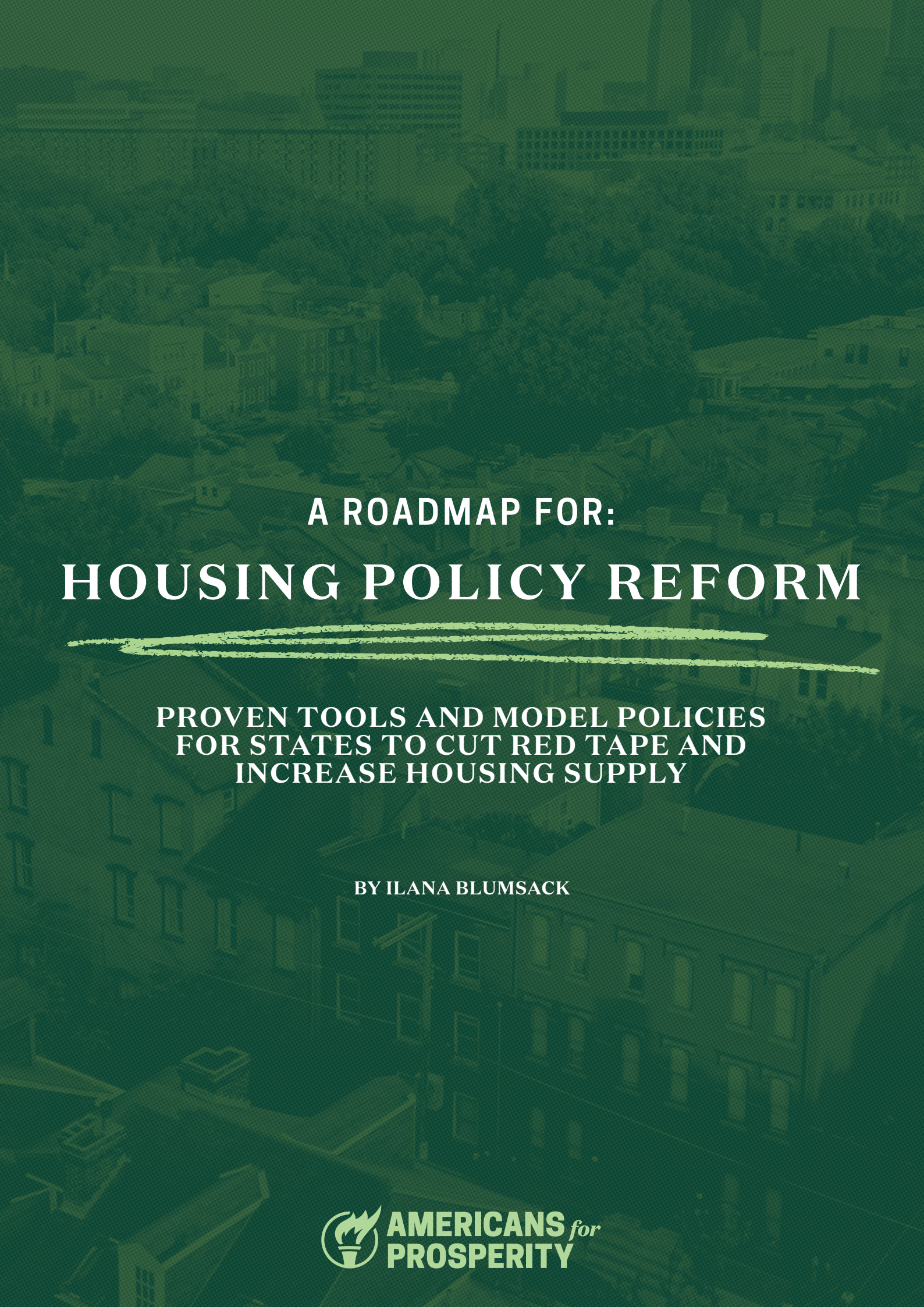


An aerial photograph of a city, likely San Francisco, showing a dense residential area with many multi-story buildings. The image is overlaid with a semi-transparent green filter. The title text is centered in the upper half of the image.

