

ESCAPING THE HOUSING TRAP

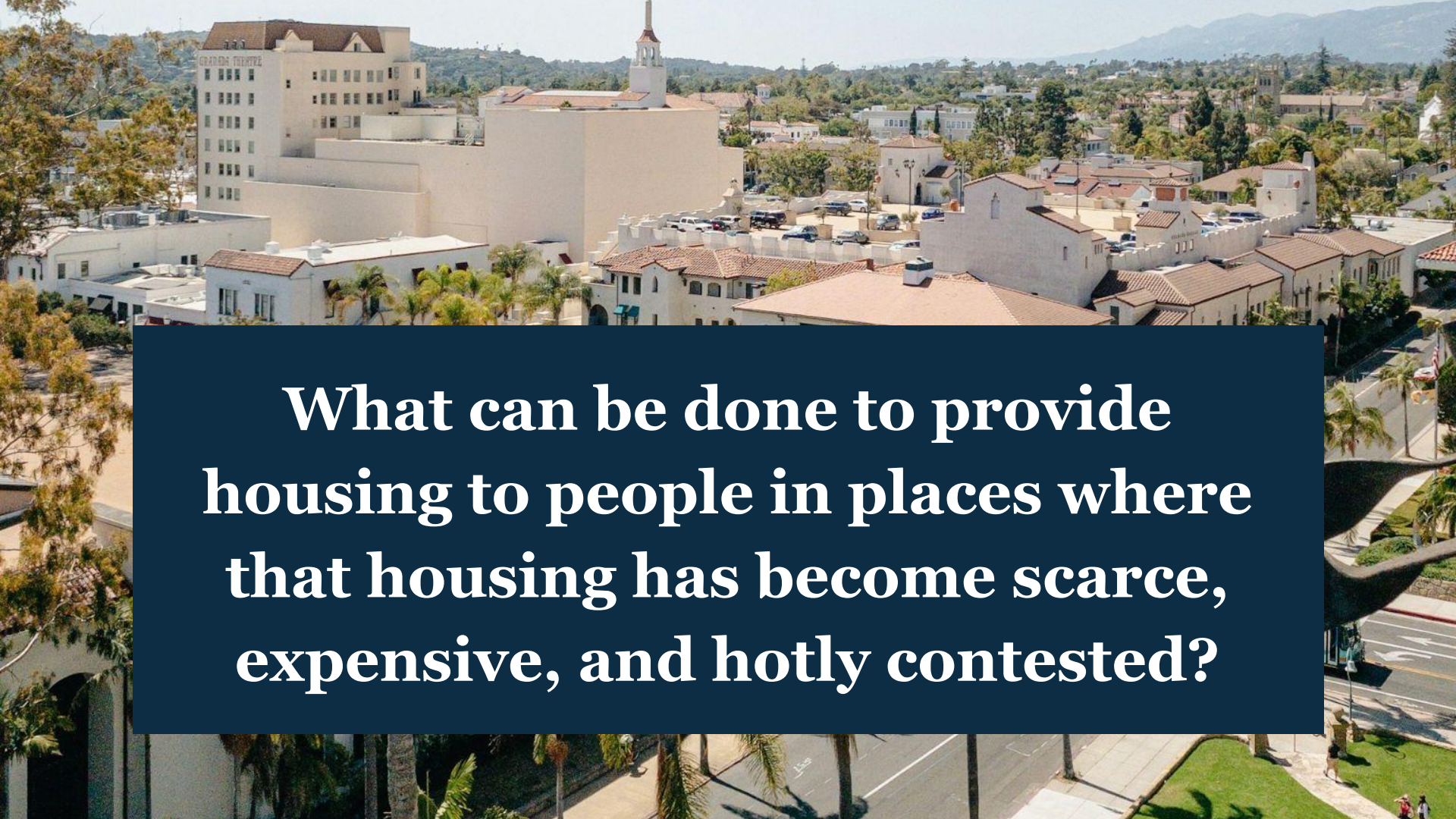


An aerial night view of a city, showing a dense grid of lights and a major highway with light trails from traffic. The city extends far into the distance under a dark sky.

“The prevailing pattern of development is making North American cities and towns weak and fragile.

We seek to change that.”

**STRONG
TOWNS**

An aerial photograph of a city, likely Los Angeles, showing a mix of architectural styles. A prominent white building with a sign that reads "GRAND HOTEL" is visible in the upper left. A church steeple is visible in the center. The city is surrounded by greenery and mountains in the background. A dark blue banner with white text is overlaid on the bottom half of the image.

What can be done to provide housing to people in places where that housing has become scarce, expensive, and hotly contested?

NATIONAL BESTSELLER

CHARLES L.
MAROHN, JR.

DANIEL
HERRIGES

ESCAPING THE HOUSING TRAP

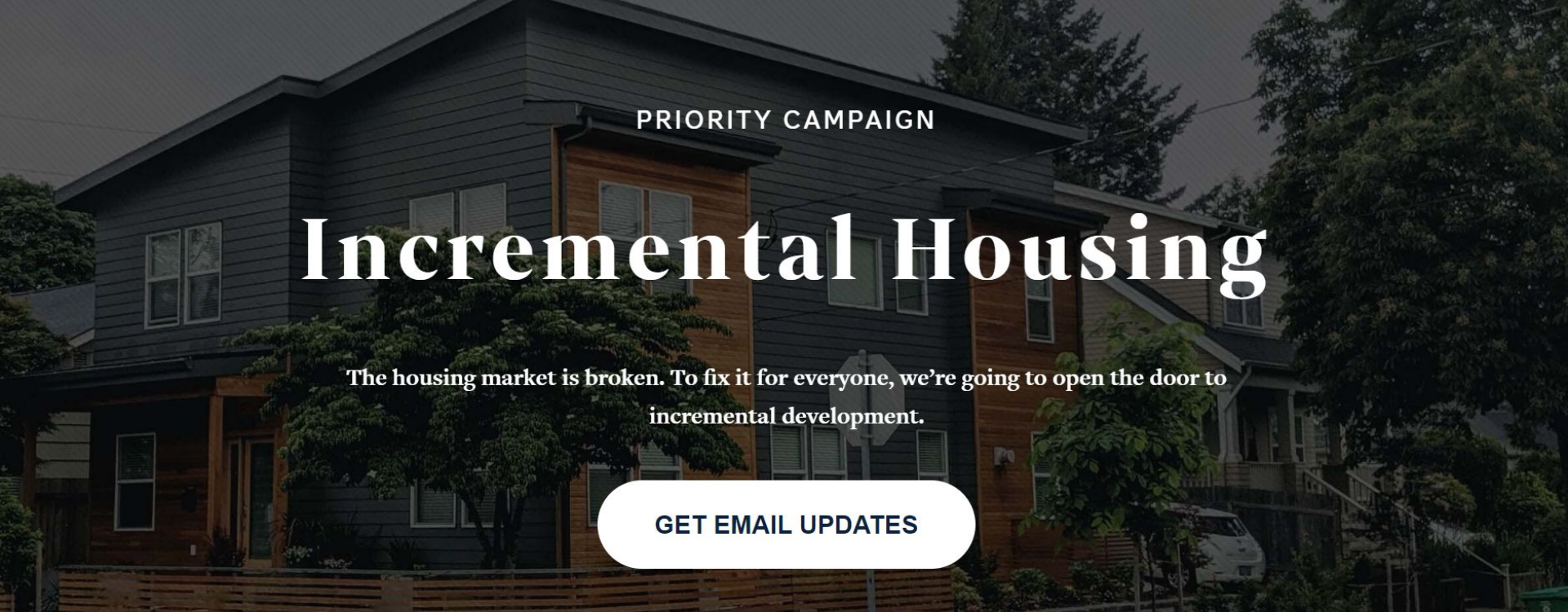
THE

STRONG TOWNS

RESPONSE TO THE
HOUSING CRISIS



WILEY



PRIORITY CAMPAIGN

Incremental Housing

The housing market is broken. To fix it for everyone, we're going to open the door to incremental development.

