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March 12, 2023

The Honorable Joe Manchin
Chairman
Committee on Energy and Natural Resources
United States Senate
304 Dirksen Senate Office Building
Washington, DC 20510

The Honorable John Barrasso
Ranking Member
Committee on Energy and Natural Resources
United States Senate
304 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Manchin and Ranking Member Barrasso:

With respect to the Committee's March 12, 2024, hearing to examine the findings and recommendations of the Wildland Fire Mitigation and Management Commission, attached please find Western Governors' Association policy resolutions 2021-06, Disaster Preparedness and Response, 2024-02, National Forest and Rangeland Management, 2022-02, Air Quality Protection and Management, and 2023-04, Housing is Foundational to the Success of the West.

There are 148 policy recommendations in the Commission's final report to Congress, many of which are similar to Western Governors' bipartisan policy recommendations contained in the attached resolutions. The Commission's consensus-driven recommendations address nearly every facet of the wildfire crisis, including pre-wildfire risk mitigation, active fire suppression, post-fire recovery, and systematic reforms that affect every phase of wildland fire management. Western Governors recognize that addressing the threat of uncharacteristic wildfire requires a holistic understanding of, and response to, the many complex factors that contribute to the lifecycle of wildland fire. The Governors appreciate the Committee's commitment to examining the Commission's recommendations and moving forward with reforms that will improve all aspects of the wildfire cycle, from pre-fire mitigation through post-fire recovery.

I request that you include these documents in the permanent record of the hearing, as they articulate Western Governors' collective and bipartisan policy on wildland fire and related subjects.

Thank you for your consideration, and please contact me if you have any questions or require further information.

Sincerely,



Jack Waldorf
Executive Director

Attachments (4)



Policy Resolution 2021-06

Disaster Preparedness and Response

A. BACKGROUND

1. Major disasters, emergencies and extreme weather events are devastating to the people, property, economy, and natural environment of the communities in which they occur. The outcomes of disasters and emergencies can often be far-reaching, with effects on the national economy, infrastructure, and the import and export of commodities.
2. In the United States, disasters and emergencies and their economic and public costs have increased significantly in recent years. Federal disaster declarations (including emergency declarations, major disaster declarations, and fire management assistance grants) have surged since they were first utilized in 1953. From 1953 to 1989, the average number of annual federal disaster declarations was 27.8. That number escalated to an annual average of 108.7 from 1990 to 2016. The year 2020 saw a record 308 disaster declarations by the federal government. Of these declarations, 230 were for emergencies or major disasters, surpassing the previous record of 128 dating back to 2011.
3. The federal government plays a critical role in disaster and emergency response and long-term recovery efforts. Accompanying the greater number of disasters has been an increasing level of federal disaster aid. From 1980 to 2009, the number of federally declared disasters which resulted in costs exceeding \$1 billion averaged approximately 4.5, annually. That number has surged. From 2016 to 2020, the numbers rose with an average 16.2 disasters exceeding \$1 billion in costs each year. In 2020, there were a record-setting 22 disasters that exceeded \$1 billion in costs.
4. Proactive emergency management efforts, such as hazard mitigation and risk reduction activities, have an incredible return on investment. Research has shown that actions taken before a disaster to reduce hazards save, on average, six dollars in future response and recovery costs for every dollar spent on hazard mitigation. At a time when state budgets are struggling to keep up with more frequent and costly disasters, investing in hazard mitigation could have a profoundly positive effect on state and local budgets.
5. Certain types of disasters pose unique threats to western states and have occurred with greater frequency in recent decades. These include floods, droughts, tornadoes, mudslides, earthquakes, hurricanes, and, particularly, wildfires. Wildfires consumed approximately three million acres nationwide in 1960. In three of the past six years, over ten million acres have burned annually. 2020 saw 10.1 million acres affected by wildfire, of which nearly ninety-five percent were in western states. Federal agencies' wildfire suppression costs have increased from less than \$240 million in 1985 to over \$2.2 billion in 2020. Experts project that wildfires will continue to worsen, in terms of acreage burned and in economic effects.
6. Disasters and emergencies have disproportionate effects on different populations and communities. Race and ethnicity, language, education and economic barriers, and immigration status can negatively affect the outcomes of those experiencing an emergency

or disaster. These factors have effects beyond the initial response and extend to recovery, risk reduction, and preparedness program accessibility and equity.

