2026 ISSUE BRIEF

TIME TO BUILD:

State Policy Tools to Address the Housing Needs of Midwest Communities and the Workforce

CSG MIDWEST

This Issue Brief was produced by the Midwestern Office of The Council of State Governments in support of the Midwestern Legislative Conference Economic Development & Infrastructure Committee.

The committee's co-chairs are Nebraska Sen. Kathleen Kauth and Ohio Sen. Hearcel Craig.

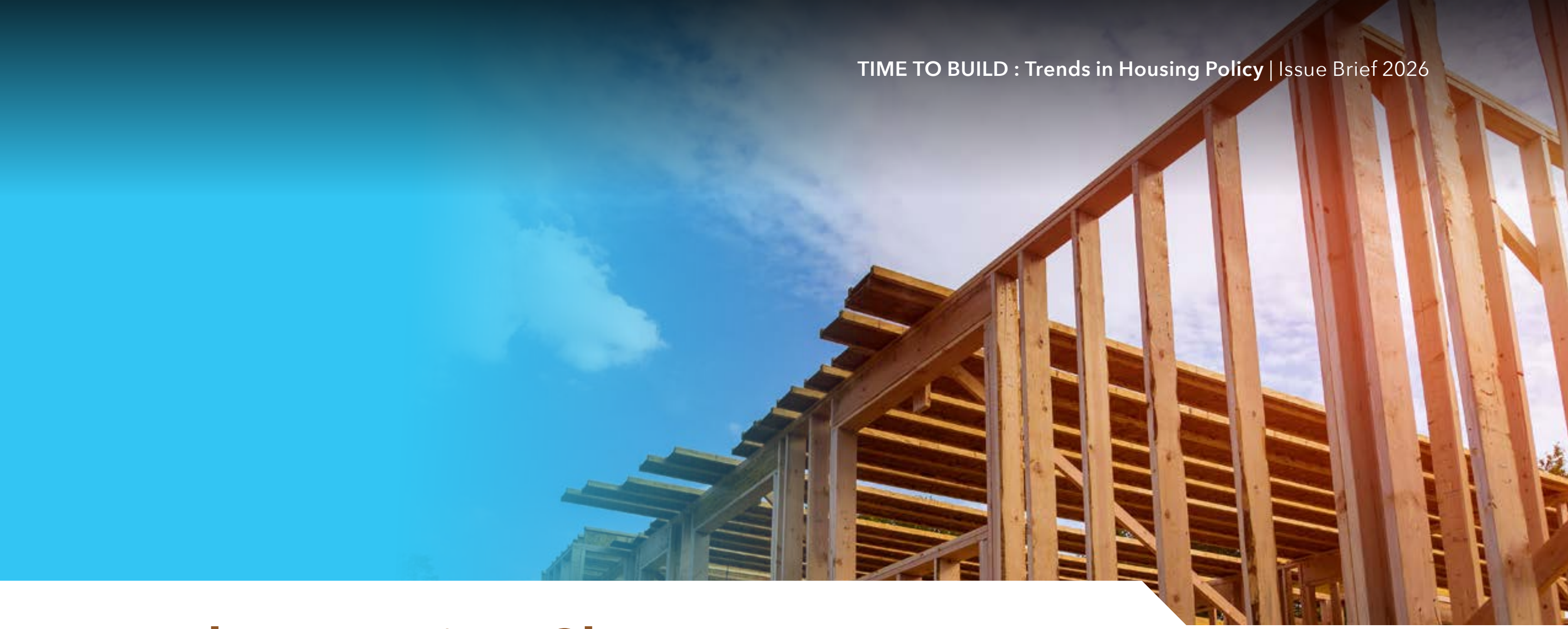
CSG Midwest policy analyst Joe Dell'Olio researched and wrote this Issue Brief. He can be reached at *jdellolio@csg.org*. Design was done by CSG Midwest marketing and design specialist Cherylyn Gnadt.

The MLC is a nonpartisan association of all legislators representing 11 states — Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin — and the Canadian province of Saskatchewan. The provinces of Alberta, Manitoba and Ontario are affiliate members.

CSG Midwest provides staff support to the MLC.

CSG Midwest is one of four regional offices of The Council of State Governments. Founded in 1933, CSG is the nation's largest nonpartisan organization serving all three branches of state elected and appointed officials. The mission of CSG is to champion excellence in state government.

CSG Midwestern Legislative Conference



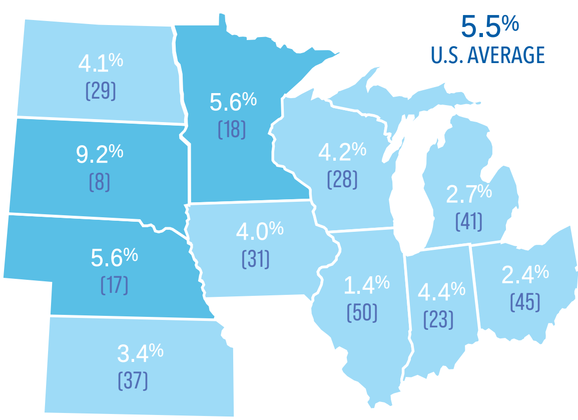
The Housing Shortage and State Responses

Across the country, state and community leaders say they need more housing.