GET EMAIL UPDATES

The next increment of development should be allowed, by right, in every neighborhood in America.

CORE MESSAGE

Our current path, meant as a means of securing prosperity for all, has unwittingly trapped us in a system that is incapable of building lasting prosperity

CORE CONVICTION

Local and iterative actions are the best approach to gradually create and sustain local prosperity





CORE PRINCIPLE


**No neighborhood should be
subject to radical change**

**No neighborhood should be
exempt from change**

PREDICAMENT

While we mobilize, we will seemingly be part of a worsening problem and the housing relief won't immediately materialize





Policy, subsidies, and a flurry of construction resulted in a dramatically simplified method of building out cities (the Suburban Experiment)

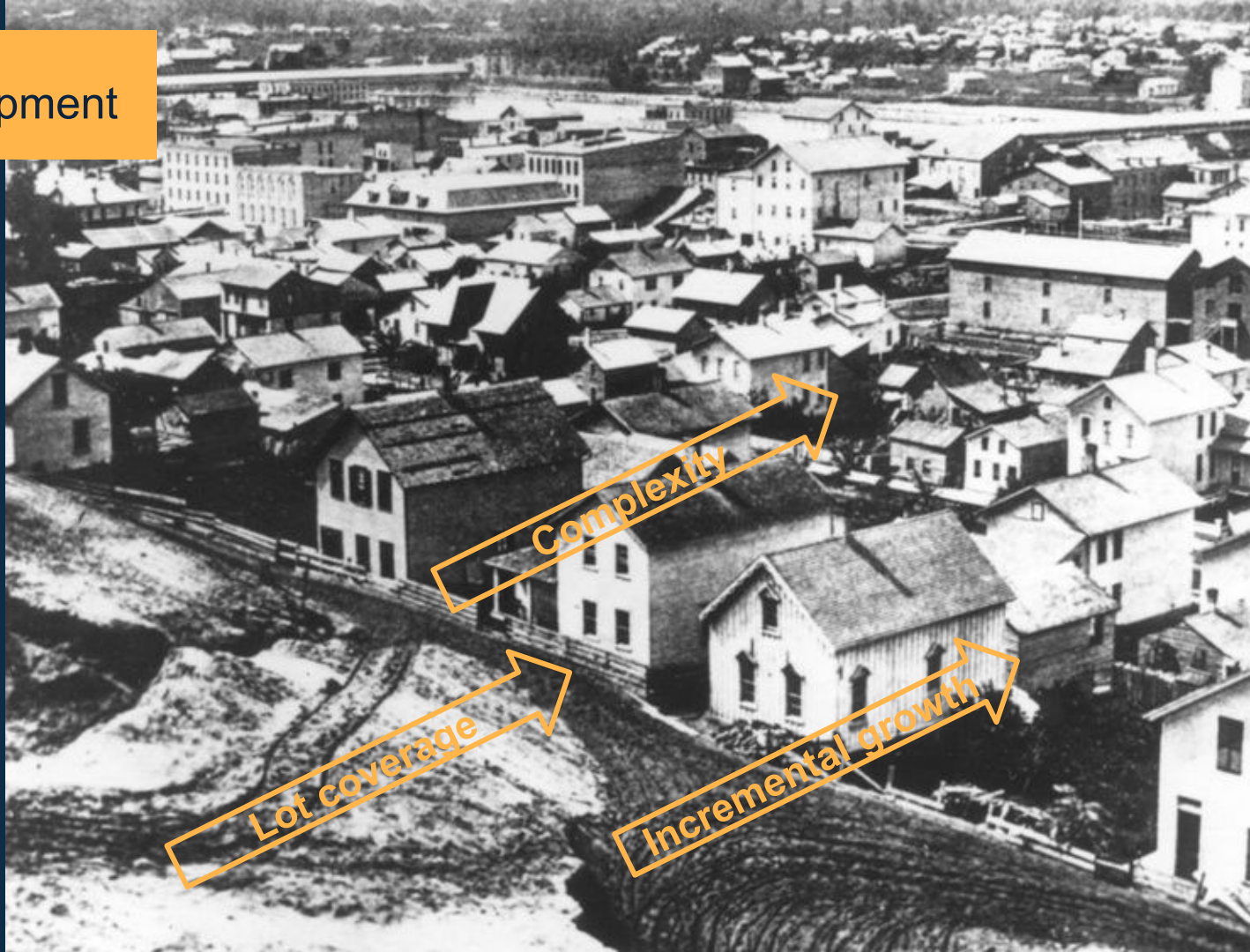
**WE TRADED COMPLEXITY AND
ADAPTABILITY FOR GROWTH AND
PREDICTABILITY**

Traditional Development

1870s

Notice the mix
of sizes & uses

1. Complexity
2. Lot coverage
3. Incremental growth & adaptation



1933



“We have taken another important step toward the ending of deflation which was rapidly depriving many millions of farm and home owners from the title and equity to their property.”

- Franklin D. Roosevelt

Home Owners Loan Act of 1933

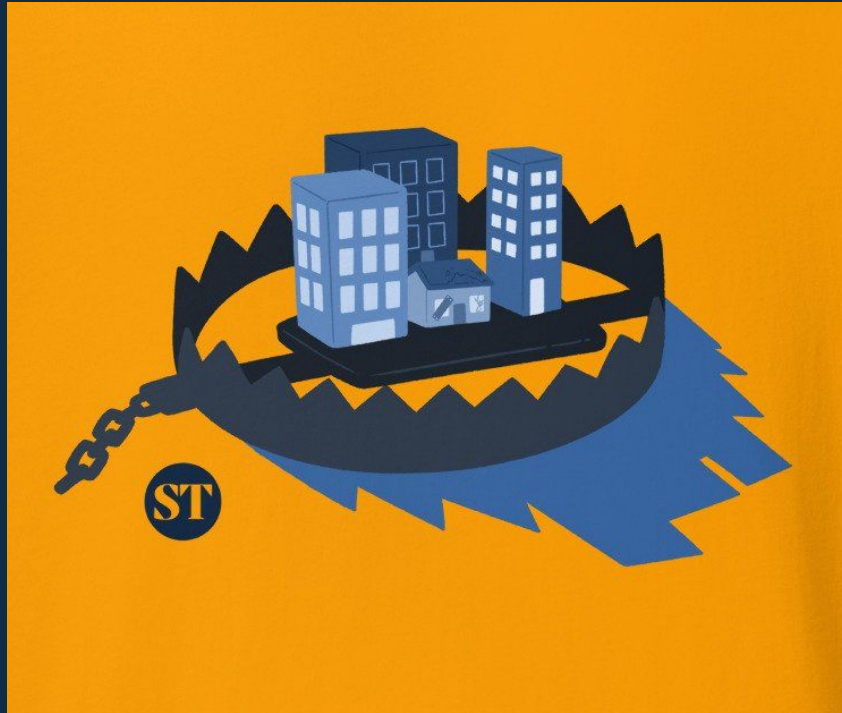
WORLD WAR II



“Were the war to end suddenly....there would be ushered in the greatest period of unemployment and industrial dislocation which any economy has ever faced.”