7. The National Response Framework and National Disaster Recovery Framework describe how the federal government, states, territories, localities, tribes, and other public and private sector institutions should respond to and recover from disasters and emergencies. Local emergency agencies – police, firefighters, and medical teams – are to be the first responders in a disaster or emergency. State, territorial, local, and tribal governments have the lead roles in disaster response and recovery. Federal agencies can become involved in disaster and emergency response when resource capacity or effective emergency management is beyond the capabilities of a state, territory or tribe. These federal efforts are primarily directed through the Department of Homeland Security's Federal Emergency Management Agency (FEMA).
8. Governors have a key role in managing emergency response. Governors typically are the state or territorial elected official responsible for making a state disaster declaration and directing disaster response in their jurisdiction. Governors are also responsible for deploying their state National Guard in emergency situations. Governors hold the sole authority to request federal assistance when a disaster overwhelms state and local capabilities, and are responsible for negotiating and implementing interstate mutual aid agreements.
9. Disaster and emergency response and long-term recovery create a significant financial burden. When authorized by FEMA, the Public Assistance, Individual Assistance, and Hazard Mitigation programs provide federal funding which can alleviate this strain. Affected homeowners may seek Individual Assistance; state and local governments may seek Public Assistance to reimburse for costs incurred from debris removal, emergency protective measures during the response, and permanent repair of damaged public infrastructure; and Hazard Mitigation funds can help communities rebuild and become more resilient against future disasters. Other federal agencies, such as the Small Business Administration, Department of Agriculture (USDA), Department of Housing and Urban Development (HUD), and Federal Highway Administration also have programs designed to assist in disaster and emergency recovery efforts. For example, the USDA Natural Resource Conservation Service (NRCS) Emergency Watershed Protection Program is designed to protect people and properties from flooding that often follows wildfire events.
10. In recent years, some petitions for long-term federal recovery aid have been denied. This has been most apparent in petitions for Individual Assistance to counties affected by disasters and emergencies, but has also occurred in connection with state requests for Public Assistance. A denial of federal aid compounds problems for affected communities struggling to recover from the devastation of a disaster or emergency and slows recovery efforts in many western states.
11. While most disasters affect a specific local area, the COVID-19 public health emergency was national in scope. The COVID-19 pandemic has highlighted the need for close coordination between federal, state, territorial, local and tribal governments in emergency management. The pandemic continues to cause significant disruption across the world, requiring ongoing attention from Governors and emergency management and public health officials, affecting the lives of all Americans, and complicating the flow of goods and services across international borders.

B. GOVERNORS' POLICY STATEMENT

1. Governors need maximum flexibility to respond to disaster and emergency circumstances that may evolve quickly over the course of a disaster through the initiation of recovery. Therefore, we should expeditiously remove any barriers limiting a Governor and their executive branch agencies' ability to save taxpayer money and expedite response and recovery efforts while safeguarding lives, property and the environment. Western Governors recognize that planning processes and disaster and emergency protocols are important aspects of emergency management, but that Governors also need significant freedom to adapt those plans to changing circumstances during the evolution of a disaster or emergency.
2. Federal, state, territorial and tribal efforts to prepare for, mitigate against, respond to, and recover from emergencies and disasters must ensure programs and response efforts are inclusive, equitable, and accessible and representative and reflective of the affected communities. Concepts of inclusivity, diversity, equity and accessibility must be included from initial development of programs, policies and procedures to reduce risk in our communities and address post-disaster survivor needs.
3. Western Governors recognize that community resilience is key to ameliorating the effect of many disasters and emergencies. Hazard mitigation and risk reduction are the most cost-effective ways to protect lives, property, infrastructure and the environment from the effects of natural and human-caused hazards. Effective risk reduction strategy development and implementation leverage broad stakeholder input across multiple disciplines, sectors and levels of government. Infrastructure planning should include consideration of risk reduction measures for known hazards as well as address the dynamic hazard profile created by a changing climate. We must plan for tomorrow, not yesterday.
4. Western Governors encourage Congress and federal agencies to reassess the structure of disaster mitigation grant programs, which can be too restrictive or narrowly tailored to address community needs. Additionally, establishing consistent administration standards for different federal grant programs, including the Hazard Mitigation Grant Program, the State Homeland Security Program, and the Building Resilient Infrastructure and Communities and Emergency Management Performance Grant programs, would streamline application processes and eliminate confusion at the local level.
5. Federal agencies conducting disaster recovery and assistance, as well as the programs which they administer, should receive adequate and consistent funding and allow Governors and their designated executive branch agencies to have critical input on where those funds are needed most. The lack of speed, certainty and consistency in appropriation of federal disaster funding, such as HUD Community Development Block Grant – Disaster Recovery (CDBG-DR) funds, are a hinderance to coordinated recovery efforts and effective utilization of public funds. For example, there is no current appropriation (or public consideration) of funding for the 2020 California wildfires, which occurred more than seven months ago. Additionally, the inconsistent incorporation of HUD mitigation resources (CDBG-MIT) is an obstacle to effective coordination of mitigation efforts across program areas.