Various studies have put the national housing deficit at anywhere from 2 million units (Moody's, in a 2026 study) to 7.3 million units (National Low Income Housing Coalition, in a 2025 report).

2 MILLION-7.3 MILLION UNITS
estimated national housing deficit

Housing Trends this Decade: % Increase in Number of Housing Units* (U.S. Rank)



** Change from April 1, 2020, to July 1, 2025*

Source: U.S. Census Bureau

In recent years, states in the Midwest have implemented several new initiatives to address these shortfalls and spur more housing production.

One of the common policy goals among many legislatures in this 11-state region: increase the supply of moderately priced housing units, both single-family and multi-family. This is often referred to as "workforce housing." Language in state statute or elsewhere may set income criteria for who qualifies for this housing and/or may establish limits on the costs of construction.

This Issue Brief includes several examples of new, targeted state investments in workforce housing. It also shows how state legislatures, governors and housing agencies are using a mix of policy levers to boost overall production, including:

- The development or expansion of revolving-loan, grant and tax credit programs.
- The enactment of laws that incentivize or require certain "pro-housing" zoning rules in local governments, or that accelerate and streamline local permitting processes.

State Financial Tools: Housing Grants, Low-Interest Loans and Dedicated Revenue Sources

States have several financing tools at their disposal to support housing development. Among them: administering revolving-loan programs, funding grant programs, and establishing in statute a dedicated source of revenue for housing projects.

Revolving-loan programs offer lower-cost borrowing options and can be used to stimulate investments in low-income, affordable and/or workforce housing. As the loans get repaid, money becomes available in these programs to fund future projects.

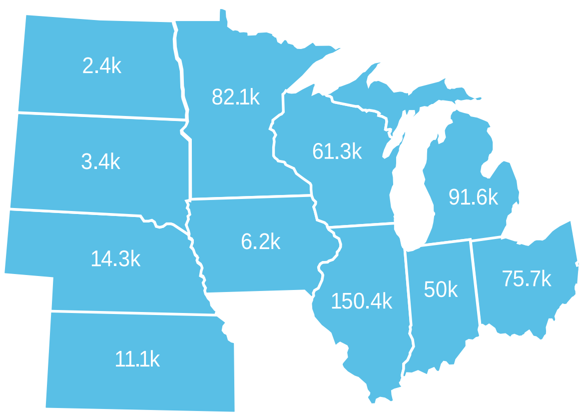
This section highlights examples of new revolving-loan programs in three Midwestern states: Wisconsin, Indiana and Michigan.

A second legislative trend has been the development of new housing-related grant programs. As with the revolving-loan programs, these grants typically identify specific areas of the state and/or particular types of housing development.

Two programs are highlighted: an Ohio initiative for areas with a growing workforce, and a longer-running Nebraska investment in rural workforce housing.

Lastly, legislatures in at least two Midwestern states, Minnesota and Nebraska, recently have passed laws that create an ongoing, dedicated revenue source for housing.

Housing Underproduction Gaps by State* *(as of 2023)*



* Up For Growth defines underproduction as the target number of housing units in a region minus units that are occupied. A full explanation of methodology can be found at: *https://upforgrowth.org*

Source: Up for Growth

WISCONSIN'S LENDING OPTIONS FOR WORKFORCE HOUSING

In 2023, as part of a five-bill legislative package to expand the availability of affordable housing, Wisconsin lawmakers established two new distinct revolving-loan programs. Both target an expansion of workforce housing.

According to the Wisconsin Housing and Economic Development Authority, $275 million in funds was made available for the Infrastructure Access Loan Program (**AB 264** of 2023) and $100 million for the Vacancy-to-Vitality Loan Program (**AB 268** of 2023).

Under the the **Infrastructure Access Loan Program**, developers and local Wisconsin municipalities are eligible for loans that cover the costs of installing, replacing or improving public infrastructure related to certain types of housing projects. Borrowers can apply for up to 20 percent of the total development cost of residential housing and related infrastructure at an interest rate of 3 percent. The interest rate is even lower – set at 1 percent – for senior housing projects, as well as developments in municipalities with a population of 10,000 or less.

Legislators established specific criteria for the types of housing that must be built around the improved or expanded public infrastructure.

1) To qualify as workforce housing, a project must meet a cost-of-living threshold based on the area's median income.
2) Owner-occupied housing cannot cost a household more than 30 percent of 140 percent of the area's median income. The threshold for rental housing is 30 percent of 100 percent of the area's median income.
3) The occupants of any new workforce housing built through this program also must meet income thresholds.
4) Senior housing falls under these same parameters but is intended for residents 55 or older.