Paul Samuelson (1943)

Make it easier for more people to borrow more money to pay more for housing.



Lending term increased

Land opened up with assurances of services and deterrence of alternatives

Highway spending unlinked from local budgets

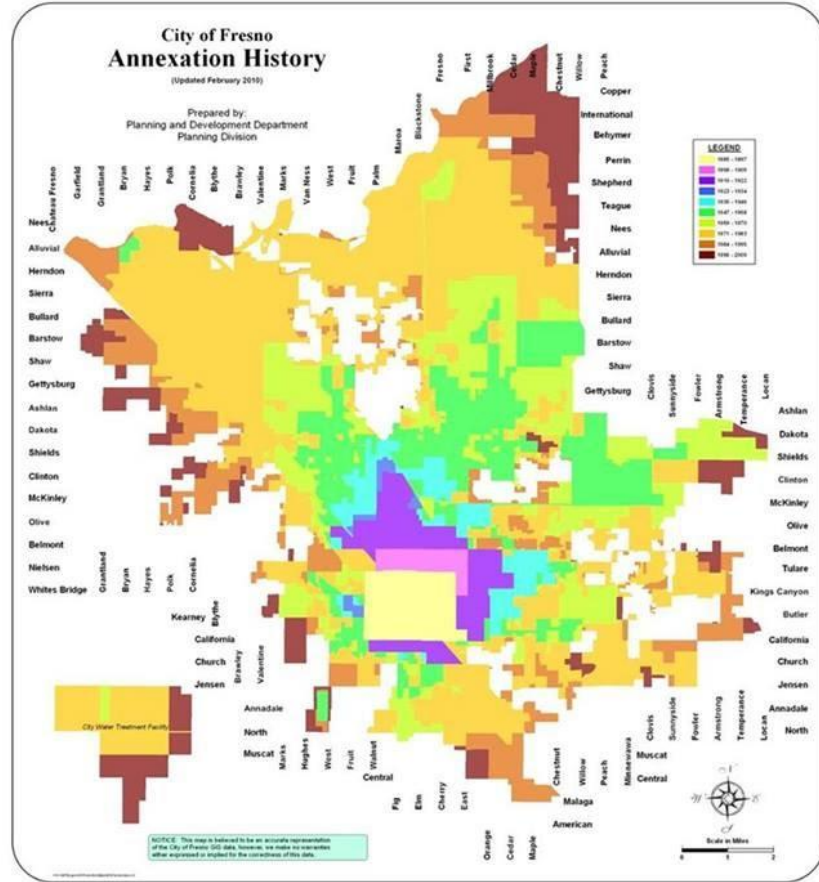
LEVITTON, NY

1947-1951

**AN EXCEPTIONAL
GROWTH MACHINE**



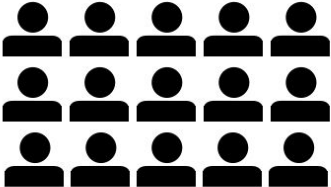





2010




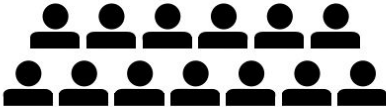



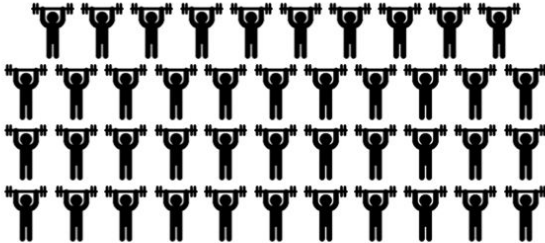


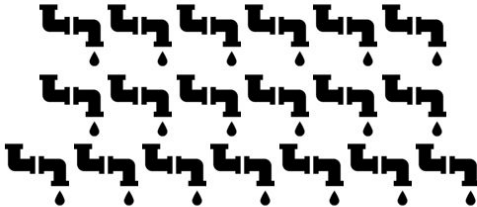
Sewer System Change Over Time

Kansas City, KS

	1910	2010	Change
Population 	82,331 	145,786 	1.8x
Feet of Sewer Per Person 	1.1 	30.1 	27x

Sewer System Change Over Time

South Bend, IN

	1960	2020	% Change
Population 	132,445 	103,453 	-22%
Lift Stations 	3 	43 	1,333%
Miles of Force Main 	0.3 	19 	6,452%



Cash Reserves ↓ → **Bonds** ↓ →
Insolvency

“We have lost sight of what it takes to build lasting prosperity”

What have we done?

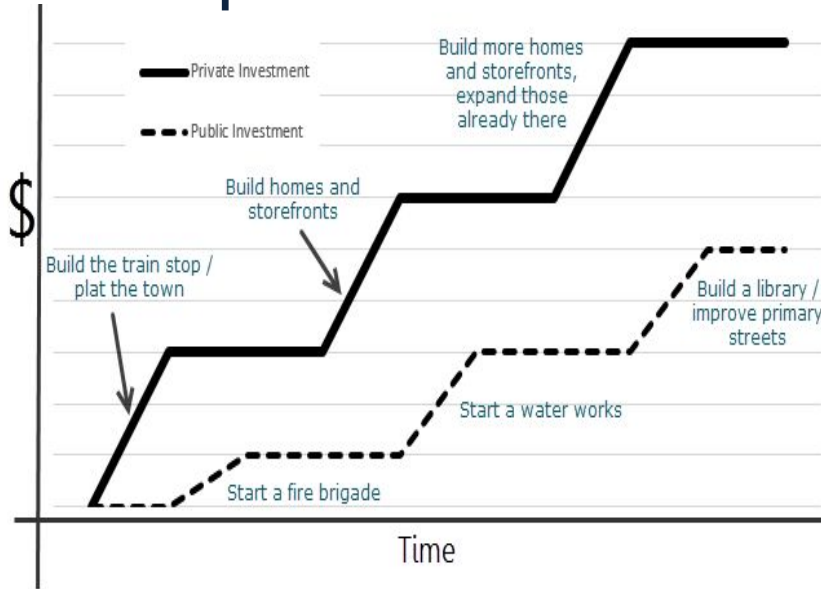
We have traded a robust incremental approach for a complicated and fragile pattern of suburban-style development



