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ANNUAL PRIVATIZATION REPORT: LAND USE AND HOUSING

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PART 1

INTRODUCTION

The right to use and sell property as the owner sees fit is necessary for any society to facilitate voluntary exchange. If property rights are protected, there can be positive impacts to the nation's economy. Some economists argue that the right to property is a factor in the success of a nation's per capita growth rate. One study found that countries that protect property rights grow more quickly than those that do not.¹ Protecting the right to use one's property as they see fit is important and has advantageous effects beyond initial intent.

Protecting the right to use one's property as they see fit is important and has advantageous effects beyond initial intent.

In their article on the future of development regulation, two Florida State University researchers explain that the current framework for regulating private land use is a closed system, in which new procedures must reflect the local comprehensive plan or be supported by a political majority. They advocate instead for an open system in which

¹ David Leblang, "Property Rights, Democracy and Economic Growth," *Political Research Quarterly* 49.1 (1996). 5–26.

innovations are adopted so long as their implementation does not restrict the right of another to use their property as they see fit.²

Take, for example, a situation in which an individual wants to build a stage in their backyard and the lights shine into their neighbor's yard. If the neighbor did not want light shining in his yard, this would impede his right to use his property as he desires. If, instead, the individual's lights did not shine into the neighbor's yard and the neighbor protested the building of the stage because he didn't like the way it looked, this is not a valid reason to prohibit the individual from building because it does not prevent the neighbor from using their own property as they please. This framework is more dynamic in nature than creating strict restrictions to address all possible conflicts that can occur. It also protects the right to property by ensuring that one person's desires for usage are not obstructing another's.

1.1

BACKGROUND ON ZONING AND LAND USE IN THE UNITED STATES

Zoning policies broadly regulate the use of land and the nature of development that is allowed within designated areas. Zoning in the United States emerged in the early 20th century as a response to overcrowding and unsanitary conditions resulting from the rapid industrialization of American cities.³ Under the leadership of then-Commerce Secretary Herbert Hoover, advisory committees developed two model policies in the 1920s that laid the foundation for contemporary zoning practices across the country. The Standard State Zoning Enabling Act (SSEA) was first published in 1924, followed by the Standard City Planning Enabling Act (SCPEA) in 1927.⁴

² Samuel Staley and Eric Claeys, "Is the Future of Development Regulation Based in the Past? Toward a Market-Oriented, Innovation Friendly Framework," *Journal of Urban Planning and Development* 131.4 (2005). 202–213.

³ Susan Fainstein, "Urban Planning," *Encyclopedia Britannica*. 14 August 2025. www.britannica.com/topic/urban-planning/The-era-of-industrialization (accessed 14 May 2025); Jason Barr, "Revisiting 1916 (Part I): The History of New York City's First Zoning Resolution," Skynomics Blog. Building the Skyline. 27 March 2019. buildingtheskyline.org/revisiting-1916-i/. (14 May 2025).

⁴ "Standard State Zoning Enabling Act and Standard City Planning Enabling Act," *Planning.org*, American Planning Association. www.planning.org/growingsmart/enablingacts/. (14 May 2025).

Zoning in the United States emerged in the early 20th century as a response to overcrowding and unsanitary conditions resulting from the rapid industrialization of American cities.

Traditionally, zoning has followed a single-use model wherein areas are reserved for only commercial, residential, or industrial use. This approach to zoning is referred to as “Euclidian zoning” (named after Euclid, Ohio, not the Greek mathematician). The 1926 U.S. Supreme Court decision in *The Village of Euclid v. Ambler* provides the constitutional basis for governments to designate the permissible uses of land.⁵ The primary goal of Euclidian zoning was to improve health and safety conditions in congested and dirty cities by separating residential from industrial areas.⁶ However, zoning policies were also used to enforce geographic segregation between racial and socio-economic groups.⁷

In contrast to traditional Euclidian zoning, mixed-use zoning allows for multiple uses in a particular area or building. Today, commercial developments do not typically present significant health, safety, or environmental threats. Proximity of housing to commercial development is also considered a desirable amenity among consumers.⁸ In fact, urban planners of the 21st century have enthusiastically embraced mixed-use development, often citing environmental and health benefits of walkable urban environments.⁹

⁵ *Village of Euclid v. Ambler Realty Co.*, 272 U.S. 365, United States Supreme Court, 22 November 1926.

⁶ Sonia Hirt, “Rooting our mixed use: Revisiting the original rationales.” *Land Use Policy* 50. (2016). 134–147; “What is Euclidian Zoning?” *Planopedia*, Planetizen. www.planetizen.com/definition/euclidean-zoning (2 October 2025).

⁷ Joseph DeAngelis, “Grappling with the Racist Legacy of Zoning,” Planning.org, American Planning Association. 21 Jan. 2022. www.planning.org/blog/9228712/grappling-with-the-racist-legacy-of-zoning/ (2 October 2025); Jennifer Raitt, “Ending Zoning’s Racist Legacy,” Planning.org, American Planning Association. 1 Jan. 2022. www.planning.org/publications/document/9227445/ (14 May 2025).

⁸ Stephania Rauterkus and Norman Miller, “Residential Land Values and Walkability,” *Journal of Sustainable Real Estate* 3.1 (2011). 23–43.

⁹ Johamary Swena and Sagar Shahrvani, “Supporting Active Living Through Mixed-Use Developments,” *Everyday Destinations*, American Planning Association, 28 Mar. 2022. www.planning.org/blog/9227408/supporting-active-living-through-mixed-use-developments/ (2 October 2025); Hamid Iravani and Venkat Rao, “The Effects of New Urbanism on Public Health.” *Journal of Urban Design* 25.2. (2019). 218–35.

In jurisdictions that still rely on traditional Euclidian zoning, developers are generally required to obtain a conditional use permit or request a use variance to create mixed-use developments.¹⁰ The processes for obtaining these special permissions result in uncertainty, enable opposition by vocal community stakeholders, and enable special interests to hinder development.¹¹ One solution to this problem is to change the underlying zoning code to allow for more than one use. For example, some municipalities have zoning designations that specifically allow mixed-use development.¹²

Proximity of housing to commercial development is also considered a desirable amenity among consumers.

Many single-family zoning districts do not allow any variations such as granny flats or additional dwellings on the property. Many oppose these units due to traffic or “neighborhood character” concerns. Often zoning boards will recommend denying exceptions to all properties under the rationale that if they offer an exception to one party, they must offer it to all parties. But for homeowners, zoning can represent a taking of property rights, especially when it becomes overly restrictive.

Clearly, zoning exceptions need to be considered on a case-by-case basis. Yet, with housing costs outpacing incomes, particularly in geographically constrained metro areas, the takings element deserves greater consideration.

¹⁰ Robert Rafii, “Zoning Changes, Variances, and More,” FindLaw.com, FindLaw. 6 Sep. 2018. www.findlaw.com/realestate/land-use-laws/zoning-changes-variances-and-more.html (22 Jul. 2022).

¹¹ Anastasia Boden et al. “The Land Use Labyrinth: Problems of Land Use Regulation and the Permitting Process,” Regulatory Transparency Project of the Federalist Society, 8 Jan. 2020. regproject.org/wp-content/uploads/RTP-State-and-Local-Working-Group-Paper-Land-Use.pdf. (15 May 2025).

¹² See for example: “Visual Guide to Zoning Categories (December 2024).” The Maryland-National Capital Park and Planning Commission, Prince George’s County Planning Department. MNCPPC.org, 1 Nov. 2024. pgplanning.org/resource_library/visual-guide-to-zoning-categories/. (2 Oct. 2025).

1.2

THE IMPACT OF DEVELOPMENT REGULATIONS ON HOUSING PRICES

In addition to zoning restrictions, other regulations seek to reduce housing costs by pressuring developers, in some cases requiring them to sell a portion of their buildings for lower prices (often called Inclusionary Zoning or Affordable Dwelling Unit ordinances) – often lower than the costs of building them. While such requirements might sound like a logical way to reduce housing prices, coercing developers in this way can be counterproductive. These kinds of policies have proliferated as both housing prices and interest rates reach multi-decade highs.¹³

Over recent decades, house prices have risen faster than construction costs (such as building materials and labor).

Over recent decades, house prices have risen faster than construction costs (such as building materials and labor). For example, research found that, after controlling for inflation, construction costs remained relatively stable between 1980 and 2013.¹⁴ However, housing prices rose sharply over the same period (Figure 1). Economists have generally attributed this divergence to regulatory costs. Regulatory requirements add to the cost of housing by restricting supply, imposing fees, and creating delays in the construction process. A 2021 report found that regulatory costs add an estimated 23.8% to the final sale price of a home.¹⁵ This equates to an average of \$93,870 for each house. (These are the costs for land use charges such as zoning and architectural designs not structural inspections).

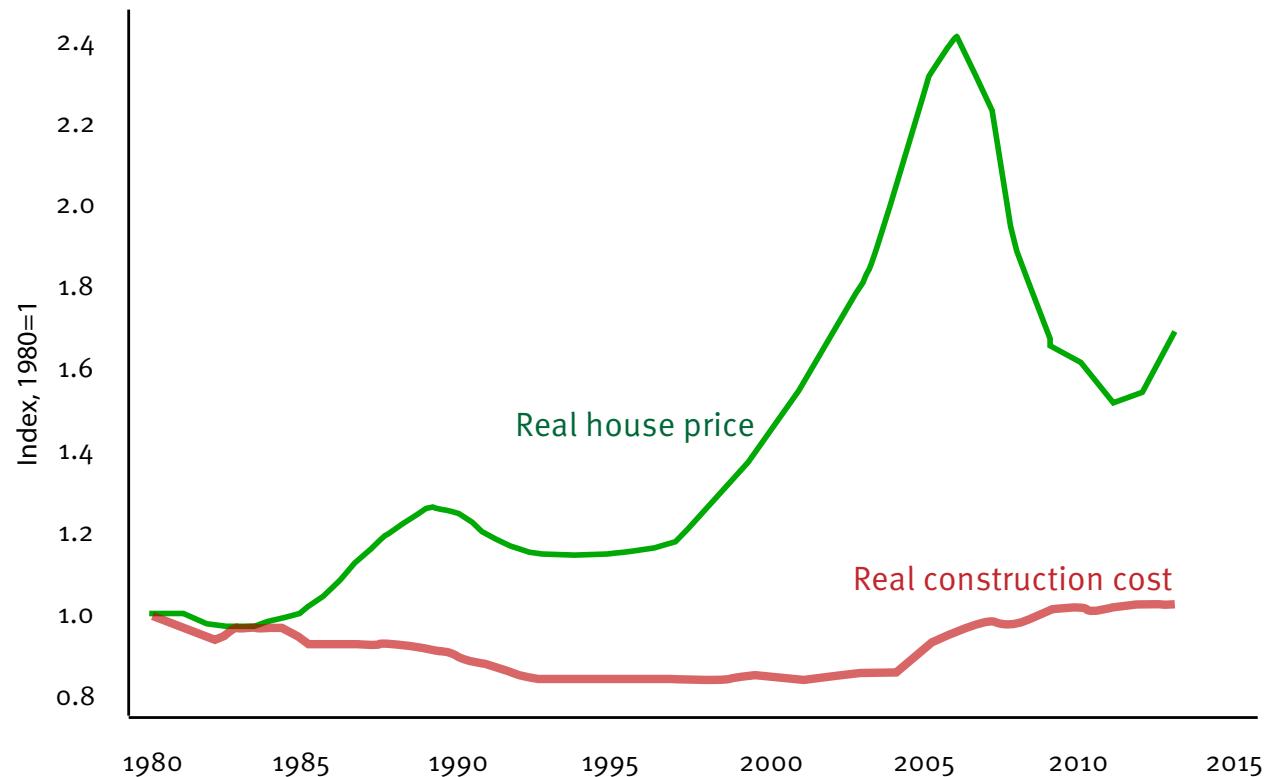
¹³ Nicole Friedman, “The Spring Home Sales Season Is Shaping Up to Be a Dud,” *The Wall Street Journal*. 10 May 2025. WSJ.com. www.wsj.com/economy/housing/spring-2025-housing-market-sales-90f41fb3. (13 May 2025); Laurel Walmsley, “The hottest trend in U.S. cities? Changing zoning rules to allow more housing,” NPR.org, National Public Radio. 17 Feb. 2024. www.npr.org/2024/02/17/1229867031/housing-shortage-zoning-reform-cities. (13 May 2025).