The **Vacancy-to-Vitality Loan Program** focuses on the repurposing and redevelopment of existing buildings. Low-interest loans are made available for projects that convert unused commercial buildings to workforce or senior housing.

Loans of up to 33 percent of the total cost of a project are available, so long as the project meets these thresholds: at least 16 housing units in communities with more than 10,000 people or at least four units in less-populated cities, villages and towns.

For the initial four years of this program, 25 percent of funds are dedicated to senior housing projects, and 30 percent are set aside for areas with a population of 10,000 or less. The program also utilizes regional set-asides. The state is divided into 10 regions; each region is limited to 12.5 percent of total allocated funds.

Housing Shortage for Lower-Income Households: # of Affordable and Available Rental Homes Per 100 Renter Households *(at varying income levels)*

STATE	Extremely low income*	0 to 50% of area median income
ILLINOIS	34 per 100	63 per 100
INDIANA	34 per 100	64 per 100
IOWA	39 per 100	84 per 100
KANSAS	39 per 100	76 per 100
MICHIGAN	37 per 100	63 per 100
MINNESOTA	41 per 100	69 per 100
NEBRASKA	38 per 100	69 per 100
NORTH DAKOTA	53 per 100	90 per 100
OHIO	37 per 100	72 per 100
SOUTH DAKOTA	73 per 100	93 per 100
WISCONSIN	35 per 100	70 per 100

** "Extremely low-income households" have incomes below the federal poverty guideline or 30% of the area median income – whichever is greater.*

Source: National Low Income Housing Coalition

INDIANA'S NEW STATE-LOCAL HOUSING INFRASTRUCTURE PARTNERSHIP

Established in 2023 (**HB 1005**), the **Residential Housing Infrastructure Assistance Program** provided more than $82 million to local governments during the first two rounds of funding, helping create more than 3,000 housing units, state officials say. The General Assembly appropriated $50 million for this revolving-loan program in the state's latest two-year budget.

To qualify, applicant communities must show a demonstrated need for additional housing (single-family and/or multi-family units) based on local job growth. Seventy percent of program funding must be allocated to political subdivisions with fewer than 50,000 residents.

MICHIGAN'S SUPPORT FOR MIXED-INCOME PROJECTS

In August 2025, the Michigan State Housing Development Authority launched a $75 million program that offers low-interest loans to the developers of mixed-income, multi-family housing projects.

For projects to qualify for assistance under the **Housing Accelerator Fund**, a portion of the units must be dedicated as affordable housing in one of two ways: 1) at least 20 percent of the units must be affordable for households at 50 percent of area median income; or 2) at least 40 percent of the units must be affordable to those at 60 percent of area median income.

In announcing the new program, state officials said it could help with the construction of 500 new apartments initially. They also were seeking private contributors to increase the amount of funding available for future projects.

Use of targeted state grants: Recent legislative actions in Ohio and Nebraska

OHIO: HOUSING INVESTMENT MATCHED TO ECONOMIC PROJECTS

Ohio's latest two-year budget establishes multiple new programs to boost housing production, including the **Residential Economic Development Grant Program (HB 96).**

This program is for counties, townships or municipalities that will be the site of a major economic development project: one with at least $700 million in private investment or that is expected to create at least 700 permanent jobs.

Land within a 20-mile radius of such a project can qualify as a "residential economic development district."

State grants must be used by local governments to advance housing development – for example, grants or loans for developers, the acquisition and readiness of sites for housing construction, or investments in public safety to meet the needs of a growing population.

Additionally, an applicant community must adopt a set of "pro-housing" policies and have plans to approve a "major workforce housing project," defined in statute as consisting of at least 100 units.

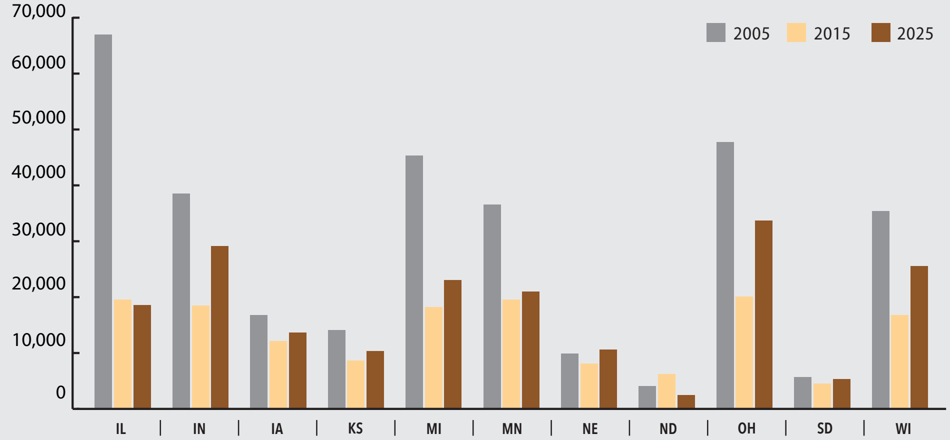
NEBRASKA: INVESTMENT IN RURAL WORKFORCE HOUSING

Nebraska's longer-running **Rural Workforce Housing Investment Fund** provides competitive matching grants to nonprofit development organizations. These organizations must have a board of directors with expertise in development, construction and finance.