A ROADMAP FOR: HOUSING POLICY REFORM

PROVEN TOOLS AND MODEL POLICIES
FOR STATES TO CUT RED TAPE AND
INCREASE HOUSING SUPPLY

BY ILANA BLUMSACK



Housing costs are rising rapidly, burdening millions of Americans nationwide. Americans for Prosperity strives to create an economy that works for all — empowering people to achieve success and realize their potential. **Overly burdensome regulations** related to housing, land use, and zoning make housing more costly and erect barriers to economic growth that inhibit opportunity and geographic mobility.

Reducing and reforming zoning, land-use, and building regulations would bolster property rights and foster economic opportunity, improving outcomes for workers, renters, homeowners, and landlords.

AFP is focused on enacting these **foundational housing reforms** in all 50 states. Though the precise impact of a given policy change may depend on state or regional housing market dynamics, demographics, or other state or regional factors, AFP has identified a variety of reforms that state leaders can pursue to reduce regulatory burdens and promote private property rights.

TIER 1

HIGH PRIORITY OPTIONS

Permit “Missing middle” housing by right

(E.G. , duplexes, triplexes, fourplexes)

Over 75% of residential land in the United States is [zoned](#) for only single-family homes, prohibiting any non-single-family home, such as duplexes (two-unit houses), triplexes (three-unit houses), and even townhomes, from being constructed on a given residential lot. Missing middle housing is housing between detached single-family homes and large apartment buildings, such as townhomes, duplexes, and triplexes. Permitting missing middle housing would significantly increase housing supply and choice, thereby lowering prices for prospective buyers and renters.

Single-family-only zoning also reduces property rights, as property owners cannot subdivide a home on their land without going through lengthy and costly variance or rezoning processes that are sometimes unsuccessful. These processes impede property owners from using their property and land as they see fit. Permitting missing middle housing increases consumer choice and property rights by allowing for the construction of multi-family housing along with single-family homes.

In 2019, the Oregon legislature [voted](#) to allow the construction and use of duplexes in formerly single-family-zoned land in cities with over 10,000 residents and fourplexes on single-family-zoned land in the Portland metropolitan area. In 2021, California [passed](#) SB 9, which effectively eliminated single-family zoning statewide. Additionally, both the [Maine](#) and [Washington](#) state legislatures have recently legalized missing middle housing by-right in many cities across those states. These zoning reforms have received widespread bipartisan support.

In 2023, AFP-Montana helped pass [SB 323](#) which legalized duplexes by-right on any single-family zoned lot in cities of over 5,000 residents, and mandated that the regulations on these duplexes may not be more stringent than those imposed on single-family homes that are also allowed on those lots.