6. Many rural western communities have less concentrated populations than eastern states, making it difficult for western states and territories to qualify for Individual Assistance and Public Assistance declarations. Additionally, certain criteria, such as considering Total Taxable Revenue of the entire state when evaluating whether to provide a major declaration for a localized event, makes it virtually impossible for large states to receive a declaration. Federal processes used to evaluate the need for access to disaster aid programs should be reconsidered. Federal agencies should reexamine the standards used to determine the provision of Individual Assistance to homeowners and the access to federal aid needed for recovery from disasters and emergencies that affect western states and territories. The historically underfunded USDA NRCS Emergency Watershed Protection Program should be revisited and strengthened.
7. Western Governors recognize that as the first responders to a disaster or emergency, states, territories, local governments, and tribes have better information about local conditions and needs in the response and immediate recovery phases of a disaster or emergency. FEMA and other applicable federal agencies should work directly with individual states and territories, through Governors or their designees, to jointly identify disaster risks and methods by which such risks may be addressed. In collaboration with Governors or their designees, federal agencies should reassess the administrative mechanisms to establish the most effective means to determine the necessity and provision of federal disaster assistance.
8. Federal agencies should provide state, territorial, local, and tribal government officials with accessible and clear information on available federal resources and programs and the most effective utilization of those resources in disaster recovery. WGA has worked with federal partners to improve interagency coordination on post-wildfire restoration work, including a roadmap of assistance available to communities affected by wildfire and identification of “navigators” to help communities prioritize post-wildfire restoration needs. Western Governors urge the federal government to prioritize the funding of these important efforts, as they should have a positive effect on maximizing the value of restoration work and, more importantly, addressing the needs of communities affected by wildfire.
9. Western Governors recognize that while aid may be provided following a disaster, the event itself could be avoided or minimized if resources were directed to pre-disaster mitigation efforts. Rebuilding is too-often provided in a delayed fashion or conducted without safeguards necessary to prevent future disaster-related damages. This compounds the vulnerability of western communities and resources in the face of disasters. Federal legislation should reconsider the important role of pre-disaster mitigation that reduces the risk and minimizes the effects of disasters and emergencies. When possible, pre-disaster mitigation should be incentivized at the state and local levels. Additionally, some western and midwestern states are at risk of catastrophic earthquake. Mitigation assistance beyond that currently administered by FEMA is needed. Finally, mitigation funds tied to Fire Management Assistance Grant (FMAG) declarations assist fire-ravaged communities. The FMAG and Hazard Mitigation Grant Program (HMGP) Post Fire Grant programs should be continued.
10. Western Governors encourage the Administration to consider actions to increase communication between and cohesion of federal agencies in disaster and emergency response. The Executive Branch should consider placing FEMA in the lead role to coordinate communication between and cohesion of federal agencies in disaster and

emergency response. Strengthening federal emergency management processes to promote single, comprehensive points of contact would streamline state-federal coordination and help ensure states and territories can allocate resources where they are most needed. Western Governors support the consideration of a national emergency management strategy to provide consistent lines of communication between federal, state, territorial, local and tribal governments.