The program requires an investment match from grant recipients (it was 25 percent for the 2024 round of funding). Matching funds can be contributed by individuals, businesses, nonprofits or local governments into a single investment fund administered by the nonprofit organization.

The program is designed for communities in counties with populations of fewer than 100,000 residents.

Housing Production in Midwestern States: Building Permits Issued by Year *(by # of units)*



Source: U.S. Census Bureau

Eligible projects under the Nebraska program include:

- New owner-occupied housing and rental housing units that cost no more than $325,000 and $250,000, respectively.
- The rehabilitation of single-family or rental housing units when the cost exceeds 50 percent of a unit's assessed value.
- Upper-story units in a mixed-use building.
- The rehabilitation or conversion of an existing building into housing.

The Nebraska Legislature first established the fund in 2017; lawmakers recently extended the program through FY 2032.

A second state program offers matching grants to encourage the development of "middle income" housing in the state's two most populous counties. For example, grants can go toward the construction of new owner-occupied housing units with an after-construction appraisal of between $125,000 and $330,000.

A dedicated revenue source for housing

NEBRASKA'S BUMP IN THE STATE REAL ESTATE TRANSFER TAX

In 2026, Nebraska legislators approved a bill designed to provide a stable revenue source for both the Rural Workforce Housing Investment Fund and the Middle Income Workforce Investment Fund. Under **LB 1067**, revenue from an increase in the state's real estate transfer tax will go to these two funds.

MINNESOTA'S SEVEN-COUNTY SALES TAX

In 2023, Minnesota legislators allocated $1 billion toward housing (**HF 2335**), the largest investment of its kind in state history. New investments in affordable and workforce housing, as well as funding to prevent homelessness and reduce disparities in home ownership, were part of this measure.

Another significant provision in HF 2335: creation of Minnesota's first-ever dedicated revenue source for affordable housing.

The Metro Area Sales and Use Tax for Housing is a 0.25 percent tax on retail sales and is imposed in the Twin Cities' seven-county region. Revenue from the sales tax is split between a state rental assistance program and city- and county-led housing programs.

In the first year of the sales tax, Hennepin County alone collected an estimated $30 million. The construction of new affordable-housing units and preservation of existing ones are among the ways this revenue is being used.

State Tax Credits as a Housing Policy Tool

The most common tax credit related to housing is the **Low-Income Housing Tax Credit** (LIHTC), which was established at the federal level in 1986. Private investors receive reductions in tax liability for financing the construction or rehabilitation of rental housing for low- and moderate-income tenants. The amount of tax credits available annually for a given state is calculated based on population. Tax credit awards can be claimed over a 10-year period.

Most Midwestern states also operate LIHTC programs of their own, many of which have been established over the past 10 years. State LIHTC programs are not uniform. Some model and complement the federal program; others have a unique structure and process. Not all states have a LIHTC program, and other state-level tax credits exist to incentivize investment in similar types of housing.

This section provides details on each Midwestern state's LIHTC as well as recent, related legislative activities in Kansas, Iowa and Wisconsin.

THE RISE AND SUNSET OF KANSAS' AFFORDABLE HOUSING TAX CREDIT

Kansas legislators created the **Affordable Housing Tax Credit** in 2022 (**HB 2237**) with the intent of incentivizing private investors to help finance the construction of affordable housing.

Originally designed to complement the federal LIHTC program, the measure provided a 1:1 match in state income tax credits to awarded projects. Investors were then eligible to claim the tax credit annually over a 10-year period. Between 2023 and 2025, the state awarded about $73 million through the tax credit, aiding in the funding of more than 5,000 units across 27 counties.

In April 2025, major changes were made to the state tax credit. Legislation from that year **(HB 2289)** caps the amount of tax credits available annually and schedules the program to sunset in 2028. In 2025, the program received $25 million; that amount falls to $8.8 million annually for its final three years. These changes were made in part due to concerns about lost state revenue. An audit of the program, conducted after these changes were finalized, reports that credits awarded through the program could amount to nearly $1 billion in foregone tax revenues by 2041.

IOWA'S WORKFORCE HOUSING TAX CREDITS

Tax credits in Iowa incentivize new projects on abandoned, empty or dilapidated properties. Program benefits are limited to $1 million per project, with developers receiving an income tax credit of up to 10 percent of the investment directly related to the construction or rehabilitation of housing. A 20 percent credit is available for projects in Iowa's 88 least-populous counties.

To be eligible, a project must meet one of these four main criteria:

- It is located on underutilized commercial or retail property or on a brownfield site.
- It repairs or rehabilitates dilapidated housing stock.
- It develops upper-story housing in a mixed-use building.
- It is new construction on a greenfield site — for example, a previously undeveloped or agricultural piece of land.