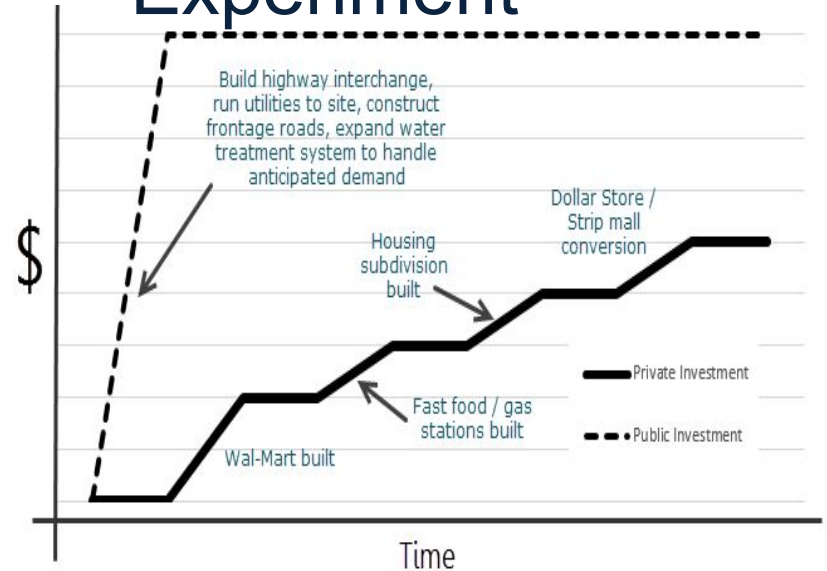
Is your place a good party?



Traditional Development Pattern



Suburban Experiment



Perpetual adolescence



The Suburban Experiment

A radical departure from the traditional development pattern

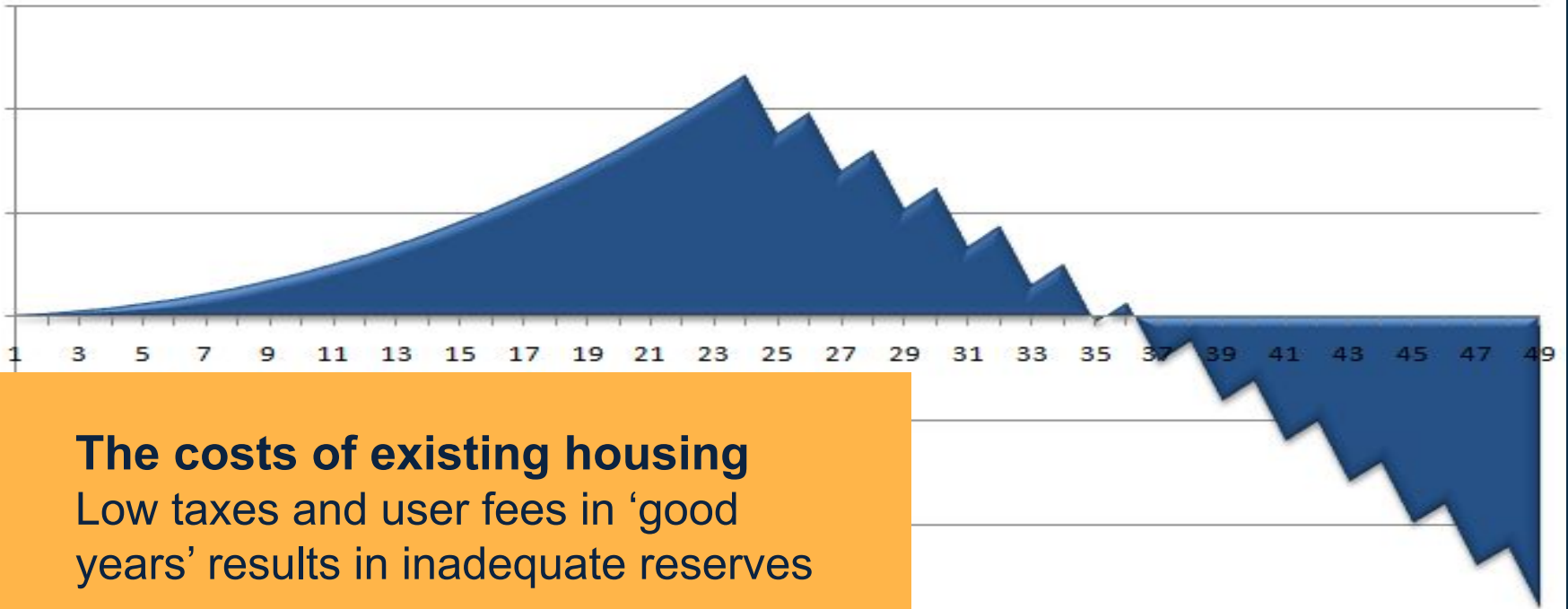


A photograph of a suburban street. On the left, a portion of a house with light-colored siding and a chimney is visible. In the center, a utility pole stands with several bare trees. On the right, a two-story house with a dark roof and several windows is visible. A paved road with a white line runs through the foreground. The sky is overcast.

The Suburban Experiment

Entire neighbourhoods built all at once
to a finished state

Cumulative Cash Flow - Two Life Cycles



The costs of existing housing
Low taxes and user fees in 'good years' results in inadequate reserves



Traditional Development Pattern
Assemblies of (increasingly)
independent neighbourhoods

An aerial photograph of a town, likely Ladner, showing a traditional development pattern. The town is built along a main road that runs diagonally from the top left towards the bottom right. Buildings are densely packed along this road and branch off streets. The surrounding area includes fields and some larger industrial or commercial buildings. The overall layout is organic and incremental, reflecting a development pattern that grows in response to local pressures.

Traditional Development Pattern
Incremental responses to local
pressure capitalizing on proximity



The Traditional Development Pattern

Concentration of activity and
prosperity-building opportunities

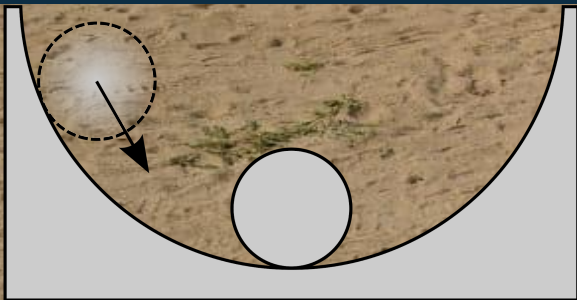


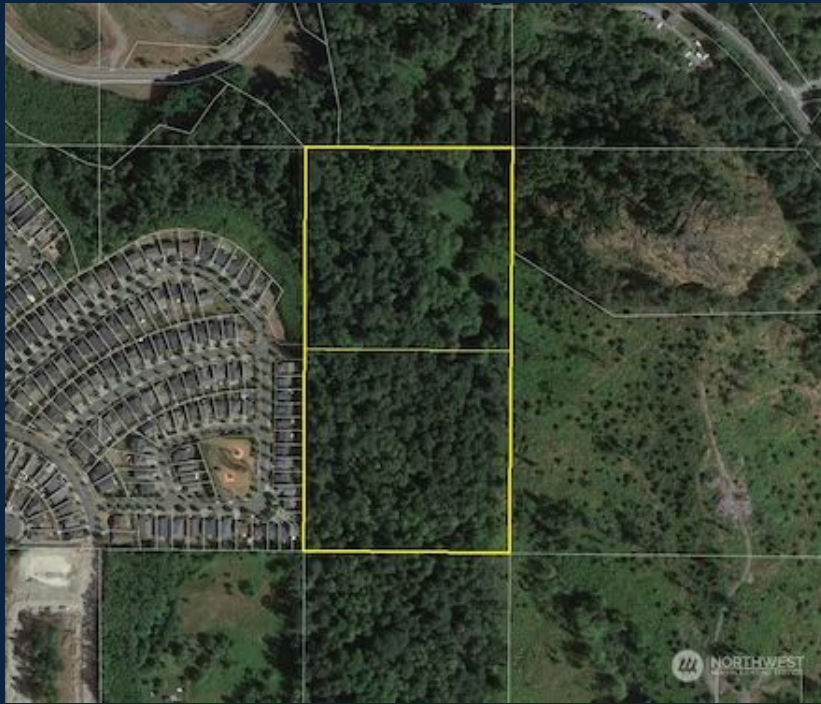
The Traditional Development Pattern

Ongoing adaptation to local pressure –
accepting incremental change and ensuring
greater financial opportunity through proximity