11. Federal agencies should seek to eliminate duplicative administrative processes to streamline post-disaster assistance. Multiple agencies requiring overlapping or duplicative reviews for post-disaster assistance adds time and cost to recovery efforts.
12. Western Governors recognize the need for clear, consistent, truthful and timely communication about the scope and scale of disasters and emergencies, both between all levels of governments and between governments and their constituents. Clearly articulating what is known, and what is not known, about a disaster or emergency is critical to developing and executing an effective response from governments, promoting public confidence in those response actions, and empowering citizens to make informed decisions about their safety and welfare.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. The Governors direct WGA staff to work with Congressional committees of jurisdiction, the Executive Branch, and other entities, where appropriate, to achieve the objectives of this resolution.
2. Furthermore, the Governors direct WGA staff to consult with the Staff Advisory Council regarding its efforts to realize the objectives of this resolution and to keep the Governors apprised of its progress in this regard.

This resolution will expire in June 2024. Western Governors enact new policy resolutions and amend existing resolutions on a semiannual basis. Please consult <http://www.westgov.org/resolutions> for the most current copy of a resolution and a list of all current WGA policy resolutions.



Policy Resolution 2024-02

National Forest and Rangeland Management

A. **BACKGROUND**

Western states contain over 75 percent of the national forest and grassland system, and communities in the West depend upon forests and rangelands for jobs, recreation, and quality of life. Conversely, effective natural resource management is only possible if rural and resource-dependent communities are healthy, vibrant, and prosperous. These forests and rangelands provide a number of important ecosystem services that drive local economic activities including grazing, forest products, and recreation. The majority of surface water in the West originates in National Forests as well, and western water security is directly tied to the health of western forests. Both natural disturbances and management decisions have the potential to fundamentally alter the complex, interdependent relationship between communities and land. Climate change can accelerate these dynamics by increasing the frequency and severity of fire, altering hydrologic patterns, and expanding the potential range of invasive species. Furthermore, states have a unique interest in active land management and improving lands' resilience against disturbances because state governments have trust authority over water, wildlife, and forest resources, along with primary authority and expertise to protect community health and safety.

B. **GOVERNORS' POLICY STATEMENT**

1. Western Governors support sound forest and rangeland management policies that maintain and promote ecologic, economic, and social balance and sustainability.
2. Western Governors support the creation of mechanisms to identify and enhance cross-boundary collaborative work.
3. Western Governors point to the Western Governors' Association (WGA) – U.S. Department of Agriculture (USDA) Shared Stewardship Memorandum of Understanding (MOU) as an example of an effective framework to establish shared state-federal priorities for forest and rangeland management and encourage the development of similar MOUs with other Executive Branch agencies for other areas of natural resource management.
4. Effective forest and rangeland management is only possible through coordination between federal, state, local, and tribal land management agencies. These agencies should strive to find new ways to collaborate on forest and rangeland management projects, as well as to explore ways to improve state-federal coordination on existing management projects. Shared Stewardship Agreements between states and USDA are a good example. Federal agencies should look to local communities as a source of strength, knowledge, and support during the planning and implementation of forest and rangeland management projects and should be encouraged to work with local communities while planning forest and rangeland management projects. The U.S. Forest Service (USFS) and Bureau of Land Management (BLM) could achieve this by developing regional and cross-boundary collaboratives to facilitate cooperation on

ecosystem-level land management challenges and water source protection. Federal land management agencies should consider investing in facilitation capacity and training for agency personnel and partner organizations involved with collaboratives.