Additionally, the program includes varying per-unit caps on construction costs: for example, $325,000 for a single-family unit in an urban area or $250,000 for a multi-family unit in a small city. This cap, state officials say, helps ensure that units built through the credit are within the financial reach of a community's workforce.

This program has been in place since 2014, originally with a $20 million cap, and has grown in ensuing years. In September 2025, the Iowa Economic Development and Finance Authority announced nearly $36 million in annual awards. The authority reports that these tax credits will fund 63 projects, creating 2,000 new residential units across 36 counties.

% of Renter Households in Midwest that are Cost-Burdened*

STATE	2024	2019	% POINT CHANGE
ILLINOIS	47.6%	44.6%	+3.0
INDIANA	47.0%	43.9%	+3.1
IOWA	41.5%	40.3%	+1.2
KANSAS	39.9%	39.9%	no change
MICHIGAN	48.2%	47.7%	+0.5
MINNESOTA	46.5%	42.1%	+4.4
NEBRASKA	43.7%	38.4%	+5.3
NORTH DAKOTA	33.7%	38.1%	−4.4
OHIO	45.4%	41.1%	+4.3
SOUTH DAKOTA	38.3%	39.7%	−1.4
WISCONSIN	43.1%	39.7%	+3.4

** A cost-burdened household spends more than 30 percent of its household income on rent and utilities.*

Source: Harvard University Joint Center for Housing Studies, using data from the U.S. Census Bureau and "American Community Survey"

WISCONSIN: MORE CREDITS FOR RURAL AREAS

In 2025, Wisconsin legislators made significant changes to the state's LIHTC program. **AB 182** directs the Wisconsin Housing and Economic Development Authority to allocate 35 percent of the state's tax credits to projects in rural areas. The act defines a rural area as a city, village or town that has fewer than 10,000 people and is located at least 10 miles away from another municipality with a population of at least 50,000.

This requirement is waived, however, in years when there are insufficient qualified rural applications.

Additionally, the 2025 law removes a requirement that eligible projects be financed with tax-exempt bonds, thus broadening the range of developments eligible for state tax credits.

Overview of Low Income Housing Tax Credit programs in the Midwest *(as of 2025)*

ILLINOIS

Enacted and/or program start: 2001

Annual state cap: 75.5% of the annual credit to the Illinois Housing Development Authority, 24.5% to the Chicago Department of Housing and Economic Development

Credit description: Private investors in affordable-housing projects may qualify for a one-time tax credit on their state income tax equal to 50% of a qualified donation.

Other: Sunset date of Dec. 31, 2026

INDIANA

Enacted and/or program start: 2022

Annual state cap: $30 million

Credit description: Available for up to 100% of the federal allocated amount of 4% LIHTC, carried out over five taxable years.

Other: The state is divided into five regions, with each region receiving 20% of the credit.

KANSAS

Enacted and/or program start: 2023

Annual state cap: $25 million in 2025, $8.8 million in 2026, 2027 and 2028

Credit description: Credits equal to the federal LIHTC allocated or allowed by the Kansas Housing Resource Corporation. Beginning in 2026, state credits are available only for projects receiving the federal 9% LIHTC allocations. The credit may be carried forward up to 11 tax years.

Other: Sunset date of Dec. 31, 2028

Source: Novogradac Affordable Housing Resource Center

MINNESOTA

Enacted and/or program start: 2021

Annual state cap: $9.9 million

Credit description: This program operates out of a contribution account, a pool of funds available for qualified projects. Credit is available for 85% of the amount a taxpayer contributes to the fund, up to $2 million.

Other: Sunset date of Dec. 31, 2028

NEBRASKA

Enacted and/or program start: 2016

Annual state cap: Equal to the amount of federal LIHTC available

Credit description: This program generally operates as a state match to the federal LIHTC.

Other: In 2024, updates make the program available to nonprofits and allow recipients to transfer, sell or assign credits to another taxpayer.

OHIO

Enacted and/or program start: 2023

Annual state cap: $100 million

Credit description: State credits are available up to the amount of the 4% federal LIHTC allocation, carried out over 10 years. Combined credits may not exceed what is needed for a project's financial feasibility.

Other: New state credit awards are available through June 2027.