¹⁴ Joseph Gyourko and Raven Molloy, “Chapter 19: Regulation and Housing Supply,” *Handbook of Regional and Urban Economics*, 5, Eds. Gilles Duranton, J. Vernon Henderson, William C. Strange, (Oxford: Elsevier, 2015). 1289–1337.

¹⁵ Paul Emrath, “Government Regulation in the Price of a New Home: 2021,” National Association of Home Builders, 5 May 2021. www.nahb.org/-/media/NAHB/news-and-economics/docs/housing-economics-plus/special-studies/2021/special-study-government-regulation-in-the-price-of-a-new-home-may-2021.pdf. (2 Oct. 2025).

These regulations are one factor in the rapid increase of housing costs. Figure 1 shows how over the last 30 years housing prices have risen almost twice as fast as real construction costs.

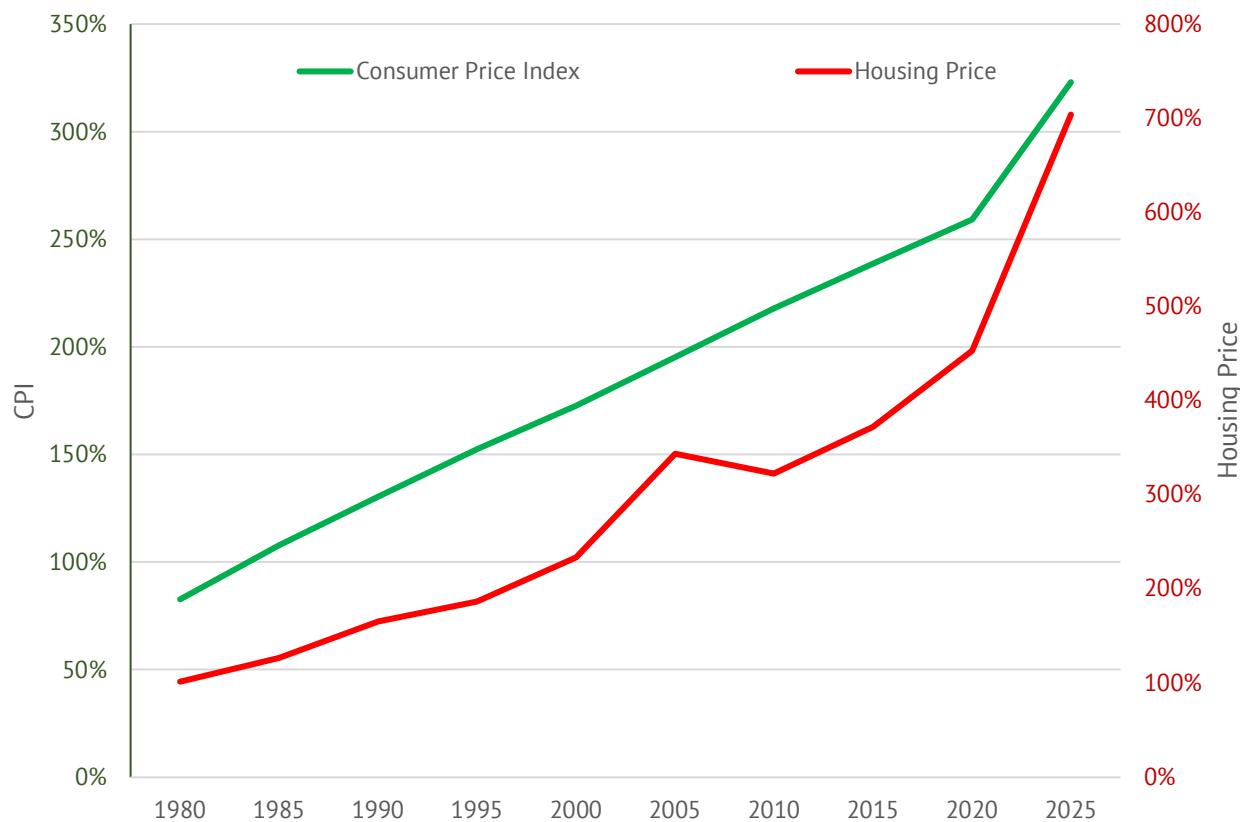
FIGURE 1: REAL HOUSE PRICES HAVE OUTPACE CONSTRUCTION COSTS SINCE THE 1980S



Source: Joseph Gyourko & Raven Molloy, "Regulation and Housing Supply," *Handbook of Regional and Urban Economics* 5 (2015). 1289-1337.

The problem has worsened since COVID, with housing prices outstripping the consumer price index. Figure 2 compares the consumer price index for all goods with the costs of housing.

FIGURE 2: CONSUMER PRICE INDEX WITH HOUSING PRICES AND PERCENT HOUSES LISTED FOR SALE



Source: “U.S. Consumer Price Index Data from 1925 to 2013,” [usinflationcalculator.com](https://www.usinflationcalculator.com), U.S. Inflation Calculator, 2025. <https://www.usinflationcalculator.com/inflation/consumer-price-index-and-annual-percent-changes-from-1913-to-2008/> 9 Oct 2025. “U.S. House Price Index,” [macrotrends.net](https://www.macrotrends.net), Macrotrends, 2025. <https://www.macrotrends.net/3072/us-house-price-index> 9 Oct 2025.

Figure 2 shows that, even with rapid inflation of consumer goods in recent years, housing prices have still been rising faster than inflation as a whole. Between 1980 and 2025 consumer prices increased just under 300%, which sounds excessive. But during that same time period, housing prices increased almost 600%, or roughly twice as fast.

Regulations play a large part in the run-up of prices. They act as a form of taking. Regulations restrict how landowners can use their property and diminish the value of the land. Many serve no real purpose other than to abide by zoning rules, many of which have not been reviewed in more than 50 years.

Regulations restrict how landowners can use their property and diminish the value of the land.

Recognizing that regulatory costs are a major driver of high housing costs, and in many cases an unnecessary one, states across the political divide have been working to reform zoning laws, types of dwellings, problematic policies, growth restrictions, lot sizes, and parking requirements.

PART 2

PROMISING REFORMS ACROSS THE COUNTRY

Relaxing zoning restrictions to allow for higher density development is a practical path toward lowering housing prices by increasing the supply of housing units. However, current single-family zoning laws impose tight density controls that prevent homeowners from making even relatively modest additions to their properties, such as “granny flats” or accessory dwelling units (ADUs).

2.1

ACCESSORY DWELLING UNITS

Accessory dwelling units (ADUs), are smaller residential structures built on the same lot as a single-family home, typically accommodating one or two people.¹⁶ ADUs are sometimes referred to as “granny flats” or “in-law units,” because they are often used to house extended family members, but they may also be used as rental properties.

Reforms that enable the construction and leasing of ADUs expand affordable housing through voluntary, mutually beneficial arrangements. ADUs generally offer lower rents than traditional single-family homes due to their smaller size and lower construction costs. This makes them a viable option for lower-income renters while providing homeowners with an additional income stream. Common regulatory adjustments include allowing ADUs as long-

¹⁶ “Accessory Dwelling Unit Guidebook,” Florida Housing Coalition, 2019. www.flhousing.org/wp-content/uploads/2019/08/ADU-Guidebook.pdf. (14 May 2024).

term rental properties, increasing the number permitted per lot, and enabling their construction without requiring special approval. By giving homeowners greater flexibility, ADU reforms create a straightforward way to expand housing supply—without the political and logistical hurdles of more sweeping zoning changes. Eight states—Arizona, California, Colorado, Hawaii, Massachusetts, Montana, Rhode Island, and Washington—adopted notable ADU reforms in 2023 and 2024.¹⁷

By giving homeowners greater flexibility, ADU reforms create a straightforward way to expand housing supply...

TABLE 1: LIST OF STATE ACCESSORY DWELLING UNIT REFORM BILLS

Bill		Year	Summary
Arizona	HB 2720	2024	Requires municipalities with over 75,000 residents to allow a minimum of one ADU by right on parcels zoned for single-family use.
California	AB 976	2023	Removes a 2025 sunset provision in a 2019 law that prohibits municipalities from imposing owner occupancy requirements on ADUs.
Colorado	HB 1152	2024	Removes the ability of localities to outlaw ADUs and prevents them from imposing several restrictions on them.
Hawaii	SB 3202	2024	Requires Hawaii counties to allow at least two ADUs on all residential zoned lots.
Massachusetts	HB 4977	2024	Requires municipalities to allow a minimum of one ADU up to 900 sq. ft. on parcels zoned for single-family use.
Montana	SB 528	2023	Requires municipalities to allow a minimum of one ADU by right on a lot or parcel that contains a single-family dwelling.
New York City	“City of Yes”	2024	Legalizes the construction of ADUs in low-density zones.
Rhode Island	H 7062	2024	Allows one ADU per lot in all residential districts in the state.
Vermont	SB 100	2023	Requires that building standards for ADUs set by local governments cannot be any more stringent than those for single-family homes.
Washington	HB 1337	2023	Allows two ADUs on all single-family lots within defined “Urban Growth Areas.”

¹⁷ Emily Hamilton and Abigail Houseal, “A Taxonomy of State Accessory Dwelling Unit Laws 2024,” Mercatus Center, George Mason University, 14 Aug. 2024. www.mercatus.org/research/policy-briefs/taxonomy-state-accessory-dwelling-unit-laws-2024. (15 May 2025).

