

FINAL WORD ➔ BY TIM ROWLAND

Build, Baby, Build!

Last year, New York Gov. Kathy Hochul introduced a plan to “build, baby, build” new housing. The Empire State, like other parts of the nation, has heavy demand and limited supply of homes, which has sent prices soaring.

Hochul’s plan would have required a set-percentage increase in housing in every jurisdiction. If local planning boards balked, the state would step in and fast-track building permits. The idea was to add 800,000 homes over the next decade.

Long story short: the proposal failed.

Politically the initiative stumbled not because of rural haters of big government but because of progressive suburbanites, who stressed they were all for affordable housing so long as it was built in, say, Utica.

Hochul’s plan exposed the ugliness and hypocrisy of NIMBYism and initiated some refreshingly honest evaluation of zoning run amok.

There is no shortage of contributors to the national housing crisis, from the failure of urban renewal more than a half-century ago to the explosive rise in the cost of building materials during the recent pandemic. But as policymakers and nonprofits seek ways to solve the housing crunch, they keep running up against unworkable zoning restrictions that time-and-again cripple any attempt at solutions—so much so that we might hope that the era of Peak Zoning has passed.

Land-use policies are infamous for unintended consequences. In the 1990s, planners and environmentalists decided what the world needed was less sprawl and

more green space. Planning and zoning boards took away farmers’ rights to create dense housing developments in the countryside, trying to herd houses and strip malls like cattle into corrals along the highway on the edge of town where the primary amenities were a 7-Eleven and a sewer line.

People still wanted to live in the country, and developers discovered a market for massive new McMansions surrounded by zoning-friendly 5-acre lawns. It was, or



should have been, every planner’s/environmentalist’s nightmare: two people rattling around in a resource-depleting 5,000-square-foot home 50 miles from their jobs and burning enough fossil fuel in their Cub Cadet to float a Subaru.

If the goal was to decrease value for the landowner, increase costs for the homebuyer, and shut entire classes out of the housing market altogether, zoning was the Patrick Mahomes of public policy.

The resulting shortage of supply has been evident. The median sales price of a home rose from \$165,300 in 2000 to \$479,500 in the wake of the pandemic in 2022. The size of homes also grew: in 2000 the median detached home was 1,704 square feet, but in 2022 it was 2,383—even

as the average family size decreased from 2.62 to 2.52.

What all those numbers imply is the death of the starter home. Those sub-1,700-square-foot homes not only offer lower profits, but they face the hurdles of exclusionary zoning laws. Many of the same people who decry segregation have enforced it by zoning away homes that low-income people can afford.

Manufactured housing (the long-ridiculed house trailer) is now energy efficient and attractive, but wealthier people do not want a trailer park despoiling their view, so they’ve been disallowed on great swaths of buildable land. Then too, people living in cities or suburbs who want to build an

apartment over a garage or add a small addition for an aging parent are often prohibited from doing so by height restrictions, setback rules, and the like.

All this has caused a structural break in the housing cycle where, ideally, growing families upsize into larger homes that their elderly former owners downsized out of, in turn opening up smaller homes for empty nesters or young couples just starting out.

States are beginning to realize this. The State of New York Mortgage Agency recently began extending traditional mortgages to manufactured homes so buyers do not have to rely on “chattel loans,” which can be as sketchy as they sound. (See “Unleashing Manufactured Housing,” p. 2.) Even California (!) relaxed its zoning laws last year to be more friendly to auxiliary dwelling units. And more housing is being built in factories, including manufactured and modular homes that are smaller, less expensive, and energy- and resource-efficient.

This is all promising news. Each is a step toward easing the affordable housing shortage—so long as policymakers understand that zoning has become less a judgment on the quality of cheaper homes than a judgment on the people who can afford them. **R**