5. Western Governors support improvements to interagency communication, fire response capability, and coordination, including the sharing of firefighting resources. Fire management activities should support fire prevention, rapid response capabilities, full suppression strategies where appropriate and management of wildfire for resource benefits. Local government and volunteer fire associations play a critical role in wildfire response and mitigation, and state and federal agencies should look for ways to further incorporate these groups into regional wildfire dispatch and coordination centers. Additionally, it is critical that improvements are made to simplify the fire billing adjudication process to ensure more timely reimbursements in line with agreement standards.
6. Federal agencies should examine funding match requirements and consider reducing or eliminating these requirements when the public benefit outweighs the cost of the funding match. Federal agencies are encouraged to work with western states to ensure that communities' access to these grants is as efficient and streamlined as possible.
7. Federal agencies should facilitate the participation of state, local, and tribal governments in federal decision making by dedicating staff to develop and provide technical assistance and enhance communications across local, tribal, state, and federal partners. Federal agencies should also take steps to assist resource-constrained communities in developing needed capacities such as grant writing or conducting environmental analyses.
8. States may be the conveners of collaborative interagency forest and rangeland management efforts, such as in the case of Good Neighbor Agreements. When this occurs, federal agencies should provide funding and support to states for the cost incurred during any convening role. Congress and federal agencies should also provide opportunities for expanded cooperation, particularly where states are working to help their federal partners to improve management of federal lands through the contribution of state expertise and resources.
9. Effective forest and rangeland management requires a network of forest and rangeland infrastructure to manage, maintain, and restore western forests and rangelands. Federal and state agencies should strive to find ways to support and expand critical forest and rangeland management infrastructure, including mills, biomass facilities, livestock watering systems, and roads. Federal agencies should also examine the need for market incentives to encourage sustainable nursery markets and facilitate the development of additional nursery capacity. The federal government should take steps to address equipment shortages as part of its implementation of the Infrastructure Investment and Jobs Act (IIJA).
10. Federal and state agencies should look for ways to grow the workforce needed to support and operate forest and rangeland management infrastructure. These agencies should explore the expanded use of youth, veterans, inmate crews, and conservation corps to provide cost-effective capacity to support forest and rangeland restoration. The federal government and employers should also consider work experience and other non-traditional credentials in hiring to ensure adequate capacity for land management project implementation. The federal government, states, and territories should examine standards on hiring persons with criminal backgrounds to promote employment opportunities for qualified applicants that present

minimal risk for future criminal behavior. The federal government should focus attention on housing needs and assist communities seeking to attract and retain workforce.

11. Western Governors support the expansion of restoration projects in forest and rangelands, including repair or removal of culverts and other barriers to fish passage. Federal and state agencies should strive to find ways to support and expand cost-effective means of supplying restoration projects, such as with large woody material from adjacent overstocked forests, which in turn supports the rural workforce needed to implement large-scale watershed and stream restoration efforts.
12. A thriving forest products industry is essential to support critical forest management infrastructure. Western Governors support the expansion of markets for forest products. Federal agencies should expand opportunities and incentives for existing USDA, Economic Development Administration, and Small Business Administration programs and financing to support forest products business development and infrastructure. USFS Research and Development, State and Private Forestry, and National Forest System should work collaboratively to support existing and emerging forest products technologies, including the work of the National Forest Products Laboratory, with the goal of expanding markets to maximize restoration activity.
13. Congress should pass legislation to promote forest and rangeland product markets and technologies and expand funding for the Community Wood Energy Program. Federal agencies are encouraged to continue research and development efforts to find viable markets for low-value biomass and prioritize the utilization of low-value biomass for thermal, electric, and liquid-fuel energy. Rural electric cooperatives, public utilities, community facility managers, and other partners should contribute to the research, testing and deployment of new and modified heat and electric generation projects and liquid-fuel facilities from hazardous fuels reduction, conifer removal, and other forest and rangeland restoration efforts.
14. Federal land managers should work to ensure that forest products producers have increased certainty of supply, as well as a broader suite of outlets, in addition to traditional sawmills and existing biomass facilities. States can also work with USFS and other federal land managers to establish more long-term stewardship agreements to ensure a long-term feedstock supply. Federal resources and partnerships should support efforts beyond federal lands given the critical role of cross-boundary work.
15. Authorities granted in past Farm Bills such as Good Neighbor Authority (GNA) and Stewardship Contracting Authority (SCA) are powerful tools to boost forest and rangeland management, promote collaboration, and limit the effects of administrative objections and litigation. Congress should extend both authorities to all federal land management agencies and authorize those entities to increase the flexibility of GNA and SCA. Federal agencies should modify GNA guidance for all eligible partners to allow 20-year contracts, retention of timber sale revenue, a broader set of authorized restoration services, and the expenditure of project revenue on non-federal lands.
16. Western Governors believe clear, coordinated, and consistent application of federal vegetation management practices is integral to maintaining the health of western forests, preventing dangerous and damaging wildfires, and maintaining grid reliability. The Governors support effective and efficient cross-jurisdictional coordination that enables utilities to undertake necessary vegetation management actions on federal transmission rights-of-way.

