Extreme Makeover: American Dream Edition?

Government Intervention, Affordability, and the Dream of Home Ownership

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INTRODUCTION

Throughout Summer 2026, news outlets have been dotted with headlines like these:

> 'This bargain is eroding': Inside the youngest generations' view of the American Dream (CNBC, June 2026)
>
> Young people are rejecting boomers' view of the American dream (USA Today, June 2026)
>
> Gen Z is working hard, but the economy is putting the American dream out of reach for many (FOX Business, July 2026)
>
> The new American dream: Having parents who can help pay for it (CNN, July 2026)

The stories stem from a survey and report conducted by research consulting firm Simon-Kucher, published as the 2026 New American Dream Study.

The report concludes that the American Dream is still alive, but it is no longer defined by one standard formula. Based on a nationally representative survey of 5,000 U.S. adults, the report finds that traditional markers such as homeownership, family, hard work, and financial stability still matter, but younger generations are redefining success in broader, more personal terms.

A major theme is the widening generational divide in how success is understood. Baby Boomers tend to anchor the Dream in stability and security, especially retirement, homeownership, and financial independence, while Gen Z and Millennials place more value on flexibility, personal freedom, experiences, community, and meaningful living. The report stresses that younger people are not rejecting the American Dream; instead, they are adapting it to fit a more uncertain economic and social reality.

The study also shows that the path to achieving the Dream feels increasingly unclear. No single route — whether college, entrepreneurship, skilled trades, public service, or corporate advancement — emerges as the dominant path forward. At the same time, most respondents believe key milestones such as owning a home, retiring early, and becoming financially independent are harder to reach than they were for previous generations. High living costs are the most common barrier, with younger adults also reporting job insecurity, debt, limited opportunities, and lack of confidence or skills as major obstacles.

Money remains central throughout the report. Financial wealth is still seen as the clearest sign of status, and personal finances strongly shape whether people feel secure or successful. Yet the purpose of money is shifting: for many Americans, especially younger ones, it is less about visible wealth and more about maintaining stability, preserving quality of life, and keeping future options open. This helps explain why experiences now outweigh possessions across generations, and why Gen Z and Millennials are more likely to sacrifice long-term savings or take on debt to support their present-day lives.

A Coldwell Banker survey from 2025 placed more emphasis on homeownership, with 85% of respondents still saying they consider it a key component of the American Dream. Fifty-six percent said it was at the "heart of the American Dream" — it ranked behind only financial security and personal freedom. Respondents placed it ahead of other major life milestones like marriage and children, building a successful career or business and graduating college.

From Coldwell Banker's 2025 American Dream Report:

> Picture this:
>
> - A couple postpones expanding their family because they want a backyard first.
> - A professional turns down a career opportunity in another city because they're saving for a down payment.
> - Personal goals and even adopting a pet are put on hold, waiting for the first home.
>
> Homeownership is deeply woven into our sense of readiness for life's biggest decisions.

Homeownership: The Milestone That Shapes Everything

We wanted to understand how the idea of the American Dream is evolving. The findings are clear: for many, owning a home isn't just a goal, it's the foundation for everything else.

- Nearly 1 in 5 aspiring homeowners (18% each) are putting off marriage or having children until they own a home.
- 17% (each) are delaying career changes or even getting a pet.
- 15% are waiting to start a business/go self-employed.

For younger generations, the impact is even more pronounced. 84% of Gen Z (ages 18-28) aspiring homeowners are postponing at least one major life decision until they can afford to buy, and nearly a third (29%) are delaying having children.

Sixteen percent of respondents even said they were delaying living independently at all, in order to save for a home.

GOVERNMENT'S ROLE

Americans feel they are suffering an affordability crisis. It follows the highest inflation rates in four decades during the Biden administration, and continued pricing pressures related to oil exports and the conflict in Iran.

Given its role at the heart of even this new American Dream, housing affordability deserves a deeper look.

So, Open the Books is doing what it does best and examining the government's role, assessing the publicly available data to offer insight into the ways our tax dollars are spent. Has government helped or hindered the younger generations on their path to buying a house?

STATE-LEVEL DATA

If Millennials and Gen Z feel that the dream of home ownership is disappearing over the horizon, the data bears that out. Home prices in state after state are running up faster than wages can keep pace.

Open the Books examined a decade worth of public data comparing the change in state-by-state median household incomes (U.S. Census Bureau) with the home price index (HPI) which is tracked and tabulated by the Federal Housing Finance Agency (FHFA). In all 50 states the average home price grew faster than median household incomes during the 10-year window we examined, which was 2015 to 2024.

That difference in the rate of growth is what we're calling the Affordability Gap. In all but two states there was a double-digit Gap over the course of a decade. Louisiana experienced the least severe Affordability Gap with home prices (+39.99%) outpacing household wages (+33.37%) by just 6.62 points. Just ahead of it was West Virginia with a 9.93-point affordability Gap.

All 48 other states had double-digit affordability gaps.

The affordability gap topped 50 points in 17 states including many of the most populous.

In 14 states home prices rose more than 100% over the course of a single decade.

Under The ~~Hood~~ Roof

One might imagine affordability gaps uniformly higher in wealthy states with high taxes and high regulations while the American dream was in better reach in places with smaller government and lower barriers to entry for business.

Instead the data reveals a more complex picture. Factors like economic dynamism versus relative stagnation and, at their tail end, the effects of Covid-related migration, ostensibly play a part — in addition to and in tandem with the more fundamental factors that allow for economic and wage growth.

The states with the top 10 highest Affordability Gaps are in fact geographically diverse and ideologically moderate or conservative. The top 10 were: Idaho, Florida, Utah, Tennessee, Arizona, New Hampshire, Nevada, Maine, and Washington state.

TOP 10 AFFORDABILITY GAPS

2015-2024

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State	Home Price Growth	Income Growth	Affordability Gap
Idaho	151.5%	68.1%	83.3
Florida	134.5%	57.3%	77.2
Utah	122.7%	53.6%	69.1
Tennessee	118.4%	52.3%	66.1
Arizona	123.7%	58.2%	65.5
New Hampshire	107.3%	41.9%	65.4
Nevada	120.0%	54.7%	65.2
Maine	110.7%	48.4%	62.3
Rhode Island	105.5%	43.8%	61.7
Washington	115.5%	55.0%	60.5

Sources: HUD and US Census Bureau

A couple of factors become apparent. Some of these states made headlines for massive influxes of Americans leaving big cities at the height of the Covid pandemic emergency. They're also states that have become known for having friendly environments for businesses and individuals. Idaho, Florida, Nevada and Tennessee, along with Arizona, all became known as low-tax, lower-density havens during the Covid crisis and the ensuing inflation emergency.

