

[There are lots of problems](#) with Sunstein and Thaler's book *Nudge*, but its central premise has potentially powerful applications to a host of problems. Sunstein and Thaler posit that in many policy areas, "choice architects" can help people make better choices without impairing their actual ability to make that choice — a philosophy that they call (misleadingly but ingeniously) "libertarian paternalism."

The land use and smart growth area could serve as a fruitful place to look at nudges, because it is so highly regulated that there is no politically feasible way to simply leave things alone even if you wanted to (which I don't).

Consider the case of Accessory Dwelling Units, better known as "granny flats." Granny flats are an attractive way to add density in a city (thus advancing Smart Growth goals) while not changing the character of single-family neighborhoods. The City of Los Angeles needs to add roughly 112,000 new housing units of the next five years to meet anticipated demand, but is mostly built out, and few want massive new skyscrapers all over the city.

So why aren't there more granny flats in Los Angeles? Simple: it's essentially illegal to build them unless you have a very large lot (more than 7,500 square feet). And why is it illegal? Because, so the conventional wisdom goes, the neighbors hate them and will do anything to block them.

But will they? We don't really know. In fact, if anything, we only know that a small group of homeowners don't like them. And that's where the Nudge comes in.

Right now, on the assumption that homeowners hate granny flats, most zoning laws prohibit them. But instead of the extremes of either banning them or allowing them, it would make more sense to allow them unless a majority neighborhood residents within a certain radius write protest letters to the local council member.

This would not deprive local residents of the entitlement that they current have, but it would make them exercise that choice. In this sense, it is very similar to the famous Nudge of automatically signing people up for 401(k) plans but allowing them to opt out.

One of the (many) flaws of Smart Growth critics is that they assume current land use patterns exist because that's the way people like them. Smart Growth proponents counter that they don't have any other choice. "Smart Growth Nudges" could provide a fruitful method of experimenting to see who is right — as well as making neighborhoods better in the process.