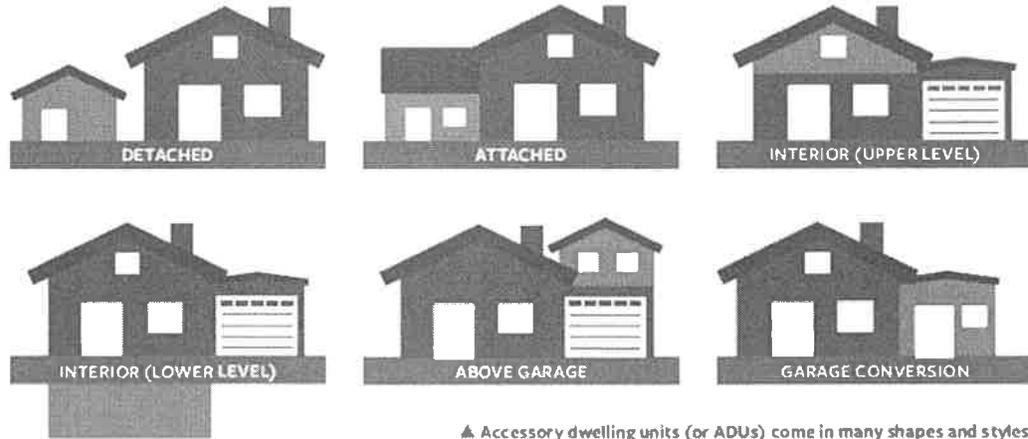




## Legalize Accessory Dwelling Units

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.



▲ Accessory dwelling units (or ADUs) come in many shapes and styles.

**Source:** [AARP](#)

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





## 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.

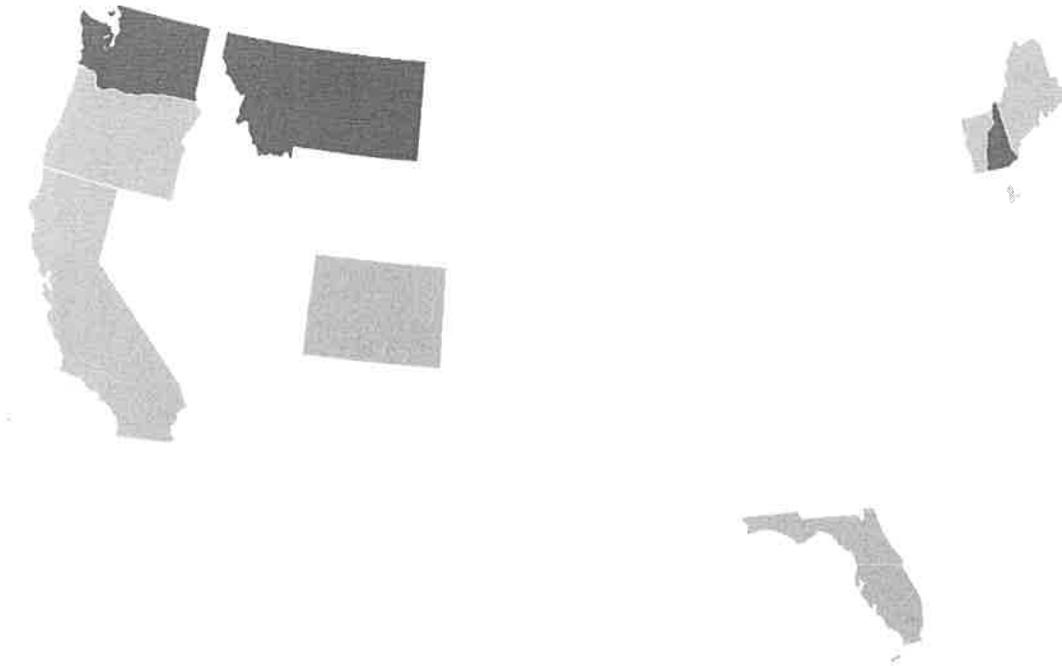
Minimum lot size requirements mandate that housing lots be at least a certain square footage, increasing the cost of parcels of land to build homes. Minimum lot sizes also limit the number of homes that can be built in a particular neighborhood or area. These factors lead to building greater numbers 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 SB 15, 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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# HOUSING REFORM: AFP's Solutions

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Americans for Prosperity (AFP) strives to create an economy that works for all—empowering people to earn 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. For example, expensive housing prevents people from moving to areas with the most economic opportunities. It also makes it harder to start and raise families and seek out other opportunities. This erodes their dignity and diminishes their ability to self-actualize. **Preempting these local barriers through changes in state law** 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. The accompanying [report](#) provides model legislation, success stories, and resources for policymakers. Policy reforms are split into three tiers based on their potential impact on property rights and housing supply:

## TIER 1

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### Highest Value:

- **Permit “missing-middle” housing by right:** Single-family only zoning prohibits any non-single-family home (including townhomes, duplexes, triplexes) from being constructed on a given residential lot. Single-family only zoning significantly reduces housing supply, raising prices for prospective buyers and renters.
- **Legalize multifamily and mixed-use buildings in commercial zones:** Many localities also have commercial-only zoning, limiting where housing can be located. States should legalize apartments 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.
- **Legalize accessory dwelling units:** An 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. However, many local governments either ban or severely restrict ADUs, worsening housing crises in those areas and reducing private property rights.
- **Eliminate or reduce indirect density restrictions:** Additional land-use regulations, including minimum lot sizes, parking requirements, height restrictions, setback requirements, also reduce the housing supply. 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. Parking requirements mandate that houses and apartment buildings provide residents with designated parking spaces, reducing the available space for housing, while building height restrictions limit skyscrapers and apartment buildings.



## TIER 2

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### Moderate Value:

- **Repeal restrictions on manufactured housing, tiny houses, and innovative construction:** Many state and local regulations exist on mobile and tiny homes, limiting where they can be situated, their uses, what materials the homes can be built of, and more. Additionally, states and localities also restrict or ban the use of new technologies and innovations in home building, such as 3D printed homes, factory-built housing, and modular homes.
- **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 is ostensibly to create more affordable housing, research shows that mandatory programs actually increase overall housing prices.
- **Repeal and preempt rent control laws:** Rent control is a price-fixing scheme limiting 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, and results in inadequate and worsening housing conditions for low-income people.
- **Enact “shot clock” provisions:** A “shot clock” bill gives local governments a clear time limit to issue 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, reducing costly delays.
- **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. Protest petitions reduce property rights and circumvent the normal approval and democratic process.

## TIER 3

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### Lower Value:

- **Eliminate Urban Growth Boundaries:** Urban Growth Boundaries are boundaries around city centers that limit housing and commercial development outside the urban area. By limiting housing development, these boundaries raise the cost of housing, making cities less affordable.
- **Allow single-room occupancy housing:** Single-room occupancy housing (such as boarding houses) once provided quick and affordable housing for single adults and low-income individuals. However, since the 1970s, many localities have banned these arrangements.
- **Allow single-staircase apartment buildings:** Single-staircase buildings are common in Europe but are banned in many cities in the U.S. Allowing single-staircase apartment buildings would increase housing supply and affordability.
- **Allow third-party reviews and inspections:** Third-party reviews allow private, licensed, 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.
- **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.

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