



Local land use regulations have seriously damaged our economy — but maybe their days are numbered

Bonnie Kristian

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This week, the White House **released** a “Housing Development Toolkit,” a policy paper in which the Obama Administration actually takes a stand for greater freedom in the housing market.

At issue are zoning laws and other land use regulations, local-level rules about what can be built where. As the paper argues, “Local policies acting as barriers to housing supply include land use restrictions that make developable land much more costly than it is inherently, zoning restrictions, off-street parking requirements, arbitrary or antiquated preservation regulations, residential conversion restrictions, and unnecessarily slow permitting processes.”

In simpler terms, excessive regulations squash economic growth and limit housing options, especially for low-income families.

Intriguingly, given Obama’s generally pro-regulatory record (not to mention the **historical roots of zoning laws** in the progressive movement from which Obama hails), the White House is saying much of this onerous regulatory burden needs to go. **Politico reports:**

The prescriptions call for more density, speedier permitting and fewer restrictions on accessory dwelling units such as basement and garage apartments. The plan rejects some of the arguments made by environmentalists, labor unions and other liberal constituencies that have stood in the way of development and endorses changes long sought by builders and the business community.

“When unnecessary barriers restrict the supply of housing and costs increase, then workers, particularly lower-income workers who would benefit the most, are less able to move to high-

productivity cities,” said Jason Furman, chairman of the Council of Economic Advisers. “All told, this means slower economic growth.”

Though the toolkit is hardly a universal strike for the free market — and, as the Politico story notes, there’s nothing the federal government can directly do to influence local zoning laws — this generally pro-liberty stand has won the White House praise from unlikely corners.

“Local restrictions on housing supply are a crucial economic issue,” said Mark Calabria of the libertarian Cato Institute, giving Obama credit for raising a key topic that gets too little attention.

In fact, unfair zoning laws have been on the libertarian radar **for decades**. The devastating human consequences of land use regulations are brutally illustrated in stories like that of Hinga Mbogo, a beloved Dallas mechanic whose business is being pushed off his own land by zoning law. This hardworking man is losing his livelihood because city regulators believe his auto shop is in a bad location. (Seriously, **click here** to read more about his case if you want to be angry.)

Another tragedy of land use regulation **is the nightmare** that is the San Francisco housing market. Most of the city is zoned so it’s illegal to build taller than 40 feet (about three stories), and in many areas, one- and two-story buildings are the norm. Since the city is on a peninsula, in three of four directions building out just isn’t an option. Plus, San Francisco is home to a huge tech boom and a very attractive climate. The result is the highest rent in the country: The median price for a one-bedroom apartment is **\$3,500 per month**.

Unfortunately, as cities have begun to realize the downsides of their land use laws, **many have tried** to compensate by passing *more* regulations — like mandating affordable housing inside of luxury apartment complexes or making it almost impossible for landlords to evict bad tenants — many of which make matters even worse.

Maybe the White House’s toolkit will mark the beginning of a more humane and rational approach.