



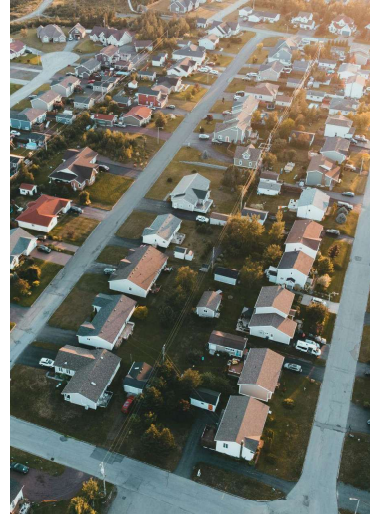
What's making housing unaffordable?

Minimum Lot Size Requirements

Minimum lot size requirements are a zoning rule that sets the smallest that a lot can legally be -- usually in square feet.

That does three cost-raising things:

- 1. Forces each home to “buy” more land** than the market might otherwise require (higher land cost per unit).
- 2. Blocks small, entry-level homes** by making it illegal to build them on smaller lots (reducing lower-cost supply).
- 3. Reduces the number of homes per acre**, which spreads infrastructure and land costs across fewer households and keeps prices higher.



The Research:

1) Doubling the minimum lot size raises sale prices ~14% and rents ~9% according to economist Jessie Song's border-discontinuity analysis of U.S. residential zoning (bigger lots → bigger homes → higher cost). ([Journal of Urban Economics](#))

2) Minimum lot size hikes can take years to fully show up in prices. According to Zabel & Dalton's study of Greater Boston single-family transactions (1987–2006), the price impacts of minimum lot size changes **grow over time**, with effects **as large as ~40% about 10 years after** a minimum lot size increase in some cases. ([Regional Science and Urban Economics](#))

3) More restrictive minimum lot size rules correlate with meaningfully higher prices right across jurisdiction borders. According to Gyourko & McCulloch (NBER), comparing areas that sit just across municipal borders, more stringent minimum lot size rules are linked to **larger lots and higher house prices**, with one summary reporting prices **nearly \$30,000 higher** in more regulated border areas than the least regulated border areas in their sample. ([NBER](#))

Real-world reform example:

Houston reduced minimum lot size requirements **from 5,000 sq ft to 1,400 sq ft** in the city's center (1998) and later expanded that reform (2013). According to researchers from UT Austin, this policy change helped enable the development of over 34,000 town houses between 2007 and 2020 which sold on average for \$200,000 cheaper than their standard lot size equivalent. ([Pew Charitable Trusts](#))

What can Legislators do?

State policymakers can set a ceiling on local minimum lot sizes, particularly where public water and sewers are available.



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Site Plan Review Process

Site plan review evaluates the technical details of a proposed development after zoning approval. In many communities, site plan review has no firm deadline (“shot clock”) for decisions, and required studies are requested piecemeal throughout the review process. That does three cost-raising things:

1. Creates unpredictable timelines. Without decision deadlines, projects can remain in review for months or years, increasing financing and holding costs.
2. Raises predevelopment risk. When requirements are unclear or studies are requested late in the process, developers face redesign costs and delays.
3. Increases overall housing prices. Carrying costs, consultant fees, and legal expenses incurred during prolonged review are ultimately reflected in higher rents and sale prices.



The Research:

1) Approval delays raise housing costs. Developers typically use high-interest short-term loans to carry land during the approval process. A six-month delay on a \$10 million development can add hundreds of thousands of dollars in interest alone, which is eventually passed on to the renter or buyer. Economic research finds that longer entitlement timelines increase development costs and reduce housing supply. ([Federal Reserve Bank of New York](#))

2) Regulatory uncertainty reduces housing production. Research summarized by the National Bureau of Economic Research shows that jurisdictions with more discretionary and time-consuming approval processes tend to produce less housing relative to demand. ([NBER](#))

3) Predictable timelines improve development outcomes. Research on land-use reform shows that establishing clear procedural deadlines (“shot clocks”) reduces uncertainty, lowers financing risk, and improves investment predictability. ([Turner Center](#))

Real-world reform example:

Several states have adopted statutory “shot clock” requirements for housing approvals. For example, California’s Housing Accountability Act and related reforms impose firm deadlines for local review of qualifying housing developments. When local governments fail to act within required timeframes, developments may be deemed approved. Other states including Florida and Texas require local governments to maintain a clear, publicly available list of all required technical documents for building permits.

