

Reform land use regulations that drive up the cost of housing

Overly burdensome regulations related to housing, land use, and zoning make housing more costly and erect barriers to economic growth and geographic mobility. Adequate supply of housing options is critical to the natural growth of successful communities and social mobility; that supply should not be restricted by unnecessary barriers imposed by government. A market that can freely respond to consumer demand for housing options is a foundational element of a mutually beneficial society. We support an institutional framework that breaks barriers to geographic mobility, where people are free to move to opportunities, build homes, form communities, and allows urban landscapes to evolve according to market forces, property rights, and entrepreneurship.

Background

Since 2019, housing costs have risen faster than income, with <u>close to half</u> of renter households spending more than 30 percent of their income on housing and <u>more than 2.3 million renters</u> being evicted each year. These restrictions can <u>impact</u> the lives of ordinary Americans more than any other regulation and affect the availability and cost of housing on a daily basis. The accumulation of regulatory red tape, especially land use and zoning requirements, exacerbates shortfalls in housing supply and increases unaffordability. According to the <u>Trump administration White House Council of Economic Advisers</u>, overregulation by state and local governments is a key driver of both these problems.

Policy Solutions

Encourage the removal of land use regulations inhibiting housing affordability. Policies that should be opposed at the local levels and proactively preempted through state legislation include limiting density (like single family zoning, urban growth boundaries, minimum lot sizes, and minimum parking requirements), redistributing housing costs (such as rent control or Below-market mandates, often referred to as "inclusionary zoning") or limiting types of housing (like restrictions of accessory dwelling units or manufactured housing). While the federal government's role is limited, Congress should focus on conditioning housing funds on audits of local barriers undermining affordability following the provisions of the Yes In My Backyard (YIMBY) Act and recommendations received in response to the 2019 White House request for comment on state and local regulations raising the costs of housing.

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