

Welcome to the Spring 2026 issue of The State Affairs Newsletter. This issue highlights the fantastic America's Housing Comeback convening in Orlando, the Defenders of Housing, big housing pushes in the 2026 sessions and new land use tools from NAHB. Thank you for subscribing to The State Affairs.

## America's Housing Comeback

### Elected Officials, Planners and Builders Chart Workforce Solutions to Boost Housing Affordability

The NAHB State and Local team brought together mayors, city leaders, planners and builders during the 2026 International Builders' Show in Orlando to address workforce development challenges affecting housing affordability. The full-day event was part of the America's Housing Comeback (AHC) discussion series, led by the National League of Cities (NLC) and the American Planning Association (APA).

City leaders heard directly from builders about the mounting challenges they face with recruitment and retention not only for trades professionals but also public sector staffing.

Ed Brady, CEO of the Home Builders Institute (HBI), and Emily Price, HBI SVP of development and partnership engagement, outlined how HBI programming strengthens city workforces. They gave specific examples of effective public-private sector partnerships.

Danushka Nanayakkara-Skillington, an NAHB economist, reinforced the message by providing data and analysis of how labor market conditions and demographic trends affect housing development. She explained that weak job growth, low workforce participation, and a significant slowdown in population growth harm the labor market. Specifically, home builders are facing persistent labor shortages, with [nearly 225,000 job openings](#) in the construction industry in March 2026.

Residential construction hiring is one aspect of the workforce challenge. NAHB's Nick Julian, Zack Packard and Jeff Pemstein and Sue Schwartz, president of the APA, spoke about the workforce shortages across roles, from planners and building inspectors to specialized legal and technical staff. Each speaker provided practical solutions to reduce risks and minimize delays, from third-party contracting to shared staffing and self-certification for licensed professionals.

The program concluded with a presentation by the [Home Builders Association of Greater Kansas City](#). The association's '[Let Builders Build](#)' public awareness campaign revealed how public sentiment can shift to support pro-growth policies when messaging focuses on the value of homeownership.



NAHB hosted mayors, city planners, local elected officials and members during the America's Housing Comeback workforce convening held in Orlando during the 2026 International Builders' Show.

---

Home builders are facing persistent labor shortages, with **nearly 225,000 job openings** in the construction industry in March 2026.

# AROUND THE CAPITALS

State lawmakers nationwide are debating ways to streamline housing development, reevaluating constant code adoption and recognizing that limited supply, not demand, worsens affordability.

For example, a [bipartisan package of bills](#) was introduced in the **Michigan** House of Representatives. Specifically, the package focuses on lowering housing costs through zoning reform, reducing the number of studies requested, implementing a timeline for approvals and amending the ballot petition process.

On the codes front, **California's** [unprecedented six-year pause](#) last year on adopting or amending new home building codes sparked similar actions in other Democratic-led states. For example, **Connecticut** ([HB 5401](#)) and **Hawaii** ([HB 1725](#)) are now crafting legislation to pause their own code adoption.

In recent legislative sessions, several states have introduced prevailing wage legislation: **Virginia** ([HB 260](#)), **Kentucky** ([HB 345](#)), **Illinois** ([HB 3266](#)) and Maryland ([SB 60](#)). Kentucky's bill seeks to establish a prevailing wage in the state, and Maryland's bill focuses on establishing enforcement and penalties for prevailing wages violations.

## Governors Take the Lead on Housing Proposals

Turning to gubernatorial actions, several governors have taken the lead in setting housing goals and making investments in their states:

**Arizona** Gov. Katie Hobbs' new [Housing Acceleration Fund](#) will use an initial \$2.5 million investment to help affordable housing developers access low-cost financing.

**Delaware** Gov. Matt Meyer [signed an executive order](#) to streamline state permitting regulations.

**Indiana** Gov. Mike Braun [signed the House Enrolled Act 1001](#) into law, a comprehensive bill to expand Indiana's housing supply and roll back costly regulatory barriers to housing development.

**Kentucky** Gov. Andy Beshear proposed a \$150 million investment in the Affordable Housing Trust Fund. Combined with private funding, it will create \$1 billion in new housing.

**Maryland** Gov. Wes Moore's [Starter & Silver Homes Act of 2026](#) speeds up construction approvals and increases housing options by allowing for the construction of smaller homes.

