

# Principles for Enhancing Housing Availability and Affordability

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A diverse cross-section of housing policy experts and leaders advancing business, civil rights, property rights, tenant, consumer, and environmental interests have come together around the following principles for increasing the supply of housing. These individuals agree that overly strict zoning and land-use regulations are limiting the availability of homes, especially lower-cost options such as apartments and townhouses that would help meet the nation's growing demand for housing, slow home price and rent growth to be more in line with incomes, and make homeownership more attainable.

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**1. Enable more housing of all types, including smaller, less-expensive options.** A robust body of research and the experiences of cities such as Minneapolis, Seattle, Philadelphia, and Houston have shown that adding housing supply makes housing more affordable to rent and to purchase for people and families of diverse backgrounds, incomes, abilities, and sizes. Americans are searching for lower-cost housing alternatives in high-cost cities, growing suburbs, and rural areas. We need more of all types of housing, including modest-sized “starter homes,” townhomes, duplexes and triplexes, accessory dwelling units (backyard cottages, converted garages and basements), manufactured housing, and condominium and apartment buildings. These options would give people who are forced to make long commutes, live in overcrowded conditions, live in housing that does not meet their physical needs, or live in disaster-prone areas more choices about where to live; how much to spend on housing; and how close to live to jobs, schools, family, shops, and public transportation.

**2. Avoid inflexible mandates.** Requirements and restrictions intended to improve community quality of life—such as mandates for off-street parking, setbacks, and building height—can backfire if they are overly prescriptive by making most housing options too expensive to build and by increasing sprawl. Loosening or eliminating these mandates makes the housing market more efficient and affords community leaders, residents, and builders more flexibility to develop lower-cost housing options.

**3. Spur the creation of apartment and condominium buildings and townhouses in high-use areas,** such as near bus and train stations, above and alongside retail developments, in business districts, in underused commercial and light manufacturing zones (and within a quarter-mile of such high-use areas). Towns and cities looking to stabilize housing costs have found that apartment and condominium buildings and townhouses are the quickest path for doing so.

**4. Lower administrative barriers.** Reducing the housing shortage and bringing costs under control will involve not only new laws, but—equally importantly—a change in how those laws are implemented. To speed up homebuilding, policymakers can allow “by right” permitting for new homes that meet zoning requirements, create an efficient process for obtaining building and occupancy permits, and create clear permitting processes for factory-built homes. Policymakers can also lower barriers by minimizing upfront development and impact fees and keeping property taxes reasonable.

While these reforms to allow more homebuilding are imperative to help ease housing costs, subsidies are also necessary to meet the housing needs of those with lower incomes.

These principles comprise a vision for more affordable homes and communities that would advance economic opportunity, reduce homelessness and displacement, and enhance individual liberty. We encourage states, counties, and municipalities to embrace growth and allow the construction of homes of all types to fight skyrocketing costs and provide choices that fulfill the diverse needs of communities.

The signatories below have a wide range of priorities and many hold different perspectives on numerous issues. But all are united in the desire to see reforms that allow more homebuilding of all types to improve affordability, access to opportunity, and shared prosperity. Please note that titles and organizational affiliations are provided for identification purposes only.

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Renee Willis	President and CEO	National Low Income Housing Coalition

# Background for the Shared Principles

Access to housing in the United States today is the cornerstone on which opportunity and stability are built. Homeownership continues to be a prime aspiration for most households, as well as their most significant source of wealth, and housing is the largest regular expense for most Americans, whether they rent or own. And at both individual and societal levels, for people of every race, ethnicity, income band, and background, housing influences economic mobility and growth, educational opportunity, health and well-being, and environmental resilience.

But an unprecedented shortage and resulting skyrocketing rents and home prices mean millions of Americans now struggle to afford housing—or find available homes at all. The nation faces an estimated shortage of as many as 7 million homes. This shortage of housing options affects everyone, from younger adults and families struggling to find affordable housing options to older adults who lack accessible housing options to help them age safely.

Strong evidence from a range of ideologically diverse researchers suggests that rigid land-use regulations are a major cause of the housing shortage—as well as of the spiraling costs to rent or buy. Zoning requirements in many parts of the country often place severe restraints on the construction of lower-cost homes, such as townhomes, duplexes, apartment and condo buildings, basement or backyard cottage apartments. In addition to banning some types of housing outright, these rules frequently mandate the use of large land lots and excessive off-street parking, which effectively prohibits smaller, less expensive homes or makes their construction cost prohibitive.