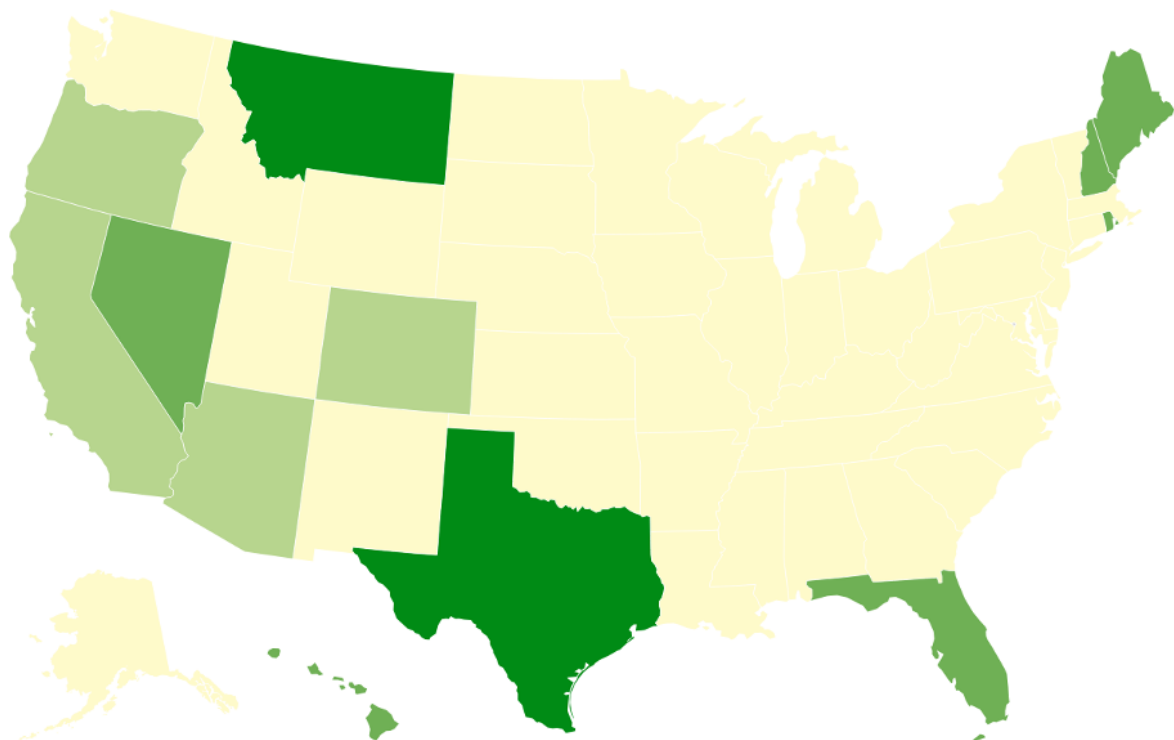
Legalize multifamily and mixed-use buildings in commercial zones and allow commercial-to-residential conversions:

Many localities also have commercial-only zoning that limits where housing can be located. However, this was not always the case. Mixed-use housing had been quite common in urban and downtown areas, as many families owned businesses on the ground level and lived in housing units above their shops. Modern commercial-only zoning restricts housing options, increasing costs and limiting housing choices for residents.

States should [legalize](#) multi-family housing and mixed-use buildings in previously commercial-only zoned areas. Additionally, as increased remote work has reduced commercial office space utilization, states and cities should allow commercial buildings to be converted into apartments.

Statewide residential in commercial zoning (RICZ) laws

No RICZ law
 Weak RICZ law
 Medium RICZ law
 Strong RICZ law



Source: Data on file with author. • Created with Datawrapper

Bills AFP chapters have worked on

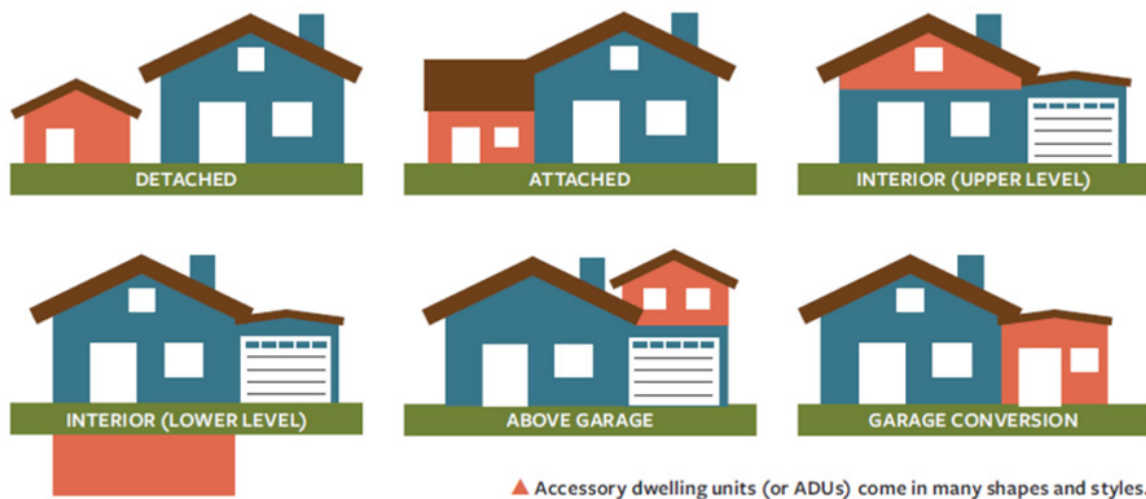
State	Year	Bill(s)	Main elements	Population threshold	Reduction in parking requirements	Commercial to residential conversions
Montana	2023	SB 245	Allows multi-family and mixed-use developments in commercial areas.	5,000	Yes.	No.
Arizona	2024	HB 2297	Requires localities to allow by-right multi-family, mixed-use, or commercial to residential conversions on up to 10% of available commercial-zoned land.	150,000	No.	Yes.
Texas	2025	SB 840 and SB 2477	SB 840 legalizes multi-family and mixed-use developments in commercial areas. SB 2477 requires localities to allow commercial-to-residential conversions in commercial areas.	City of 150,000 in a county of at least 300,000.	Yes.	Yes.
New Hampshire	2025	HB 631	Allows multi-family housing, including potentially mixed-use and commercial-to-residential conversions, in commercially zoned areas.	Major cities	No.	Allowed.
Nevada	2025	A.B. 241	Requires localities to allow mixed-use and multi-family dwellings in commercial areas.	None.	No.	No.