**Michigan** Gov. Gretchen Whitmer has [announced a plan](#) to establish a new state-level affordable housing tax credit to encourage home construction and has placed a large focus

on offering \$25,000 downpayment assistance for first-generation home buyers.

**New York** Gov. Kathy Hochul announced a new \$100 million [Pro-Housing Supply Fund](#). The fund will finance infrastructure projects, such as sewer, electrical and water system upgrades, needed to facilitate new housing developments.

**Pennsylvania** Gov. Josh Shapiro's 10-year [Housing Action Plan](#) will modernize regulations, cut red tape, streamline development and promote data-sharing among state and local housing stakeholders.

**Virginia** Gov. Abigail Spanberger [announced a \\$14 million investment](#) from the Virginia Housing Trust Fund Homeless Reduction Grants to help Virginians find housing and reduce homelessness.



NAHB's Director of State and Local Government Affairs Lily Weatherby, Johnson City Area Home Builders Association's Executive Director Lisa Luster, and builder members met with Tennessee Representative Renea Jones (District 4) at the Home Builders Association of Tennessee 2026 Hill Day.



Pictured L to R: HBADE Government Relations Co-Chair Richard Forsten, lobbyist Verity Watson, HBADE Government Relations Co-Chair Mike Riemann, Delaware Governor Matt Meyer, HBADE President Jon Horner, and HBADE Executive Officer Katie Gillis.

# FEATURED NEWS



## Three Elected Officials Receive NAHB Awards

In 2026, three elected officials have received awards from NAHB in recognition of their contributions to the residential construction industry.

Two officials, New Hampshire Gov. Kelly Ayotte and Washington Lt. Gov. Denny Heck, [received the NAHB Defender of Housing Award](#), an annual honor for policymakers who have demonstrated strong support for pro-housing support. Additionally, Utah Lt. Gov. Deidre Henderson received the [Economic Engine Award](#), presented annually by NAHB and the National Lieutenant Governors Association (NLGA), for contributions to driving growth through economic and workforce development in state government.



*NHHBA President Eric Jackson, NAHB State Rep Rand Hinman and NHHBA members presented Gov. Kelly Ayotte with the Defender of Housing Award this January.*

Ayotte was presented with the award in January by New Hampshire Home Builders Association (NHHBA) President Eric Jackson and State Representative Rand Hinman, who thanked her for her leadership and support of the industry. Ayotte is a housing champion and has consistently prioritized housing in her addresses as the leading economic issue facing the state. To find solutions, Ayotte directed her commissioners to work with the NHHBA to develop a pro-housing legislative agenda and “get it done now.”

Members and staff from the Building Industry Association of Washington (BIAW) presented the Defender of Housing Award to Heck at the State Capitol in Olympia, Wash. Heck has a distinguished career in both state and federal public service and has a long history of championing efforts to secure attainable housing and make homeownership a reality for more families in Washington. As a former congressman, Heck introduced pro-housing legislation and chaired the House of Representatives Housing Task Force. Currently serving as Lt. Governor, Heck continues to advocate for pro-development housing policies and provides valuable guidance to advance housing priorities for the state.

During a recent NLGA meeting, the 2026 Economic Engine Award was presented to Henderson. Utah Home Builders Association (HBA Utah) Executive Officer Ross Ford presented the award with NAHB Vice President Karl Eckhart. In addition to her efforts to ease the regulatory and financial burdens of housing construction, Henderson has participated in a “House that She Built” event in Utah.



*2025 BIAW President Kent Arola, BIAW EVP Greg Lane, NAHB AVP Jeff Pemstein, and BIAW members and staff presented the Defender of Housing Award to Lt. Gov Denny Heck at the State Capitol in Olympia, Wash.*



*L to R: NAHB VP of State & Local Government Affairs Karl Eckhart with Economic Engine Award winner Lt. Gov. Deidre Henderson and HBA Utah Executive Officer Ross Ford.*

# INTERVIEW



**Ryan Baker**  
President of RJ Companies  
Past President of Indiana  
Builders Association

## Trends in the Industry

An interview with Ryan Baker, president of RJ Companies and past president of Indiana Home Builders Association, on the housing trends, drivers of housing cost, and consumers.

### ***What does the 2026 single-family home look like?***

2026 is expected to bring a new Chair of the Federal Reserve and potentially additional interest rate cuts. This is good news for Hoosier home builders as Indiana remains the Midwest leader in single-family housing growth and ranks ninth nationally in single-family permits issued, as of August 2025. Interest rates in the range of 4.5-5% would be optimal and assuage concerns we hear from buyers about what the home costs them per month. I tell people not to wait for the rates to drop because the home price may increase while they're waiting, making it a moot point.

