



## Racial Equity Impact Assessment

**Proposal Name:** Single- and Two-Family Home Standards Update

**Description:** This update will amend City Code development standards related to single and two-family residential lots and dwellings.

**Department:** Community Development

**Contact:** Michael Palermo

### Part 1. Set outcomes.

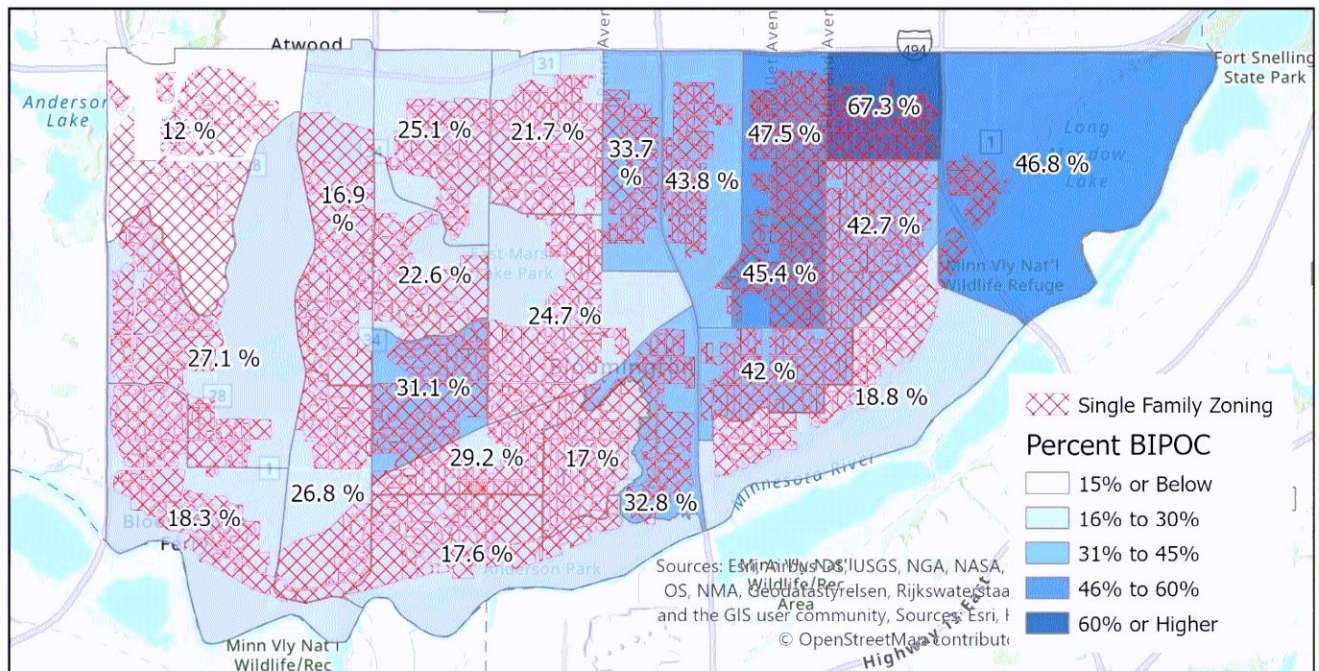
1a. What is your proposal and how does it relate to Bloomington's Racial Equity Business Plan Focus Areas? Will it reduce disparities or discrimination? Does it help Bloomington become a vibrant, safe, and healthy place where people of all races thrive?

