

YIMBY Caucus Briefing April 8th, 2025

Thank you to the YIMBY Caucus chairs and their staffs for hosting this briefing, and to the team at Up For Growth for organizing this panel. It is a pleasure to be here to discuss this important topic.

I am Adam Millsap, a Senior Fellow at Stand Together Trust and a lecturer for the applied economics program at Johns Hopkins University. Stand Together Trust partners with social entrepreneurs who are tackling America's biggest problems, and the high cost of housing is certainly among the country's biggest problems.

The median sales price for a new house in America was \$414,500 in February 2025, up from \$331,800 just before the pandemic, a 25% increase. The increase in home values since the pandemic [was larger](#) in many places: In Boston, Salt Lake City, San Diego, Charlotte, and Phoenix, home value increases ranged from 43% to 58%.

[According](#) to the U.S. Census, roughly 50% of renters are cost-burdened, meaning they spend more than 30% of their income on housing. According to Gallup polling, the high cost of living remains the [number one problem](#) among Americans, and housing costs are the largest expense in most families' budgets.

Without changes, more and more families will be unable to secure a home in the country's highest opportunity areas. This will deprive adults and children alike of the many social and economic benefits provided by a stable home.

While many of the rules and regulations that restrict the supply of housing are controlled by state and local governments, there are some things that the federal government can do to make housing more affordable.

First, sell federal land for development. According [to research](#) from the American Enterprise Institute, the Bureau of Land Management (BLM) could support the creation of 3 million new homes by selling 850 square miles of developable land in the western United States. One and a half million homes could be built on 250 square miles of this land that lies within existing city limits. Most of this development would occur in Nevada, Arizona, New Mexico, and California. The remaining 600 square miles could be used for new cities. After putting some land aside for infrastructure and non-residential uses this land could support an additional 1.5 million homes.

Construction on this land should be subject to streamlined permitting procedures and light-touch land-use regulations to allow a variety of housing types. This will ensure that the homes are affordable for families across the income distribution.

No builder subsidies or affordability requirements should be attached to the land sales. Though well-meaning, such policies typically make the approval process more complicated, and, if not carefully calibrated, deter construction altogether.

The American Enterprise Institute estimates that the sale of BLM land would generate \$100 billion in government revenue over 10 years. More importantly, sales could start immediately, as

the BLM already has a mandate to foster economic development, and the Secretary of the Interior has existing authority to auction off land at market value to private developers.

Second, implement neutral cost recovery for structures. The [cost recovery schedules](#) for residential and non-residential structures should be reduced to 20 years and the deduction adjusted each year to account for inflation and opportunity cost. Neutral cost recovery for structures would allow businesses to deduct the full real cost of investment without creating an immediate tax revenue loss or too large of a deduction to use up front.

Neutral cost recovery would encourage housing construction by lowering the cost of residential investment and generate broader macroeconomic benefits. The Tax Foundation estimates it would increase the capital stock by 2.3%, GDP by 1.3%, and wages by 1% in the long run. This increase in economic activity would also increase government tax revenue by more than \$340 billion over the 10-year budget window.

Third, eliminate the steel chassis mandate in the HUD code. Congress should remove the permanent chassis (or frame) requirement for HUD Code manufactured homes. This would allow manufactured homes to [better integrate](#) into existing single-family neighborhoods and reduce costs by \$5,000 to \$10,000 per home since the chassis could be reused for multiple units.

Finally, use current federal grants to encourage more housing. As I noted previously, many of the rules and regulations that restrict the supply of housing—minimum lot sizes, minimum parking requirements, density restrictions, and height limits—are implemented and enforced by state and local governments. Our Constitution prevents outright federal preemption of such rules, and a federal top-down approach would not meet the unique needs of each state. However, it is possible for the federal government to encourage state and local governments to make reforms on their own.

Congress should work with agencies to make receiving some federal grants, such as Community Development Block Grants, conditional on state and local governments planning or implementing policies that enable more housing construction, such as eliminating parking requirements, allowing transit-oriented development, or reducing minimum lot sizes. The [Identifying Regulatory Barriers to Housing Supply Act](#) is an example.

Our current housing crisis is self-inflicted, caused by numerous policy choices at all levels of government over several decades. These policies have made it difficult and expensive to build housing, and these high costs are seeping into the prices families pay for homes. Fortunately, because the crisis is self-inflicted, we can fix it by systematically correcting our previous mistakes. The recommendations here provide a few ways for the federal government to be part of the solution.

Thank you for your time, and I look forward to your questions.