



Housing Supply and Affordability: Options for State Policymakers

Vermont House Committee on General and Housing

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At A Glance: The National Housing Crisis

Supply Side Considerations

- Nationwide shortage of at least 1.5 million housing units.
 - Some estimates are as high as 7.1 million.
- Rising materials costs and land costs.
- Lengthy permitting processes.
- Restrictive land use regulations.
- Workforce shortages and increased labor costs.
- Prohibitory zoning.
- Minimum parking requirements.

Demand Side Considerations

- Current interest rates hover over 6.3%.
 - More than twice the 3% rate averaged across 2020 and 2021.
- The total monthly payment of a median-priced home is \$3,096, only affordable by:
 - 8% of Black households.
 - 13% of Hispanic households.
 - 16% of White households.
 - 29% of Asian households.
- Over 21 million cost-burdened renter households in 2023.
 - Nearly 50% of all renter households.

2026 State Policy Trends

- Incentivizing housing construction.
- Streamlining administrative processes.
- Reducing zoning barriers.
- Expanding transit-oriented developments.
- Preserving existing affordable housing.
- Encouraging workforce housing.
- Advancing manufactured housing.
- Strengthening eviction protections.
- Regulating investor purchases and short-term rentals.
- Promoting homeownership.
- Revising building codes.





Promoting Housing Construction

2026 Enacted Legislation

- **Alabama** ([HB 404](#)) authorizes municipalities to establish a nonprofit community land trust to acquire and lease real property for the purpose of creating affordable housing alternatives.
- **Maine** ([SB 813](#)) increased the cap on bonds issued by the state's Housing Authority to reflect current housing production needs.
- **Mississippi** ([SB 2257](#)) authorizes local Housing Authorities to participate in mixed-finance projects to provide for the construction or rehabilitation of any housing project.
- **Oregon** ([SB 1567](#)) established the Mixed Income Development Loan Fund to provide below-market, short-term loans for the development of mixed income housing.
- **Utah** ([HB 492](#)) established State Housing Infrastructure Partnership Fund.



Reducing Zoning Barriers

2026 Enacted Legislation

- **Kansas** ([SB 418](#)) reduced minimum lot size requirements and provides a streamlined permit approval process for by-right housing developments.
- **Kentucky** ([HB 333](#)) made affordable housing developed by a religious institution a permitted use and require only a ministerial review by a planning unit.
- **Virginia** ([SB 388](#)) allows for the administrative approval of housing construction on land owned by property tax-exempt nonprofit or religious organizations.
- **Washington** ([SB 6026](#)) prohibits cities and counties from excluding residential uses in areas zoned for commercial or mixed-use development.

2026 Pending Legislation

- **Rhode Island** ([SB 2272](#)) would require single-family residential zoning in municipalities with populations over 40,000 to allow middle housing.



Encouraging Workforce Housing

2026 Enacted Legislation

- **Colorado** ([SB 1](#)) authorizes a board of county commissioners to appropriate money to support workforce housing projects.
- **Maryland** ([HB 1279](#)) added emphasis on applications promoting workforce housing to the catalytic revitalization project tax credit application process.
- **Nebraska** ([LB 768](#)) extended the sunset dates for the Rural Workforce Housing Investment Fund and the Middle-Income Workforce Housing Investment Fund.
- **Virginia** ([SB 238](#)) permits localities to offer residential housing assistance grants and enter into public- private partnerships to provide affordable workforce housing alternatives.

2026 Pending Legislation

- **Hawaii** ([SB 2082](#)) would establish a Teacher Workforce Housing Stipend Program at public schools classified as rural or underserved.



Advancing Manufactured Housing

2026 Enacted Legislation

- **Idaho** ([HB 800](#)) allows a manufactured home consisting of a single dwelling unit to be sited on lots where single-family dwellings are allowed.
- **Maine** ([SB 867](#)) limits institutional investment purchases of mobile home parks and protects affordability in manufactured housing communities.
- **Virginia** ([HB 1463](#)) permits a landowner or homeowner to place a manufactured home that meets the current HUD code on any open lot in a valid nonconforming mobile or manufactured home park.

2026 Pending Legislation

- **Connecticut** ([HB 5395](#)) would prohibit zoning regulations from imposing conditions on modular or prefabricated homes that are substantially different from those for single family dwellings.



Expanding Homeownership Opportunities

2026 Enacted Legislation

- **Nebraska** ([LB 803](#)) allows individuals to open first-time homebuyer savings accounts to be used to pay or reimburse a qualified beneficiary's eligible expenses for the purchase or construction of a primary residence.
- **New Mexico** ([HB 200](#)) established a program to provide loans for starter homes to eligible first-time homebuyers in high-cost counties.
- **Oregon** ([HB 4128](#)) prohibits covered entities from purchasing or offering to purchase a single-family residence unless the residence has been listed for sale to the general public for at least 90 days.

2026 Pending Legislation

- **Illinois** ([HB 4283](#)) would require the Housing Development Authority to establish a First-Generation Homebuyer Down Payment Assistance Program.

NCSL Resources & Contact Information

- [Housing and Homelessness Toolkit](#)
- [Housing and Homelessness Legislation Database](#)
- [Increasing the Housing Supply by Reducing Costs and Barriers](#)
- [Housing Supply Webinar Series](#)
- [Where Transit and Housing Meet](#)
- [Middle Housing: Filling a Gap in Available Housing Options](#)
- [Manufactured Homes: An Underutilized Source of Affordable Housing?](#)
- [State Policy Considerations for Disaster Risk and Resilience](#)

Additional questions? Please reach out: cameron.rifkin@ncsl.org