

LAND USE AND AFFORDABILITY

Andrew Aurand, Senior Vice President for Research, NLIHC

Local governments use zoning and land use regulations to control which types of housing are permissible in certain locations. More than thirty years ago, HUD identified biases in residential zoning in favor of single-family housing and against multifamily housing as significant barriers to affordable housing (HUD, 1991; <https://tr.ee/txC7qL>). That bias still exists. A 2019 analysis published by the New York Times found up to 75% of residential land across many cities was zoned exclusively for detached single-family homes (Badger & Bui, 2019; <https://tr.ee/IJGGOI>). Data from the [National Zoning Atlas](https://www.zoningatlas.org/) (<https://www.zoningatlas.org/>) also indicate that multifamily housing is prohibited from the majority of residential land. Local zoning reform is necessary, but not sufficient, to address our national shortage of affordable housing for renters with extremely low incomes.

The Impacts of Local Zoning

The exclusion of higher-density housing like apartment buildings in favor of single-family homes is not the only local zoning practice that constrains the housing supply. Other restrictions within the zoning code like minimum lot sizes, set-back requirements, and parking requirements can constrain supply and raise prices, because they typically increase the amount of land needed for each home. These zoning practices are widespread. A survey of suburban land use regulations found minimum lot sizes were used more widely in 2018 than ten years earlier and were more severe. Between 2006 and 2018, the share of suburban municipalities with minimum lot size requirements increased from 83% to 96%, and minimum sizes of one or more acres became more common. A more recent paper, however, suggests a more complicated and bifurcated view of zoning changes between 2003 and 2019. While a number of metropolitan municipalities became more restrictive during that time, others became less

restrictive (Pendall, Lo, & Wegmann, 2022; <https://tr.ee/v4fFlu>). Municipal zoning tended to become more accommodating to multifamily housing in strong-market metropolitan areas, while zoning tended to become more exclusionary in weak-market ones.

Exclusionary zoning hurts affordability by limiting the supply of housing. A study of communities in Massachusetts, for example, found that minimum lot size requirements could increase the price of single-family homes by as much as 40% over a ten-year period (Zabel & Dalton, 2011; <https://tr.ee/i8ydgQ>). A more recent 2025 study also indicates that minimum lot sizes can increase home prices and rents (Song, 2025; <https://tr.ee/PIGTZo>).

These exclusionary zoning practices further limit housing opportunities for low-income households by prohibiting or curtailing the types of housing that are more likely to be rental housing and affordable, including small and large multifamily developments. More low-density and single-family zoning are associated with less rental housing in local communities, which in turn limits access for people with low incomes and people of color, populations who are disproportionately renters (Pendall, 2000; <https://tr.ee/YLri47>). The Joint Center for Housing Studies at Harvard (JCHS, 2025; <https://tr.ee/zbhMsc>) found that neighborhoods with an exceptionally high share of rental housing on average had a median household income of \$53,170 and two-thirds of their populations were people of color. In comparison, neighborhoods with an extremely low share of rental housing on average had a median household income of \$99,670 and only one-quarter of their populations were people of color. Because of this relationship, low-density zoning is associated with greater racial and economic segregation with spatial concentrations of affluent households in communities where zoning has excluded others (Rothwell & Massey, 2009; <https://tr.ee/5ntFmp>); Lens & Monkkonen, 2016; <https://tr.ee/DGbb7i>); JCHS 2025 (<https://tr.ee/zbhMsc>). A Minneapolis-based study found that areas zoned for multifamily housing had a larger non-white population than areas zoned

exclusively for single family detached housing by as much as 21% (Furth & Webster, 2022; <https://tr.ee/vjHPIA>).

Developers may produce higher-density housing under restrictive zoning, but they must obtain special permits or zoning variances to do so. This need for approval from public boards, which typically require public input, creates opportunities for vocal opponents to block new development that includes higher-density and affordable housing.

Zoning Reforms

A growing number of cities and states have enacted zoning reforms, including allowing somewhat higher-density housing by-right, meaning no special variance is needed. Minneapolis (<https://tr.ee/kOllGA>), for example, eliminated single-family districts in 2018 and now allows up to three units where previously only one was permitted, but implementation and impact have been slow (Bipartisan Policy Commission, 2023; <https://tr.ee/HkAe62>). The state of Oregon; (<https://tr.ee/Y0FH10>) enacted land-use policies in 2019 that allow duplexes in neighborhoods previously zoned single-family in cities with at least 10,000 residents and allow for triplexes and fourplexes in cities with more than 25,000 residents. A bill passed in 2023 and taking effect in 2026 furthers these efforts by requiring Oregon cities to ensure that their zoning is adequate to accommodate expected growth. Cities underperforming in the production of new housing will be subject to zoning that is no more restrictive to multifamily housing than a newly created state model zoning code. The new rule is expected to result in an increase in the supply of land available for multifamily housing (Anderson, 2025; <https://tr.ee/KL8NMp>). California (<https://tr.ee/6bbaN9>) enacted reform in 2021 that allows owners to build duplexes or fourplexes on parcels previously zoned for single-family structures and in 2025 passed a bill (<https://tr.ee/hD6lxb>) that allows apartment buildings near major transit stops in certain counties regardless of current local zoning (Christopher, 2025; <https://tr.ee/0mW9DR>). The bill also includes affordability requirements for a small share of units in these properties. Charlottesville, VA's (<https://tr.ee/1tUnY>) 2023 zoning ordinance raised building height limits