Arizona House Bill 2720 (2024): Arizona's HB 2720 requires municipalities with over 75,000 residents to allow a minimum of one ADU by right on parcels zoned for single-family use. The legislation also prohibits all municipalities from imposing regulations on ADUs that are more stringent than regulations governing single-family homes. The legislation also preempts local bans on the use of ADUs as short-term rentals, parking requirements, and certain aesthetic restrictions.¹⁸

California Assembly Bill 976 (2023): The California Legislature cemented its commitment to supporting ADU development in passing AB 976.¹⁹ This bill removed the 2025 sunset provision in a 2019 law (Assembly Bill 881) that removed the owner occupancy requirement on ADUs.²⁰ AB 976 permanently instills a commitment to property-owner choice in the law surrounding ADUs.

Colorado House Bill 1152 (2024): In 2024 the Colorado Legislature passed HB 1152, which continues the nation-wide trend of loosening restrictions on the construction of ADUs. This bill removes the ability of localities to outlaw ADUs and prevents them from imposing several restrictions on them, including parking requirements and architectural constraints more stringent than the primary residence.²¹

Hawaii Senate Bill 3202 (2024): SB 3202 requires Hawaii counties to allow at least two ADUs on all residential zoned lots. Further, this bill prevents the use of private covenants to restrict zoning beyond the broader county requirements.²²

Massachusetts House Bill 4977 (2024): Massachusetts' HB 4977 allows by right ADUs less than 900 square feet or 50% of the total floor space of the primary residence (whichever is smaller). The legislation also preempts local regulations requiring owner occupancy and certain parking requirements for parcels within one-half mile of transit.²³

¹⁸ House Bill 2720, State of Arizona Legislature, LegiScan, 2024. legiscan.com/AZ/bill/HB2720/2024 (2 Oct. 2025).

¹⁹ Assembly Bill 976, State of California Legislature, LegiScan, 2023-2024. legiscan.com/CA/bill/AB976/2023 (2 Oct. 2025).

²⁰ Assembly Bill 881, State of California Legislature, LegiScan, 2019-2020. legiscan.com/CA/bill/AB881/2019 (2 Oct. 2025).

²¹ House Bill 1152, State of Colorado Legislature, LegiScan, 2024. legiscan.com/CO/bill/HB1152/2024 (2 Oct. 2025).

²² House Bill 3202, State of Hawaii Legislature, LegiScan, 2024. legiscan.com/HI/bill/SB3202/2024 (2 Oct. 2025).

²³ House Bill 4977, State of Massachusetts Legislature, LegiScan, 2023-2024. legiscan.com/MA/bill/H4977/2023 (2 Oct. 2025).

Montana Senate Bill 528 (2023): Montana's SB 528 allows ADUs (either attached, detached, or internal) on parcels with a single-family home. The ADU may be up to 1,000 square feet, or 75% of the primary home's square footage (whichever is less). There are additional provisions prohibiting municipalities from imposing certain aesthetic and parking requirements on ADUs.²⁴ SB 528 was initially blocked by a district court judge,²⁵ before ultimately being upheld by the Montana Supreme Court.²⁶

New York City “City of Yes” (2024): In addition to the land use reforms previously discussed, New York City’s “City of Yes” includes a provision allowing ADUs in low-density neighborhoods, with restrictions on ground floor and basement ADUs in areas prone to flooding.²⁷

Rhode Island House Bill 7062 (2024): Rhode Island's H7062 continues the nationwide trend of loosening regulations around ADUs, allowing one per lot in all residential districts in the state. These can be as large as 1200 square feet, or 60% of the primary dwelling.²⁸

Vermont Senate Bill 100 (2023): In addition to the previously mentioned land use reforms, SB 100 includes provisions regarding ADUs. While ADUs were already allowed in Vermont, this bill requires that building standards for ADUs set by local governments cannot be any more stringent than those for single-family homes.²⁹

Washington House Bill 1337 (2023): HB 1337 allows two ADUs on all single-family lots within defined “urban growth areas,” whether attached or detached. It further includes provisions to preempt additional hindering regulations from being imposed on the newly allowed ADUs, like owner-occupancy requirements, maximum sizes under 1,000 sq. ft., and impact fees exceeding 50% of the principal structure, among others.³⁰

²⁴ Senate Bill 528, State of Montana Legislature, LegiScan, 2023. legiscan.com/MT/bill/SB528/2023 (2 Oct. 2025).

²⁵ Eric Dietrich, “Judge blocks two pro-construction housing laws,” *Montana Free Press*. 2 Jan. 2024.

montanafreepress.org/2024/01/02/bozeman-judge-blocks-two-pro-construction-housing-laws/ (19 May 2025).

²⁶ Diana Lonescu, “Montana Supreme Court Upholds Zoning Reform Bills.” Planetizen. 8 Sep. 2024.

www.planetizen.com/news/2024/09/131637-montana-supreme-court-upholds-zoning-reform-bills (19 May 2025).

²⁷ “City of Yes” NYC.gov, NYC Planning. 5 Dec. 2024. www.nyc.gov/content/planning/pages/our-work/plans/citywide/city-of-yes-housing-opportunity (2 Oct. 2025).

²⁸ House Bill 7062, State of Rhode Island Legislature, LegiScan, 2024. legiscan.com/RI/text/H7062/2024 (2 Oct. 2025).

²⁹ Senate Bill 100, State of Vermont Legislature, LegiScan, 2023-2024. legiscan.com/VT/bill/S0100/2023 (2 Oct. 2025).

³⁰ House Bill 1337, State of Washington Legislature, LegiScan, 2023-2024. legiscan.com/WA/bill/HB1337/2023 (2 Oct. 2025).

2.2

LAND-USE AND ZONING

Land use is defined as how humans use land. This is typically separated into economic and cultural activities. Common land uses include agricultural, residential, industrial, mining, and recreation. Zoning is a part of land use, but some land uses such as large parks are not typically zoned. Most zoning in the U.S. has been based on Euclidean practices, assigning various areas separate uses. However, mixed-use zoning—which blends multiple types of different zoning types into one category—has increased in popularity over the past three decades. Vertical mixed-use development combines retail, restaurant, professional offices, and residences all in one building. Horizontal mixed-use zoning includes different uses all within a small geographic region, which is typically walkable.

... mixed-use zoning—which blends multiple types of different zoning types into one category—has increased in popularity over the past three decades.

In 2023 and 2024, 14 states adopted notable legislative reforms to promote mixed-use development or allow for higher density residential development, mostly through preemption of local zoning rules.

TABLE 2: LIST OF STATE LAND USE REFORM BILLS

State	Bill	Year	Summary
Arizona	HB 2297	2024	Requires localities with over 150,000 residents to create a plan for converting up to 10% of the area's commercial, office, and mixed-use buildings into multifamily residential or adaptive reuse spaces.
Arizona	HB 2721	2024	Requires that by January 1, 2026 cities with over 75,000 residents in the state allow the development of as dense as “fiveplexes and townhomes” on lots zoned as “single-family residential.”
California	AB 1287	2023	Grants a density bonus of 20%-50% of the existing maximum if some units in a proposed development are set aside for very low to moderate income households.
California	SB 4	2023	Allows faith-based and religious organizations, as well as non-profit colleges, to build affordable housing on their land regardless of existing zoning.
California	SB 684	2023	Streamlines the permitting process for housing developments with 10 units or fewer in multifamily residential areas.

State	Bill	Year	Summary
California	AB 835	2023	Requires the state fire marshal to research the development of standards for multi-unit buildings with more than three stories and a single-exit stairway.
Colorado	HB 1313	2024	Requires transit-oriented communities to create a housing opportunity goal and take steps toward meeting it.
Florida	SB 102	2023	Preempts local zoning authorities from allowing development of multi-family rental housing on all types of lots.
Hawaii	HB 2090	2024	Requires counties to amend their code to allow residential uses in commercial areas beginning January 1 st of 2025.
Maryland	HB 538	2024	Expands the use of modular and manufactured homes in current single-family residential zones and creates opportunities for qualified projects.
Montana	SB 323	2023	Requires local zoning authorities to allow duplexes on all plots previously allowing only single-family homes in cities with more than 5,000 residents.
Montana	SB 245	2023	Requires that municipalities with over 5,000 residents allow mixed-use development.
Montana	SB 382	2023	Establishes statewide planning criteria for municipalities with over 5,000 residents within counties with over 70,000 residents.
Montana	SB 406	2023	Prohibits local governments in Montana from adopting building codes that are more stringent than those provided by the state.
Montana	HB 246	2023	Creates a pathway for cities and counties to create zones for tiny dwelling units.
Montana	SB 407	2023	Requires clear and objective design standards and bans the use of external review boards to determine compliance.
New York City	“City of Yes”	2024	Expands the types of buildings eligible for conversion to residential properties, and the ability to build more small and shared multifamily options.
Rhode Island	SB 1052	2023	Creates a statewide pilot program incentivizing municipalities to increase density near transit stops.
Rhode Island	SB 1037	2023	Allows for density bonuses depending on the number of units set aside as low-moderate income housing.
Rhode Island	HB 7980	2024	Allows manufactured homes to be considered single-family homes.
Vermont	SB 100	2023	Requires at least duplexes be allowed on all single-family zoned parcels.
Washington	HB 1042	2023	Requires local governments to allow subdivision of multifamily units within existing buildings.
Washington	HB 1293	2023	Establishes that review standards should be objective and expedites the permitting process for developments affordable to those of moderate-low income.
Washington	HB 5491	2023	Requires the state building code council to recommend modifications to the existing building code that would allow buildings up to six stories with a single exit stairway.
Washington	HB 1110	2023	Creates incremental density increases for cities with varying populations.
Washington	HB 1998	2024	Requires cities and counties to allow “co-living” housing on any lot within an urban growth area.
Washington	HB 2071	2024	Requires local governments to allow the building of “middle and multiplex” housing according to the international residential code.

Arizona House Bill 2297 (2024): In 2024 the Arizona Legislature passed both HB 2297 and HB 2721, which both work to loosen zoning in the state. HB 2297 requires localities with over 150,000 residents to create a plan for converting up to 10% of the area's commercial, office, and mixed-use buildings into multifamily residential or adaptive reuse spaces. These plans had to be in place before January 1 of 2025.³¹

Arizona House Bill 2721 (2024): HB 2721 continues the trend of allowing higher-density development on single-family zoned lots. This bill requires that by January 1, 2026, cities with over 75,000 residents in the state allow development as dense as "fiveplexes and townhomes" on lots zoned as "single-family residential."³²

California Assembly Bill 1287 (2023): California lawmakers continued the trend of density increases with affordability stipulations. This bill grants a density bonus of between 20% and 50% of the existing maximum if some units in a proposed development are set aside for very low to moderate income households. Projects meeting certain affordability criteria may also qualify for a height bonus of up to three additional stories or 33 feet above the maximum.³³

California Senate Bill 4 (2023): California's SB 4, otherwise known as the Affordable Housing on Faith Lands Act, allows faith-based and religious organizations, as well as non-profit colleges, to build affordable housing on their land regardless of existing zoning. Units added under this act are exempt from compliance with the California Environmental Quality Act (CEQA), to further streamline the development process.³⁴

California Senate Bill 684 (2023): This bill streamlines the permitting process for housing developments with 10 units or fewer in multifamily residential areas or vacant land in single-family residential areas.³⁵

California Assembly Bill 835 (2023): California's AB 835 requires the state fire marshal to research the development of standards for multi-unit buildings with more than three

³¹ House Bill 2297, State of Arizona Legislature, LegiScan, 2024. legiscan.com/AZ/bill/HB2297/2024 (2 Oct. 2025).