In Idaho, the state with the highest Affordability Gap at 83.33%, home prices exploded faster than anywhere else in the country — 151.46% over the course of 10 years. Despite the Affordability Gap it created there are also signs that Idaho's economy has begun racing to keep up. The state had the number one growth in median household income from 2015 to 2024. Households earned 68.13% more over the decade.

Home prices in Idaho also started relatively modest. The average home price in 2015 was $332,180. That figure skyrocketed by 2024 when an average priced home would run you over $835,000. This is thanks in part to Hollywood celebrities like Kim Kardashian, Clint Eastwood and Jimmy Kimmel, all of whom have purchased homes in Idaho. And as a rising tide lifts all boats, millionaires and billionaires in the area, the ensuing home value appreciation, and new labor demand are all conspiring to create more potential local wealth.

Close behind was Florida, a vacation destination of another kind, which also experienced a housing boom during Covid. Prices grew 134.47%, creating an Affordability Gap of 77.19 points. Actual home values resembled Idaho as well. An average home in 2015 costs $348,000, rising to $816,000 by the year 2024.

By contrast, a state like California, which has drawn huge amounts of attention for its housing affordability problems and homelessness crisis in major cities, had a lower Affordability Gap (27.22 points). That gap was not narrowed by huge wage growth, though. California had a middling 55.27% rise in median household income over the decade. Instead, prices were comparatively stagnant. Average home prices grew 82.49%, comparable to states like New York, New Jersey and Kansas — and little more than half of market-leading Idaho. That figure also put California 52 points behind Florida's average home price growth over that decade.

The ten states with the smallest Affordability Gaps, while also ideologically diverse, all had softer home appreciation but also softer household earnings growth:

BOTTOM 10 AFFORDABILITY GAPS

2015-2024

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State	Home Price Growth	Income Growth	Affordability Gap
Louisiana	40.0%	33.4%	6.6
West Virginia	54.6%	44.7%	9.9
North Dakota	41.7%	28.6%	13.2
Mississippi	61.8%	45.7%	16.1
Alaska	49.2%	30.4%	18.8
Illinois	60.2%	39.6%	20.5
Maryland	59.2%	35.7%	23.5
Iowa	63.8%	37.9%	25.9
California	82.5%	55.3%	27.2
Hawaii	66.2%	37.1%	29.2

Sources: HUD and US Census Bureau

In summary, the traditional Red State-Blue State assumptions go out the window when we examine where wages have best kept up with home prices and where they've fallen the furthest behind. Several more factors are critical to get the full picture of housing affordability and the government's role in it.

STATE-BY-STATE PRICES

Simply ranking states by Affordability Gap does not consider where prices started at the beginning of the decade and where they ended up. Nor does it speak to how much of a median household income would be eaten up by a home purchase in each state — nor, most critically, a 20% down payment on said home.

Two of the states with the lowest Affordability Gaps over the course of a decade began among the states with highest average home prices in 2015: Hawaii and California. Three of the states with the highest Affordability Gaps also appear here: Maine, Vermont and Washington. Now a pattern begins to emerge — coastal vacation destinations with relatively high tax environments.

Rounding out the top five on the price list are Massachusetts, New York and New Jersey.

Among these ten costly states, only Hawaii's average home prices grew less than 80%.

PRICIEST HOMES

2015

State	2015 Home Prices	2024 Home Prices	10 Year Growth
Massachusetts	$664,820	$1,231,860	85.3%
New York	$586,270	$1,058,230	80.5%
Hawaii	$534,930	$889,320	66.2%
California	$522,070	$952,700	82.5%
New Jersey	$475,670	$864,340	81.7%
Rhode Island	$467,360	$960,540	105.5%
Washington	$462,120	$995,830	115.5%
Maine	$456,660	$962,220	110.7%
Vermont	$444,420	$832,740	87.4%
Oregon	$433,740	$828,670	91.1%

Sources: HUD and US Census Bureau

The picture is mostly the same when we look at the top ten priciest states as of 2024, the most recent year in the data set.

PRICIEST HOMES

2024

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State	2015 Home Prices	2024 Home Prices	10 Year Growth
Massachusetts	$664,820	$1,231,860	85.3%
New York	$586,270	$1,058,230	80.5%
Washington	$462,120	$995,830	115.5%
Maine	$456,660	$962,220	110.7%
Rhode Island	$467,360	$960,540	105.5%
California	$522,070	$952,700	82.5%
Hawaii	$534,930	$889,320	66.2%
New Jersey	$475,670	$864,340	81.7%
Colorado	$421,220	$846,120	100.9%

Sources: HUD and US Census Bureau

Again, despite most of these states both starting and ending the decade among the most expensive places to purchase a home, only Hawaii's price jump was less than 80 points.

DOWN PAYMENT ON THE DREAM

But to truly understand where the dream of owning a home is most and least attainable, these numbers only gain meaning back in the context of raw household income data.

For an average 20% down payment, we already know which states will cost the most: the same set of states where average home prices are the highest.

But in which states would that down payment take the biggest bite out of Americans' incomes and savings? Here are the dozen states where it would take the longest to come up with the scratch necessary.

DOWN PAYMENTS STAY A DREAM?

DOWN PAYMENTS VS. MEDIAN HOUSEHOLD INCOME

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State	2024 Home Price	Median Income	20% Down Payment	% of Median Income
Maine	$962,220	$76,442	$192,444	251.8%
New York	$1,058,230	$85,820	$211,646	246.6%
Massachusetts	$1,231,860	$104,828	$246,372	235.0%
Rhode Island	$960,540	$83,504	$192,108	230.1%
Florida	$816,080	$77,735	$163,216	210.0%
Montana	$778,680	$75,340	$155,736	206.7%
Idaho	$835,300	$81,166	$167,060	205.8%
Vermont	$832,740	$82,730	$166,548	201.3%
Washington	$995,830	$99,389	$199,166	200.4%
Oregon	$828,670	$85,220	$165,734	194.5%
California	$952,700	$100,149	$190,540	190.3%
Tennessee	$670,200	$71,997	$134,040	186.2%

Sources: HUD and US Census Bureau

In nine of these states, a down payment is more than two full years' worth of household income — and that's before any money is withheld for taxes. Those numbers will vary depending upon which of these states a family calls home. These figures are also before a dime is spent on any of the essentials — rent, groceries, gas, utilities, auto payments, and all the other modern necessities.