What can Legislators do?

The site plan review process should be a purely technical and administrative process. State policymakers can require clear, statutory deadlines (“shot clocks”) for site plan decisions, automatic approval if deadlines are not met, upfront, published lists of all required studies and objective standards, and prohibit adding new discretionary requirements mid-review.

Establishing predictable timelines and transparent requirements makes housing approvals more efficient, ends the practice of infinite delays, and lowers costs — without changing local zoning authority.



What's making housing unaffordable?

Protest Petitions

Protest petitions are zoning provisions that allow a small percentage of neighboring property owners to trigger a supermajority vote requirement (often 2/3 or 3/4 of a city council) for certain rezoning decisions.

That does three cost-raising things:

1. Gives a small number of adjacent property owners effective veto power over new housing, increasing uncertainty and delay.
2. Raises the threshold for approval, making otherwise reasonable housing projects far more difficult to pass.
3. Discourages development altogether by increasing legal risk, time, and financing costs — all of which are ultimately passed on to renters and homebuyers.



The Research:

1) Regulatory uncertainty raises housing costs. Economic research consistently finds that longer approval timelines and higher political risk increase development costs, which are then reflected in higher home prices and rents¹.

2) Einstein, Palmer & Glick's *Neighborhood Defenders* documents that when low signature thresholds can trigger supermajority votes, those tools are routinely deployed, increasing delay and approval risk.²

3) Small groups can block broader community benefits. Studies of land-use governance show that concentrated local opposition often outweighs diffuse public benefits, leading to underproduction of housing relative to demand.³

Real-world reform example:

Several states have reformed or eliminated protest petition provisions. North Carolina (2015) repealed its protest petition law entirely, removing the prior 3/4 supermajority requirement and returning rezonings to a simple majority vote. Texas (2023, later clarified in 2025) prevents these petitions from being used against comprehensive, city-wide rezonings (like Austin's "HOME" initiative) and has raised the threshold for valid petitions in many jurisdictions. Montana (2023) also repealed their protest petition law. Polling finds that 63% of Michiganders believe the current protest provision is unfair

What can Legislators do?

State policymakers can eliminate or restrict protest petition statutes that impose supermajority requirements on housing-related rezoning decisions. Returning these votes to majority thresholds reduces uncertainty, lowers development risk, and improves housing supply without public subsidy.

¹ Einstein KL, Glick DM, Palmer M. *Neighborhood Defenders: Participatory Politics and America's Housing Crisis*. Cambridge University Press; 2019.

² Id.

³ FischeI, William. (2002). The Homevoter Hypothesis: How Home Values Influence Local Government Taxation, School Finance, and Land-Use Policies. *Land Economics*. 78. 10.2307/3146859.



What's making housing unaffordable?

Minimum Dwelling Size Requirements

Minimum dwelling size requirements are a zoning rule that sets the smallest floor area that a home can legally be.

That does three cost-raising things:

- 1. Forces households to buy a larger home than they may need, increasing construction and material costs.**
- 2. Makes small, entry-level homes illegal, blocking starter homes, cottages, and modest infill housing.**
- 3. Reduces naturally lower-cost housing options, concentrating new construction in larger, more expensive homes and pushing overall prices higher.**



The Research:

1) Minimum dwelling size rules are associated with higher housing costs by restricting smaller, lower-priced units. Research on regulatory constraints and housing supply finds that more restrictive land-use regulations are linked to higher home prices, in part by limiting lower-cost housing types.¹

2) Regulatory barriers that limit smaller homes contribute to supply shortages and price pressure. Economic research published by the NBER has consistently found that constraints on housing form and size reduce supply elasticity, leading to higher prices when demand rises. ([NBER](#))

3) Smaller homes are significantly cheaper to build per unit. Construction industry data consistently show that total construction cost rises with square footage; prohibiting modest homes effectively sets a floor on the minimum possible price of entry-level housing.²

Real-world reform example:

North Carolina and Connecticut passed state laws in 2019 and 2021, respectively, that prohibit local zoning ordinances from setting a minimum dwelling size, and several cities have rolled back minimum dwelling size rules to allow “micro-units,” cottage courts, and smaller starter homes. For example, Seattle eliminated certain minimum dwelling size requirements in urban centers, helping enable smaller apartments and more diverse housing types in high-demand neighborhoods.