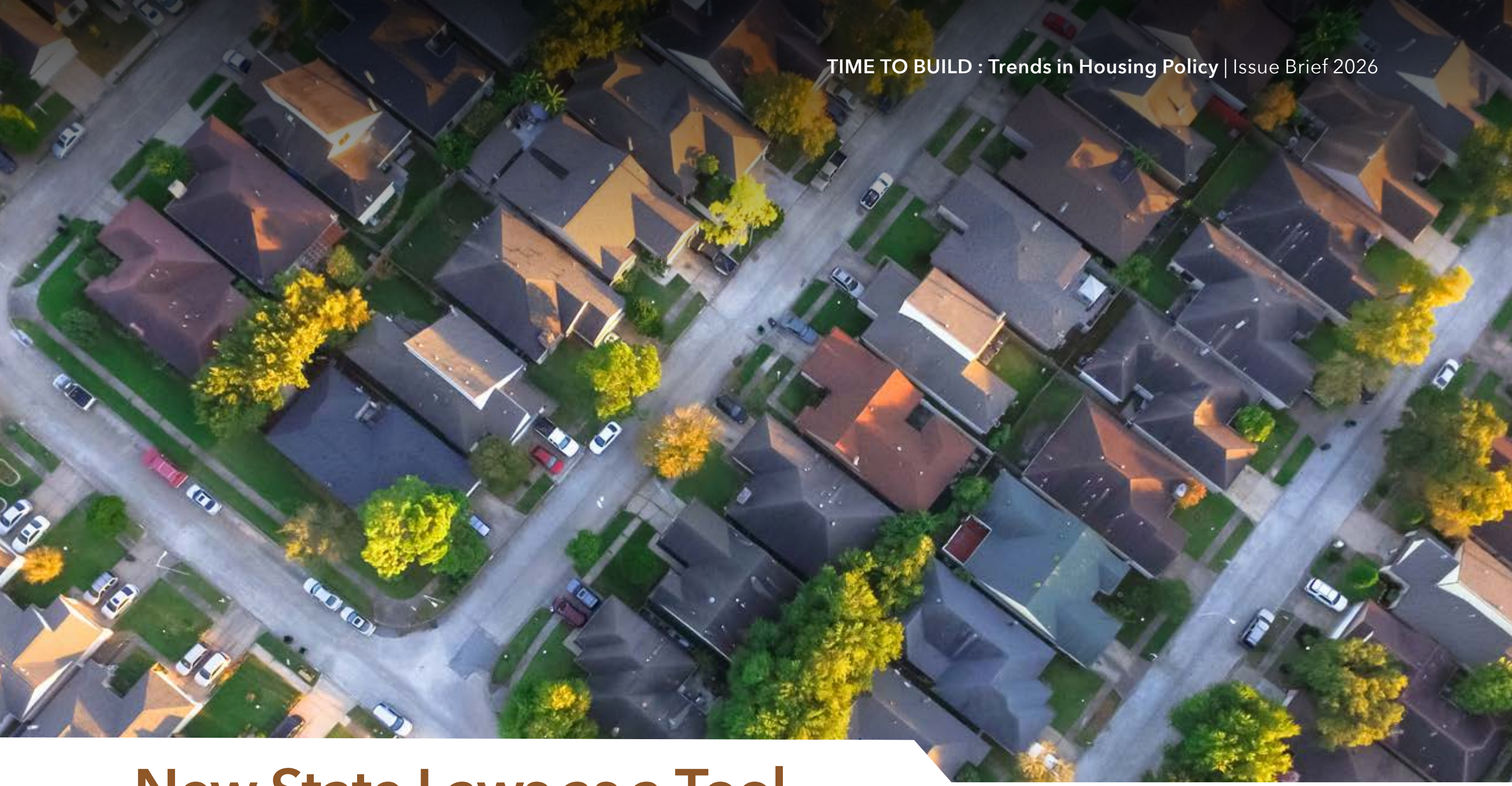
WISCONSIN

Enacted and/or program start: 2018

Annual state cap: $42 million

Credit description: This program was designed to complement the federal 4% housing tax credit. Exact awards are determined by state housing development authority. Awarded credits are carried out over a 6-year period.

Other: Set-asides are made as follows: 25% for rural areas, 25% for small urban areas, and 50% for general.



New State Laws as a Tool to Effect Local Zoning and Permitting

Largely, zoning responsibility and authority fall to local municipalities. This allows a community to regulate its size, the types of homes available, and its overall character. States can influence land use, however, with statutory language that pushes local governments to adopt "pro-housing" practices. Another approach, though less common, is for states to override some aspects of local zoning authority.

This section provides details on a new statewide land-use law in Iowa, as well as laws or programs to incentivize zoning changes in Indiana, Ohio, Minnesota and Michigan.

For some state leaders, too, another priority has been finding ways to expedite local permitting and regulatory processes, with the goals of accelerating housing development and reducing construction costs. The National Association of Home Builders estimates that current regulations from all levels of government add 25 percent to the price of building a single-family home, and more than 30 percent to multi-family development.

This section summarizes new laws in Indiana, Kansas and Nebraska to streamline regulations in residential development.

IOWA: ACCESSORY DWELLING UNITS NOW ALLOWED ACROSS THE STATE

In Iowa, municipalities and counties must now allow at least one accessory dwelling unit, or ADU, on a single-family lot — the result of state legislators passing **SF 592** in 2025. Iowa is the first Midwestern state to enact this kind of ADU measure.