In other words, it will take a family dramatically longer to save this money than the two years reflected here. If they were fortunate enough to be able to save 20% of their pre-tax incomes, it would take a dozen years of work to buy a house in Maine. If they saved 10% of their pre-tax income, it would take a quarter century. By that time, Americans would be closer to retirement than they would be to starting a family and pursuing the American Dream of home ownership.

What's even more troubling? The numbers at the bottom end of the scale are not drastically better.

The dozen states with the most affordable average down payments (as a percentage of median household income) were:

MOST ATTAINABLE DOWN PAYMENTS

DOWN PAYMENTS VS. MEDIAN HOUSEHOLD INCOME

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State	2024 Home Price	Median Income	20% Down Payment	% of Median Income
Minnesota	$575,390	$87,117	$115,078	132.1%
Ohio	$475,950	$72,212	$95,190	131.8%
Texas	$518,380	$79,721	$103,676	130.0%
Wyoming	$484,440	$75,532	$96,888	128.3%
North Dakota	$487,380	$77,871	$97,476	125.2%
Illinois	$503,820	$83,211	$100,764	121.1%
Louisiana	$364,360	$60,986	$72,872	119.5%
Kansas	$450,450	$75,514	$90,090	119.3%
Iowa	$438,260	$75,501	$87,652	116.1%
Oklahoma	$378,700	$66,148	$75,740	114.5%
West Virginia	$334,250	$60,798	$66,850	110.0%
Alaska	$458,290	$95,665	$91,658	95.8%

Sources: HUD and US Census Bureau

In all but a single state, Alaska, a 20% down payment on an average home exceeds a full year's pre-tax household income. Using the same extrapolations as before, a household that managed to save 10% of its pre-tax income would need more than a decade to put a down payment on an average priced home in West Virginia and more than thirteen years in Texas, Ohio and Minnesota.

Even in Alaska, where the task of making a down payment is the least daunting, it would take just over nine-and-a-half years to gather the savings.

With numbers like these, it's no wonder Gen-Z is rethinking its approach to the dream.

A GIFT FROM UNCLE SAM?

For decades, national politicians have had plenty to see about home ownership and affordability. From the Clinton era of the 1990s, when the White House cast it as the crown jewel of the American dream, to the Bush-Obama era when subprime mortgages became snake oil driving economic catastrophe, owning a home has been at the center of politics.

So what does investment from the federal government do to help make the dream a reality? Well, precious little if the most recent decade of data is any guide.

Monetary policy of course plays a part, as the Fed sets interest rates that correlate with mortgage rates and tweak them based on economic indicators like inflation, employment and Gross Domestic Product (GDP).

But when it comes to what Uncle Sam knows how to do best — or should we say, most — Washington has spent vast sums on the project of affordable home ownership.

The U.S. Department of Housing and Urban Development (HUD) spent nearly half a trillion bucks on housing affordability over the decade considered in this report — $460,282,287,603.59 to be more precise. That figure is spread across eighteen programs that capture the vast majority of HUD spending on affordability and low-income housing.

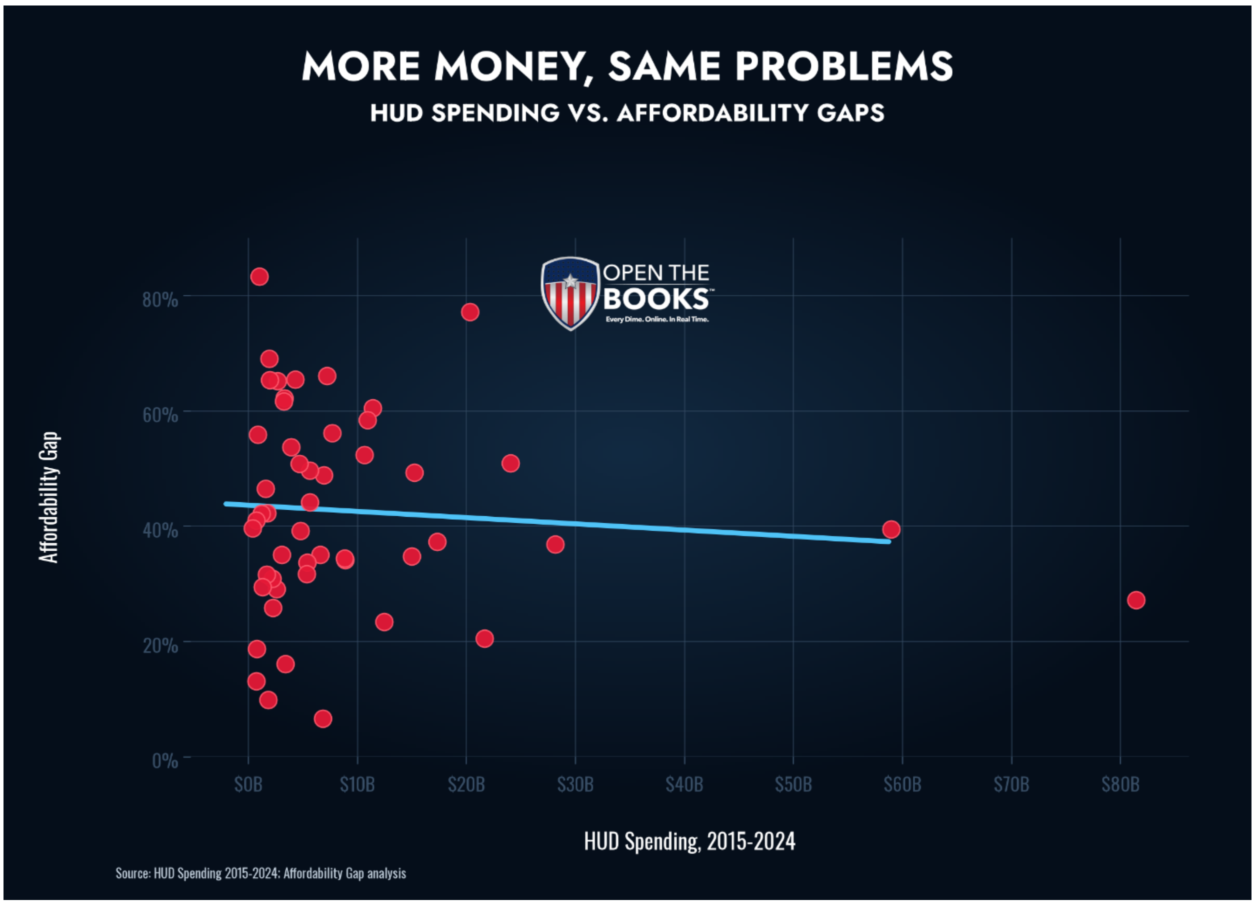
Much of the spending on a state-by-state basis amounted to less than $10 billion over the course of the decade; in a handful of states, it was up to $30 billion. In just a couple of outliers it was even more. New York had $58.93 billion pumped into it from HUD. California, the most extreme outlier, exceeded even that figure by tens of billions. From 2015-2014, those eighteen HUD programs injected $81.41 billion into the Golden State.

