

Welcome to the summer edition of The State Affairs. In this edition we look back on the year so far. State legislative sessions, successful HBA events and, of course, how we kicked off the year at the International Builders' Show®.

AROUND THE CAPITALS



The year is in full gear, and state and local assemblies across the country are working on various legislation. Housing remains the top priority discussed in the halls of state houses and voted on in chambers. Some of the proposed bills negatively impact housing, while others are likely to increase the local housing stock.

A nationwide shortage of roughly 1.5 million housing units makes it increasingly difficult for American families to afford to purchase or rent a home.¹ NAHB's State and Local Government Affairs (SLGA) team has model legislation available for HBAs to help alleviate concerns related to waiting times for permits, constructing more homes in dense areas and building more starter homes. For example, the STARTER HOME ACT model legislation encourages the construction of starter homes by defining it as a dwelling less than 1,500 square feet, provides a tax credit for construction materials, assists with downpayment support for first-time buyers, enacts zoning relief, incorporates fee waivers for the construction starter homes and includes a sales tax exemption.

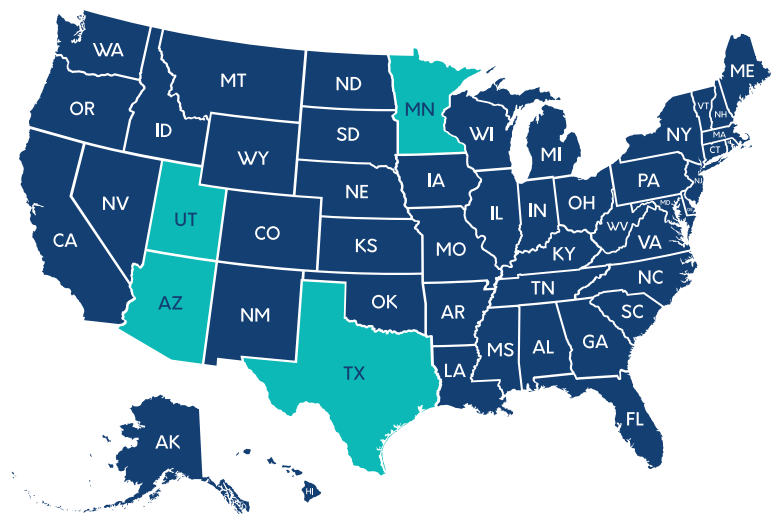
The construction of starter homes, such as duplexes and townhouses, will accelerate if the bills pass in each respective state.

On the flip side, SLGA is tracking some legislation that is harmful to housing in the form of rent control and construction defects. To help tackle rent control, SLGA is an active member of the Housing Solutions Coalition (HSC), a group of national stakeholders that unite to support campaigns against rent control legislation. Currently, 37 states preempt rent control and only a handful allow rent control.

States like California, Oregon and Colorado have some of the most restrictive rent control policies in the west. The California Rent Control Law under the state's Civil Code restricts how much a landlord can raise rent in certain dwellings like older buildings. Cities like San Francisco and Los Angeles have rent control laws that place restrictions on individual landlords. In some western states like Oregon, laws are more specific to the amount of rent collected.

This year, more states are making strides to pass starter home legislation:

- **Arizona** placed HB 2371 back on the table this year, but it did not make it across the finish line.
- **Minnesota** has SF 2229, which is the state's own version of a Starter Home Act. The bill was substituted for HF 2309, which is currently on the State and Local Government Committee without a hearing date.
- **Texas** has SB 15, which is focused on size and density requirements and is on the Governor's desk waiting for approval.
- **Utah**, after passing the First Home Investment Zone Act in 2024, expanded the legislation this year by passing HB 37, which incorporates light-touch density



¹ <https://www.nahb.org/advocacy/top-priorities/solving-the-housing-affordability-crisis/housing-affordability-blueprint>

Oregon placed an annual limit increase to 7% of the current rent plus inflation on rental properties built before 2000. In Colorado, while the state doesn't have statewide rent control laws, major cities like Boulder and Denver have enacted rent stabilization measures.

On the East Coast, states like New York and New Jersey have passed rent control and rent stabilization laws that apply to certain apartment buildings. States like Maryland, Washington, D.C., and Vermont have local rent control laws in place.

Rent control proposals are unlikely to go away, and NAHB is committed to fighting against them. This year, NAHB is working with the HSC to fight proposed rent control legislation in Washington, Colorado, Minnesota and Nevada.

Construction defect legislation is another policy position that negatively impacts the housing industry. Colorado resurfaced construction defect legislation for its current legislative session with House Bill 1261. Trial attorneys who believe that builders cut corners during construction are fueling support for the bill. In reality, builders adhere to standards and regulations when constructing a home. A majority of builders are willing to fix an issue promptly if a

home owner brings it to their attention. As builders become apprehensive about a potential pileup of costly lawsuits and going to court for every possible defect, if passed, the legislation will lead to the construction of fewer homes.

Not all states are putting up barriers to housing development. NAHB's SLGA team submitted support testimony for HB 7113 in Connecticut related to light touch density legislation. If passed, the legislation would allow duplexes, townhomes and small apartment units to be built on a single-family zoned lot, allowing for more housing development.

SLGA has identified more than 300 state and local legislative bills related to housing this year. The team has provided bill analysis, reviewed bills before they are heard in committees, provided policy and legal feedback on the bills, as well as submitting testimony and position letters.

The SLGA team is excited to announce that a 13-member EO Model Legislation Working Group was formed this year. The group will identify and collaborate with the SLGA and NAHB's legal team to add to the growing library of model legislation available for members of the Federation to utilize for the upcoming sessions. View the current list of model legislation available from SLGA.