Source: Mercatus Center; Author's research • Created with Datawrapper



Legalize Accessory Dwelling Units

An Accessory Dwelling Unit (ADU) is an additional residential unit built on the same lot as an existing, larger home. ADUs can be a separate, detached residence or attached to the main residence (see drawing below). ADUs can be rented for extra income, used to house family members or friends, or turned into extra studio or office space. However, many local governments either ban or severely limit ADUs, restricting homeowners' private property rights to use their properties as they see fit and worsening housing crises in those areas.



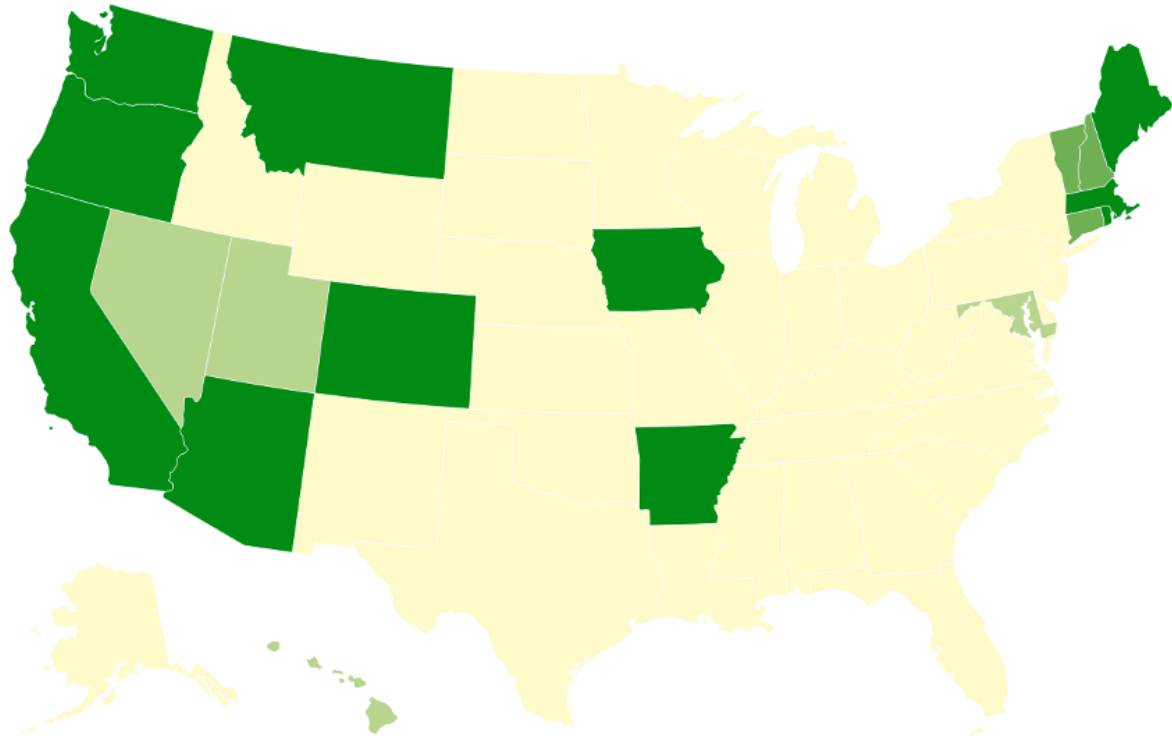
Source: [AARP](#)