Meanwhile, many jurisdictions that have acted to allow more housing have seen much slower rent and home price growth.

Overly restrictive land-use regulations and America's severe housing shortage are causing or contributing to several deep-seated economic and social problems facing people across the country:

- **Housing unaffordability.** Between 2017 and 2024, rents increased nationally by 28 percent—and by up to 70 percent in areas that have seen an influx of residents. An unprecedented 50 percent of all renters nationwide are considered “cost burdened” under federal guidelines because they spend over 30 percent of their income on rent while one-quarter spend more than half of their earnings on rent. For aspiring home buyers, a family earning the median national income (\$83,782) would have to spend 41.8 percent of their income to afford the median-priced home in 2024. As a result, a record-high share of younger Americans express pessimism about their ability to ever buy a home while an unprecedented number of Americans age 65 and older are cost burdened. And in turn, sky-high housing costs are a primary driver of inflation and are squeezing household budgets for food, health care, education, and other vital expenses. Rolling back excessive land-use regulations to allow more construction of different types of homes is a proven strategy for making housing more affordable.

- **Slowed economic growth and reduced economic opportunity.** Restrictions on homebuilding, particularly in growing cities and suburbs with dynamic job markets, are slowing economic growth and productivity. While many Americans in earlier decades moved in search of economic opportunity, today the share of Americans that move is the lowest that it has been since the US Census Bureau began tracking this information in 1947—at least in part because workers who want to move to job-

rich areas are increasingly unable to do so due to high housing costs. The resulting “misallocation” of workers caused by the shortage of homes in high-opportunity but high-cost areas has likely lowered U.S. GDP. Removing unnecessary restrictions on homebuilding both enhances opportunity for Americans and increases the country’s economic growth.

- **Government overregulation.** Through zoning laws, local governments have come to exert stringent control over how property owners can use their land. While keeping high-risk or noxious activities away from homes is valuable, responsible zoning reforms would not weaken health and safety protections. Instead, such reforms are designed to remove excessive controls over what type of residential housing is allowed—controls that both infringe on the rights of property owners and stifle economic growth and innovation. Additionally, zoning reforms respond to the fact that the needs and preferences of communities evolve over time as, for example, populations become older, industries and employment change, people begin to work remotely, or residents prefer to revive traditional, mixed-use main streets. Rigid zoning regulations make it difficult to repurpose underutilized land in response to these changes. Zoning reforms, on the other hand, strengthen property rights and allow property owners to put their land to its highest and best use.
- **Homelessness and displacement.** In recent years, many U.S. metro areas have seen not only skyrocketing housing costs, but also stark increases in levels of homelessness. The United States counted a record of approximately 770,000 people experiencing homelessness in 2024, with the homelessness crisis and the tent encampments it creates becoming a staple of media reporting and even reaching the U.S. Supreme Court. A large body of academic research has consistently found that increasing homelessness in an area is driven by high housing costs. For example, the U.S. Government Accountability Office found that every

\$100 increase in median monthly rent is associated with a 9% increase in homelessness. Research has also found that when wealthier residents cannot find a house or apartment, they frequently compete with less affluent residents for existing homes, driving up prices and displacing lower-income and even middle-income residents and families. Reforming land-use policies to allow more homebuilding is part of the solution for reducing homelessness, allows families to stay in their homes, and keeps communities intact. It is worth emphasizing, however, that though zoning and land use reforms are imperative to add to the housing supply, they are not sufficient to build homes affordable to the households with the lowest incomes. Today, extremely low-income households in many places cannot afford adequate homes without subsidies and incentives.

- **Segregation by income and race.** Zoning was originally implemented a century ago in part to promote health, safety, and general welfare and in part to separate communities by class, race, and ethnicity. Since that time, zoning has served to determine where people can afford to live—and thereby what schools, jobs, grocery stores, parks, hospitals, and other opportunities and amenities are available to them. In particular, zoning that only allows single-family homes on large lots can limit housing affordability in high-opportunity areas for teachers, nurses, police officers, fire fighters, and other lower-income and middle-class families. Additionally, facilities and land uses that can cause adverse health effects, such as factories, sanitation plants, and highways, have been disproportionately sited near poorer neighborhoods and communities of color, in part because of zoning policies that limit apartment construction to areas near such noxious uses. Reducing regulatory barriers to housing would allow poorer and middle-class families and historically marginalized Americans of color to move to neighborhoods with more resources and opportunity.