³² House Bill 2721, State of Arizona Legislature, LegiScan, 2024. legiscan.com/AZ/bill/HB2721/2024 (2 Oct. 2025).

³³ Assembly Bill 1287, State of California Legislature, LegiScan, 2023-2024. legiscan.com/CA/bill/AB1287/2023 (2 Oct. 2025).

³⁴ Senate Bill 4, State of California Legislature, LegiScan, 2023-2024. legiscan.com/CA/bill/SB4/2023 (2 Oct. 2025).

³⁵ Senate Bill 684, State of California Legislature, LegiScan, 2023-2024. legiscan.com/CA/text/SB684/id/2834151 (2 Oct. 2025).

stories and a single-exit stairway. A new set of standards could drastically reduce building costs.³⁶

Colorado House Bill 1313 (2024): Colorado's HB 1313 requires transit-oriented communities to calculate a housing opportunity goal and take steps toward meeting it. It is recommended in the legislation that this is done through allowing higher density residential development in these areas.³⁷

Florida Senate Bill 102 (2023): In 2023, the Florida Senate unanimously passed the original version of the Live Local Act (LLA), with revisions to come in the next year. The initial legislation had several components including funding for low-income housing programs, state-level preemption of rent control, tax exemptions to incentivize affordable housing development, and substantial upzoning.³⁸ Regarding upzoning, LLA preempts local zoning authorities and allows the development of multi-family rental housing on lots zoned for industrial, mixed-use, commercial and residential lots as long as 40% of units are designated "affordable" for 30 years. Further, LLA removes some barriers around development. It requires that municipalities allow these residential developments to be as tall as the highest allowed commercial or residential height limit, or three stories, whichever is taller. While no strict parking requirement preemption is listed, this bill requires that counties consider lessening the parking requirement on these new developments. The law waives property taxes for projects that include 70 units of income restricted housing.

Hawaii House Bill 2090 (2024): HB 2090 requires counties to amend their code to allow residential use in commercial areas beginning January 1st of 2025, subject to certain restrictions.³⁹

Maryland House Bill 538 (2024): HB 538 in Maryland expands the use of modular and manufactured homes in current single-family residential zoned areas. Further, this bill establishes three different avenues for developments to be classified as "qualified projects." This title applies to proposed developments built within three quarters of a mile of a passenger rail station, controlled by or built on land owned by a non-profit, or located in a

³⁶ Assembly Bill 835, State of California Legislature, LegiScan, 2023-2024. legiscan.com/CA/text/AB835/id/2844410 (2 Oct. 2025).

³⁷ House Bill 1313, State of Colorado Legislature, LegiScan, 2024. legiscan.com/CO/text/HB1313/2024 (2 Oct. 2025).

³⁸ Senate Bill 102, State of Florida Legislature, LegiScan, 2023. legiscan.com/FL/bill/S0102/2023 (2 Oct. 2025)

³⁹ House Bill 2090, State of Hawaii Legislature, LegiScan, 2024. legiscan.com/HI/bill/HB2090/2024 (2 Oct. 2025).

historic or former government-owned area. Under HB 538 qualified projects are granted density bonuses and an expedited review process, subject to affordability criteria. While there are certain restrictions, this bill is a step toward expanding housing options and affordability for Maryland residents.⁴⁰

Montana Senate Bill 323 (2023): In 2023, Montana lawmakers passed SB 323, which requires local zoning authorities to allow duplexes on all plots previously allowing only single-family homes. Notably, this provision only applies in cities with populations exceeding 5,000 residents.⁴¹

Montana Senate Bill 245 (2023): Lawmakers also passed SB 245 in 2023, which requires that municipalities allow mixed-use development, including multiple-unit dwellings in commercial districts if they meet specific criteria (for example, including one parking space for each unit). This provision applies to urban-designated municipalities with populations exceeding 5,000 residents.⁴²

Montana Senate Bill 382 (2023): SB 382 establishes statewide planning criteria for municipalities with over 5,000 residents within counties with over 70,000 residents. These new guidelines are specifically designed to expedite the permitting process and orient each municipality's zoning code toward promoting housing development.⁴³

Montana Senate Bill 406 (2023): This bill prohibits local governments in Montana from adopting building codes that are more stringent than those provided by the state.⁴⁴

Montana House Bill 246 (2023): This bill provides a pathway for cities and counties to create zones for tiny dwelling units, which are single family dwelling units between 350 and 750 square feet.⁴⁵

Montana Senate Bill 407 (2023): Montana's SB 407 limits the use of design standards by local governments. First, this bill requires the design review process to be based on clear and objective standards that are necessary for safety or compliance with federal regulation.

⁴⁰ House Bill 538, State of Maryland Legislature, LegiScan, 2024. legiscan.com/MD/bill/HB538/2024 (2 Oct. 2025).

⁴¹ Senate Bill 323, State of Montana Legislature, LegiScan, 2023. legiscan.com/MT/bill/SB323/2023 (2 Oct. 2025).

⁴² Senate Bill 245, State of Montana Legislature, LegiScan, 2023. legiscan.com/MT/bill/SB245/2023 (2 Oct. 2025).

⁴³ Senate Bill 382, State of Montana Legislature, LegiScan, 2023. legiscan.com/MT/bill/SB382/2023 (2 Oct. 2025).

⁴⁴ Senate Bill 406, State of Montana Legislature, LegiScan, 2023. legiscan.com/MT/text/SB406/2023 (2 Oct. 2025).

⁴⁵ House Bill 246, State of Montana Legislature, LegiScan, 2023. legiscan.com/MT/text/HB246/2023 (2 Oct. 2025).

Second, this bill bans the use of external review boards when determining compliance with design standards.⁴⁶

New York City “City of Yes” (2024): In December of 2024, New York City revealed a series of initiatives aimed at improving housing affordability. These include allowing ADUs, expanding the types of buildings eligible for conversion to residential properties, as well as expanding the ability to build additional small and shared multifamily options. This proposal also includes provisions for “transit-oriented design” and lowering parking minimums in select parts of the city.⁴⁷

Rhode Island Senate Bill 1052 (2023): Rhode Island’s SB 1052 is a variant on transit-oriented design. This bill serves as the start of a statewide pilot program incentivizing municipalities to increase density near transit stops. It encourages municipalities to identify developable land within one-quarter of a mile of a regional mobility hub, or one-eighth of a mile of a frequent transit stop. Municipalities with developable land can apply for funds to aid in the development of residential housing.⁴⁸

Rhode Island Senate Bill 1037 (2023): This bill allows for density bonuses depending on the quantity of units set aside as low-moderate income housing. If 25% of units are for this income group, up to five units are allowed per acre, 50% allows nine units per acre, and 100% allows up to 12 units per acre.⁴⁹

Rhode Island House Bill 7980 (2024): Rhode Island’s HB 7980 allows manufactured homes to be considered single-family homes and therefore allowed in areas zoned as single-family residential if they meet specified criteria.⁵⁰

Vermont Senate Bill 100 (2023): Vermont’s SB 100, otherwise known as the Housing Opportunities Made for Everyone (HOME) Act, both upzones and works to limit regulation hindering development (like parking requirements and minimum lot sizes). Regarding zoning, the HOME Act requires at least duplexes be allowed on all single-family zoned

⁴⁶ Senate Bill 407, State of Montana Legislature, LegiScan, 2023. legiscan.com/MT/text/SB407/id/2817773 (2 Oct. 2025).

⁴⁷ “City of Yes” NYC.gov, NYC Planning. 5 Dec. 2024. www.nyc.gov/content/planning/pages/our-work/plans/citywide/city-of-yes-housing-opportunity (2 Oct. 2025).

⁴⁸ Senate Bill 1052, State of Rhode Island Legislature, LegiScan, 2023. legiscan.com/RI/bill/S1052/2023 (2 Oct. 2025).

⁴⁹ Senate Bill 1037, State of Rhode Island Legislature, LegiScan, 2023. legiscan.com/RI/text/S1037/2023 (2 Oct. 2025).

⁵⁰ House Bill 7980, State of Rhode Island Legislature, LegiScan, 2024. legiscan.com/RI/text/H7980/2024 (2 Oct. 2025).

parcels. In municipalities, defined as “served by sewer and water,” up to four units are allowed.

Washington House Bill 1293 (2023): This 2023 bill establishes that review standards should be objective and expedites the permitting process for developments affordable to those of moderate-low income.⁵¹

Washington House Bill 1042 (2023): This bill prevents local governments from restricting the subdivision of existing multifamily structures if the resulting units comply with safety codes. Further, it prevents the imposition of additional parking requirements in the case of subdivisions.⁵²

Washington House Bill 5491 (2023): Requires the state building code council to recommend modifications to the existing building code that would allow buildings up to six stories with a single exit stairway.⁵³

Washington House Bill 1110 (2023): The Washington State Legislature passed HB 1110, which creates incremental density increases for cities with varying populations. Further, it includes provisions for even higher density near major transit stops. If cities have a population greater than 75,000, up to four units are automatically allowed on all residential lots (unless they were already zoned to allow greater density). Six units are permitted on any residential lot if at least two qualify as affordable for 50 years. Within one-quarter mile of a major transit stop six units are allowed regardless of affordability status. In cities with between 25,000 and 75,000 residents, two units are allowed by right, four if at least one is affordable, and four within one-quarter mile of a major transit stop. Under 25,000 residents and two units are automatically allowed.⁵⁴

Washington House Bill 1998 (2024): In 2024 the state of Washington reformed zoning through an unorthodox avenue. HB 1998 requires cities and counties to allow “co-living” housing on any lot within an urban growth area. Localities must allow at least six

⁵¹ House Bill 1293, State of Washington Legislature, LegiScan, 2023-2024. legiscan.com/WA/text/HB1293/id/2809757 (2 Oct. 2025).

⁵² House Bill 1042, State of Washington Legislature, LegiScan, 2023-2024. legiscan.com/WA/text/HB1042/id/2618783 (2 Oct. 2025).

⁵³ House Bill 5491, State of Washington Legislature, LegiScan, 2023-2024. legiscan.com/WA/text/SB5491/id/2809823 (2 Oct. 2025).

⁵⁴ House Bill 1110, State of Washington Legislature, LegiScan, 2023-2024. legiscan.com/WA/bill/HB1110/2023 (2 Oct. 2025).

multifamily units. These housing set ups have individual rooms but shared kitchens and living spaces—very similar to college dormitories. Allowing these alternative housing options was done to directly improve affordability by expanding options for low-income individuals.⁵⁵

Washington House Bill 2071 (2024): To improve the ease of building, this bill requires local governments to allow the building of “middle and multiplex” housing according to the international residential code. Specifically, these types of housing have up to six units.⁵⁶

2.3

RENT CONTROL

Rent control is a form of price control.⁵⁷ Some rent control policies place a cap on annual rent increases while others specify a maximum rent that can be charged.⁵⁸ Either way, rent control restricts a landlord’s ability to charge market rates. Economists have long theorized that rent control leads to a deterioration in the quality of housing and a reduction in the supply of rental units.⁵⁹ As the theory goes, when landlords are unable to charge the market rate for rent, they may decide to cut corners and fail to properly maintain buildings. Moreover, rent control reduces the supply of housing by discouraging the construction of new rental properties while simultaneously incentivizing landlords to convert existing rental units into owner-occupied units.