Complex systems have means of correction that bring you up and down through the equilibrium zone with quite a bit of frequency

The suburban experiment is marked by resistance to change, exclusion by class, and mandatory car ownership





We have traded a robust incremental approach for a complicated and fragile pattern of suburban-style development



Expectations

- water, sewage, garbage, fire, police, schools, bussing
- easy (rapid) access to amenities *and substitutes in home (gym, coffee bar, pool)*

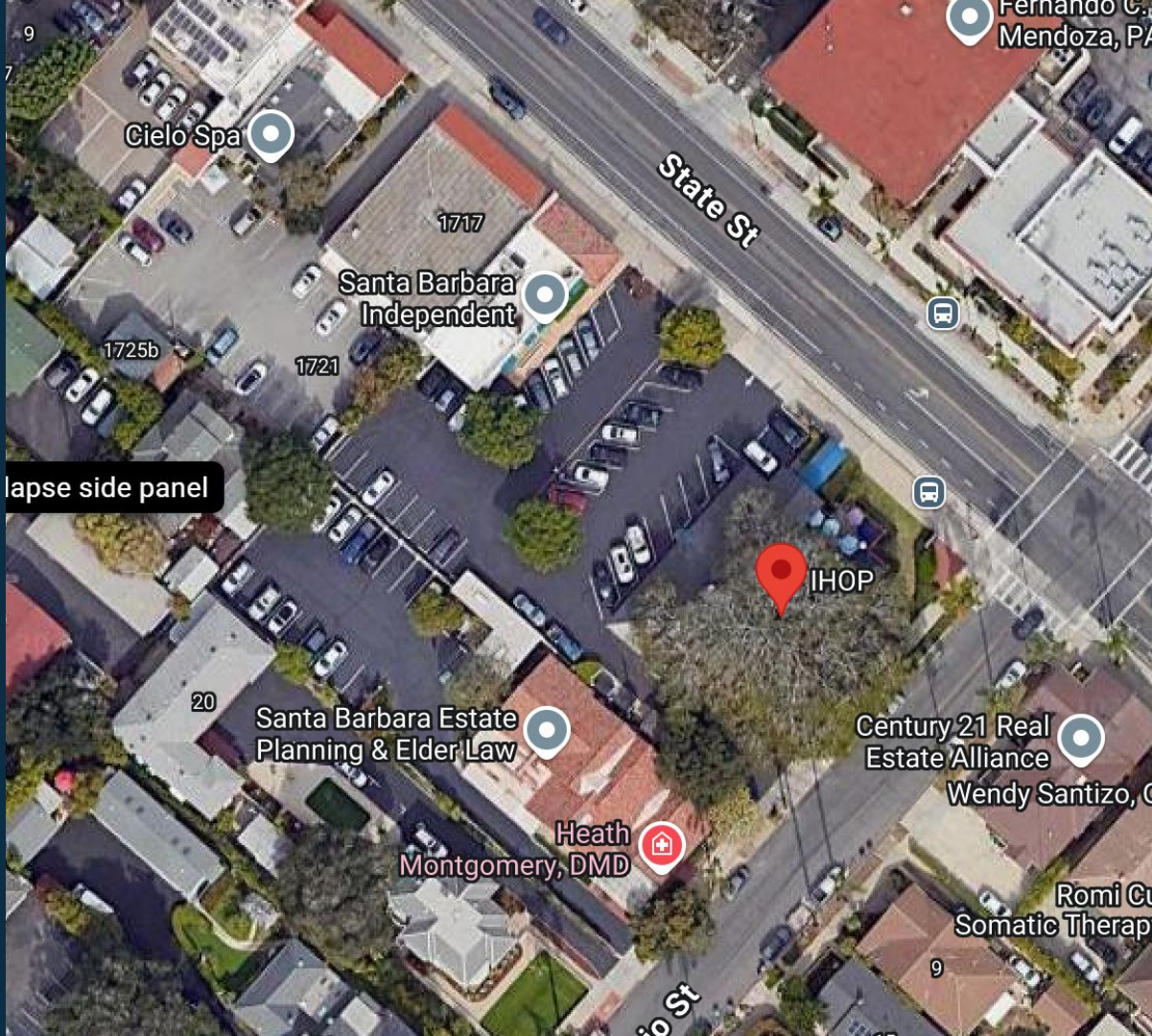
Political Demands

- low taxes per acre
- “equal” services

Change in Development Pattern

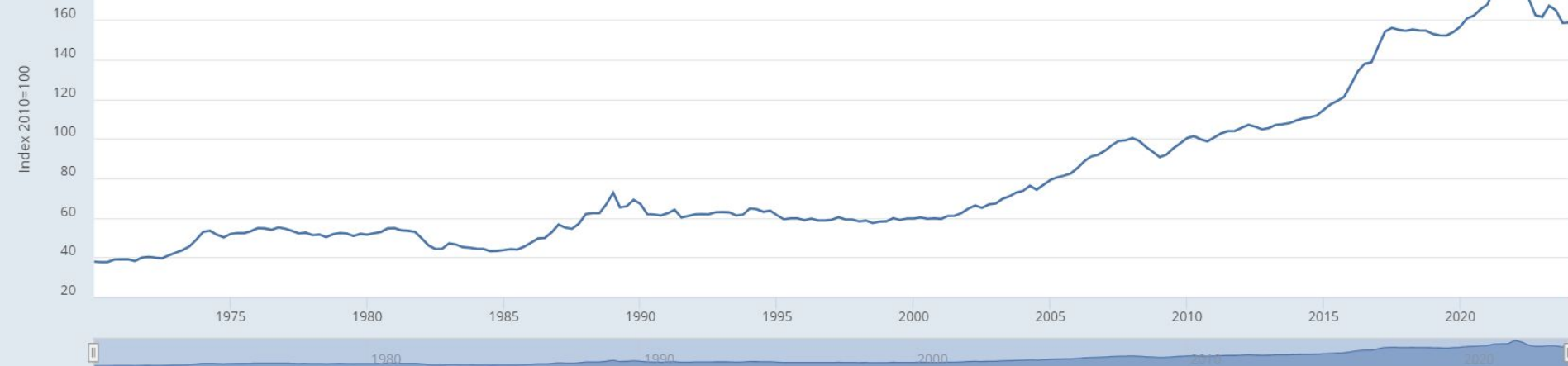
“We have lost sight of what it takes to build lasting prosperity”