So did all this spending have any meaningful relationship with lower Affordability Gaps? Average home prices outran household incomes everywhere, but did taxpayer money help keep the gap a bit tighter?

In a word, no; not when looking at total spending per state versus the Affordability Gap in that state over the decade-long timeline.

Each point below represents the Affordability Gap in a given state, while its position along the X-axis represents how great the investment was from HUD. With a naked eye, we can spot California all the way on the right-hand side of the chart.

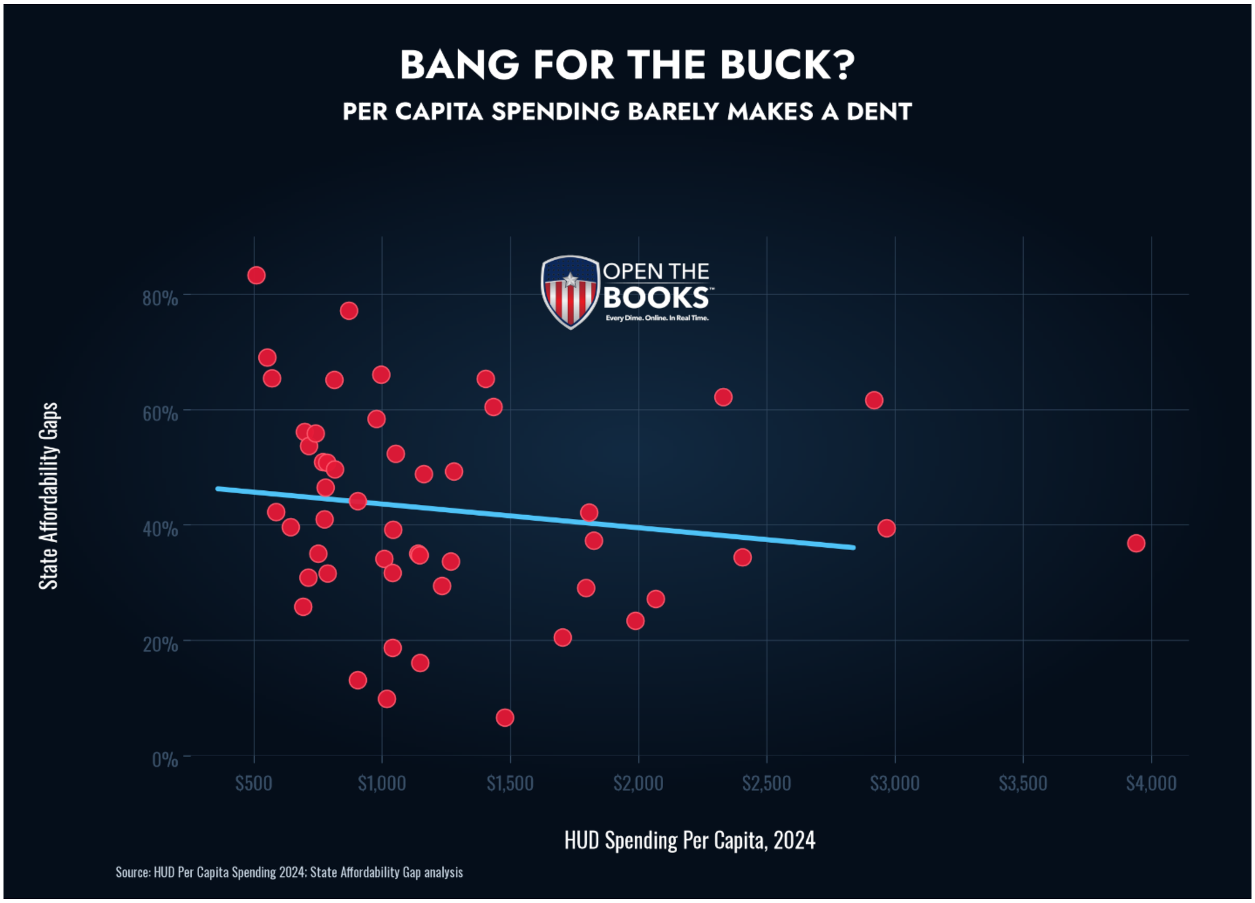
When we draw a trendline through the data and run a regression analysis, the R-squared value is 0.0079. That value measures the relationship between the two datasets. In laymen's terms, the relationship is exceptionally weak. Only 0.79% of the reason for a lower Affordability Gap could reasonably be attributed to HUD spending. In statistical terms, virtually none of the variation in the Affordability Gaps is explained by HUD pouring hundreds of billions of dollars into the states. It's about as meaningful as random noise in the data; in this case it suggests there are other key variables driving virtually all of the variation.



It would be reasonable to argue that a raw-dollar comparison is insufficient to draw any conclusions. While California and New York are outliers in terms of gross expenditure by HUD, they're also large, populous states with population-dense, major metropolitan areas. The investment here might not be comparable to a state like Idaho simply due to the huge difference in populations.

So, we broke down the HUD spending on a per-capita basis. For this analysis, it's important to ensure the year of the spend matches the year the population was measured. Using 2024, HUD spending per capita in each state ranged from $508.77 up to $3,940.01.