ALEC model policy, “Accessory Dwelling Units Act”: <https://alec.org/model-policy/accessory-dwelling-units-act/>

Statewide ADU legislation across the country

Statewide ADU Legislation Across the Country

■ No ADU law
 ■ Weak ADU law
 ■ Medium ADU law
 ■ Strong ADU law



Data on file with the author.

Created with Datawrapper

ADU bills AFP has worked on

State	Year(s) Passed Bill(s)	Permitted by-right	Ban on owner-occupancy requirements	Limits on parking requirements	Allows attached and detached ADUs
New Hampshire	2016/2025	Yes	No	No	Yes
Montana	2023	Yes	Yes	Yes	Yes
Arizona	2024/2025	Yes	Yes	Yes	Yes
Iowa	2025	Yes	Yes	Yes	Yes

Source: AARP; Mercatus Center; Author's Research • Created with Datawrapper



Eliminate or reduce indirect density restrictions:

Many local governments have additional land-use regulations that limit housing development, including minimum lot sizes, minimum parking requirements, height restrictions, floor area ratio requirements, minimum setback requirements, and more.

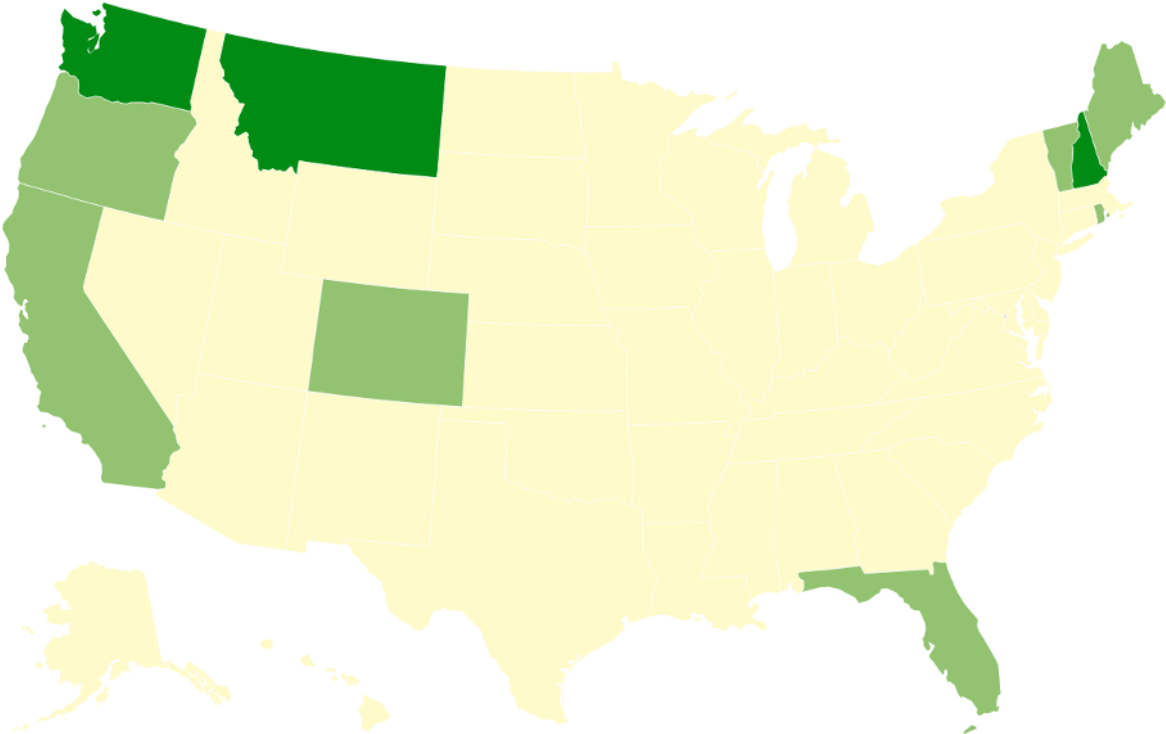
[Minimum lot size requirements](#) mandate that housing lots be at least a certain square footage, increasing the cost of parcels of land to build homes. Minimum lot sizes also limit the number of homes that can be built in a particular neighborhood or area. These factors lead to building greater numbers of large and expensive single-family homes, rather than more affordable starter homes and townhomes. Reducing or eliminating minimum lot size requirements reduces regulations on property owners and allows for less expensive, more affordable single-family homes.