### ***Will first-time home buyers drive demand despite the high interest rates currently in place?***

First-time home buyers face significant challenges, including high home prices, increased debt, high interest rates and limited inventory, so I don't think that first-time home buyers will drive demand for housing in the market for possibly the next 3-5 years. While higher interest rates are concerning, the entry-level price of a new home for most

first-time home buyers has increased so much that if they do any type of conventional financing, the 20% down payment will price a lot of them out of the market, e.g., \$300,000 new entry level.

### ***Do you think millennials and Gen Z buyers are shaping what homes need to include, such as smaller footprints, smart features and energy efficiencies in the house?***

Yes, millennials and Gen Z buyers are shaping the real estate market. They are tech-savvy and want smart features in homes, and they're willing to compromise on square footage for affordability and higher-quality amenities.

### ***How are some price impacts on lumber, concrete and drywall affecting your business?***

Price increases for materials like lumber, concrete and drywall are affecting home building by raising overall construction costs. The volatility of material costs makes it difficult for builders to provide accurate quotes. Lumber is the one item that customers hear about most often and think that if it goes down then the price of the home does. After 33 years in business, I can honestly say that I have never sold nor seen the price of a new home be less than the price the home had sold prior.

### ***What is the housing industry doing to address the labor shortage?***

In Indiana, the industry has partnered with the Indiana Construction Roundtable Foundation (ICRF) and Build Your Future to promote careers in the construction industry. We are starting to see the impact of the partnership at the local level as more kids are looking at a career in the trades. The Indiana Builders Association and ICRF are also working closely on a new program, the Indiana Career Apprenticeship Pathway. This is a new professional education and training pathway that combines classroom education with on-the-job training to prepare high school students for careers and develop a new talent pipeline for employers seeking to address workforce needs.

## Sheetz Ruling Under Renewed Attack as Case Returns to the Supreme Court

By Tom Ward, ESQ & Zachary Packard, ESQ.

In *Sheetz v. County of El Dorado*, the U.S. Supreme Court unanimously held that constitutional limits on land-use “exactions” can apply even when a fee is set by a generally applicable law, not just when it is imposed through an individualized, case-by-case permitting decision.

The case involved a \$23,000 traffic impact mitigation fee assessed as a condition of a residential building permit under a countywide fee program. The Supreme Court rejected the idea that a locality’s exactions can avoid scrutiny simply because the fee is adopted by ordinance. The Supreme Court sent the case back for California courts to apply the Nollan/Dolan framework. This required the lower courts to determine whether the fee had an “essential nexus” to the government purpose and whether the fee was “roughly proportional” to the impacts of George Sheetz’s single-family manufactured home.

What the California Court of Appeal said on remand: In its July 29, 2025, decision, the California Court of Appeal applied Nollan/Dolan and again ruled for the County. The Court of Appeal concluded the fee had an “essential nexus” to the County’s interest in addressing traffic impacts from new development and was “roughly proportional” based on the methodology and record supporting the fee program.

What’s next: Sheetz has again filed a petition for writ of certiorari asking the Supreme Court to review the California Court of Appeal’s post-remand decision, and NAHB is filing an amicus brief in support of cert.

## New Land Use Tools from NAHB

### Interactive State and Local Maps

The [Mapping Zoning Reform Across the United States](#) tool is a digital resource to help users quickly understand where and how zoning and land use reforms are being adopted at the state, county and local levels. These maps translate complex policies into an accessible and visual format, allowing users to see patterns, gaps and momentum in zoning reform across the country. The goal is to provide a clear, data-driven picture of the regulatory changes that can meaningfully expand housing supply and improve affordability.

The [Impact Fee Legislation State-by-State Map](#) provides builders, policymakers and housing advocates a clearer picture of where and how impact fees are authorized across the country. It was developed to quickly see and compare which states authorize impact fees, under what conditions and where enabling statutes create opportunities or obstacles for housing supply.

## Reports and Guides

The [Moratoria on Residential Development Permits: A Toolkit Report](#) is a practical, legally-grounded resource designed to help builders and HBAs respond to the growing use of local permit moratoria that threatens housing supply and affordability. From defining moratoria and spotting legal red flags to outlining strategic and legal challenges, this report equips members with the tools needed when residential development may be unjustly put on hold.