A recent study found that St. Paul, Minnesota’s rent control program lowered property values by 4.4% to 5.8%, with the effect being greatest for rental properties.⁶⁰ The study’s findings suggest that, on average, renters benefited from St. Paul’s rent control program

⁵⁵ House Bill 1998, State of Washington Legislature, LegiScan, 2023-2024. legiscan.com/WA/bill/HB1998/2023 (2 Oct. 2025).

⁵⁶ House Bill 2071, State of Washington Legislature, LegiScan, 2023-2024. legiscan.com/WA/text/HB2071/id/2969020 (2 Oct. 2025).

⁵⁷ Walter Block, “Rent Control,” Econlib. www.econlib.org/library/Enc/RentControl.html (12 May 2025).

⁵⁸ Some policymakers and scholars make a distinction between rent control and “rent stabilization.” See: Nathan Miller, “Rent Control Versus Rent Stabilization: What It All Means For Landlords,” *Forbes*, 28 May 2021. www.forbes.com/sites/forbesrealestatecouncil/2021/05/28/rent-control-versus-rent-stabilization-what-it-all-means-for-landlords/?sh=6241f71316fc (2 Oct. 2025).

⁵⁹ Konstantin Kholodilin, “Rent control effects through the lens of empirical research: An almost complete review of the literature,” *Journal of Housing Economics* 63 (2024). doi.org/10.1016/j.jhe.2024.101983.

⁶⁰ Kenneth Ahern and Marco Giacolletti, “The Redistribution of Housing Wealth Caused by Rent Control,” (2024). dx.doi.org/10.2139/ssrn.4733743.

and property owners lost. However, the benefits were regressively distributed among renters, meaning that high-income renters benefited more than low-income renters.⁶¹

Economists have long theorized that rent control leads to a deterioration in the quality of housing and a reduction in the supply of rental units.

In a 2012 poll of leading economists conducted by the Clark Center for Global Markets at the University of Chicago, only 2% of respondents agreed with the statement that “local ordinances that limit rent increases for some rental housing units, such as in New York and San Francisco, have had a positive impact over the past three decades on the amount and quality of broadly affordable rental housing in cities that have used them.”⁶²

In addition to zoning reforms, **Florida's** Live Local Act (Senate Bill 102) completely bans rent controls, including during emergency situations.⁶³ Existing Florida law banned the use of rent controls in the state except for during “housing emergencies.” On November 8, 2022, residents in **Orange County, Florida** voted to elect an emergency rent control provision that would ban rent increases by more than the amount of inflation.⁶⁴ This ordinance was ultimately struck down by the 5th District Court of Appeals on the grounds of not meeting the criteria to justify emergency housing conditions. The Florida Supreme Court declined to hear the case.⁶⁵ While rent control was rarely used in the state, the Live Local Act formally strikes this loophole from state law. Today, Florida is one of 33 states that preempt local rent control.

⁶¹ Ibid.

⁶² “Rent Control” (2012) Kent A. Clark Center for Global Markets, The University of Chicago Booth School of Business. www.kentclarkcenter.org/surveys/rent-control/ (2 Oct. 2025).

⁶³ Senate Bill 102, State of Florida Legislature, LegiScan, 2023. legiscan.com/FL/bill/S0102/2023 (2 October 2025).

⁶⁴ Ordinance No. 2022-29, Orange County, Florida, 9 Aug. 2023.

www.ocflections.com/sites/default/files/SiteSectionFiles/News%20Articles/Rent%20Stabilization%20Ordinance.pdf (2 Oct. 2025).

⁶⁵ CBS Miami Team, “Florida Supreme Court declines to hear rent control fight.” CBS News. 17 Apr. 2023. CBSNews.com. www.cbsnews.com/miami/news/florida-supreme-court-declines-to-hear-rent-control-fight/ (2 Oct. 2025).

Today, Florida is one of 33 states that preempt local rent control.

Other governments, rather than banning rent controls, are adding them or revising existing regulations. **New York City, New York** has had rent stabilization regulations and variations since 1969.⁶⁶ On June 21, 2023, the New York City Rent Guidelines Board approved a new set of guidelines for rent stabilized apartments and lofts. For a one-year lease on an apartment, commencing between October 1, 2023 and September 30, 2024, no more than a 3% increase is allowed. For a two-year lease commencing in the same time period, no more than a 2.75% increase is allowed in the first year, and a 3.20% increase of the first-year amount in the second year. Lofts are subject to the same guidelines.⁶⁷

2.4

URBAN GROWTH BOUNDARIES

Urban growth boundaries (UGBs) are geographical limits on development around a city, county, or region.⁶⁸ Urban development is only permitted to occur within the boundary, while the outside area is restricted to agricultural uses and natural preservation. In general, UGBs are intended to curb urban sprawl and protect agricultural lands. Sprawl refers to the outward spread of urban and suburban development, usually along the outer edges of an existing city.⁶⁹ This pattern of development is usually characterized by a lack of planning and a dependence on automobiles for transportation. Proponents of UGBs argue that restricting outward development will encourage higher-density development within the boundary, leading to reduced costs for transit and the extension of public utility infrastructure.⁷⁰

⁶⁶ “Rent Stabilization FAQs.” RentGuidelinesBoard.CityofNewYork.us, NYC Rent Guidelines Boards. rentguidelinesboard.cityofnewyork.us/resources/faqs/rent-stabilization/ (14 May 2025).

⁶⁷ “2023-24 Apartment/Loft Order #55,” RentGuidelinesBoard.CityofNewYork.us, NYC Rent Guidelines Boards. rentguidelinesboard.cityofnewyork.us/2023-24-apartment-loft-order-55/ (14 May 2025).

⁶⁸ “What is an Urban Growth Boundary?” Planopedia, Planetizen. www.planetizen.com/definition/urban-growth-boundaries (2 Oct. 2025).

⁶⁹ Samuel Brody, “The Characteristics, Causes, and Consequences of Sprawling Development Patterns in the United States,” *Nature Education Knowledge* 4(5):5 (2013). www.nature.com/scitable/knowledge/library/the-characteristics-causes-and-consequences-of-sprawling-103014747/ (2 Oct. 2025).

⁷⁰ Teri Shore, “What Are Urban Growth Boundaries and Why Do We Need Them?” Greenbelt.org, Greenbelt Alliance. 18 Feb. 2020. www.greenbelt.org/blog/what-are-urban-growth-boundaries-need/ (2 Oct. 2025).

The first UGB policy was adopted by Lexington, Kentucky in 1958 to protect the city's iconic horse farms.⁷¹ Today, 12 states require cities to establish some form of UGB: California, Connecticut, Delaware, Maine, Maryland, New Hampshire, New Jersey, Oregon, Rhode Island, Tennessee, Vermont, and Washington.⁷² In other states, more than 200 cities have established UGBs or have adopted policies that have a similar effect.⁷³

... restricting the supply of developable land within an UGB causes an increase in land prices.

Research on the effects of UGBs has found that, while they may be successful at encouraging higher density development within the boundary, they have substantial unintended consequences.⁷⁴ For example, restricting the supply of developable land within an UGB causes an increase in land prices.⁷⁵ Upward pressure on land values should theoretically lead to higher housing prices, but the magnitude of this effect is uncertain because higher density development may have an offsetting effect.⁷⁶ This offsetting effect would presumably be limited in areas with restrictive zoning policies that prevent high-density development.

The UGB in Portland, Oregon is the most well-known and widely studied in the United States. Economic analyses of Portland's UGB have identified a positive effect on home

⁷¹ Nolan Gray, "America's First Greenbelt May Be in Jeopardy." Bloomberg. 16 May 2019. Bloomberg.com. www.bloomberg.com/news/articles/2019-05-16/lexington-debates-the-future-of-its-greenbelt. (2 Oct. 2025).

⁷² Andrew O'Sullivan, "Curbing Urban Growth Boundaries to Connect Town and Country," Mercatus.org, Mercatus Center, George Mason University, 5 Feb. 2019. www.mercatus.org/bridge/commentary/curbing-urban-growth-boundaries-connect-town-and-country. (2 Oct. 2025).

⁷³ Myungje Woo and Jean-Michael Guldman, "Urban Containment Policies and Urban Growth," *International Journal of Urban Sciences* 18.3 (2014). 309–326. doi.org/10.1080/12265934.2014.893198.

⁷⁴ There is also evidence that Portland's UGB has not been successful at containing sprawl or encouraging compact development relative to other metropolitan areas. See: Myung-Jin Jun, "The Effects of Portland's Urban Growth Boundary on Urban Development Patterns and Commuting." *Urban Studies* 41.7 (1 June 2004). 1333–1348. doi.org/10.1080%22F0042098042000214824.

⁷⁵ Gerrit Knaap, "The Price Effects of Urban Growth Boundaries in Portland, Oregon," *Land Economics* 61.1 (Feb. 1985). 26–35. doi.org/10.2307/3146137.

⁷⁶ Justin Phillips and Eban Goodstein. "Growth Management and Housing Prices: The Case of Portland, Oregon," *Contemporary Economic Policy* 18.3 (July 2000). 334–344. doi.org/10.1111/j.1465-7287.2000.tb00030.x.

prices.⁷⁷ However, to the extent that consumers prefer lower-density, single-family development, this finding suggests that these higher prices are accompanied by a decrease in quality, making the overall effect more detrimental to consumers than it might otherwise appear.⁷⁸

Outside of its effect on land and housing prices, Portland's UGB may be exacerbating the problems of sprawl and automobile dependence.

Outside of its effect on land and housing prices, Portland's UGB may be exacerbating the problems of sprawl and automobile dependence. Rather than pay higher prices for less-desirable housing within the boundary, many workers have opted to move far outside of the city.⁷⁹ In other words, some of the demand for housing in Portland has “spilled over” into the surrounding areas. For example, two of Oregon’s fastest growing cities are within 10 miles of the Portland UGB.⁸⁰ Some workers are making much longer commutes into the Portland area, driving as far as 85 miles from Benton County.⁸¹ This would suggest that Portland’s UGB has been unsuccessful at curtailing sprawl while also contributing to automobile dependence and longer commute times.

In 1990, Washington passed the Growth Management Act (GMA) with the expressed goal of limiting sprawl and keeping development concentrated within urban growth areas (UGAs).⁸² These UGAs were devised based on population projections done by the Office of Financial Management (OFM) to accommodate the growth expected in a 20-year period. However,

⁷⁷ Ibid.

⁷⁸ Samuel R. Staley, Jefferson G. Edgens, and Gerard C.S. Mildner, “A Line in the Land: Urban Growth Boundaries, Smart Growth, and Housing Affordability,” Reason Foundation, 1999. reason.org/policy-study/a-line-in-the-land/ (2 Oct. 2025).