Massachusetts is the outlier, at the top of the scale. The second-highest annual per-capita spend is about a thousand dollars less, $2,966.44 in New York.



Again, the trendline shows a weak, insignificant relationship between federal spending and a reduced Affordability Gap. Only 2.75% of the variance could be accounted for by taxpayer dollars being spent by HUD, and given the number of data points, it was not statistically significant.

"The regression model indicated no statistically significant linear relationship between the variables ($R^2 = 0.0275$, $p > 0.05$, $n = 50$)."

In other words, HUD spending appears not to be curative for Affordability Gaps nor would increased spending ever be predictive of better outcomes.

Total Boomer Luxury Communism

A term coined by Russ Greene encapsulates the way Millennials and Gen Z-ers feels about their economic opportunities versus Baby Boomers. The Boomers bought homes when rates were comparatively lower and a single income could make the dream a reality. Now, interest rates are keeping inventory low as most Americans want to avoid jumping to a new mortgage with a higher rate.

Greene writes:

> "According to The Economist, "Between 2000 and 2024, the number of elderly residents living in suburban counties more than doubled. Meanwhile, the number of young children barely budged and in many places even fell." Family-sized homes are increasingly occupied by Baby Boomer empty nesters, too: "Twenty-seven percent of homes with three or more bedrooms are occupied exclusively by people aged 65 or older. That share is up from 19 percent two decades ago." "That's significantly higher than the share owned by millennial parents, and miles ahead of Gen Z. If these trends were merely the result of market forces, that would perhaps be understandable. But the entire political economy of the U.S. is biased toward senior wealth accumulation.
>
> "Government regulation bears much of the blame for inflated housing costs, just as it does for the inflated cost of new cars. Last fall, the average price of a new car exceeded $50,000 for the first time, though it has come down slightly since then. Meanwhile, electricity prices have been rising across most of America, as have the risks of outages. These, too, have to do with government policies, often justified in the name of fighting climate change.
>
> "And the theft of the suburban dream has even more to do with local policy than state and federal regulations. NIMBYism, or local opposition to new development, has reduced and sometimes zeroed out the amount of developable land in many areas, driving home prices skyward.
>
> "While Congress's interest in housing reform this month is an encouraging sign, most of the regulations holding back the housing supply are imposed at the state and local level. Moreover, getting mortgage rates down sustainably will also require controlling the federal government's deficit spending, for which Congress shows little appetite. And housing may even be a simpler problem to solve than modernizing the electrical grid or bringing down automobile costs. "The Man once wanted to keep you locked in suburbia. Today, it feels like he's locking you out."

If government spending has not been the answer, neither has deficit spending more broadly, nor the market conditions to grow inventory, nor red tape and competing regulations.

We took a closer look at the famous California example to understand what happens once money is allocated.

CASE STUDY: CALIFORNIA KEEPS SPENDING BILLIONS ON HOUSING, BUT PROGRESS IS ACHINGLY SLOW

One way to gauge affordability is to track how far home prices have outpaced incomes over time. By that measure, California's story looks almost reassuring. Between 2015 and 2024, the gap between the state's home price index growth (82.5%) and its income growth (55.3%) was about 27 percentage points, ranking relatively low at 42nd out of the 50 states. This is objectively nowhere near the 70+ percentage point gaps recorded in states like Idaho or Florida.[1]

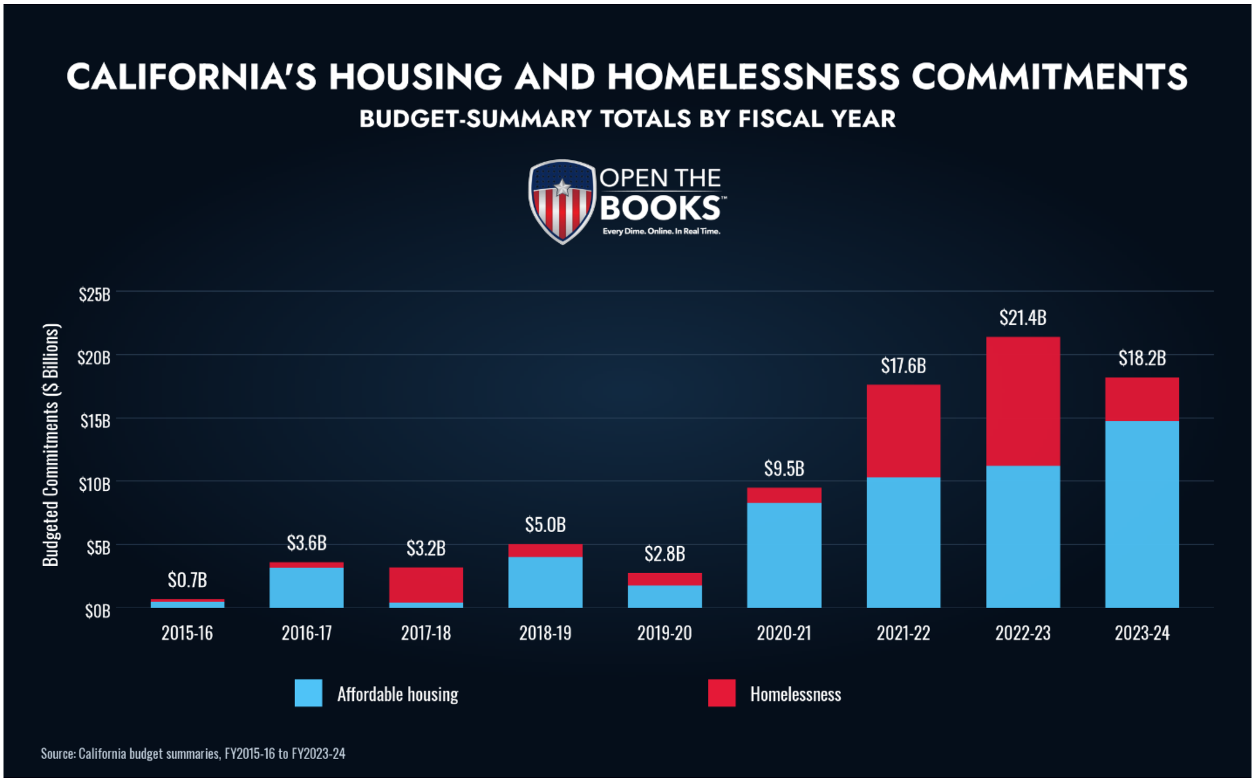
However, that modest gap doesn't reflect an affordability success story. Instead, it reflects a state that was already at the top of the national price distribution before the decade even started. California entered 2015 with some of the highest housing costs in the nation. The typical home was valued at $522,000, among the highest in the nation. A decade later in 2024, the median home price was still in the top ten at $953,000. The state's incomes weren't stagnant; they were simply racing to keep pace with a price level that had nowhere left to climb from except the already-extreme level. California's affordability problem was never a story of a rapidly widening gap. It's a story of a gap that never needed to widen, because the starting point was already among the least affordable in the country. That fact anchors everything that follows.