The [Residential Density and Municipal Revenue](#) report and video show how different residential development patterns affect municipal fiscal health. Using data-driven analysis and real-world examples, the research illustrates how housing type and density influence tax revenue, infrastructure costs and overall economic productivity. For HBAs, this provides a credible tool to demonstrate to local officials that broader housing choices, including townhomes, missing middle housing and mixed-use developments, support both affordability and long-term fiscal stability.

The [USPS Clarifies Cluster Mailbox Guidance](#) article outlines the U.S. Postal Service’s requirements for cluster mailbox units (CBUs) in new housing developments. NAHB encourages members to review it and the Postal Service’s [Guide for Builders and Developers](#) and share any ongoing and relevant development challenges with our land use team. Inconsistent local guidance on CBUs nationwide has delayed projects and added unnecessary costs. The letter and guide clarify policies and reaffirm that all new developments are expected to use CBU delivery as outlined in the guide.

## Register Now for the 2026 Spring Leadership Meeting

[Register now](#) for the 2026 Spring Leadership Meeting and Legislative Conference, held in Washington, D.C., June 9-13. Review the agenda to make sure you don’t miss any key events!

NAHB’s most important annual lobbying event, the Legislative Conference, takes place in conjunction with the Spring Leadership Meeting, and is a unique opportunity for members to speak one-on-one with their elected representatives on Capitol Hill and to push for housing policies that benefit the residential construction industry. Learn more about the [Legislative Conference](#) or review the [National Meeting Resource Guide](#).

# OBITUARY

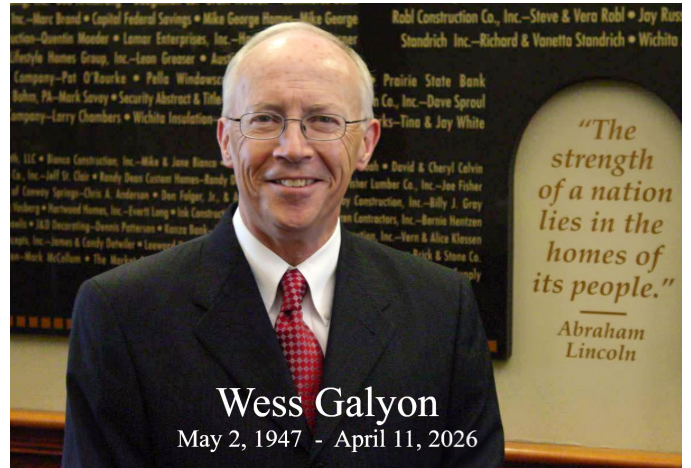
## NAHB Mourns the Passing of Former Wichita Area BA President and CEO Wess Galyon

Wesley “Wess” Galyon, a longtime leader who served as president and CEO of the [Wichita Area Builders Association](#) (WABA) for 40 years, passed away on April 11.

“Wess leaves an enduring legacy of leadership and service that shaped the NAHB Federation, our industry, and his community,” said NAHB CEO Jim Tobin. “He was a transformative leader, trusted advisor, and to many of us, a friend.”

Galyon dedicated his career to strengthening the building community across the Wichita region. Under his leadership, WABA experienced significant growth, expanded member services, and deepened its advocacy efforts on behalf of the residential construction and development industry.

In addition to being an exceptional housing advocate, he excelled in association management. Galyon was highly respected among his fellow executive officers (EOs). Many EOs regularly sought his advice on association



**Wess Galyon**  
May 2, 1947 - April 11, 2026

Under his leadership, the Association experienced **significant growth, expanded member services, and deepened its advocacy efforts** on behalf of the residential construction and development industry.

matters, and he served in many leadership roles within the Executive Officer Council (EOC) during his tenure at WABA.

“Wess became a mentor and a friend to me,” said Tyler York, current president and CEO of WABA. “Wess’s impact on the association, as well as the greater Wichita metro area, will be felt for generations.”

Galyon received numerous accolades throughout the years, including the EOC’s Career Achievement Award. Among his many accomplishments, he played an active role in NAHB’s campaign school, encouraging housing advocates to run for office.

He was also an active member of many community organizations and instrumental in establishing the WABA Builders Care Foundation to support numerous charitable projects.

In March 2025, the Board of Directors named him WABA’s first-ever President Emeritus. The Association further honored his career at a dedication ceremony, officially naming WABA’s headquarters “The Wesley E. Galyon Building” in February 2026.