⁷⁹ Wendell Cox, “Driving Farther to Qualify in Portland,” NewGeography.com, newgeography, 5 Jun. 2015. www.newgeography.com/content/004916-driving-farther-qualify-portland (26 Jul. 2022).

⁸⁰ Scott Beyer, “Portland’s Urban Growth Boundary: A Driver of Suburban Sprawl,” Forbes. 29 Mar. 2017. Forbes.com, www.forbes.com/sites/scottbeyer/2017/03/29/portlands-urban-growth-boundary-a-driver-of-suburban-sprawl/?sh=554923166964 (2 Oct. 2025).

⁸¹ Cox, “Driving Farther to Qualify in Portland.”

⁸² “Growth Management Act Basics,” MRSC.org, Municipal Research and Services Center of Washington, Updated 3 Jan. 2025. mrsc.org/explore-topics/planning/gma/growth-management-act-basics. (15 May 2025).

the process is overly prescriptive, and its time limits don't always align with real-world needs.

TABLE 3: LIST OF STATE URBAN GROWTH BOUNDARY REFORM BILLS

State	Bill	Year	Summary
Oregon	SB 1537	2024	Develops processes under which cities can expand their urban growth boundaries by up to 150 residential acres for cities with populations greater than 25,000.
Washington	SB 5834	2024	Allows revision of urban growth boundaries during annual comprehensive plan updates.
Washington	SB 6140	2024	Allows for larger developments of “essential rural retail services” in mixed-use areas more than 10 miles outside of urban growth boundaries.

Oregon Senate Bill 1537 (2024): Facing the mounting pressure of recent home price increases, Oregon amended its laws around urban growth boundaries. SB 1537 develops processes under which cities can expand their urban growth boundaries by up to 150 residential acres for cities with populations greater than 25,000. For cities with smaller populations, an expansion of no more than 75 residential acres will be permitted. All statewide regulations protecting forests and farmland are still in place. For cities that choose to opt in, this process of expanding urban growth boundaries will begin on July 1, 2025.⁸³

Washington Senate Bill 5834 (2024): Washington’s SB 5834 allows revision of urban growth boundaries during annual comprehensive plan updates if certain conditions are met, including not increasing the acreage of the urban growth area.⁸⁴

Washington Senate Bill 6140 (2024): Washington’s SB 6140 allows for larger developments of “essential rural retail services” in mixed-use areas more than 10 miles outside of urban growth boundaries. These include grocery stores, pharmacies, and other establishments offering goods and services “necessary for health and safety.” Under SB 6140 these spaces, whether new or redeveloped, cannot exceed 10,000 square feet.⁸⁵

⁸³ Senate Bill 1537, State of Oregon Legislature LegiScan, 2024. legiscan.com/OR/bill/SB1537/2024 (2 Oct. 2025).

⁸⁴ Senate Bill 5834, State of Washington Legislature, LegiScan, 2023-2024. legiscan.com/WA/bill/SB5834/2023 (2 Oct. 2025).

⁸⁵ Senate Bill 6140, State of Washington Legislature, LegiScan, 2023-2024. legiscan.com/WA/bill/SB6140/2023 (2 Oct. 2025).

2.5

LARGE-LOT ZONING ORDINANCES

Municipalities can control the nature of development through lot size requirements. In rural areas where farming is common, most lot sizes are generally 10-20 acres or higher. In suburban areas, governments may establish policies that limit the density of housing and effectively restrict development to large, single-family houses.

Large-lot zoning is often used as a growth control measure in rural areas with the intent of protecting natural and agricultural lands from suburban encroachment.

Large-lot zoning is often used as a growth control measure in rural areas with the intent of protecting natural and agricultural lands from suburban encroachment.⁸⁶ In the short term, large-lot zoning may appear to preserve the natural landscape in these areas. Moreover, early large-lot development does not impose substantial costs on local governments. Multi-acre lots are generally able to operate wells and on-site septic treatment rather than requiring the extension of water and sewer utilities.⁸⁷ To the extent that large-lot properties are more expensive, they may also provide a boost in tax revenue.

Over time, however, this approach will lead to substantial infrastructure costs and ultimately fail to maintain the feasibility of agriculture.⁸⁸ Subdividing agricultural land into three- or five-acre lots fragments the land in ways that are disruptive to agricultural activity. So, while the appearance of “rural character” may be maintained, large-lot zoning does not ultimately accomplish its preservation goals. Moreover, population growth in rural areas will bring additional costs for infrastructure and services over time. The expansion of

⁸⁶ Alec LeSher, “Large-Lot and Preservation Zoning in Rural Areas,” SustainableCityCode.org, Sustainable Development Code. sustainablecitycode.org/brief/adopt-large-lot-and-preservation-zoning-in-rural-areas/ (2 Oct. 2025).

⁸⁷ Wade VanLandingham, Sarah S. Hollis, and Robert M. Caravona, “Dealing with Growth: Alternatives to Large Lot Zoning on the Urban Fringe,” Southeast Regional Environmental Finance Center, Fall 2003. louisville.edu/cepm/pdf-files/newpg5 (2 Oct. 2025).

⁸⁸ See for example: Glenn Paper, “The Problems with Large Lot Zoning,” Michigan State University Extension Land Use Series, 20 Feb. 2006. www.canr.msu.edu/uploads/resources/pdfs/largeparcelzoning.pdf (2 Oct. 2025); VanLandingham, Hollis, and Caravona, “Dealing with Growth.”

roadways, water and sewer services, and emergency services may become necessary, and are more costly to provide across a large area of low-density development.⁸⁹

The problems of large-lot zoning are not just limited to rural areas.

The problems of large-lot zoning are not just limited to rural areas. In nearly every municipality in the U.S., minimum lot size regulations specify the smallest allowable size for a parcel of land. In effect, these requirements limit the number of housing units that can be built in a given area and force homebuyers to purchase more land than they otherwise might, increasing the cost of housing and encouraging outward sprawl.

Large-lot zoning ordinances are limits on the density of development in targeted areas.⁹⁰ While suburban neighborhoods typically have densities of one-sixteenth of a unit per acre, large-lot restrictions typically allow between one unit per five acres and one unit per 80 acres. Proponents argue that large-lot zoning protects “neighborhood character, preserves the environment, and enables small-family farming.⁹¹ Opponents argue that they inflate housing prices and prevent lower-income individuals from living in certain neighborhoods.⁹² Research from the Metropolitan Washington Council of Governments, the regional planning body that coordinates transportation, housing, and land use in the Washington D.C. region, finds that large lot zoning has decreased housing supply and increased costs while failing to enable any significant farming activity.⁹³

Montgomery County, Maryland has a 93,000 agricultural reserve in the northwestern part of the county.⁹⁴ The county tourism board describes the areas as, “dedicated to preserving

⁸⁹ Ibid.

⁹⁰ “Planning and Zoning Terms,” pecva.org, Piedmont Environmental Council, 14 Dec 2011. www.pecva.org/work/communities/planning-and-zoning-terms/#:~:text=By%20limiting%20the%20number%20of,subdivisions%20in%20rural%20areas. (1 Oct 2025).

⁹¹ “The Ag Reserve,” Montgomery County Maryland, Office of Agriculture, www.montgomerycountymd.gov/agservices/ag-reserve.html. (2 Oct, 2025).

⁹² Mac Larimer, “If Montgomery County Really Wanted Affordable Housing, It Would Open Up the Agricultural Reserve,” MarylandReporter.com, 24 Jul. 2025, marylandreporter.com/2025/07/24/if-montgomery-county-really-wanted-affordable-housing-it-would-open-up-the-agricultural-reserve/ (2 Oct. 2025).

⁹³ Metropolitan Washington Council of Governments, www.mwcog.org (2 Oct. 2025).

⁹⁴ “Discover Montgomery County’s Agricultural Reserve,” Visit Montgomery. visitmontgomery.com/agricultural-reserve (2 Oct. 2025).

farmland and promoting sustainable practices, (it) provides visitors with a taste of rural life and a peaceful yet accessible retreat for Montgomery County's bustling town centers." No new construction is allowed in the zone. Improvements are heavily regulated and restricted to protect rural character. Despite being designed to promote agricultural activities, the reserve produces no measurable agricultural production. It does remove productive land from the housing supply, factoring into the region's lack of housing and limiting population and employment growth.

Loudoun County, Virginia has a Rural Policy Area covers nearly two-thirds of the county. It focuses on protecting the rural landscape, preserving farmland and open spaces, and supporting traditional agricultural and new rural businesses, while also preserving the historic character of Rural Historic Villages.⁹⁵ While Loudoun County has marketed the area for tourism including agrotourism and wineries,⁹⁶ removing such a large chunk of land from development factors into the region's lack of housing and limiting population and employment growth.

2.6

MINIMUM LOT SIZES

Minimum lot sizes often affect the construction of new suburban developments where one previously large lot is broken into many smaller subdivisions. In a recent study, economist Salim Furth and urban planner M. Nolan Gray examined whether minimum lot sizes reflect market demand or if they actually force developers to build houses on larger lots than the market would otherwise support.⁹⁷ The authors studied four cities in Texas and found that lot sizes for single-family residential development tend to cluster very close to the established minimum lot size. Relatively few houses were built on lots much larger than the minimum and a substantial share were built on specially approved noncompliant lot sizes below the minimum. This finding suggests that many builders and consumers would likely opt for smaller-sized lots if they were granted more flexibility.

Recognizing the unintended consequences of minimum lot size regulation, Arizona attempted to curtail them through **Arizona House Bill 2570**. While not ultimately

⁹⁵ "Loudoun Policy Areas," Loudoun County Virginia. Updated 11 Nov. 2020. geohub-loudoungis.opendata.arcgis.com/datasets/loudoun-policy-areas/about (2 Oct. 2025).

⁹⁶ Visit Loudoun. www.visitloudoun.org (2 Oct. 2025).

⁹⁷ Nolan Gray and Salim Furth, "Do Minimum-Lot-Size Regulations Limit Housing Supply in Texas?" Mercatus Center, George Mason University, May 2019. www.mercatus.org/system/files/gray-minimum-lot-size-mercatus-research-v3.pdf (2 Oct. 2025).

successful, this bill would have limited the authority of municipalities with a population of 70,000 residents or more to set minimum lot sizes over 1,500 square feet. It further attempted to restrict minimum setbacks for single-family homes to five feet, as well as limit other aesthetic considerations.⁹⁸ Governor Katie Hobbs vetoed this bill, citing a belief that this measure went a step too far, and instead advocated for more-moderate housing solutions in Arizona.⁹⁹ However, Montana's and Vermont's legislation succeeded.

TABLE 4: LIST OF REFORMS TO MINIMUM LOT SIZES

State	Bill	Year	Summary
Montana	SB 382	2023	Requires that cities adopt city plans encouraging housing development using strategies that could include eliminating minimum lot sizes.
Vermont	Act 47	2023	Prohibits municipalities from imposing minimum lot sizes larger than the minimum “as determined in the municipal laws.”

