Policy Resolution 2026-04

Housing is Foundational to the Success of the West

A. BACKGROUND

Housing shortages across the nation have reached a tipping point, driving costs to untenable levels in many communities and leaving affordable housing out of reach for a growing number of Americans. This crisis did not occur overnight. Over the past few decades, housing development has failed to keep pace with demand, resulting in chronic underbuilding and an estimated shortfall of 3.8 million units. At the same time, existing affordable housing is continually lost due to market forces and unmet repair needs. Onerous and inefficient regulations at the local, state, and federal levels have further stifled development and limited housing options. Variations in material costs, workforce availability, and supply chains have also affected project timelines, development expenses, housing prices, and the sector's overall capacity to meet housing demand.

Population growth is another challenge, and one that is particularly acute in the West. States and communities are still adapting to these mounting growth pressures and intensified housing demand. In 2022, six of the ten states in the U.S. with the biggest gaps between housing needs and availability were in the West, with housing deficits spreading rapidly to suburbs and small towns. Urban centers and rural areas alike are grappling with the social, economic, and environmental implications of inadequate access to housing for their residents and local workforce. Housing is a cornerstone of prosperity and well-being, affecting poverty, health, stability, economic mobility, and the environment. Expanding access to housing can help address many of the interrelated issues facing western states.

B. GOVERNORS' POLICY STATEMENT

1. The Building Resilient and Affordable New Developments in the West, or BRAND West, Chair initiative report contains recommendations to expand access to housing in western states. It focuses on four key areas to improve housing access for our residents: simplifying and streamlining housing development, reducing the costs of homebuilding, supporting families through initiatives that help renters and homebuyers, and investing in strategic, innovative, and data-informed initiatives across the housing ecosystem. Western Governors incorporate the recommendations identified in the BRAND West Chair initiative report into this resolution by reference.

2. Western Governors support federal efforts to streamline and upgrade systems and processes for housing programs, where appropriate, and urge Congress to allocate funding to maintain and modernize the technology used by federal housing agencies. In addition, we encourage federal and tribal agencies to support their regional offices and state staff to ensure the consistent and efficient delivery of federal housing services.

3. Western Governors urge the federal government to improve consultation and coordination with state housing finance agencies, federally or state-recognized tribal governments, and

public housing authorities, especially around any new federal funding sources and programmatic changes.

4. Western Governors encourage the U.S. Department of Housing and Urban Development (HUD) to review and allow for alternative processes in non-disclosure states to address the increasing price of housing and adjust loan limits accordingly.

5. The Fiscal Year 2025 Budget Reconciliation Act (Pub. L. 119-21) expanded the availability of private activity bonds for housing development. To build on this progress, Western Governors urge Congress to pass legislation providing state and tribal housing finance agencies flexibility to address changes in project plans, due to market changes or other delays, by permitting states and tribal governments to re-designate any carryforward authority and use it for either single-family or multifamily housing during the carryforward period.

6. The federal government should enable the Low-Income Housing Tax Credit (LIHTC) Program to work more effectively for underserved communities, including rural, tribal, high-poverty, and high-cost communities, as well as extremely low-income and formerly homeless tenants. Western Governors encourage the U.S. Department of the Treasury and HUD to ensure that they better preserve the nation's existing affordable housing inventory by simplifying and aligning program rules.

7. The federal government should review and adjust the formulas that determine minimum allocations granted to states for housing programs, including the Housing Trust Fund, the LIHTC Program, and the HOME Investment Partnerships (HOME) Program, to account for the high administrative and regulatory costs associated with these programs. Increased allocations would allow the states to produce more impactful projects in our states. In addition, Western Governors call for HUD to add a flat administrative fee for minimum allocation states in addition to the percentage amount for administration that is granted to them.

8. Western Governors recommend that the federal government make Federal Emergency Management Agency (FEMA) programs and Community Development Block Grant – Disaster Recovery (CDBG-DR) funds better tools for disaster relief. FEMA resources should require less documentation requirements after wildfires, given that many records are destroyed with little time for households to evacuate a fire zone. For CDBG-DR, HUD allocations should consider infrastructure needs and include additional resources to support rebuilding costs in the West.

9. Consistent with the BRAND West report recommendations, Western Governors urge the federal government, in coordination with states, to identify appropriate federal parcels for housing and evaluate opportunities to improve land transfer and disposal processes to address critical housing needs.

10. Western Governors support manufactured and modular housing and recognize the important role they play in providing affordable housing for communities, particularly in rural areas. We encourage U.S. Department of Labor (DOL) not to expand the "site of work" definition to factory-built housing for Davis-Bacon wages, as it would significantly affect the affordability of these housing options.

11. Congress should consider reauthorizing the Native American Housing Assistance and Self-Determination Act, and the federal government should also consider expanding direct funding options for tribal housing entities to address community housing needs.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. The Governors direct WGA staff to work with Congressional committees of jurisdiction, the Executive Branch, and other entities, where appropriate, to achieve the objectives of this resolution.

2. Furthermore, the Governors direct WGA staff to consult with the Staff Advisory Council regarding its efforts to realize the objectives of this resolution and to keep the Governors apprised of its progress in this regard.

This resolution will expire in December 2028. Western Governors enact new policy resolutions and amend existing resolutions on a semiannual basis. Please consult http://www.westgov.org/resolutions for the most current copy of a resolution and a list of all current WGA policy resolutions.