

# United States Senate

September 9, 2024

The Honorable Adrienne Todman  
Acting Secretary  
U.S. Department of Housing and Urban  
Development  
451 7th Street S.W.  
Washington, DC 20410

The Honorable Julie Su  
Acting Secretary  
U.S. Department of Labor  
200 Constitution Avenue  
Washington, DC 20210

Dear Acting Secretary Todman and Acting Secretary Su:

I write to express my concern with the severe residential construction worker shortage that is limiting housing development in Nevada and driving up housing costs. To address our nation's housing shortage and affordability crisis, the federal government is investing in programs to incentivize housing production and increase housing supply. However, in order to ensure these programs have the greatest impact in lowering housing costs, it is critical that developers have the skilled workforce required to build the affordable homes our communities need. As the Department of Housing and Urban Development (HUD) works to make housing more affordable and the Department of Labor (DOL) provides training to strengthen our nation's workforce, I urge your agencies to work together to bolster the residential construction workforce in order to fully address our affordable housing crisis.

At a time when high interest rates and low inventory are driving up housing costs, the need to build affordable homes is growing more urgent by the day. While estimates on the total number of needed affordable homes vary from 4 million to over 7 million, the evidence is clear – our nation is in the midst of an urgent affordable housing shortage.<sup>1</sup> Nevada renters and homebuyers are being particularly squeezed, with Nevada facing the greatest affordable housing shortage in the country<sup>2</sup> and Southern Nevada home prices increasing 158 percent over the last ten years.<sup>3</sup> This historic undersupply of affordable housing exacerbates affordability challenges, crowding out first-time homebuyers and driving up rental and home prices.

While the need to expand housing supply is greater than ever, barriers to development create a challenging environment for developers to build more housing and lower housing costs. In particular, developers report that a major limiting factor in the capacity to build more housing is the shortage of skilled construction workers, with a recent study finding the construction industry will need half a million additional workers this year just to meet demand.<sup>4</sup> With fewer skilled workers available, construction can take longer, driving costs up and making it harder to keep

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<sup>1</sup> <https://www.pewtrusts.org/en/research-and-analysis/articles/2023/11/30/survey-finds-large-majorities-favor-policies-to-enable-more-housing>

<sup>2</sup> <https://nlihc.org/housing-needs-by-state/nevada>

<sup>3</sup> <https://news3lv.com/news/local/nevada-florida-lead-in-housing-price-growth-powered-by-sports-and-tourism>

<sup>4</sup> <https://www.abc.org/News-Media/News-Releases/abc-2024-construction-workforce-shortage-tops-half-a-million>


homes priced affordably. It is simply too expensive to build affordable housing in this high-cost environment, and a shortage of construction workers contributes significantly to those rising costs.

Affordable housing tax incentives and federal housing supply programs have long played an important role in making affordable housing development feasible for developers, ultimately making homebuying more affordable and lowering costs for working families. For example, the Low-Income Tax Credit (LIHTC) is one of our nation's primary tools for financing the construction of affordable rental housing, having financed 3.7 million homes nationwide and over 36,000 homes in Nevada.<sup>5</sup> Additionally, HUD programs like the HOME Investment Partnerships Program, the Indian Housing Block Grant Program, and the Housing Trust Fund have created and rehabilitated affordable units in communities across the country.

Investing in these programs is a critical step to addressing the affordable housing crisis, however, production subsidies and grants only increase housing supply if there are skilled workers available to build the homes. That's why I urge HUD and DOL to work in partnership to invest more in workforce development and training programs specifically for the residential construction industry – to ensure local construction companies have the well-trained, skilled workers they need to increase the supply of housing in communities that need it most. Through workforce training programs that strengthen the local construction workforce – including existing DOL registered apprenticeships that could be further expanded – we can support housing development, help communities address the severe housing shortage, lower overall housing costs, and create good-paying jobs that don't require a degree from a traditional four-year college.

Thank you for your consideration. I look forward to working with you to increase the supply of affordable housing, lower skyrocketing housing costs, and strengthen the residential construction workforce in Nevada.

Sincerely,

  
Jacky Rosen  
United States Senator

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<sup>5</sup><https://www.taxcreditcoalition.org/nevada/#:~:text=Statewide%2C%20the%20Housing%20Credit%20has,about%20the%20Housing%20Credit's%20impact.>