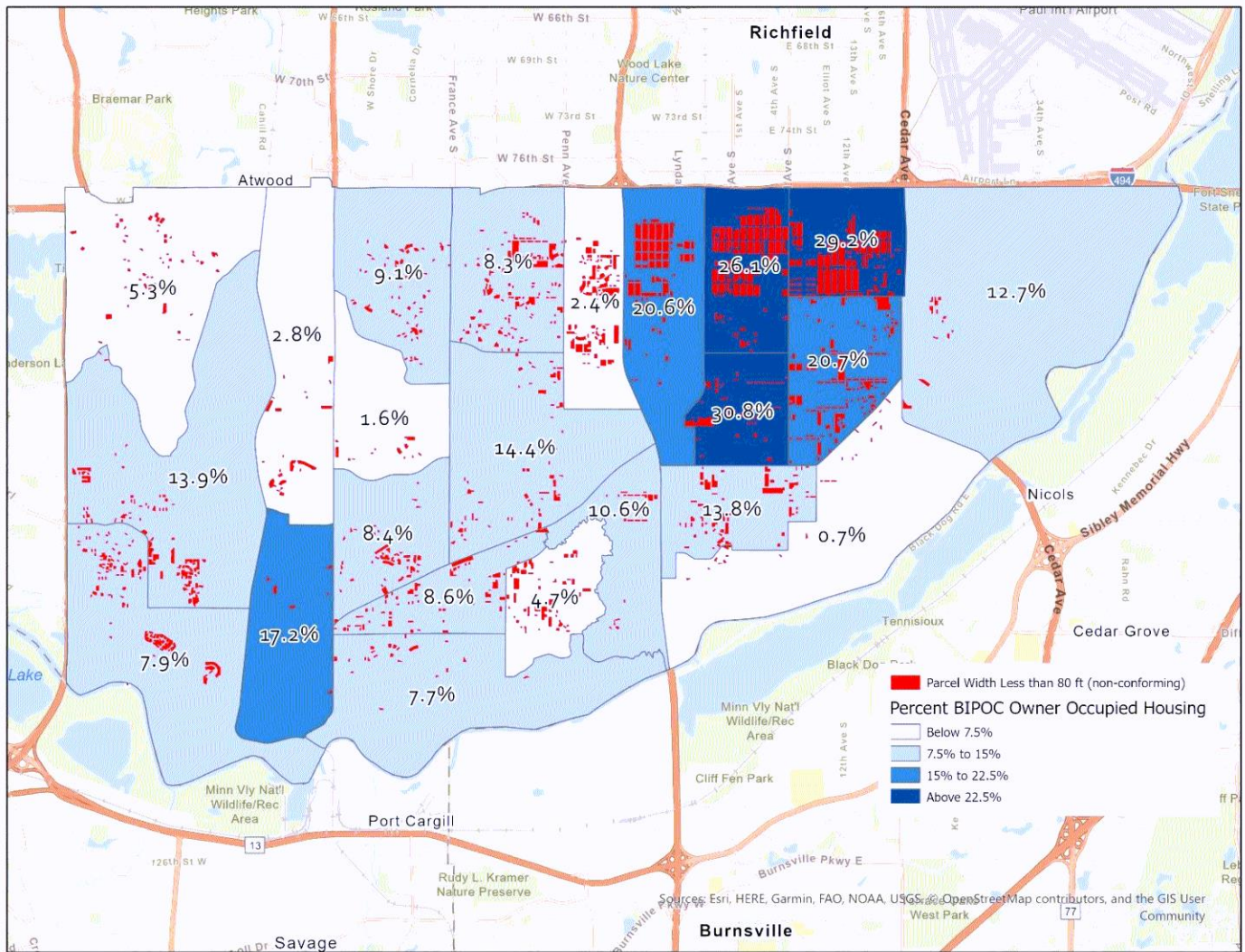
Focus Areas	How does this proposal relate?
Workforce Diversity	
Training and Professional Development	
Equitable Outcomes in Services Delivered	Will remove provisions that treat lots differently based on the development patterns in the surrounding neighborhood. It brings many existing lots into conformance making it easier to utilize your property more fully.
Strategies/actions that reduce racial inequities (health, sustainability, jobs, housing, contracting, etc.)	The proposed changes would reduce barriers to increased opportunities for affordable homeownership and overall unit creation.
Authentic Community Engagement	

## Part 2. Analyze data.

2a. Are impacts from this item concentrated and/or more visible in specific geographic areas? If yes, identify on Bloomington map.

- While the impacts would be applicable Citywide, the most immediate impacts will likely take place on lots that would become subdividable without removing the existing dwelling. These lots are more common in western Bloomington. Longer term, as owners consider subdivision that involves replacement of existing dwellings, impacts may be felt more in eastern Bloomington where large lots could be acquired at lower values eastern Bloomington also has many existing smaller lots would be brought into conformity.





2b. What are the racial demographics of residents in the area or are impacted by the issue?

- This update is applicable to all low density residential areas in Bloomington, particularly those areas zoned R-1 Single Family Residential, but a positive benefit is bringing non-conforming lots into conformance. The majority of these non-conforming lots are located in areas with Bloomington's highest concentration of BIPOC residents, both owners and renters.

2c. How are they impacted?

- Impacts are anticipated to be mostly positive. The proposed changes to City Code would bring smaller lots into conformance and increase opportunity for development that encourages a greater mix of housing types and affordability levels. The development impacts will likely be modest and incremental due to market pressures and the fact that Bloomington is built-out. Nevertheless, the ability to bring a lot into conformance allows more flexibility with existing single- and two-family homes, as they won't be required to spend additional time and money bring a parcel into conformance with a major update.

### Part 3. Involve stakeholders.

3a. How have you involved community members and stakeholders in discussing, planning, developing, or reviewing this proposal? Have stakeholders from different racial/ethnic groups – especially those adversely affected – been informed, meaningfully involved and authentically represented in the development of the decision? Who's missing and how can they be engaged?

- Stakeholders and community members have been engaged in developing the ordinance. Staff worked with developers regarding this update as well as solicited resident feedback at farmers market, Let's Talk page, list serve, and general interactions with public.

