



**To:** Members, Assembly Committee on Housing and Real Estate

**From:** Tom Larson, Executive Vice President

**Date:** May 15, 2023

**Re:** AB 266/SB 296 -- Not In My Backyard (NIMBY) Opposition to New Housing

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**REALTOR® Message** – The WRA supports AB 266/SB 296, legislation aimed at creating more certainty and predictability in the development-approval process by limiting the ability of NIMBYs (Not In My Back Yard) to delay or stop the approval of proposed housing developments. Such NIMBY efforts both limit the supply and increase the cost of housing.

### **Background**

One of the biggest barriers to new homebuilding in communities is the opposition from existing residents or NIMBYs. Regardless of what new development is being proposed, someone is bound to object.

Communities often spend years and thousands of dollars on outside consultants, public hearings and staff time to help develop a comprehensive plan to guide future development in the community, only to ignore the plan due to public opposition when a developer actually tries to build the type of housing specified in the plan.

The list of reasons for NIMBY opposition is long and may include the loss of open space, increased density, traffic, overcrowding in schools, neighborhood character, property tax increases, or just change in general.

While developers are often the targets of NIMBYs, the victims of NIMBYism generally are those who would have occupied these new homes. Generally, they include fellow members of the community who are on fixed incomes, young families, teachers, police officers, and workers in the service industry who are looking to improve their lives by finding a better place to live.

By opposing the development of new housing, NIMBYs limit the supply of housing necessary to meet demand, causing prices to increase further. In addition, when people can't afford to live in the communities in which they work, they are forced to move farther away to find homes they can afford, putting more cars on the road for longer commutes and creating more wear and tear on our roads, among other things.

**Legislative Solution** – AB 266/SB 296 is aimed at limiting the ability of NIMBYs to stop or delay the development of new housing through all of the following:

1. Improving certainty and predictability in the development process

- a. *Development by right*: Requiring local governments to approve development proposals that are consistent with local development regulations.
  - b. *Judicial remedy*: Allowing a developer to appeal to circuit court a local unit of government's denial of a development proposal that complies with local development regulations and authorize a judge to approve the project.
2. Preventing lawsuits challenging approvals – Limiting who has standing to file legal challenges to projects that have been approved by local governments.
  3. Prohibiting supermajority requirements for zoning changes – Requiring zoning changes to be approved by simple-majority vote.

## Talking Points

- **Local governments should have to follow their own regulations.** If a local government established the terms and conditions required for approvals and permits, and the developer has met those requirements, the local government should have to approve the project. Unfortunately, local governments either choose to ignore their own rules, or succumb to the significant pressure created by NIMBYs.
- **Uncertainty and unpredictability make housing less affordable.** Whether building a home, an apartment project, or a new subdivision, property owners spend a lot of time and money planning and preparing for a new construction or development project. Because NIMBY opposition can impact the design, cost and the viability of the project, property owners need a predictable process that they can rely upon to obtain the necessary approvals for a new development.
- **Regulatory reform is necessary to lower the costs to develop new housing.** According to reports produced by both the Trump and Obama administrations, outdated local land-use regulations, such as large, minimum lot sizes, prohibitions on multifamily housing, and delayed approval processes, drive up the cost of housing. Such regulations add more than 25% to the cost of a new home, and as much as 42% to the cost of new multifamily construction.

We respectfully request your support for AB 266/SB 296. If you have questions or need additional information, please contact us.