Montana Senate Bill 382 (2023): As part of a large collection of housing-related bills, Montana passed SB 382, which requires that cities adopt city plans encouraging housing development. The legislation provides a list of 14 housing strategies from which municipalities must choose five. One of these is the elimination of minimum lot sizes or a reduction of existing minimum lot sizes by 25%. Others include upzoning, ADU impact fee elimination/reduction, and parking requirement elimination/reduction.¹⁰⁰

Vermont Senate Bill 100 (2023): Vermont's SB 100 (The HOME Act) contains a multitude of pro-housing policies. Regarding minimum lot sizes, this bill prohibits municipalities from imposing minimum lot sizes larger than the minimum “as determined in the municipal laws.”¹⁰¹

2.7

PARKING REQUIREMENTS

Parking requirements establish a minimum number of off-street parking spaces required for a given development. The minimum number of spaces is typically determined by using a formula based on the number of bedrooms in a residential unit or the square footage of a

⁹⁸ House Bill 2570, State of Arizona Legislature, LegiScan, 2024. legiscan.com/AZ/bill/HB2570/2024 (2 Oct. 2025).

⁹⁹ “Governor Katie Hobbs Legislative Action Update,” AZGovernor.org, Office of the Governor. 18 Mar. 2024. azgovernor.gov/office-arizona-governor/news/2024/03/governor-katie-hobbs-legislative-action-update (2 Oct. 2025).

¹⁰⁰ Senate Bill 382, State of Montana Legislature, LegiScan, 2023. legiscan.com/MT/bill/SB382/2023 (2 Oct. 2025).

¹⁰¹ Senate Bill 100, State of Vermont Legislature, LegiScan, 2023-2024. legiscan.com/VT/bill/S0100/2023 (2 Oct. 2025).

commercial space.¹⁰² Parking requirements emerged alongside the boom in automobile usage in the middle of the 20th century.¹⁰³ As automobile usage became more commonplace, planners sought to ensure adequate parking. However, minimum parking requirements are facing new skepticism for not allowing land to be used for its most economically efficient use.¹⁰⁴

There is empirical evidence that parking requirements result in excess parking spaces.

There is empirical evidence that parking requirements result in excess parking spaces. For example, urban developers generally build very close to or exactly the number of spaces required.¹⁰⁵ As in the case of minimum lot sizes, this suggests that parking minimums do not reflect market demand. In the absence of minimums, developers would construct fewer parking spaces and build additional housing units instead.¹⁰⁶

In the same way that other land-use regulations limit the supply of housing, parking requirements limit the number of housing units that may be developed on a given area of land. When turning radii, lanes, and ramps are accounted for, a typical parking space takes up approximately 350 square feet.¹⁰⁷ With minimum parking requirements, those spaces could add up. Consider a hypothetical 10-unit building with each unit containing two bedrooms. If a municipality required one parking space per bedroom, there would need to

¹⁰² “Reduced Parking Requirements,” LocalHousingSolutions.org, Local Housing Solutions. localhousingsolutions.org/housing-policy-library/reduced-parking-requirements/. (27 Jul 2022).

¹⁰³ “What Are Parking Requirements?” *Planopedia*, Planetizen. www.planetizen.com/definition/parking-requirements (27 July 2022).

¹⁰⁴ Patrick Siegman, “Analysis: The Decline and Fall of Mandatory Parking Minimums,” UseStreetsBlog.org, Streetsblog USA, 31 Jan. 2022. usa.streetsblog.org/2022/01/31/analysis-the-decline-and-fall-of-mandatory-parking-minimums/. (27 Jul. 2022).

¹⁰⁵ See for example: C.J. Gabbe, “Parking policy: The effects of residential minimum parking requirements in Seattle,” *Land Use Policy* 91, Feb. 2020. doi.org/10.1016/j.landusepol.2019.104053; Simon McDonnell, Josiah Madar, and Vicki Been, “Minimum parking requirements and housing affordability in New York City,” *Housing Policy Debate* 21, Dec. 2011. doi.org/10.1080/10511482.2011.534386.

¹⁰⁶ Donald Shoup, “Graduated Density Zoning,” *Journal of Planning Education and Research* 28 (2008). 161–179. doi.org/10.1177%2F0739456X08321734.

¹⁰⁷ “Stalled Out: How Empty Parking Spaces Diminish Neighborhood Affordability,” The Center for Neighborhood Technology, March 2016. cnt.org/sites/default/files/publications/CNT_Stalled%20Out_0.pdf. (14 May 2025).

be 20 parking spaces totaling 7,000 square feet. That space could fit five additional 1,000 square-foot residential units, 20 bicycle spaces, and three parking spaces with 700 square feet to spare.¹⁰⁸ Even if the developer decided to provide one parking space per unit, there would be room for three additional 1,000 square-foot apartments with 500 square feet to spare.

The construction costs and housing supply constraints imposed by parking requirements result in substantial costs to renters and homebuyers. For example, a 2004 Federal Highway Administration report found that parking requirements increase the cost of a typical urban housing unit by between \$52,000 and \$117,000 for each parking space.¹⁰⁹ In 2012, UCLA economist and urban planner Donald Shoup estimated the construction cost of parking spaces in 12 U.S. cities (Table 5).¹¹⁰ Shoup found that, excluding land costs, each above-ground parking space costs \$24,000 while each underground space cost \$34,000 on average.¹¹¹ When adjusted for inflation, those numbers translate to approximately \$30,000 and \$43,000, respectively.

TABLE 5: CONSTRUCTION COST PER PARKING SPACE

City	Underground	Aboveground
Boston	\$31,000	\$25,000
Chicago	\$36,000	\$29,000
Denver	\$26,000	\$18,000
Honolulu	\$48,000	\$25,000
Las Vegas	\$35,000	\$22,000
Los Angeles	\$35,000	\$27,000
New York	\$35,000	\$28,000
Phoenix	\$26,000	\$17,000
Portland	\$35,000	\$26,000
San Francisco	\$38,000	\$29,000
Seattle	\$35,000	\$25,000
Washington, D.C.	\$29,000	\$22,000
Average	\$34,000	\$24,000

Source: Donald Shoup, “Cutting the Cost of Parking Requirements,” ACCESS Magazine, No. 48, Spring 2016. www.accessmagazine.org/wp-content/uploads/sites/7/2016/05/access48-webprint_cuttingthecost.pdf

¹⁰⁸ Ibid.

¹⁰⁹ Allen Greenberg, “How New Parking Spaces May Effectively Increase Typical U.S. Urban Housing Total Unit Costs by \$52,000 to \$117,000,” trb.org, TRB Annual Meeting, 15 Nov. 2004. bit.ly/3REnFEp (2 Oct. 2025).

¹¹⁰ Donald Shoup, “Cutting the Cost of Parking Requirements,” *University of California Los Angeles ACCESS Magazine*, No. 48, Spring 2016. www.accessmagazine.org/wp-content/uploads/sites/7/2016/05/access48-webprint_cuttingthecost.pdf (2 Oct. 2025).

¹¹¹ Ibid.

Recognizing that excess parking caused by minimum parking requirements contributes to higher housing prices, many states have recently sought reform through legislation. These reforms generally reduce or eliminate parking requirements for new developments. Table 6 lists each of the reforms that passed in 2023-2024. Each reform is detailed in a short paragraph following the table.

TABLE 6: LIST OF REFORMS TO MINIMUM PARKING REQUIREMENTS

State	Bill	Year	Summary
California	AB 2553	2024	Makes parking requirements no more than one space per unit with up to two bedrooms and two spaces for 3+ bedroom units.
Colorado	HB 1304	2024	Prohibits municipalities within metropolitan planning organizations (MPOs) from imposing or enforcing mandatory parking minimums on or after June 30, 2025.
Maryland	HB 38	2024	Blocks the city of Baltimore from requiring off-street parking for developments that include residential uses within a quarter mile of transit.
Montana	SB 245	2024	Forbids municipalities from requiring more than one off-street parking spot for each unit.
Montana	SB 382	2024	Requires cities to adopt five out of a list of 14 housing development measures, one of which is parking.
New Hampshire	HB 1400	2024	Prevents localities from imposing parking minimums greater than one spot per residential unit.
Vermont	Act 47	2023	Prohibits municipalities from requiring any more than one parking space per dwelling unit.
Washington	HB 1110	2023	Eliminates off-street minimum parking requirements within one-half mile of a major transit stop.
Washington	HB 1998	2024	Eliminates all parking requirements for co-living buildings within one-half mile of a major transit stop.
Washington	SB 6015	2024	Expands the types of parking that count toward meeting a parking minimum.

California Assembly Bill 2553 (2024): This bill requires that parking requirements are no greater than one space per unit with up to two bedrooms and two spaces for units with three bedrooms or more, provided that the development is within one-half mile of a transit stop that is accessible to pedestrians.¹¹²

Colorado House Bill 1304 (2024): Colorado's 2024 bill HB24-1304 prohibits municipalities within metropolitan planning organizations (MPOs) from imposing or enforcing mandatory parking minimums on or after June 30, 2025. This specifically applies to multifamily residential, and adaptive reuse for residential or mixed-use purposes within these MPOs.¹¹³

¹¹² Assembly Bill 2553, State of California Legislature, LegiScan, 2024. legiscan.com/CA/text/AB2553/id/3009164 (2 Oct. 2025).

¹¹³ House Bill 1304, State of Colorado Legislature, LegiScan, 2024. legiscan.com/CO/bill/HB1304/2024 (2 Oct. 2025).

Maryland House Bill 38 (2024): In 2024, Maryland passed HB 38, which specifically works to block the city of Baltimore from requiring off-street parking for developments that include residential uses within a quarter mile of a current or planned Maryland Area Regional Commuter (MARC), Baltimore MTA Light Rail, Red Line, or Metro station.¹¹⁴

Montana Senate Bill 245 (2024): Montana's SB 245 forbids municipalities from requiring more than one off-street parking spot for each unit, while providing adequate accessible parking spaces as required by the Americans with Disabilities Act.¹¹⁵

Montana Senate Bill 382 (2024): Montana's SB 382 establishes a list of 14 regulatory measures municipalities can undertake to encourage housing development. Under SB 382, municipalities must choose five. One of these is the elimination or reduction of off-street parking to no more than one space per dwelling unit.¹¹⁶

New Hampshire House Bill 1400 (2024): In 2024, New Hampshire passed HB 1400, which prevents localities from imposing parking minimums greater than one spot per residential unit anywhere in the state.¹¹⁷

Vermont Senate Bill 100 (2023): For residential developments, Vermont's Act 47 (The HOME Act) forbids any more than one parking space from being required per dwelling unit or accessory dwelling unit if a home is within one-quarter mile of public parking. If a development is outside of this range, no more than a 1.5 parking space requirement is allowed. The legislation forbids municipalities from requiring more parking spaces than the minimum under existing municipal bylaws.¹¹⁸

Washington House Bill 1110 (2023): Washington's HB 1110 eliminates any off-street minimum parking requirements within one-half mile of a major transit stop.¹¹⁹

¹¹⁴ House Bill 38, State of Maryland Legislature, LegiScan, 2024. legiscan.com/MD/bill/HB38/2024 (2 Oct. 2025).