3b. What do your conversations with stakeholders and data gathered tell you about existing racial inequities in the community?

The ordinance was designed to address a variety of issues. Some standards that add barriers to more equitable outcomes for housing in low density residential areas include:

- Prevailing front setback, which is informed by the year(s) your neighbor's homes were built, resulting in disparate or arbitrary outcomes.
- Two car garage requirement, which was deemed unnecessary for single-person households or households that do not own and utilized motor vehicles.
- Minimum lot size, which restricts redevelopment of lots, preserves larger lots in the west, and limits the variety of housing types that can be developed.
- Minimum unit size, which restricts smaller, more affordable units.
- Approval process of two-family home groupings, which currently requires rezoning and planned development approval, a high bar to overcome, stunting two-family dwelling development.

### Part 4. Determine benefits and/or burdens.

4a. Which racial/ethnic groups are currently most advantaged and most disadvantaged by the issue this seeks to address?

- The changes proposed in the ordinance should be beneficial to all racial and ethnic groups. This allows existing and future single and two-family homeowners, both BIPOC and others, to better utilize their property. While ownership is predominantly White Non-Hispanic in the City, the highest areas of BIPOC ownership have some of the most non-conforming lots.
- The changes proposed in the ordinance should also allow for more flexible and affordable housing types, such as ADUs and two-family homes, to be deployed with fewer barriers, which is beneficial to aging residents and first time homeowners. More affordable and

flexible housing opportunities could provide more pathways to homeownership for BIPOC households, who on average have lower incomes than white households.

4b. What positive impacts on equity and inclusion could result from this proposal? Which racial/ethnic groups could benefit?

- The overarching goal of the project is to create more affordable ownership opportunities by increasing regulatory flexibility and reducing barriers to unit creation.
- Flexibility in this case includes allowing for wider spectrum of housing options in low density residential areas, including smaller dwelling sizes, smaller minimum lot sizes, and streamlining the review and approval process for two-family homes.
- Land values in neighborhoods may increase (resulting in more home equity).

4c. What adverse impacts or unintended consequences could result from this action? Which racial/ethnic groups could be negatively affected?

- Land values in neighborhoods may increase (increasing tax burdens).
- Homes may not be constructed for affordability and may raise values in neighborhoods. While this is positive for the equity gained on a property, it also increases property tax which may cause issues.
- Increased values within neighborhoods could over time present a future barrier for entry for in renting or acquiring homes due to increased cost.

4d. Are you accomplishing what you set out to do in Part 1? If not, how can you minimize harm or change your proposal so the work is not creating greater inequity.

- The proposed changes should allow for more construction and movement in the market creating more opportunities for affordable ownership. While not anticipated, if too much construction occurs that spurs unintended consequences (i.e., too much luxury construction and no movement in market or other impacts to housing affordability) there are certain key provisions that could be amended to address these challenges and concerns.

## **Part 5. Develop strategies to eliminate inequities and advance**

5a. How could adverse impacts be prevented or minimized?

- At this point we are not anticipating adverse impacts. Infill development is anticipated to occur at a modest pace. Monitoring will be important to ensure that the resulting development does not increase property values too fast or otherwise strain housing affordability. Staff will continue to track property value and permit data to evaluate whether or not the desired outcomes of the project are achieved or if alternative policies or programming needs to be considered in response.

5b. Are there further ways to maximize equitable opportunities and impacts?

- City staff is looking at ways to encourage missing middle housing and will be studying Cottage Homes and related standards in 2023.
- Staff will continue to educate developers and property owners about zoning requirements and how they have evolved over time. Collaboration with the Bloomington HRA will be valuable in this regard.

5c. Are there ways to revise the proposal to reduce racial disparities and advance racial equity? What could be changed, removed, or added to ensure positive impacts on racial equity and inclusion?

- Not at this time.

5d. What are your strategies (short-term and long-term) to reach your desired racially-equitable outcomes and address the impacts? How will you measure and track the progress?

- Measure ownership rates and general housing affordability, including rental dynamics
- Measure new development
- These elements will be included in the annual housing report.

## **Part 6. Evaluate. Raise racial awareness. Be accountable.**

6a. How will you evaluate and be accountable?

- This will be part of the annual housing report which helps guide Community Development's work plans moving forward.

6b. What issues or racial inequities are unresolved? What resources/partnerships do you still need to make changes?

Partnerships include:

- Minnesota Association of Realtors
- Developers and Builders
- Renters
- Other housing advocacy groups

6c. How will you share information learned from this analysis with your department? How will you raise awareness about racial inequity to this issue at the City?

Information learned as part of this analysis will be shared with the Community Development Racial Equity Action Team (CD-REAT).

Methods that can raise awareness include:

- Focus groups
- Direct engagement with Bloomington residents and businesses as public events
- Let's Talk Bloomington

- Annual Housing Report

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