According to the U.S. Department of Housing and Urban Development's point-in-time count, 187,084 people were without a home in January 2024.[2] That's the most the state has ever recorded, up from 118,142 in 2016.

The state estimates it needs about 180,000 new homes a year, yet production ran below 100,000 for most of the 2010s, and only 47% of identified regional need was built between 2003 and 2014.[3]

Housing has become one of the defining political liabilities of Gavin Newsom's governorship. He took office in 2019 promising 3.5 million new homes by 2025, a target the state has fallen drastically short of, with fewer than half a million units completed between 2019 and 2023. That gap has put Newsom under pressure from his own party's pro-development wing, whose members have pushed him to override local zoning fights and speed up approvals.[4] Newsom has responded in kind, at points threatening to force housing measures through the state budget process when legislative negotiations stalled, and this year he backed a $11.25 billion bond measure headed to the November 2026 ballot that is aimed, in part, at funding tens of thousands of already-approved but still-unbuilt affordable units.[5]

However, the issue is not simply a lack of funding. On the contrary, the Legislative Analyst's Office reported that California directed close to $24 billion to housing and homelessness across the five fiscal years, ending in 2023.[6] So, clearly, a great deal of money has been committed on paper. What then is the cause of this disconnect? The state's own record is a place to start on why.



What the Totals Represent

What the state does spend is shaped in ways that complicate the picture. A review of California's affordable housing budget tables from 2017-18 through 2023-24 finds that between 62-92% of each year's reported "affordable housing" total is lending that gets repaid or tax credits, rather than grants the state pays out.[7]

By the California Housing Partnership's accounting, support also splits by tenure. In fiscal year 2025-26, the state directed about $6.30 billion toward homeowners, mostly through the mortgage interest and property tax deductions, and about $2.68 billion toward renters.[8] Alongside that, 97% of the homeowner support was permanent, against only 20% of the renter support.

These distinctions matter for anyone reading the topline figure. When the state reports billions "spent" on affordable housing, most of the money it expects back or is tax credit revenue never collected.[9] So, the reported total does not by itself show how much nonrepayable state funding was distributed in a particular year. The permanent, guaranteed help also flows disproportionately to people who already own a home, while renters get a smaller share that mostly expires. In other words, the state's accounting quietly favors the housed over the housing-insecure and presents a headline number that flatters the effort.

Moreover, how much of this spending works is, in part, unknown. In 2024 the State Auditor reviewed five homelessness programs that had received a combined $13.7 billion and could identify only two as likely cost-effective, and the agency responsible for tracking results had not analyzed spending since 2021.[10]

None of this means the money is imaginary. Building in California remains slow and expensive, and even the real, buildable dollars struggle to become homes.

The Cost of Building

California's budget analysis has long pointed to local decisions as a driver of both cost and undersupply. One chapter of the state budget summary is titled, plainly, "Local Decisions Drive Per-Unit Costs."[11]

In California's incorporated areas, approximately 82% of residential land is set aside for single-family homes only, indicating that part of the constraint is written in zoning laws.[12] The other part lies in development's raw and steep cost. Affordable projects in California run at a cost that is 2-4x what comparable undertakings cost in Colorado or Texas,[13] with restrictive zoning, slow permitting, and impact fees repeatedly named as drivers. The state pegged the average new affordable unit at about $332,000 as far back as 2017,[14] and the State Auditor later put new construction at $380,000 to $570,000 a unit.[15]

The Newer Bottleneck

For affordable housing specifically, though, the picture has shifted. Over the past decade the state has passed laws overriding many local approval barriers for affordable projects, and a 2025 federal tax change expanded the Low-Income Housing Tax Credit.[16] The older constraints of slow and expensive building remain, but now the main choke point has since moved downstream, from getting permission to build to getting the last dollars a project needs to start.

The result is a queue of housing that is approved but unbuilt. A 2026 analysis counted about 39,880 affordable units, across 461 fully designed and permitted developments, waiting on their final layer of funding, with an estimated $4.1 billion needed to clear the backlog.[17] The 2018 bond that supplied the last major infusion has been spent, and the governor's budget proposed no new discretionary funding beyond that. As CalMatters reports:

> California's last major infusion of public affordable housing dollars came in the form of a voter-approved bond in 2018. That well has run dry. A hodgepodge of funding streams remain.
>
> Adding together funding that has already been approved by legislators but not yet spent and a variety of other state and federal sources, California's Housing and Community Development department says at least $1.8 billion should be available for affordable developer applicants this year. Gov. Gavin Newsom's budget proposal for the coming fiscal year doesn't include any new discretionary spending beyond that. [18]

The way projects assemble that money adds cost of its own. A typical development stacks several public funding sources, each with its own timeline and rules, and each added source was associated with delays of about four months and costs of roughly $20,460 per unit.[19] The California Housing Partnership estimates that consolidating awards into a single funding decision could save about $42,000 per unit.[20]

Taken together, the figures describe a distance between what California appropriates and how many affordable homes get built, shaped by what the money is, how projects assemble it, and how much of it is measured. California has begun implementing a new Housing Development and Finance Committee intended to centralize several affordable-housing programs and eventually provide developers with a common application and more coordinated award process.[21] Whether this step will change the pattern the data describes is a question the next few years will answer.

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MAKING YOUR MORTGAGE: LOCAL GOVERNMENTS CONFISCATED NEARLY $1 BILLION IN FEES AND FINES FOR SHORT-TERM RENTALS

Open the Books is spending the summer examining government's role in the cost of goods and services, including housing. One way that potential homeowners can look to afford mortgage payments is through short-term rentals, including on popular sites like Airbnb and Vrbo, but government regulations are increasingly making it a non-starter in major cities.

