

‘Build, Baby, Build!’: Governors Take a Walk on Housing’s Supply Side.

By the [Editorial Board](#), The Washington Post, February 24, 2024

If you want a window into what’s on the country’s mind, pay attention to what governors say during their annual state of the state speeches. Last year, the [teen mental health](#) crisis was a common theme. This year, more than 20 governors talked to their state legislatures about housing affordability and accessibility. Rent or mortgage payments are the biggest expense in many family budgets. And yet higher interest rates, engineered by the Federal Reserve for the urgent purpose of cooling inflation, have had the negative side effect of making it harder for young people to afford a home.

A cross-country problem

Colorado Gov. Jared Polis (D): “There is a real sense of hopelessness and despair in our state around housing that’s on par, in many ways, with how people feel about the divisiveness of our national politics. Since the start of 2022, higher interest rates and home values have driven the typical mortgage payment up by 73 percent, while income has failed to keep pace. To not do anything would be ‘highly illogical,’ as Spock would say.”

Massachusetts Gov. Maura Healey (D): “Rents and prices are at all-time highs. But here’s what it looks like at the kitchen table. It’s young couples searching on Zillow, putting in their price range and watching all the homes for sale disappear off the map. Recent graduates sharing a meal and talking about states where your paycheck might go further. Seniors staring in disbelief at a letter about a rent hike they can’t afford. This isn’t just a few unlucky people. It’s the heart of our workforce. It’s the soul of our communities. It’s the future of our state.”

Utah Gov. Spencer Cox (R): “I would love to build a wall around our state — and get California to pay for it — but that is not going to happen. ... Housing attainability is a crisis in Utah and every state in this country. ... Homeownership has been the cornerstone of the American dream. It is the key to financial independence and the ability to break away from government support. Homeownership is also the key to family and community ... The American dream is alive in Utah, but it will be dead soon if we don’t get this right.”

The conventional policy kit focuses on the *demand* side of the problem: rent controls, eviction moratoriums, direct payments, subsidies for home improvements and mortgage assistance. There can be a limited role for such policies. But as governor after governor acknowledged, there’s a growing recognition that solutions lie primarily on the *supply* side. Whether there’s an actual shortage of housing in the United States is a matter of debate and definition, but expert estimates suggest improving overall affordability would require increasing the existing stock of about 142 million homes by [between 1.7 million to 7.3 million](#).

The result is a pendulum swing in favor of growth and development. “The rent is too damn high, and we don’t have enough damn housing,” said Michigan Gov. Gretchen

Whitmer (D). “Our response will be simple: Build, baby, build!” She set a goal of 75,000 new or refurbished units in five years. She touted a new \$1.4 billion state investment in construction. “The single largest threat to our future prosperity is the price of housing,” said Utah Gov. Spencer Cox (R), who called for \$150 million worth of infrastructure and other spending to support construction of 35,000 starter homes by 2028.

Supply’s the limit

New Jersey Gov. Phil Murphy (D): “Between 2021 and 2022, tens of thousands of New Yorkers made the move across the Hudson and set roots in New Jersey. ... Of course, we welcome our new neighbors with open arms! But if our population grows — while our housing stock remains steady — homeownership will be a luxury reserved only for those at the top. That is untenable.”

Maryland Gov. Wes Moore (D): “Our state faces a problem of supply and demand: Prices go up because we don’t have enough homes. Building more will bring prices down.”

Maine Gov. Janet Mills (D): “New housing construction slowed after the Great Recession of 2008 to 2009 and never truly rebounded. This shortage – along with high interest rates, labor and supply chain issues – have put safe and affordable housing out of reach for too many, contributing to homelessness and leading to many young people and families having to put their hard-earned money into rental housing rather than gaining equity through home ownership. While this problem is not unique to Maine, at least here we are doing something about it.”

What’s especially interesting about this year’s state of the state speeches, though, is how often governors called not only for more spending but also for fewer regulatory barriers to new private-sector construction: Nine of them did so in one form or another. Colorado Gov. Jared Polis (D) proposed allowing homeowners to rent out accessory dwelling units, better known as granny flats or casitas. He’s also pressing to ease occupancy limits and parking requirements for new construction. “Housing policy that creates more affordable choices for Coloradans is my Roman Empire,” he said. “If you don’t get that joke, [feel free to ask someone from Gen Z.](#)”

New York Gov. Kathy Hochul (D) wants to lift limits on residential density in New York City, specifically what’s called the floor area ratio. Like Mr. Polis, she also wants to let people turn existing basement and cellar apartments into units they can legally rent out. Connecticut Gov. Ned Lamont (D) advocated making it easier for developers to convert empty parking lots, half-empty office buildings and abandoned industrial sites into housing. He highlighted 250 new units in Meriden, Conn., that replaced a bankrupt shopping center. “We will cut government red tape that makes it harder to build quality housing,” Maryland Gov. Wes Moore (D) promised. “We must protect our farmland and wild habitats, but we need to make sure we are also incentivizing housing in places where we should build.”

A red-tape reckoning

New Mexico Gov. Michelle Lujan Grisham (D): “New Mexico needs to construct thousands of homes as fast as possible. Yet, too often, housing development is stalled

by a complicated web of zoning and permitting requirements that vary from city to city and county to county. To build for the future, we need to fund development and then get out of our own way.”

Vermont Gov. Phil Scott (R): “Decades of studies and data show it’s too expensive, too complicated and too slow to buy, rehab and build in Vermont.”

Hawaii Gov. Josh Green (D): “Even before the fires on Maui, our state faced an urgent shortage of affordable housing. ... The process of building homes has become so complicated and costly in Hawaii over the last three decades — fraught with unnecessary bureaucracy, impossible permitting processes, and prohibitive zoning rules — that we needed immediate action. ... We have begun to reform the housing bureaucracy — and have approved or accelerated multiple new projects.”

Massachusetts Gov. Maura Healey (D) calls housing “the biggest challenge we face” and says the shortage has been “decades in the making.” She proposes an Affordable Homes Act to “reduce barriers to housing production and give communities the tools to develop more housing where they need it.” Vermont Gov. Phil Scott (R) asked his Democratic-supermajority legislature to revisit a 1970 law that makes construction expensive and slow by [requiring](#) a public, quasi-judicial process for reviewing and managing the environmental, social and fiscal consequences of development. “It was enacted at a time when we were growing way too fast,” he said. “Today we face a different reality — one where families desperately need homes.”

New Mexico Gov. Michelle Lujan Grisham (D) announced a new Office of Housing as a one-stop shop for contractors seeking permits and asked the legislature to condition state aid to local governments on their adoption of development-friendly zoning and permitting requirements. For their part, red states also continue trying to speed up reviews, inspections and permits. “Legislation about permitting may not sound like front-page news,” said Tennessee Gov. Bill Lee (R). “But just take it from someone who spent 35 years in the construction industry: A bureaucratic permitting process is bad for everybody but the government.”

The country’s pressing housing needs cannot wait for a deadlocked Washington to act. Fortunately, the states — the proverbial laboratories of our democracy — are launching their own experiments.