17. Congress should direct funding to the Joint Chiefs Landscape Restoration Program to facilitate continued partnership and investment between USFS, the Natural Resources Conservation Service, and state foresters to support restoration projects.
18. The USFS business model can be improved by identifying business practice barriers to cross-boundary projects, developing training on state and federal contracting procedures, utilizing Service First authorities, streamlining and consolidating agency processes with partners, and establishing multi-agency pilot projects, which can suggest models for subsequent formal agreement.
19. Western Governors encourage effective deployment of IIA programs, including programs that provide incentives to purchase equipment, participate in new processes, or expand markets to encourage deploying new conservation practices to aid in forest and soil health and restoration.
20. Western Governors support efforts to improve the effectiveness of the National Environmental Policy Act (NEPA) in a forest and rangeland management context, including the use of area-wide plans and specialized teams to bolster NEPA capacity. Federal agencies should engage with Governors and states in early, meaningful, and substantive consultation throughout the NEPA process. Western Governors support allowing federal agencies to analyze only the action and no-action alternatives when a project is collaboratively developed, unless a third alternative is proposed during scoping and meets the purpose and need of the project. Federal agencies should consider how interagency shared positions can create regulatory efficiencies and promote greater collaboration between federal, state, territorial, local, and tribal land managers.
21. State, tribal, and federal agencies should look to expand the training for and use of prescribed fire and should look for ways to reduce the statutory, regulatory, and economic barriers to its expanded use on western forests and rangelands.
22. Federal agencies seeking to deploy prescribed fire should work to educate the public about the utility and necessity of prescribed burns to increase cultural acceptance of the practice. Federal agencies should also coordinate with state air quality specialists on prescribed burns, put greater effort into coordinating prescribed fire with mechanical treatments; updating models, tools, and practices for safe burning; and putting a greater emphasis on post-burn preparation. State and federal air quality specialists should work together to identify reforms that reduce barriers to prescribed fire, reduce overall health impacts from smoke, improve interagency use of smoke management best practices, and examine liability protection for fire managers and compensation for private property owners negatively affected by escaped prescribed burns.
23. Land managers across the West should strive to increase workforce capacity for science-based vegetation management activities, oversight, and planning.
24. Traditional Native American cultural burning and tribal ecological knowledge and practices can contribute significantly to improved forest management in the West and should be incorporated more effectively into federal and state planning management processes.

25. Western Governors support efforts to improve a broad range of pre-fire mitigation practices. State and federal agencies should work to develop tools to support mechanical hazardous fuels reduction, especially the removal of underbrush and understory, which are economically unviable in many instances. Land managers should work to further integrate invasive species data and management practices into hazard fuels management and planning.
26. The federal government should consider additional steps to recruit and retain an effective land management and wildland firefighting workforce, including dispatchers. Federal agencies should examine their reliance on 1039 seasonal staff, shift a higher percentage of wildland fire staff from seasonal to permanent and permanent subject to furlough positions, evaluate policies related to the use of Administratively Determined emergency firefighters, and authorize hazard pay for federal firefighters performing prescribed fire operations.
27. Agencies and stakeholders should continue to seek opportunities, including revisions to forest plans, to enhance safety and reduce costs in suppression decisions while protecting communities. Incentives should be created for local governments to take voluntary actions to support the creation and expansion of fire-adapted and smoke-ready communities, including the promotion of education, fuels management projects, and improved integration of community wildfire protection plans with land use decisions when compatible with local goals. Federal land managers are encouraged to make shared wildfire risk mitigation systems (SWRM) and similar tools widely available to communities and decisionmakers.
28. Western Governors support increased attention to the challenges posed in post-wildfire landscapes and wildfire-affected communities. Federal agencies should collaborate with states to designate and train post-fire coordinators to manage post-fire recovery. Doing so would encourage better awareness of post-wildfire restoration funding opportunities available to wildfire-affected communities and more sophisticated coordination of restoration activities to achieve restoration objectives. Land managers should prioritize post-wildfire water quality effects in mitigation planning and execution.
29. Increasing the pace and scale of restoration work like prescribed fire, fuels reduction, active management, and reforestation can help reduce the effects of climate change. Western Governors support the creation and expansion of technical and financial assistance to landowners for carbon sequestration and conservation activities on forests and rangelands. Land managers should integrate small private landowners into ecosystem planning processes and responsible land management practices; additional methods of gaining small landowner participation and engagement should also be explored.
30. Federal agencies need to ensure adequate monitoring, assessment, and analysis of federal forests and rangelands, including data on wildlife, water, soil, and forage. States, territories, and federal agencies are encouraged to consider standardizing and simplifying data collection protocols for federal agencies, states, counties, and tribes which include robust landowner privacy standards and protections. Federal agencies should strive to further improve the collection of socioeconomic data related to forest and rangeland management decisions, and to further incorporate that data into management decisions.
31. The Administration should provide federal funding to develop detailed state rangeland action plans addressing invasive species, wildlife and fish habitat, and water quality and quantity as a complement to State Forest Plans. These rangeland plans should include resource analyses of