¹¹⁵ Senate Bill 245, State of Montana Legislature, LegiScan, 2023. legiscan.com/MT/bill/SB245/2023 (2 Oct. 2025).

¹¹⁶ Senate Bill 382, State of Montana Legislature, LegiScan, 2023. legiscan.com/MT/bill/SB382/2023 (2 Oct. 2025).

¹¹⁷ House Bill 1400, State of New Hampshire Legislature, LegiScan, 2024. legiscan.com/NH/bill/HB1400/2024 (2 Oct. 2025).

¹¹⁸ Senate Bill 100, State of Vermont Legislature, LegiScan, 2023-2024. legiscan.com/VT/bill/S0100/2023 (2 Oct. 2025).

¹¹⁹ House Bill 1110, State of Washington Legislature, LegiScan, 2023-2024. legiscan.com/WA/bill/HB1110/2023 (2 Oct. 2025).

Washington House Bill 1998 (2024): In addition to allowing co-living spaces in the state of Washington, HB 1998 also includes provisions to address parking for these types of developments. Specifically, this bill eliminates all parking requirements for co-living buildings within half a mile of a major transit stop. When located outside of this vicinity to mass transit, HB 1998 does not allow cities and counties to require more than one-quarter of a parking space for each sleeping unit in co-living buildings.¹²⁰

Washington Senate Bill 6015 (2024): This bill expands the types of parking that count towards meeting a parking minimum. For example, it removes the ability of local governments to restrict acceptable parking spaces to those covered or in garages or require dimensions larger than eight feet by 20 feet.¹²¹

The People over Parking Act of 2023, introduced on May 9, 2023, proposes a **federal** preemption of all minimum off-street parking requirements for commercial, residential, industrial, or retail developments within ½ mile of a public transit point. The bill is currently at the “introduced” stage and is waiting for congressional review. While very unlikely to pass, it is noteworthy that there is interest in reforming parking on a federal scale, as well as at the state and city level.¹²²

2.8

CALIFORNIA'S EXPANSIVE COMPREHENSIVE HOUSING AND LAND USE REFORMS

In 2023 and 2024, several states took promising steps to reform land uses and reduce housing costs. But the **California** General Assembly took the most comprehensive approach, passing a series of 56 bills that were then signed into law by Governor Gavin Newsome in 2023 alone.¹²³ As a package, the bills incentivize and reduce barriers to additional housing. Table 7 has a list of each of the bills, the policy change in those bills, and the category of the reform.

¹²⁰ House Bill 1998, State of Washington Legislature, LegiScan, 2023-2024. legiscan.com/WA/bill/HB1998/2023 (2 Oct. 2025).

¹²¹ Senate Bill 6015, State of Washington Legislature, LegiScan, 2023-2024. legiscan.com/WA/text/SB6015/id/2972290 (2 Oct. 2025).

¹²² People over Parking Act of 2023, 118th Congress, House Resolution 3145, United States, Congress, House. www.congress.gov/bill/118th-congress/house-bill/3145 (2 Oct. 2025).

¹²³ “Governor Newsome Signs Package to Streamline Housing and Expand Tenant Protections in California,” [gov.ca.gov](https://gov.ca.gov/2023/10/11/governor-newsom-signs-package-to-streamline-housing-and-expand-tenant-protections-in-california/), 11 Oct. 2023. www.gov.ca.gov/2023/10/11/governor-newsom-signs-package-to-streamline-housing-and-expand-tenant-protections-in-california/ (30 Jan. 2024).

TABLE 7: LIST OF 2023 CALIFORNIA LAND USE REFORM BILLS

Bill	Purpose	Type
AB 12	Tenancy: Security Deposits	Taxes
AB 84	Property Tax, welfare exemption, affordable housing	Taxes
AB 281	Planning and zoning: housing: post settlement phase permits	Zoning
AB 318	Mobile Home Residency Land Protection	Regulatory
AP 319	Mobile Home Enforcement, Inspectors, Conflicts of Interest	Regulatory
AB 323	Density Bonus Law, Purchase of Density Bonus Units by Non-profits	Zoning
AB 346	Income Tax Credits, Low-Income Housing	Taxes
AB 434	Housing element, notice of violation	Regulatory
AB 480	Surplus Land	Regulatory
AB 516	Mitigation Free Act, Fees for Reports and Improvements	Regulatory
AB 519	Affordable Housing Workgroup, consolidated application, review	Regulatory
AB 529	Adaptive Reuse Projects	Zoning
AB 548	State Housing Law Inspection	Regulatory
AB 572	Common Interest Developments	Zoning
AB 671	Accessory Dwelling Units	Zoning
AB 812	Affordable Units Near a Cultural District for Artists	Zoning
AB 821	General Plan, Zoning Ordinance, Conflicts	Zoning
AB 894	Parking Requirements, Shared Parking	Zoning
AB 911	Restrictive Covenants	Zoning
AB 976	Accessory Dwelling Units, Owner-Occupancy	Zoning
AB 1033	Accessory Dwelling Units, Separate Sale or Conveyance	Zoning
AB 1114	Housing Development, Post-Entitlement Phase Permits	Zoning
AB 1218	Demolition of Residential Units	Regulatory
AB 1287	Density Bonus Law	Zoning
AB 1308	Single Family Residences, Parking	Regulatory
AB 1317	Unbundled Parking	Taxes
AB 1319	Bay Area Housing Authority Revenue	Taxes
AB 1332	Accessory Dwelling Units	Zoning
AB 1386	Veterans Housing, Tenant Referrals	Regulatory
AB 1449	Affordable Housing, CEQA Exemptions	Regulatory
AB 1474	California Statewide Housing Plan	Zoning
AB 1485	Housing Enforcement	Regulatory
AB 1490	Affordable Housing Development Reuse	Zoning
AB 1508	California Statewide Housing Plan	Regulatory
AB 1528	Housing Authorities, Taxation	Taxes
AB 1620	Permanent Disabilities and Housing	Regulatory
AB 1633	CEQA Disapprovals	Regulatory
AB 1734	Exemptions to Local Government Surplus Land Act	Regulatory
AB 1764	Housing Omnibus	Regulatory
SB 4	Planning and Zoning Higher Education and Religious Institutions	Zoning
SB 34	Surplus Land Disposal	Regulatory
SB 82	Property Taxation, Disabled Veterans	Taxes
SB 229	Surplus Land, Disposal of Property	Regulatory
SB 240	Surplus State Property, Affordable Housing	Regulatory
SB 267	Rent Subsidies Credit History	Regulatory
SB 341	Housing Development	Zoning
SB 423	Streamlined Housing Approvals	Regulatory
SB 439	Priority Housing Development Projects	Regulatory

Bill	Purpose	Type
SB 482	Multifamily Housing, Capitalized Operating Reserves	Taxes
SB 520	Homestead Exemptions	Regulatory
SB 593	Redevelopment, County of San Francisco	Zoning
SB 684	Land Use, Streamlined Approval Fewer than 10 Units	Zoning
SB 713	Planning and Zoning, Density Bonuses	Zoning
SB 734	Property Taxes	Taxes
SB 747	Land Use, Surplus Land	Regulatory
SB 789	Constitutional Amendment 2	Regulatory

Source: “Governor Newsome Signs Package to Streamline Housing and Expand Tenant Protections in California,” www.gov.ca.gov/2023/10/11/governor-newsom-signs-package-to-streamline-housing-and-expand-tenant-protections-in-california/ (2 Oct. 2025).

Generally, the 56 laws fall into three buckets. The largest type are administrative regulations. These uses are varied and include mobile home enforcement, credit history required for rent subsidies, and a constitutional amendment. Another type is land use zoning. These include density bonuses, accessory dwelling units, and planning for religious institutions. The third is taxes, including security deposits, property taxes, and housing revenue.

As of the first quarter of 2025, California had eight of the 10 most expensive places to live in the U.S.¹²⁴ While high housing costs are a problem all around the country, they are most severe in California. In that regard, the reforms might not be considered surprising. But by touching on so many aspects of land use, environmental permitting, parking, and housing, the reforms are extraordinarily broad. Therefore, they serve as a good starting point for other states.

¹²⁴ National Association of Realtors Median Sales Price of Existing Single-Family Homes for Metropolitan Areas, cdn.nar.realtor, National Association of Realtors. 2025. www.nar.realtor/sites/default/files/2025-05/metro-home-prices-q1-2025-ranked-median-single-family-2025-05-08.pdf. (13 May 2025).

PART 3

RESTRICTED COVENANTS

In the U.S., zoning and land use restrictions are created and enforced by local governments. Some counties and cities have looser restrictions than others, but all involve some sort of government enforcement of land use and zoning requirements. However, one city, Houston, takes a different approach to land use. It is the largest city without zoning and serves as a potential model for other cities. However, the Houston approach has its own challenges.

3.1 RESTRICTED COVENANTS INSTEAD OF ZONING

Houston is the largest U.S. city without zoning restrictions that limit a parcel of land to a particular use.¹²⁵ In its place, Houston has patchwork of ordinances, deed restrictions, and other policies that determine how land is used. And while they are legally different from zoning, they operate in many of the same ways. First, many residential neighborhoods have strict private deed requirements that prevent any development other than single family houses. This system has been in place since the 1950s. These deed restrictions are not enforced unless reported. Second, as of November 2024, Houston has 23 historic districts.¹²⁶

¹²⁵ Andy Olin, "Houston Doesn't Have Zoning, but There are Workarounds," kinder.rice.edu, Rice University Kinder Institute for Urban Research, 12 Jan. 2020, kinder.rice.edu/urbanedge/houston-doesnt-have-zoning-there-are-workarounds. (27 Nov. 2023).

¹²⁶ "Historic Preservation," City of Houston Planning and Development. <https://www.houstontx.gov/planning/HistoricPres/>. (5 Oct. 2025).

These require that the scale and character of the neighborhood remain the same and prevent the demolition of structures that are designated as historically significant. Third, Houston residents can petition for a minimum lot size or setback from the street. The result is Houston's non-zoning process has many of the same challenges as traditional zoning.¹²⁷ Wholesale reforms are possible but they would need to accomplish the following tasks:

- Keep deed requirements but ensure that they cannot prevent mixed-use developments;
- Protect historic developments but allows infill development where needed; and
- Ensure petitions are not used to prevent construction.

Taken together these reforms would preserve Houston's alternative approach to land use while allowing needed housing construction.

¹²⁷ Olin, "Houston Doesn't Have Zoning, but There are Workarounds."

PART 4

CONCLUSION

Zoning and land use regulations directly affect housing availability and affordability in communities by determining what types of housing can be built, where it can be built, and in what quantities. Effective regulatory frameworks must be flexible enough to accommodate evolving housing needs and population growth. Policymakers must not only consider the need to protect current residents' property rights but also ensure that prospective residents aren't priced out due to artificial scarcity. The reforms examined in this report demonstrate a growing recognition among policymakers that outdated zoning restrictions and other forms of land use regulation contribute to rising housing costs, and that enabling more housing construction is essential to addressing housing affordability challenges across the country.

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