What can Legislators do?

State policymakers can prohibit or limit local minimum dwelling size mandates, particularly in areas served by public water and sewer infrastructure. Allowing home builders to provide smaller homes expands entry-level housing opportunities and improves affordability without public subsidy.

¹ David Eisenberg, “2018 Tiny Houses Appendix Q in International Residential Code,” Northwest EcoBuilding Guild, <https://perma.cc/D8JJ-L496>

² Id.



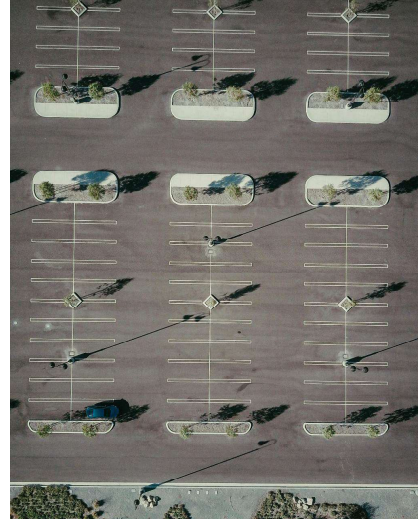
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Minimum Parking Requirements

Minimum parking requirements are zoning rules that require the production of off-street parking spaces per home or apartment regardless of location or market demand.

That does three cost-raising things:

- 1. Forces housing to “bundle” parking whether residents need it or not, increasing development costs per unit.**
- 2. Consumes land that could otherwise be used for additional homes, reducing overall housing supply.**
- 3. Raises construction costs dramatically when structured or underground parking is required, especially in walkable or higher-density areas.**



The Research:

1) Structured parking is expensive. Research summarized by [UCLA](#) finds that **structured parking spaces often cost \$50,000–\$75,000 per space** (and more underground). Mandating 1–2 spaces per unit can add hundreds of thousands of dollars to the cost of each home.

2) Parking minimums reduce housing production. Studies of cities that eliminated parking requirements — including research from the University at Buffalo and other urban policy scholars — find that removing parking mandates increases housing production, especially on smaller infill lots. ([JAPA](#))

3) Parking requirements function as a hidden density cap. By consuming land and limiting buildable area, parking mandates reduce the number of homes per acre, which spreads land and infrastructure costs across fewer households and increases prices. ([Science Direct](#))

Real-world reform example:

Buffalo, New York eliminated minimum parking requirements citywide in 2017. [Subsequent research](#) found no widespread parking shortages and an increase in development flexibility, particularly for adaptive reuse and small-lot housing.

More recently, California eliminated parking minimums near transit statewide, allowing housing to be built without mandatory parking where demand does not justify it.

What can Legislators do?

State policymakers can prohibit or cap local minimum parking mandates, particularly in areas served by public transit, public water, and sewer infrastructure. Allowing developers and homeowners to decide how much parking to provide reduces housing costs and increases supply without public subsidy.



What's making housing unaffordable?

Minimum Setback Requirements

Minimum setback requirements are zoning rules that require buildings to be set back a fixed distance from the front, side, or rear property lines.

That does three cost-raising things:

- 1. Shrinks the buildable area of each lot, limiting how much housing can fit on otherwise usable land.**
- 2. Prevents modest infill housing on smaller or irregular lots by making projects financially infeasible.**
- 3. Reduces the number of homes per acre, spreading land and infrastructure costs across fewer households and increasing prices.**



The Research:

1) Land-use regulations that constrain buildable area raise housing costs. Research from economists such as Edward Glaeser and Joseph Gyourko finds that restrictive zoning — including dimensional standards like setbacks — contributes to higher home prices by limiting housing supply in high-demand areas. ([Federal Reserve Bank of New York](#))

2) Dimensional requirements act as a form of density restriction. Studies of regulatory constraints show that jurisdictions with more restrictive zoning rules tend to have higher housing prices, consistent with supply limitations raising costs. ([NBER](#))

3) Smaller lots with reduced setbacks can meaningfully increase housing production. Urban planning research has shown that easing dimensional standards allows more flexible site design, enabling additional units on the same amount of land and improving affordability outcomes. ([HAI](#))

Real-world reform example:

In 2024 and 2025, Austin, TX passed the "Home Options for Mobility and Equity" (HOME) amendments, which are among the most aggressive local zoning reforms in the country, slashing setback and separation requirements. In 2023, Montana passed SB 382, the Montana Land Use Planning Act which mandated major cities to overhaul their land-use including reducing or eliminating setbacks for multi-unit dwellings.