AT THE BUILDERS' SHOW

The State & Local GA Committee Recognizes Housing Wins and Innovative Strategies at IBS

At the 2025 International Builders' Show, the State and Local Government Affairs Committee (SLGA) voted to award two governors the Defender of Housing Award, recognizing their contributions in support of home building, remodeling and development. Governor Maura Healey of Massachusetts and Governor Spencer Cox of Utah will be the second and third governors to receive the distinction after the committee decided to make governors eligible for the award in 2024. Governor Tina Kotek of Oregon received the inaugural award last year.

Former Congressman Ben McAdams, who has also served as a mayor and a state senator in his home state of Utah, presented to the committee on 'Putting Assets to Work', an incubator with a focus on effectively using the assets government has at its disposal to create positive impacts for citizens and the community. He explained how local governments often have desirable land in their portfolio that could lead to effective public-private partnerships but may not have the staff capacity or knowledge to act on these opportunities. Putting Assets to Work is about leveraging the

tools governments already have at their disposal to create more housing. He also shared with the SLGA different ways that builders can effectively partner in these projects.

Several past recipients of the State and Local Issues Fund (SLIF) reported on their efforts to the committee, including the Pennsylvania Builders Association and Home Innovation Research Labs study on Government Regulation in the Price of New Homes in Pennsylvania, which estimated that regulation accounted for an average of \$212,700 in a new single-family home in the state. The Home Builders and Remodelers Association of Illinois provided an update on the consumer energy choice preservation efforts of the Clean Energy Choice Coalition, which has been unifying the work of a large group of stakeholders across the state.

The SLGA Committee awarded \$90,000 in SLIF to HBAs facing issues of national significance or common industry problems at the February meeting. The applying HBAs are working on a wide range of challenges to home building, from local moratoriums to new state-level bottlenecks to water supply.

INTERVIEW



Genger Charles
*Managing Director,
Head of External Affairs
and Impact Strategies*

Modular Homes Boost Housing Attainability in Rural Communities

Modular homes first gained popularity in America when veterans returning home after World War II sought out affordable housing options. Today, the lack of construction workers and the high cost of building in rural areas make modular homes a popular housing choice for Americans in rural communities.

There are many reasons why modular homes can be a cost-effective pathway to homeownership. Modular homes can be built quickly off-site and the cost per square foot can be lower than that of a traditional on-site built home. Easier financing options are also available to home buyers in rural areas. NAHB's State and Local Team connected with Genger Charles, managing director, head of external affairs and impact strategy for StudioBuilt by Amherst, to share insights on how housing policies such as local zoning, permitting, codes and tariffs impact modular home construction.

Modular housing can **accelerate production timelines by up to 50%** compared to traditional builds, allowing faster infill of housing gaps in rural areas.

What are some ways StudioBuilt is working to break existing stigmas around offsite constructed homes?

A home is so much more than how it is built. And, given our housing undersupply, we think it is important to break stigmas assigned to any type of home so long as the property itself is safe and habitable. Amherst's StudioBuilt modular homes meet or exceed all traditional building codes and undergo a rigorous 140-point inspection process, proving their durability and quality. Our homes are also on a permanent foundation so, though much of the work happens off-site, the home is affixed to the land in perpetuity.

What are some challenges you face in this sector of the home building industry?

One consideration is addressing lingering misconceptions about modular housing, along with navigating differences in local zoning and permitting. We manage the logistics of delivering and placing homes, which can vary by community but are generally solvable with the right planning. To further support access, Amherst as a whole works to expand financing access for buyers, as many home buyers in rural areas also face credit constraints and limited lending options.

How can modular housing help address housing shortages in rural communities?

Modular housing can accelerate production timelines by up to 50% compared to traditional builds, allowing faster infill of housing gaps in rural areas. It also reduces reliance on scarce local labor by centralizing construction in dedicated manufacturing hubs.

What roles do local and state building codes play during the manufacturing of modular housing in rural communities?

StudioBuilt homes comply with all relevant codes, including the International Residential Code and International Energy Conservation Code, but fragmented local regulations can complicate deployment. We work closely with policymakers to streamline approvals and educate jurisdictions on the advantages of modular construction.

HIGHLIGHTING HBA EVENTS



State and local team member Jeff Pemstein was the featured speaker at a recent BIA of Tulare & Kings Counties (BIATKC) event. Pictured are event attendees Kevin McCusker, Steve Johnson, Dolores Taylor (executive officer, BIATKC) and Stuart Skoglund.

Local associations, such as the Building Industry Association of Tulare and Kings Counties (BIATKC), fight hard to ease government regulations, promote housing affordability and keep their members well-informed on pressing legislative issues. On Feb. 20, BIATKC hosted Social Lunch, a member event featuring NAHB's Jeff Pemstein, AVP for the Western Region, as the keynote speaker. Pemstein discussed a wide range of federal policies proposed under the Trump administration and several housing bills being pursued through the State of California legislature this year. A significant number of builder members, associates and local elected officials attended the luncheon.



Montana BIA Life Director Ron Bartsch, CEO of Sussex Construction, at the Helena Area Chamber of Commerce annual Construction Trades Day.



Group of students attending the Construction and Trades Day at Helena College hosted by the Helena Area Chamber of Commerce.



Vice President of HBA Dan Mitchell, Tennessee Governor Bill Lee and HBA Executive Officer Jann Dower.



Anne Pichette, City of Helena; Andy Shirtliff, executive director of the Montana BIA; and Katherine Booher, Accelerate Montana, at the Montana Housing Partnership Conference in Billings.