By ratcheting up the costs on both homeowners and travelers alike, local governments are working to snuff out free-market activity in favor of preferred interest groups like hotel chains. Among the major metro areas that responded to data requests from Open the Books, nearly $1 billion has been added to the cost of doing short-term rentals since 2019.

Major Metro Areas Clamp Down

Tourists seeking to book a stay in sightseeing destinations like Charleston, Las Vegas, Los Angeles, New York, New Orleans or Washington D.C., would find slim pickings and inflated prices for short-term rentals.

That's because city regulations make it impossible, or close to it, for homeowners to legally rent out their properties for less than 30 days. If you do find a legal rental, you're forced to pay high fees. For example, Atlanta, GA, Burlington, VT, and Lexington, KY all charge between 8% and 9% occupancy taxes.

If you're hoping for a West Coast visit, San Francisco and Santa Monica each charge a 14% occupancy tax.

On the homeowners' side of the ledger, they would have spent hundreds just to get the property registered. That's before considering other costs like increasing their homeowner's insurance coverage, making repairs/upgrades to the property, and, in many cases, paying fines to the city.

Major U.S. cities have severely limited — and in some cases, like New York, effectively banned — the use of short-term rentals, limiting them to small, specific areas, only issuing a small number of licenses to homeowners, requiring hosts to be present when renters are there, or limiting the number of days owners can rent units.

The municipalities charge owners a combination of registration fees, and fines for those who don't comply with strict regulations, as well as transient occupancy taxes (TOT) to patrons who rent the units.

Registration fees vary widely from $150 in Atlanta, all the way up to $1,600 in Hermosa Beach, CA. San Diego charges $1,000 just to register your home, while San Francisco charges $925.

While Chattanooga, TN charges up to $500 for fines for violations, Clark County, NV charges up to an outrageous $10,000 per day.

Open the Books received records from more than 20 cities that heavily regulate short-term rentals (anything less than 30 days) and tabulated the inflated costs for tourists and homeowners.

The High Cost of Renting Your Home

THE HIGH COST OF RENTING OUT YOUR HOME

OPEN THE BOOKS™
Every Dime. Online. In Real Time.

CITY/COUNTY	REGISTRATION FEES COLLECTED 2019-2025	TRANSIENT OCCUPANCY TAXES (TOT) COLLECTED 2019-2025	FINES COLLECTED 2019-2025
Atlanta, GA[1]	$351,750	$33,943,339	unavailable
Charleston, SC	$1,033,525	unavailable	$269,518
Chicago, IL	$2,022,500	unavailable	$ 904,550
Clark County, NV[2]	$1,322,124	$924,603	$4,591,853
Cupertino, CA	$23,726	$1,217,090	unavailable
Dallas, TX[3]	unavailable	$15,398,040	unavailable
Hermosa Beach, CA[4]	$47,334	$893,169	$139,500
Laguna Beach, CA	unavailable	$5,980,367	unavailable
Los Angeles, CA	$23,469,451	$265,489,592	$666,773
Manhattan Beach, CA	$82,801	$3,303,393	$6,250
New Orleans, LA	$10,964,436	$130,555,567	$1,124,865
New York, NY[5]	unavailable	unavailable	unavailable
Palm Springs, CA	$17,118,704	♦	$3,997,871
Portland, ME	$1,657,049	unavailable	unavailable
San Diego, CA[6]	$9,605,331	$310,903,019	$35,182
San Francisco, CA[7]	$4,205,061	♦	$73,382
Santa Monica, CA	$221,604	$25,271,708	$358,496
Sarasota, FL	$492,763	♦	$166,478
Seattle, WA[8]	$1,933,265	$9,771,900	unavailable
Steamboat Springs, CO[9]	$2,098,620	$41,460,283	$627,492
Washington DC	$368,906	♦	unavailable
TOTAL	**$77,018,950**	**$845,112,071**	**$12,992,210**

1 TOT only Aug 21-Nov 25
2 TOT 2024 and 2025 only
3 Claims no records for fines or fees
4 Fines only 2019, 2023-25
5 Records expected end of May
6 Reg fees 2022-2025 only
7 Fines only 2019, 20, 23, 24
8 Reg fees 2019-22 only
9 TOT 2023-25 only
♦ City provided ALL TOT, not just Short Term Rentals (STR)

No Keys to the Big Apple Case Study: New York, NY

New York City could be described as having an effective ban on short-term rentals. While the Mayor's Office of Special Enforcement claims they're legal — and charges a $145 registration fee to register a legal unit — the parameters under which a unit is considered legal is so highly constrained, no reasonable person would consider it anything other than a ban.

First, the unit owner must be living in and present in the unit while renting it out. This alone makes renting an Airbnb or Vrbo in NYC impossible to do legally.

Each legal unit is limited to two guests, so there's no booking a family trip to the Big Apple to see a Broadway show or visit the Statue of Liberty.

Doors cannot be locked such that it creates a separate space within the unit. Locking a bedroom or bathroom for privacy is allowed — but locking any other part of what would be a shared common space is not allowed.

NYC's effective ban — a three-year-old regulation known as Local Law 18 — has been the subject of a lawsuit, with Airbnb arguing in June 2023 that the city's regulations was "its most extreme and oppressive regulatory scheme yet, which operates as a de facto ban against short-term rentals."

An NYC judge shot down the lawsuit in August 2023.

An Airbnb spokesperson said, "New York City's short-term rental rules are a blow to its tourism economy and the thousands of New Yorkers and small businesses in the outer boroughs who rely on home sharing and tourism dollars to help make ends meet."

The city has gone after owners who illegally rent out entire apartments. In one case, the city claimed nine apartments in two rent-stabilized brownstones on Manhattan's Upper West Side were rented illegally, with the city seeking fines over $4 million.

Office of Special Enforcement claims Local Law 18 protects the city's housing stock and affordability, with Mayor Zohran Mamdani saying, "New York City's rent-regulated buildings exist to house New Yorkers — period."

City officials and housing advocates have argued that short-term rentals remove apartments from the housing stock as the city is facing its worst housing shortage in more than 50 years with a 1.4% vacancy rate.