State Street Must Serve as a Platform for Building Wealth
Concentration vs. dilution has massive impact



Complex systems have means of correction that bring you up and down through the equilibrium zone with quite a bit of frequency

[VIEW MAP](#)



Source: Bank for International Settlements

fred.stlouisfed.org

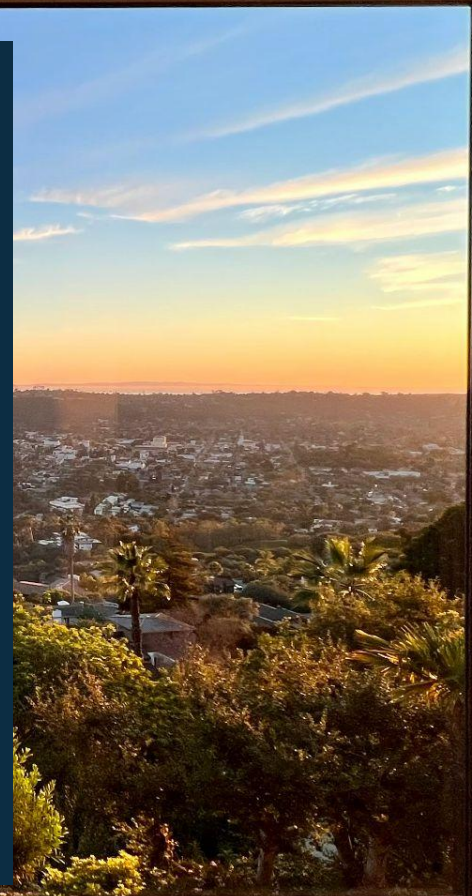


Housing as Shelter

- All housing types in rapid (fluid) response to local need
- Change increases opportunities

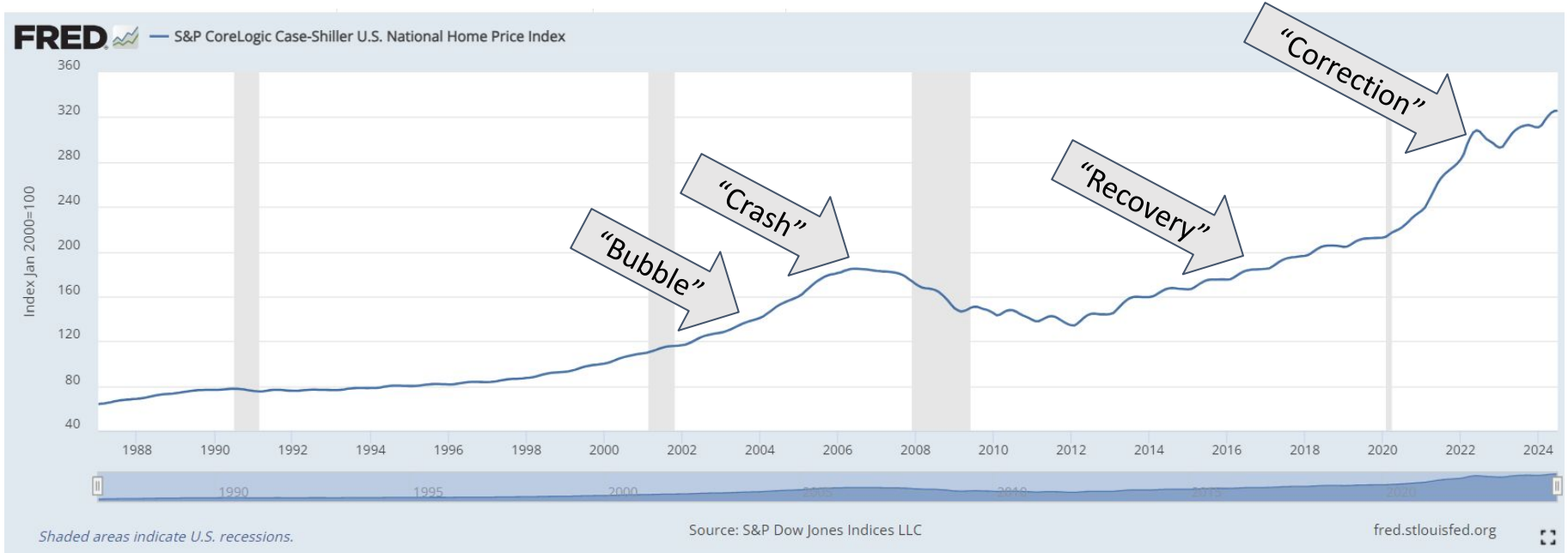
Housing as Investment

- Predictable financial units predicated on persistent scarcity to maximize value
- Change threatens bottom line



Complex systems have means of correction that bring you up and down through the equilibrium zone with quite a bit of frequency

S&P CoreLogic Case-Shiller U.S. National Home Price Index



Who benefits from high house prices?

- Local governments
- State governments
- Federal government
- Homeowners
- Banks & insurance companies
- Developers & contractors
- Land speculators
- Realtors
- Pension Funds

Who Doesn't?

- Renters
- The Poor



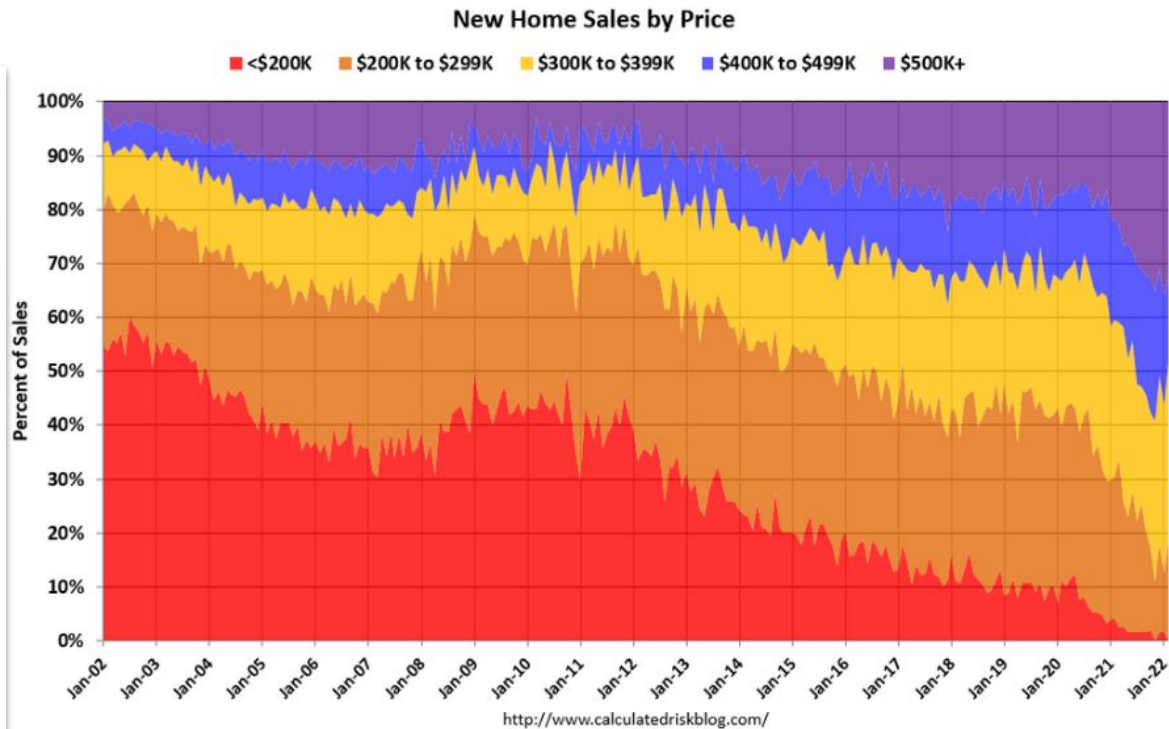


Daniel Herriges · September 8, 2022

The Starter House Is Nearly Extinct

Increasingly, for entire cities in the U.S., buying a starter home on a modest income is no longer an option.

