amount to one-fifth of the lots in these low-density residential districts.

Reducing the minimum lot area requirements for two-family dwellings in these districts is not anticipated to significantly impact the density of existing low-density residential neighborhoods. The *Minneapolis Plan*

for *Sustainable Growth* defines “low-density” as areas with less than 20 dwelling units per acre. A typical block with R2B zoning is 3.5 acres in size and includes 28 parcels. If all units on this block were two-family homes, the density of the block would be 16 units per acre, which remains below the upper threshold of that low-density definition. Allowing two-family dwelling units on more lots would contribute modestly to adding housing units to existing neighborhoods, while retaining the low-density character of these areas.

Furthermore, the text amendment should not adversely impact parking or traffic. A newly established two-family home would be required to provide two enclosed off-street parking stalls. According to the 5-year American Community Survey (2010-2014), 60 percent of all owner-occupied housing units in Minneapolis have either zero cars or one car and 77 percent of renter-occupied housing in Minneapolis have either zero cars or one car.

There may be property owners who would be interested in converting single-family dwellings into two-family dwellings in the R2 and R2B District. While the conversions of single-family homes to two-family homes was one of the factors which influenced the increased lot area requirements in 1995, staff does not expect significant issues with conversions as a result of reducing the minimum lot area requirements. As noted above, design standards and processes have been significantly improved since 1995 when the minimum lot area was increased. Staff does not anticipate that this amendment would drastically impact the character of single-family homes, since two-family homes are subject to the same design standards and bulk regulations as single-family homes. These conversions would also need to comply with all applicable building codes related to two-family dwelling units, including sound-proofing and fire suppression. In the future, the City could consider further evaluating whether R2 and R2B zoning districts are mapped in areas where such districts align with policy objectives. The forthcoming update to the City’s comprehensive plan may provide additional guidance in this regard.

## TIMELINESS

### Is the amendment timely?

The amendment is timely. Small area plans that have been adopted since the 2009 *Minneapolis Plan for Sustainable Growth* have explored options for including modest increases in density in urban neighborhood areas, consistent with this amendment. Adopted plans where this has been a topic include the *Marcy-Holmes Neighborhood Master Plan* and the *St. Anthony East Neighborhood Small Area Plan*, both adopted in 2014. It has largely come up in the context of preserving and enhancing existing affordability in places where the price of single family homes is getting beyond reach of some households, and as a possible strategy for maintaining some level of homeownership, such as duplexes with owner-occupants in one of the units.

Reducing the lot area requirement for two-family homes will allow for additional density opportunities in low-density residential areas without adversely impacting the low-density residential character. Having additional population and housing units would help support local businesses and government investment made in mass transit by having more patrons of the businesses and users of the transit service located nearby. It should be noted that many of the neighborhoods in our low-density residential areas have been losing population in large part due to smaller household sizes. According to the United States Census, the average size of a household in the United States has diminished by more than one person per household over the past 75 years.<sup>3</sup>

Furthermore, reducing the lot area requirement for two-family homes will provide more opportunities for multigenerational households to live under the same roof. As reported by the Pew Research

Center, multigenerational households have doubled between 1980 and 2012 with more than 57 million people in the United States now living in this type of arrangement.<sup>4</sup>

Finally, reducing the lot area requirement in the R2 and R2B districts provides greater opportunities for seniors to live in the neighborhoods they have lived in for decades. It is well documented that a high percentage of seniors want to age in place. With this text amendment, it may allow seniors more affordable housing opportunities within their current neighborhood.

It is also important to note that in 2014, a zoning code text amendment established regulations for accessory dwelling units (ADUs) and authorized ADUs accessory to single- and two-family dwellings citywide. ADUs are permitted in the R2 and R2B zoning districts, as well as in the lower-density single-family residential districts. ADUs can be attached, internal, or detached from the principal structure. The main differences between ADUs and duplexes are that an ADU must be smaller in area than the principal residential structure and must be owner-occupied, but ADUs do not require an additional parking space.

### **Is the amendment consistent with practices in surrounding areas?**

The amendment is consistent with practices in central cities around the United States, cities in Minnesota, and the historical development requirements of Minneapolis. Staff has conducted peer cities research and found that the City of Minneapolis is currently restrictive in its approach to two-family dwelling units in two-family zoning districts. Most central cities that have a comparable percentage of two-family homes as an overall percentage of their housing stock have a minimum lot area requirement to establish a duplex between 4,000 and 6,000 square feet. The central cities analyzed include Milwaukee, Cleveland, Oakland, and Saint Paul. Other larger cities such as Denver and Portland have minimum lot area requirements for duplexes ranging from only 2,000 to 4,500 square feet. In addition, numerous cities in Minnesota have smaller minimum lot area requirements for two-family dwelling units than the current regulations in Minneapolis. Duluth, Rochester, Richfield, and Saint Louis Park have minimum lot requirements to establish a two-family home in their two-family zoning districts ranging between 6,000 and 8,500 square feet.