Under the Iowa law, an ADU may not exceed 1,000 square feet or 50 percent the size of the existing home on a given lot, whichever is larger.

ADUs must be treated with the same local rental rules as other single-family units, and a local government cannot impose additional parking requirements as the result of ADU construction. Additionally, cities and counties are prohibited from imposing ADU placement and appearance requirements that are more restrictive than those on single-family homes.

Appropriately sized manufactured or mobile homes may be used as ADUs if placed on a foundation making them permanent structures.

In Saskatchewan, ADU incentives for homeowners

There also has been at least one interesting development on ADUs in one of the CSG Midwest region's Canadian provinces. Since 2024, the province of Saskatchewan has offered grants of up to $35,000 for homeowners to construct a separate dwelling at their primary residence. The ADU, referred to as a "secondary suite," may be built within the main residence or as a detached unit on the property, such as a laneway home or garage suite.

The intent of **Saskatchewan's Secondary Suite Incentive Grant Program** is to increase the availability of affordable rental units in the private market, as well as give homeowners access to supplementary income.

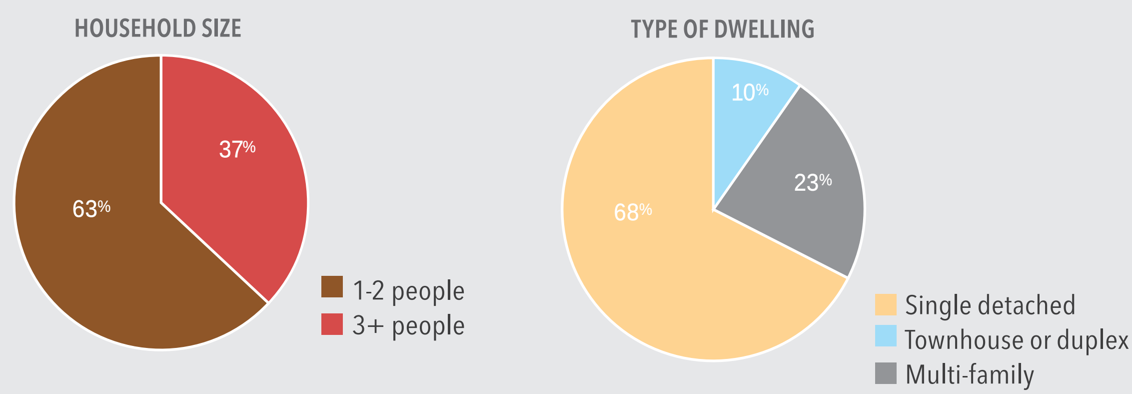
STATE INCENTIVES FOR PRO-HOUSING ZONING POLICIES: INDIANA, OHIO AND MINNESOTA

Another option for states is to incentivize local governments to adopt "pro-housing" policies in their zoning laws and permitting programs.

Such incentives are part of Ohio's Residential Economic District Grant Program and Indiana's Residential Housing Infrastructure Assistance Program. (Further details on these two programs can be found in the previous section on state financial assistance programs.)

Within each of these two states' programs, an applicant community is given preference if it demonstrates that pro-housing policies have been adopted.

Breakdowns of U.S. Households, by Size, and Share of U.S. Homes, by Dwelling Type



Source: Presentation by Alex Horowitz, director of the Pew Charitable Trusts' Housing Policy Initiative, for May 26, 2026, webinar hosted by CSG Midwestern Legislative Conference Economic Development and Infrastructure Committee

Some of the criteria are highlighted here:

Ohio

- Have a zoning plan that promotes higher density, small lot size, and minimum setback requirements.
- Have no or minimal parking requirements for developments that include residential units.
- Allow the use of nontraditional building structures such as modular or manufactured homes.

Indiana

- Allow for higher-density buildings (for example, duplexes and quadplexes) in areas zoned for single-family homes.
- Allow for the adaptive reuse of buildings for residential use in commercial zones.
- Waive or eliminate requirements such as garage size, off-street parking or height limitations.

In **Minnesota**, as part of a 2025 law (**SF 2298**), the state Housing Finance Agency must account for local pro-housing policies in the scoring system that it uses for competitive development funding. Several pro-housing criteria are outlined in the law:

- allowing housing in commercially zoned areas;
- allowing duplexes, ADUs and townhomes to be built in areas zoned for single-family homes;
- not requiring more than one parking stall per residence;
- allowing single-family construction on lots of less than one-eighth of an acre;
- not having aesthetic mandates (for example, type of exterior finish materials, porches and garage size on single-family construction).

Communities that adopt any of the criteria must be awarded additional points in the agency's scoring system. (The additional points cannot exceed 5 percent of the total points available.)

MICHIGAN: STATE-LOCAL COLLABORATIONS ON HOUSING READINESS

In 2023, Michigan introduced a $5 million Housing Readiness Incentive Grant to support local governments in updating their zoning regulations and enabling housing development.