Airbnb, on the other hand, is encouraging bills before the city council that would loosen these restrictions. According to the New York Post, "Airbnb is framing its services as an economic lifeline for black homeowners who want to rent rooms during major tourism events, especially with more than 1 million visitors expected in the region for the World Cup." They've even deployed Rev. Al Sharpton to make the case, putting him at odds with the Hotel and Gaming Trades Council, which represents hotel employees in New York City and is a major opponent of Airbnb and its competitors. The Council and policymakers are effectively defending notoriously expensive hotel inventory across the city, shielding it from potentially more affordable offerings in an open market.

In an interview with The New York Times, Sharpton said, "We have always been supportive of the hotel workers' union, but there is, in this particular case, unintended consequences, and that is black homeowners. Who are we protecting when the hotels are not sold out and people cannot rent rooms in their homes right there in Southeast Queens?"

Airbnb told the New York Post that almost three years into the short-term rental crackdown, "rent is higher than ever and virtually no additional housing has been added to the market."

"The broad and diverse coalition of outer-borough leaders leading the fight for modest changes to the law know that homeowners deserve every shot at making additional income right now," claiming loosened regulations "would do just that without impacting New York renters."

For his part, Mayor Zohran Mamdani has rejected efforts to ease up on short-term rental restrictions amid the World Cup, despite a media tour touting his sports fandom.

Spokesperson Carlos Mendoza told reporters, "The Mamdani Administration is excited to welcome visitors from all over the world to enjoy our city and the World Cup. But we will not do so at the expense of working-class families."

Of course, as Sharpton and Airbnb would tell it, many of those families might appreciate the chance to raise some capital to spend at the grocery store, the gas pump or the doctor's office.

As for how much revenue has been collected since the de facto ban began, The Big Apple has kept its cards close to the vest. When Open the Books asked for data on their fee and fine collections, they told auditors it would be delivered in May 2026. By publication time, city officials had punted again, this time until Fall 2026.

Whatever they're collecting, it seems to be having its intended chilling effect: OSE estimates only about 3,000 legal short-term rentals in all of New York City — down from an estimated illegal 60,000 listings on major booking platforms in 2018.

The House Doesn't Always Win? Case Study: Clark County, NV

Home to Las Vegas, Clark County is required by state law to issue short-term rental licenses to qualified homeowners.

But the county commissioners have slow walked the approval of licenses, as of December 2025 issuing only 212 licenses since August 2023 — when a single, very brief application period ended. As of December, 287 applications were still waiting for review, while 331 applications were denied. There have been no other opportunities to submit applications since the window closed in August 2023.

There are an estimated 13,500 illegal units in the Las Vegas area.

Clark County Commission Chair Tick Segerblom said in an October interview about the short-term rental law and how the county is handling it, "It's very complicated, and I think we're trying to do it the right way. From my perspective, there's no rush because I don't like them anyway."

But by slow-walking the licenses — and issuing fines for those homeowners who continue to operate illegal rentals — the county is violating the spirit of the law, a judge found in December.

Greater Las Vegas Short-Term Rental Association, a group of homeowners who operate short-term rentals, filed suit against the county, arguing that the rules removed the rights of property owners to lease and operate their homes on a short-term basis.

In its December order, the U.S. District Court for the District of Nevada ruled that Clark County's short-term rental enforcement scheme likely violates the Due Process Clause of the Fourteenth Amendment.

The judge found that while the county requires homeowners to obtain licenses, it has failed for years to provide a meaningful or functional way to do so — yet continues to aggressively punish owners for operating.

So the judge issued a preliminary injunction, stopping Clark County from requiring licenses, issuing fines, penalties, or liens against homeowners for short-term rental activity.

The county permits must be renewed annually, and fees for the first year are either $945 or $1,695 depending on the size of a home.

Between 2019 and 2025, Clark County has collected $1,322,124 in registration fees, according to records provided to Open the Books.

But it has collected more than triple that — $4,591,853 — in fines against homeowners. No other municipality came close to that figure, showing just how much the county focuses on enforcement and fines, versus issuing the licenses that state law requires them to.

The county makes no bones about its desire to protect the many hotel/casinos that exist within its borders. The short-term rental regulations prohibit rentals from being within 2,500 feet of a resort hotel and within 1,000 feet of other licensed short-term rentals.

Each owner can only have one rental. While there is a cap of about 3,000 licenses the county can issue, they're nowhere near that cap.

Income Crunch

By creating such a high barrier to entry for homeowners, cities are ensuring that large corporate hotel chains have limited competition. All the while, homeowners operating as small business owners are met with regulations and fees that make it difficult to make money and use it to pay their mortgage, utilities or any other home expenses.

At a time when Americans are struggling with affordability, our data suggests that heavy-handed government regulations are making matters worse for both homeowners and travelers.

METHODOLOGY

For the average home prices state by state, Open the Books used the FHFA House Price Index, Quarterly Purchase-Only dataset by State:

https://www.fhfa.gov/data/hpi/datasets

For median household income state by state, Open the Books used U.S. Census Bureau data (ACS 1-Year Table B19013: Median Household Income in the Past 12 Months, 2015 & 2024):

https://data.census.gov/table/ACSDT1Y2024.B19013

For federal spending, Open the Books used U.S. Department of Housing and Urban Development spending from 2015-2024 across the eighteen spending programs the agency primarily uses to advance affordable housing:

14.195 | Project-Based Rental Assistance (PBRA)

14.181 | Supportive Housing for Persons with Disabilities

14.249 | Section 8 Moderate Rehabilitation Single Room Occupancy

14.317 | Section 8 Housing Assistance Payments Program Special Allocations (Recovery Act Funded)

14.326 | Project Rental Assistance Program of the Section 811 Supportive Housing for Persons with Disabilities (811 PRA).

14.856 | Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation

14.871 | Section 8 Housing Choice Vouchers

14.231 | Emergency Solutions Grant Program

14.239 | Home Investment Partnerships Program

14.008 | Transformation Initiative: Choice Neighborhoods Demonstration Small Research Grant Program

14.889 | Choice Neighborhoods Implementation Grants

14.892 | Choice Neighborhoods Planning Grants

14.020 | Youth Homeless System Improvement Grants

14.235 | Supportive Housing Program

14.257 | Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)

14.277 | Youth Homeless System Improvement Grants

14.276 | Youth Homelessness Demonstration Program

14.262 | Homeless Prevention and Rapid Re-Housing Program Technical Assistance

14.260 | Veterans Homelessness Prevention Demonstration Program