The proposed text amendment to reduce the lot area required to establish a two-family home in R2 Two-Family District to 6,000 square feet and 5,000 square feet in the R2B Two-Family District will bring Minneapolis in line with other central cities in the United States and cities in Minnesota. Furthermore, adoption of this text amendment will bring Minneapolis back in line with the lot area requirement it is had in place for most of the city's history and in line with typical lot area sizes in low-density residential areas of the city.

### **Are there consequences in denying this amendment?**

Denying the amendment would leave existing regulations in place, which significantly limit where two-family homes can be built in the city's low-density residential areas, and the City of Minneapolis would continue to be overly restrictive in allowing this housing type relative to its peers both statewide and nationwide.

## **COMPREHENSIVE PLAN**

The amendment is generally consistent with the *Minneapolis Plan for Sustainable Growth*. Given the frequency of duplexes located next to single-family homes in Minneapolis, the Urban Design chapter of the plan combines the policies and implementation steps for these housing types in Urban Design Policy 10.7 and 10.8: Single-Family and Two-Family Residential. In addition, duplexes are recognized as being a

part of the low-density category description: “primarily single family and two family residential, with less than 20 dwelling units an acre.” Finally, two-family dwellings are indirectly part of the future land use category, Urban Neighborhood, which is the future land use for most of the low-density residential areas in Minneapolis. The Urban Neighborhood category is described as being “predominantly residential area with a range of densities.”

The amendment will be consistent with and implement the following land use and housing policies of *The Minneapolis Plan for Sustainable Growth*:

**Land Use Policy 1.1: Establish land use regulations to achieve the highest possible development standards, enhance the environment, protect public health, support a vital mix of land uses, and promote flexible approaches to carry out the comprehensive plan.**

- 1.1.1 Ensure that the City’s zoning code is consistent with The Minneapolis Plan and provides clear, understandable guidance that can readily be administered.
- 1.1.2 Further integrate visual quality and design considerations into review of capital improvement projects.
- 1.1.4 Support context-sensitive regulations for development and land use, such as overlay districts, in order to promote additional land use objectives.
- 1.1.5 Ensure that land use regulations continue to promote development that is compatible with nearby properties, neighborhood character, and natural features; minimizes pedestrian and vehicular conflict; promotes street life and activity; reinforces public spaces; and visually enhances development.

**Land Use Policy 1.2: Ensure appropriate transitions between uses with different size, scale, and intensity.**

- 1.2.1 Promote quality design in new development, as well as building orientation, scale, massing, buffering, and setbacks that are appropriate with the context of the surrounding area.

**Land Use Policy 1.8: Preserve the stability and diversity of the city's neighborhoods while allowing for increased density in order to attract and retain long-term residents and businesses.**

- 1.8.1 Promote a range of housing types and residential densities, with highest density development concentrated in and along appropriate land use features.
- 1.8.2 Advance land use regulations that retain and strengthen neighborhood character, including direction for neighborhood serving commercial uses, open space and parks, and campus and institutional uses.
- 1.8.3 Direct uses that serve as neighborhood focal points, such as libraries, schools, and cultural institutions, to designated land use features.

**Housing Policy 3.6: Foster complete communities by preserving and increasing high quality housing opportunities suitable for all ages and household types.**

- 3.6.4 Provide and maintain moderate and high-density residential areas, as well as areas that are predominantly developed with single and two family structures.

## RECOMMENDATIONS

The Department of Community Planning and Economic Development recommends that the City Planning Commission and City Council adopt the above findings and approve the zoning code text amendment, amending Chapters 525 and Chapter 546.

### A. Text amendment.

Recommended motion: **Approve** the zoning code text amendment reducing the minimum lot area requirements for two-family dwellings in the R2 Two-Family District and R2B Two-Family District.

Chapter 525 related to the Zoning Code: *Administration and Enforcement*

Chapter 546 related to the Zoning Code: *Residence Districts*

## ATTACHMENTS

1. Chapter 525 related to the Zoning Code: Administration and Enforcement
2. Chapter 546 related to the Zoning Code: Residence Districts
3. Maps and summary statistics
4. Peer city comparison: housing units by type

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<sup>1</sup> United States Census Bureau, American Community Survey, 2009-2013, 5-Year.

<sup>2</sup> John R. Borchert, David Gebhard, David Lanegran, Judith A. Martin, *Legacy of Minneapolis*, 1983.

<sup>3</sup> United States Census Bureau, Families and Living Arrangements, Table HH-6, Average Population Per Household and Family.

<sup>4</sup> Family affair: Three generations make it work under one roof in a Minneapolis home, Star Tribune, Lynn Underwood, March 28, 2016.