In 1998, Houston reduced the minimum lot size in the city's downtown to just 1,400 square feet and expanded this change citywide in 2013. The reform has [led](#) to the construction of over 80,000 new starter homes and townhomes, and Houston remains one of the most affordable major cities in America. In 2024, Austin, Texas followed suit with its own minimum lot size reform, [reducing](#) the minimum lot size to 1,800 square feet citywide. And, in 2025, Texas passed [SB15](#), which reduces the minimum lot size for new single-family home developments in large cities statewide to just 3,000 square feet.

Parking requirements [mandate](#) that houses and apartment buildings provide residents with designated parking spaces, reducing the available space for housing and increasing the cost of new homes and apartments. Additionally, commercial parking mandates significantly increase costs for small businesses, as parking mandates increase commercial rents and limit where new businesses may locate.

Statewide Parking Reforms

No parking reform Weak parking reform Strong parking reform



Source: Mercatus Center, Housing Policies Highlight, 2025. • Created with Datawrapper

Parking reform bills AFP chapters have worked on

State	Year(s)	Reform
New Hampshire	2024, 2025	S.B. 284, passed in 2025, mandates that localities may not require more than one parking space per unit. H.B. 1400, passed in 2024, had only reduced minimum parking requirements for multi-family properties and small studio or one-bedroom units.
Montana	2025	H.B. 492 reduces minimum parking requirements in cities to one space per residential unit, half a space for residential units under 1,200 square feet, and eliminates parking requirements entirely for childcare facilities, assisted living facilities, and affordable housing units.

Data on file with the author.
Created with Datawrapper

Building height restrictions limit skyscrapers and apartment buildings, especially in cities and downtown areas. These restrictions reduce the number of apartments that can be built, increasing prices in urban areas and reducing choice and property rights for developers, homeowners, and renters. For example, the building height restrictions still [imposed](#) on Washington, D.C., through the Height Act of 1910, have restricted development in downtown D.C., reduced the supply of both housing and commercial space, and increased housing costs in the District. In 2025, Montana [passed](#) SB 243, which prevents local authorities from imposing a height restriction of less than 60 feet on buildings in downtown, commercial, and industrial areas.



TIER 2

MODERATE VALUE

- **Repeal restrictions on manufactured housing, tiny houses, and alternative, non-stick built construction methods:** There are many state and local regulations on mobile and tiny homes that limit where they can be located, their uses, what materials the homes can be built of, and more. Additionally, states and localities restrict or ban the use of new technologies and innovations in home building, such as 3D printed homes, factory-built housing, and modular homes. These restrictions reduce the supply of more affordable housing, limit choices for homebuyers and developers, and limit innovation in the housing market. In 2025, Montana [passed](#) SB 252, which prohibits localities from treating manufactured and factory-built housing differently from traditional, on-site built housing in local zoning regulations. Kentucky passed a similar [bill](#) in 2025 as well. Texas [passed](#) SB 785 in 2025, which allows manufactured housing by-right on more lots throughout the state.
- **Repeal or prohibit mandatory inclusionary zoning:** Mandatory inclusionary zoning is the [practice](#) of requiring certain new housing developments to set aside a percentage of units for income-restricted housing. While this requirement ostensibly creates more affordable housing, research shows that mandatory programs actually increase overall housing prices. To increase inclusionary zoning unit buildings, local governments often entice developers with density bonuses — the ability to build more units than would otherwise be allowed under the area’s zoning laws. Rather than enticing developers with density bonuses, states and cities should eliminate or significantly reform residential zoning laws for all housing types.
- **Repeal and preempt rent control laws:** Rent control is a price-fixing scheme that limits the rental increases a landlord can institute. While aimed at increasing affordable rental housing, rent control [reduces](#) the housing supply by diminishing the profit incentive to build more units. It also results in inadequate and worsening housing conditions for low-income people. Over 30 states have recognized the harms of rent control and prohibit local governments from enacting rent control laws. Accordingly, local governments should repeal any existing rent control laws, and state governments should preempt local government by banning rent control policies statewide. In 2023, [Montana](#) became the latest state to ban local rent control.