[READ MORE →](#)

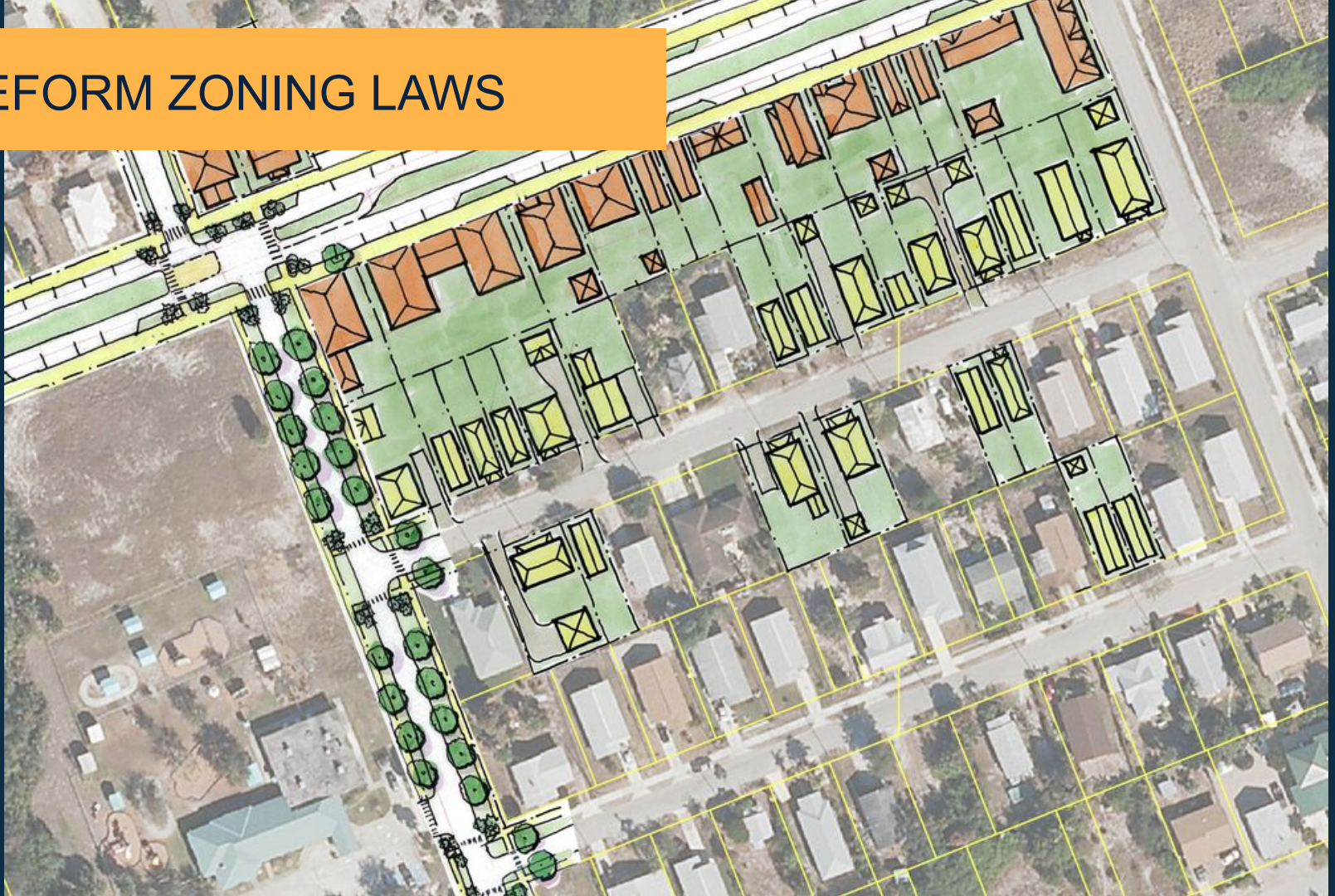


Reform zoning laws to increase the supply of entry-level housing

Foster a community of incremental developers who can build the necessary housing across neighborhoods

Use local government financing tools to support the development of entry-level housing units

REFORM ZONING LAWS



REFORM ZONING LAWS

URBAN13

Neighborhood Comparisons

Wellington, FL



Horseshoe Trace
(78 acres)

x 2,600



0.03 acre parcels



Georgian Courts
(3 acres)



REFORM ZONING LAWS

URBAN3

Total Taxable Value

Horseshoe Trace, Wellington, FL



Horseshoe Trace

14x its current value!



\$422M

Perpetual adolescence

Court
ing the area
shoe Trace

\$2



LOWER THE BAR OF ENTRY



“This is the building block or ladder of prosperity and we've taken that lower rung off”

REMOVE AVERSIONS TO COMPLEX ADAPTATION

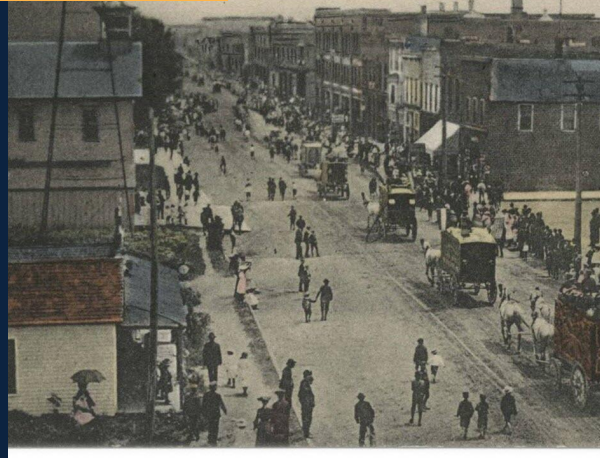


Perpetual adolescence

The suburban experiment is marked by
resistance to change, exclusion by design, and
mandatory car ownership



LEGALIZE NEXT INCREMENT *BY RIGHT*



- A minimum amount of regulatory friction to increase housing density (9am to Noon)
- Approval to build to next increment OR seek permission to skip increments

An aerial photograph of a large parking lot. The lot is mostly empty, with many white lines marking parking spaces. A few cars are scattered throughout, including a white car, a dark car, and a red car. The background is a dark, semi-transparent blue overlay.

ELIMINATE PARKING MINIMUMS

STUCK IN PARK:

How Mandatory Parking Minimums Hurt American Cities

MATCH TRANSPORTATION GOALS WITH HOUSING GOALS

- Road (and stroad) expansions encourage greenfield development.
- Prioritizing walkable spaces and reducing road projects drives infill development.



