

HOUSE JOINT RESOLUTION 743

By Sparks

A RESOLUTION relative to affordable housing.

WHEREAS, owning a home is an important part of the American dream, but skyrocketing housing costs in this nation have negatively impacted the supply of affordable housing and placed the dream of home ownership on life support; and

WHEREAS, the average cost of regulation embodied in a new home is rising more than twice as fast as the average American's ability to pay for it, according to a recent study by the National Association of Home Builders (NAHB); and

WHEREAS, in September 2016, the Obama Administration released the Housing Development Toolkit, which identified restrictive zoning, bureaucratic delay, land-use regulations, and government regulation of supply as the causes of the rapidly increasing price of housing for the consumer; and

WHEREAS, the report recommends that metropolitan areas liberalize their housing markets, i.e., decrease regulation, in order to increase supply; and

WHEREAS, according to the NAHB study, government regulations are responsible for adding \$84,671 to the final price of an average new single-family home, which amount represents 24.3 percent of the final price; and

WHEREAS, the report found that regulatory costs in a newly finished home increased from \$65,224 in April of 2011 to \$84,671 in March 2016, a 29.8 percent increase; and

WHEREAS, regulatory costs during construction increased the fastest from \$22,535 to \$33,784 during that same time period, an increase of 50 percent, while regulatory costs during development increased by 19.1 percent; and

WHEREAS, by comparison, disposable income per capita increased by 14.4 percent from 2011-2016, or less than half of the 29.8 increase in the regulatory costs of new housing during that same period; and

WHEREAS, these figures do not bode well for the future of home ownership in America, and the issues associated with escalating housing costs to the consumer should be addressed; now, therefore,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE ONE HUNDRED TENTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE SENATE CONCURRING, that it is the sense of this General Assembly that affordable housing should be addressed as a national priority and that local governments should act to make housing less expensive by eliminating restrictive zoning, bureaucratic delay, land-use regulations, reliance on impact fees, and government regulation of supply in the new housing market.