- **Enact “shot clock” provisions:** A [“shot clock”](#) bill gives local governments a clear time limit for issuing decisions on building permit applications. Any permit application that does not receive a decision (such as an approval, denial, or approval with conditions) by the time limit will be automatically approved and allowed to proceed to the next stage. Texas [adopted](#) a shot clock bill in 2019. Florida passed [similar legislation](#) in 2024 that applies to plat and lot permit approvals, and Kansas [passed](#) a shot clock bill in 2025 that gives local governments 60 days to issue a decision on building permits for single-family homes, or the application is automatically approved. The Pacific Legal Foundation has [developed](#) model legislative language for enacting shot clock legislation across the country. Shot clock bills have reduced bureaucratic delays, increasing housing production and ultimately lowering home prices for prospective buyers.
- **Repeal or Reform Protest Petitions:** Protest petitions [allow](#) a small minority of nearby property owners to stop rezonings in their neighborhood. These petitions trigger a supermajority vote requirement for local government approval of the rezoning and can even occur after the local government has approved the rezoning, thus triggering a second vote. Protest petitions reduce property rights and circumvent the normal approval and democratic process. In 2025, AFP-TX helped pass [HB 24](#), which raises the threshold for a protest petition related to upzoning to 60% of owners of nearby property and reduces the local government override threshold to a simple majority. An ALEC [model policy](#) reforming protest petitions was passed at the 2025 annual meeting.

TIER 3
LOWER VALUE

- **Eliminate Urban Growth Boundaries:** UGB are boundaries around city centers that limit housing and commercial development outside the urban area. By limiting housing development, UGBs raise the cost of housing, making cities less affordable.
- **Allow single-room occupancy housing:** In the first half of the 20th century, SRO housing (such as rooms in boarding houses) provided a quick and affordable housing option for single adults and low-income individuals. However, since the 1970s, many localities have banned SROs. These bans have reduced the supply of very low-cost housing and limited property rights, as many homeowners face significant regulations on renting spare rooms in their own homes.
- **Allow single-staircase apartment buildings:** Single-staircase buildings are common in Europe but are banned in many cities in the United States. Allowing single-staircase apartment buildings would increase housing supply and affordability. In 2024, Virginia passed [H.B. 368](#) to explore allowing single-stair buildings. And in 2025, both [New Hampshire](#) and [Texas](#) passed laws legalizing single-stair apartment buildings.
- **Allow third-party reviews and inspections:** Third-party reviews allow private, licensed, independent architects, engineers, and other professionals to review building plans, permit applications, and perform inspections. Allowing third parties to perform inspections and reviews reduces delays and costs for developers and builders, as they no longer have to wait for government-employed inspectors to perform the work. This reform increases choice and competition without sacrificing safety and quality, as private reviewers must still be licensed in their field, local authorities must still sign off on the inspectors' reports, and third-party reviewers bear liability for their work. In 2024, [Tennessee](#) legalized third-party inspections and reviews, and [New Hampshire](#) followed suit in 2025.
- **Create a housing taskforce:** To start the process of zoning and land-use reform at the state level, an executive branch task force or special legislative housing committee can provide a platform and venue for legislators, housing policy experts, state-based advocates, and other stakeholders to discuss and formulate concrete housing reform proposals. Montana Governor Greg Gianforte convened such a [task force](#) in 2022, which laid the foundation for numerous zoning and land-use reforms that the state has passed in recent years. In 2025, New Hampshire passed [H.B. 399](#), which creates a similar legislative committee to explore and propose zoning and land-use reforms in the Granite State.

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