along commercial corridors to increase density and allowed more mixed-use development. Charlottesville's (<https://tr.ee/98FLxh>) ordinance also allows up to three units per lot, and four units if an existing home on the lot remains in place, in neighborhoods previously zoned for single-family. Some low-income residential neighborhoods are excluded from the upzoning to address gentrification concerns given less expensive land and cheaper existing homes could be redeveloped more quickly. Illustrating the complexity and difficulty of zoning reform, a judge voided Charlottesville's zoning ordinance in 2025 in a default judgement in a lawsuit claiming the city had failed to adequately study the impact of these changes on the city's traffic and road congestion, necessary water and sanitary sewer infrastructure, schools and recreation areas as required by the state. The plaintiffs and the City came to an agreement in October 2025 that will reinstate the city's new zoning code (Kushner, 2025; <https://tr.ee/1BK2Jq>).

Evidence for the impact of loosened zoning regulations and higher-density zoning on the supply of rental housing is mixed, possibly because significant time may be needed to see the long-term impacts of zoning reforms. Also, many questions are unanswered about how these zoning reforms should be designed. Allowing higher densities does not immediately guarantee an increase in the general housing supply or an increase in rental housing, but it at a minimum allows the opportunity for higher-density housing to be built. Research in Chicago found that five years after upzoning, mixed-use and commercial districts saw an increase in property values, but not in the supply of housing (Freemark, 2020; <https://tr.ee/c5uP7n>). However, research of zoning reforms across municipalities in eight large metropolitan areas found that reforms that loosened zoning restrictions, including allowing for higher density, higher heights, accessory dwelling units (ADUs), smaller minimum setbacks, and mixed-use development were associated with a greater supply of rental units affordable to renters with above-median incomes within three and nine years after implementation, indicating a response by the private market to increase supply of market-rate rents (Stacey et. al., 2023; <https://tr.ee/hYa6DM>). The findings also suggested that these reforms may be associated with increases in the supply of housing affordable to low-

income renters, but the relationship was not statistically significant. The authors conclude that policies and public investments designed specifically for affordable housing for low-income renters may need to accompany zoning reforms.

Federal Advocacy

Case studies of eight of the country's most exclusionary municipalities—where the need for housing is critical, housing production is stagnant, and 78 to 100% of land is zoned for single family detached housing—highlight their reliance on federal and state funding as sources of revenue ([Godinez-Puig, Garriga, & Freemark, 2023; https://tr.ee/kC5SS0](https://tr.ee/kC5SS0)). The authors suggest that federal and state agencies could incentivize change by making future funding awards contingent on zoning reform and removing other barriers to housing production.

The “Renewing Opportunity in the American Dream (ROAD) to Housing Act of 2025,” a bipartisan package of housing reforms, includes a couple of zoning-related provisions. First, the bill financially incentivizes zoning reform by directing the Department of Transportation to provide a scoring incentive for transit projects that demonstrate pro-housing policies along the transit route. These policies include local or state actions that reduce or eliminate parking minimums, establish by-right approval for multifamily housing, reduce or eliminate minimum lot sizes, and encourage the development or preservation of housing units. Second, the bill directs HUD to identify best practices in zoning and land use that will result in increased housing supply. Third, the bill allows for adjustments in Community Development Block Grant (CDBG) allocations based on jurisdictions’ improvement in their housing growth ([NLIHC, 2025; https://tr.ee/UksWME](https://tr.ee/UksWME)). Presumably, this feature might incentivize jurisdictions to examine their zoning ordinances to facilitate growth in the housing supply.

Zoning reform in many communities is a necessary step for increasing the housing supply and creating housing options for households with limited incomes. On its own, however, reform will not eliminate the shortage of housing for extremely low-income renters ([Freemark, 2024; https://tr.ee/uY02Gt](https://tr.ee/uY02Gt)). What many

extremely low-income renters can afford to pay in rent is too low for the private market to adequately respond to their housing needs. A family of three with poverty-level income, for example, can afford a monthly rent of approximately \$666, assuming they should not spend more than 30% of their income on housing. Many families cannot even afford to spend 30%. This rent does not typically cover development and operating costs of new housing and too often doesn't cover the expenses of maintaining older housing. Zoning reform provides the opportunity for more housing and higher-density multifamily housing to be built, but we need significant federal investment in housing assistance like Housing Choice Vouchers, the national Housing Trust Fund, and Public Housing, as well as reforms to the Low Income Housing Tax Credit program, to enable extremely low-income renters to afford that housing.

For More Information

[National Zoning Atlas \(https://www.zoningatlas.org/\)](https://www.zoningatlas.org/)

Urban Institute. (2019). [Zoning Matters: How Land-Use Policies Shape Our Lives. \(https://tr.ee/axcsEp\)](https://tr.ee/axcsEp)