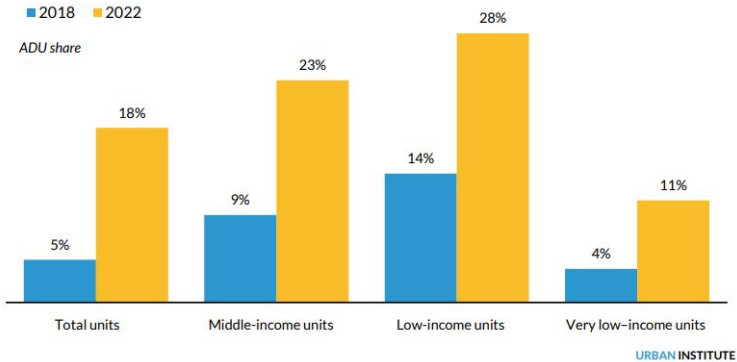
NORMALIZE LENDING FOR ADUs

TABLE 1
New Housing Units in California, 2022

Type	Units permitted	Units Completed			
		Total	Middle-income units	Low-income units	Very low-income units
ADU	24,857	18,011	1,998	1,677	519
Single-family detached home	39,550	35,180	2,694	269	34
Five-or-more-unit home	61,287	35,496	2,745	3,311	4,129
Single-family attached home	3,578	3,888	457	31	1
Two-to-four-family home	3,569	3,178	286	227	20
Manufactured home	1,703	2,226	361	407	129
Total	134,544	97,979	8,541	5,922	4,832
ADU share of the total	18%	18%	23%	28%	11%

Source: California Department of Housing and Community Development.
Note: ADU = accessory dwelling unit.

FIGURE 2
ADU Completions as a Share of All Residential Completions in California, by Unit Affordability



Source: California Department of Housing and Community Development.
Note: ADU = accessory dwelling unit.



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Big Win for ADUs: FHA To Count Rental Income for Mortgages

Ben Abramson · October 19, 2023



An accessory dwelling unit built behind a house. (Source: Flickr/Sightline Institute.)

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The Winds Are Changing on Incremental Housing

Daniel Herriges · Apr 10, 2024

In an important policy change, the Federal Housing



REMOVE MINIMUM LOT SIZES



GROW AN ECOSYSTEM OF LOCAL DEVELOPERS



LOWER THE BAR OF ENTRY



REMOVE GUESSWORK

STRONG TOWNS



Say Yes to New Housing— Before Anyone Even Asks To Build It

Edward Erfurt and Lindsey Beckworth · October 27, 2023



(Source: City of Kalamazoo, MI.)

STRONG TOWNS

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Ben Abramson · July 31, 2023



REMOVE GUESSWORK



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Pre-Approved Housing Plans

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These pre-approved plans may be used for a primary house, secondary, or cottage housing.

To encourage housing, the City has developed pre-approved construction plans. Each of the plans is designed to be less than 900 square feet (SF).

There are four layout options, each with two different exterior styles – modern or traditional. To get started follow each of the steps below.





REDUCE “DISCRETIONARY”
REVIEWS WITH AS-OF-RIGHT
APPROVALS

Funding and support for contractor training

Predevelopment and technical assistance. The City partners with a community development financial institution to help with small developers' pre-development costs.

Reduced land price based on affordability. Builders purchasing from the City land bank get up to a 75 percent reduced price based on affordable housing units provided.

FUND MANY SMALL BETS

How Muskegon, MI, Is Building Hundreds of Homes on Vacant Lots

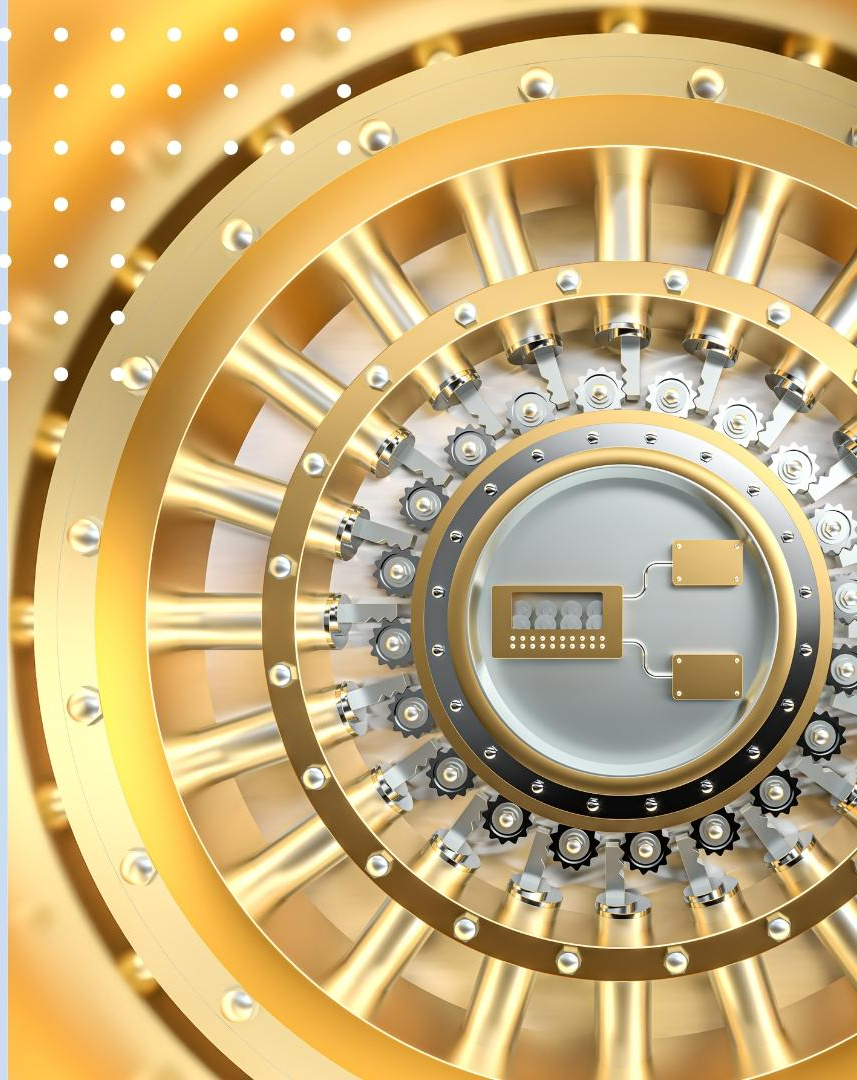
Asia Mielezko · April 4, 2024



An empty lot in Muskegon, MI, in 2019 (left) has now been converted to infill housing (right).

”“Think of housing reform as a series of parallel deadbolts on a heavy door—like a bank safe. Unlocking any one lock doesn’t allow the door to open. It’s only when they’re all unlocked that things can proceed...”

”



”“On our metaphorical door, only one of those deadbolts is labeled single-family zoning.

The others have different names. Built form regulations. Development fees. Development delays. Access to financing. Cost of construction. Skilled labor shortage. Development culture and support networks.

Daniel Herriges, “Has Statewide Upzoning Failed To Unlock Housing Production in California?”



Questions, complaints, rebuttals?

www.strongtowns.org/housing