soil health, water, plants, animals, and productive capacities to inform management decision-making.

32. Western Governors urge Congress and the Administration to support the research needed for responsible and effective forest and rangeland management in the West. Federal agencies conducting research should also work to ensure that public research projects are focused on research that supports on the ground management needs. Western Governors urge Congress and the Administration to support USFS Research Stations, which play a key role in forest and rangeland management in the West.
33. Federal agencies are encouraged to include cost metrics such as the avoided cost of uncharacteristic wildfire, smoke effects on populations, excessive carbon emissions, and damage to water supply systems and downstream communities when assessing the merits of mitigation projects.
34. The outbreak of the COVID virus in 2020 posed a significant challenge to those working to manage the West's forests and rangelands, particularly wildland firefighters. State, federal, and local wildland fire managers should be encouraged to learn from the pandemic response and, as appropriate, implement effective new management principles developed during that pandemic into permanent practice. Efforts should be made to ensure that emergency response personnel are prepared for similar situations in the future, as well as other potential risks.
35. Mature and old growth forest characteristics should be considered when actively managing forest ecosystems but should not impede the ability to actively manage and restore forest ecosystems. Ecosystem resiliency is, in part, dependent on having a range of various tree age classifications within a forested ecosystem. Mapping tools should be used generically to identify where mature and old growth forests may be present and management actions should be based on locally verified ecosystem resiliency factors and ground truthing.
36. Western Governors support the continued responsible use of federal lands for grazing and increased funding for grazing management, monitoring, and permit condition compliance. Repairing and replacing range improvements, particularly fencing, in a timely manner should be a priority for federal land management agencies in wildfire-affected areas.
37. We support sound, science-based management decisions for federal lands – including adaptive management – and believe these decisions should be based upon flexible policies that take into account local ecological conditions and state planning decisions for fish and wildlife and other human needs.
38. Federal and state land managers should identify opportunities to improve flexibility and integration of grazing management and targeted grazing as tools to achieve restoration and land management goals, including fish and wildlife habitat improvements, drought and wildfire mitigation and resilience, water quality and watershed health, soil health management, promotion of perennial plant health, and control of invasive species such as cheatgrass. They should also promote grazing allotment flexibility on federal lands, within USFS and BLM permitting systems and across ownership boundaries, to respond to changing rangeland conditions and environmental considerations. Western Governors also encourage measures of successful grazing be based in ecological outcomes showing upward trends.