What can Legislators do?

State policymakers can set reasonable limits on local setback mandates, particularly in areas served by public infrastructure. Allowing homes to be built closer to property lines — while maintaining health and safety codes — expands buildable area, increases supply, and lowers per-unit housing costs.



Affordable Housing Types

Duplexes

Duplexes are two homes built within a single structure — either side-by-side or stacked — on one residential lot. They are one of the most traditional and historically common forms of “middle housing.”

In many communities, duplexes are prohibited by zoning. That does three cost-raising things:

- 1. Cuts the number of homes that can be built on residential land in half, limiting overall housing supply.**
- 2. Eliminates a lower-cost ownership and rental option, since duplex units typically cost 20%-30% less than detached single-family homes.**
- 3. Concentrates new housing in fewer areas, increasing competition and driving up prices citywide.**



The Research:

1) Allowing duplexes increases housing supply. Research examining zoning reform in cities that legalized duplexes citywide finds measurable increases in permit activity and development flexibility, particularly on infill lots. ([Mercatus](#))

2) “Missing middle” housing types are generally more affordable than detached homes. Urban housing studies show that smaller-scale multi-unit buildings — including duplexes — typically have lower per-unit land costs because the land is shared across two households. ([Turner Center](#))

3) Restrictive single-family-only zoning is associated with higher housing costs. Economic research from institutions including the National Bureau of Economic Research finds that more restrictive zoning regimes limit housing supply elasticity and are linked to higher prices. ([NBER](#))

Real-world reform example:

Oregon, Montana and California have enacted statewide measures requiring cities to allow duplexes in areas previously reserved for single-family homes.

What can Legislators do?

State policymakers can require that duplexes be allowed by-right in residential zones, particularly in areas served by public water and sewer infrastructure. Legalizing duplexes expands supply, supports homeownership opportunities, and increases affordability without public subsidy.



Affordable Housing Types

Accessory Dwelling Units

Accessory Dwelling Units (ADUs) are small, secondary homes located on the same lot as a primary residence. They can be attached (like a basement or garage apartment) or detached (like a backyard cottage).

In many communities, ADUs are either prohibited outright or heavily restricted. That does three cost-raising things:

- 1. Blocks low-cost housing on existing residential lots, reducing naturally affordable supply.**
- 2. ADUs can generate rental income that could offset mortgage costs and improve housing stability.**
- 3. Limits gentle, small-scale neighborhood growth, pushing new housing into fewer locations and increasing price pressure citywide.**



The Research:

1) ADUs expand housing supply at relatively low cost. Research from UCLA and other urban policy scholars finds that ADUs are typically smaller and less expensive than newly constructed single-family homes, making them an important source of entry-level rental housing. ([UCLA](#))

2) Jurisdictions that legalize ADUs see meaningful increases in production. After California enacted statewide ADU reforms beginning in 2017, ADU permits increased dramatically — from just a few hundred annually to tens of thousands per year within a few years, according to state housing data. ([California YIMBY](#))

3) ADUs can improve affordability without altering neighborhood character. Studies of ADU reform in cities like Portland and Los Angeles find that ADUs are often rented at below-market rates compared to newly built large homes, and they are largely integrated into existing neighborhoods without widespread disruption while providing secure housing oftentimes to family members of homeowners. ([Turner Center](#))

Real-world reform example:

California passed a series of statewide reforms beginning in 2017 that limited local barriers to ADU construction, including excessive parking mandates and owner-occupancy requirements. As a result, ADUs have become one of the fastest-growing forms of new housing production in the state. Oregon and Washington have also enacted statewide ADU legalization measures to expand housing supply.

What can Legislators do?

State policymakers can require that ADUs be allowed by right in residential areas, prohibit excessive dimensional or parking requirements, and prevent owner-occupancy mandates that restrict financing.