Grants of a maximum of $50,000 were awarded to cover costs associated with the adoption of land-use policies, updates to master plans, and zoning text amendments. This work could be completed by existing/contracted employees or third-party consultants.

The program was broken up into two separate groups: $2 million for communities that already had participated in a state-led Redevelopment Ready Communities (RRC) program, which assists in the implementation of best practices in planning and zoning; and $3 million for communities that had not received the RRC certification. Roughly $1 million in additional funding was added to the program through the state's 2023-24 budget supplemental, followed by $2.325 million in the 2024-25 state budget.

As of June 2025, the program had distributed funds to more than 150 communities in Michigan, mostly smaller towns and villages. Funding for the program has been depleted, though the State Housing Development Authority still has a "Get Ready Housing Guide" that details policy reforms for local governments to support housing growth.

Speeding up the Regulatory Process

'BY-RIGHT' DEVELOPMENT IN KANSAS

With the passage in 2026 of **SB 418**, Kansas will allow by-right development of certain single-family homes, townhomes and ADUs with the aim of reducing regulatory barriers. The bill requires local governments to approve proposed developments as a matter of right, without discretionary reviews or public hearings, if zoning and code requirements are met.

Additionally, SB 418 allows single-family homes under 2,500 square feet to be placed on lot sizes as little as 3,000 square feet, thus reducing land costs.

What do regulations add to the cost of construction? In a 2026 study, the National Association of Home Builders explored this question based on the average price of a home as of January 2026: $499,500. According to the association, regulation accounted for $131,734 of the final home price. Below are details on the costs during 1) lot development and 2) construction of the structure.

REGULATION ACCOUNTS FOR **$131,734** ON THE COST OF A NEW HOME ($499,500)

$46,795 REGULATION DURING DEVELOPMENT	**$84,939** REGULATION DURING CONSTRUCTION
$ 7,007 Cost of applying for zoning approval	**$20,154** Fees paid by the builder after purchasing the lot
$10,755 Hard costs of compliance *(fees, required studies, etc.)*	**$40,288** Changes to building codes over the past 10 years
$13,593 Land dedicated to the government or otherwise left unbuilt	**$16,117** Architectural design standards beyond the ordinary
$10,583 Standards *(setbacks, etc.)* that go beyond the ordinary	**$ 6,748** Complying with OSHA/other labor requirements
$ 2,377 Complying with OSHA/other labor requirements	**$ 1,632** Pure cost of delay *(if regulation imposed no other cost)*
$ 2,480 Pure cost of delay *(if regulation imposed no other cost)*	

In a further attempt to speed up the regulatory process, the Kansas law lays out time requirements for local reviews of building permit applications. A complete application (one that fulfills the local governments' zoning and land-use criteria) would be deemed approved if not otherwise denied within the following timeframes:

- 90 days for applications requiring approval of a subdivision plat of more than 40 single-family homes;
- 60 days for other applications requiring subdivision plat approval; or
- 30 days for other applications.

Local governments in Kansas also now have the option of adopting a resolution that authorizes third parties to review residential development documents and conduct inspections if regulatory authorities do not act within 30 days.

REMOVING REGULATORY BARRIERS IN INDIANA

HB 1001 of 2026 introduces a comprehensive set of reforms to Indiana's local government and housing laws, with a goal of streamlining regulatory processes.

Similar to the bill in Kansas, HB 1001 in part allows for by-right development: If a complete application for a building permit meets all legal requirements at the time it was submitted – including zoning ordinance, zone maps, or subdivision control ordinances – the application must be approved.

Additionally, HB 1001 requires that the implementation of any local ordinance increasing building permit fees be delayed 180 days from the time the ordinance was first published.

This law builds on Indiana's HB 1005 of 2025, which created a "shot clock" for local government reviews of building permit applications.

Within three business days, an applicant must be told whether the submitted application is complete or incomplete. The local government must review building plans within seven days of receiving a complete application. Per HB 1001, notice of all defects of an incomplete application must be provided within 30 days or it will be considered complete.

Also under the Indiana law, inspections and plan reviews for building permits can be completed by a third-party private provider for one- to two-unit buildings, helping reduce administrative burdens on local governments. These private providers can be licensed architects, licensed engineers, certified building officials or certified home inspectors.

NEBRASKA EASES REGULATIONS FOR AFFORDABLE HOUSING

Nebraska **LB 288** of 2025 makes two updates to streamline the regulatory process in residential development. Primarily, it exempts projects that receive funding from the state's Affordable Housing Trust Fund from following the International Energy Conservation Code (the standard for new construction statewide). Additionally, the state's Department of Water, Energy and Environment does not need to review building plans that have been previously reviewed by a county, city or village enforcing a local code pursuant to that of the state.

MIDWEST

The Council of State Governments, Midwestern Office
701 E. 22nd Street, Suite 110 | Lombard, IL 60148
ph 630.925.1922 | csgmidwest.org

Questions or inquiries about this Issue Brief can be sent
to Joe Dell'Olio at *jdellolio@csg.org*.