39. Livestock grazing on federal lands is compatible with recreation and wildlife management and fulfills the multiple use and sustained yield mission of both the USFS and BLM. Policies, analyses, or planning decisions that lead to closing allotments must be based on science, documented threats, and causal factors consistent with state policies and programs as well as federal multiple use missions. It should also be taken into consideration that grazing suspensions and closures after wildfire allow for the onset of invasive grasses causing a quicker fire return interval, which can exacerbate the threat of wildfire.
40. Decisions to reduce or suspend grazing should only be made when supported by an appropriate quantitative assessment of long- and short-term trends in rangeland conditions on specific allotments, risk of spread of invasive weeds, diseases to wildlife, or other documented fish or wildlife impacts. Forage use from wild ungulates should be assessed using rigorous quantitative methods when identifying the causal factors that affect range conditions, and those wild ungulates should be managed for their proportional impact. If after consultation with the state, the federal agency decides to reduce, suspend, close, or modify an allotment due to documented harmful wildlife impacts, an alternative allotment, properly authorized pursuant to NEPA, if a suitable alternative allotment exists, must be made available to the displaced operator prior to adjustment of the original allotment. In order to fully implement this policy, the BLM and USFS must have alternative allotments properly authorized under relevant planning documents. This ensures that suspensions or modification of grazing permits will not result in a net loss of Animal Unit Months and that appropriate alternative allotments are available.
41. Grazing permit renewal decisions should be assisted by current site-specific, quantitative data. Federal agencies should engage in meaningful consultation, coordination, and cooperation with livestock grazing permittees, state and local governments, tribes, and stakeholders, prior to initiation and throughout the entire permit renewal process.
42. Federal land management agencies' decisions to reduce or close allotments should only be based upon completion of a full administrative review and analysis, including a thorough review under the provisions of NEPA. The decision process must include opportunities for states, livestock grazing permittees, and other stakeholders to provide input. Allotments should not be closed due to a pending NEPA review without allowing authorized use of the allotment pending a final decision, or the use of an equivalent amount of forage at reasonably equivalent cost to compliant operators.
43. Federal rangeland specialists should have an understanding of the economics and management of ranching operations dependent upon federal lands and should receive the necessary training to comprehensively monitor rangelands, conduct objective analysis, and write sound environmental documents.
44. Clear directives and accountability throughout all levels of the USFS and BLM should be required so that interpretation and implementation is practical and predictable from office to office and individual to individual and informed by an understanding of localized rangeland and ecological conditions, and economic health of ranch operations. BLM should engage collaboratively with livestock grazing permittees when developing Annual Operating Instructions and aim to minimize economic burdens to permittees.
45. Federal land management agencies must give interested state agencies an opportunity to fully participate in or provide input to grazing permit actions – prior to their initiation – including

generalized review of livestock operations on federal lands, any assessment of grazing conditions as part of a federal planning process, review of past compliance of the operator with grazing allotment conditions, and individual allotment reviews. Grazing permit decisions should not be finalized until after this opportunity for meaningful consultation with the states, local governments, and the affected permittees.

46. Governors possess primary decision-making authority for management of state resources. States also have knowledge and experience that are necessary for the development of effective plans. Accordingly, it is essential that Governors have a substantive role in federal agencies' planning processes and an opportunity to review new, revised, or amended federal land management plans for consistency with existing state plans. Federal agencies should provide Governors with sufficient time for a complete state review of federal land management plans, especially when federal plans affect multiple planning areas or resources.
47. The federal government should be a responsible landowner and neighbor and should work diligently to improve the health of federal lands in the West. Federal actions or failures to act on federal lands affect adjacent state and privately-owned lands, as well as state-managed natural resources.
48. Congress and federal agencies should provide opportunities for expanded cooperation, particularly where states are working to help their federal partners to improve management of federal lands through the contribution of state expertise and resources.
49. Western Governors support efforts to examine rural communities' relationships with natural resources, such as forests, rangelands, croplands, wildlife, and source water, as well as the important role that rural communities play in the management of these resources. Policymakers in the West should be encouraged to identify barriers to growth and sustainability in western communities, including a lack of restoration infrastructure, disaster mitigation challenges, dependence upon a single natural resource, and issues related to local capacity, expertise, and funding, and identify best practices to help rural communities overcome these barriers.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. The Governors direct WGA staff to work with congressional committees of jurisdiction, the Executive Branch, and other entities, where appropriate, to achieve the objectives of this resolution.
2. Furthermore, the Governors direct WGA staff to consult with the Staff Advisory Council regarding its efforts to realize the objectives of this resolution and to keep the Governors apprised of its progress in this regard.

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Policy Resolution 2022-02

Air Quality Protection and Management

A. BACKGROUND

1. Clean air is essential for strong communities and superior quality of life. Air quality is influenced by both human activities and natural phenomena. Baseline air quality and the sources of impacts to that baseline differ based on local industry, geography, population, meteorology, and other state or regional conditions.
2. In the West, high elevations, extreme variations in topography, vast landscapes, and vacillating weather patterns influence air quality. The West is also disproportionately affected by wildfires, high wind dust events, volcanic activity, and international transport of pollutants. Pollutant sources, methods of dispersion, and types of affected areas in the West are very different from those in the eastern United States.
3. The Clean Air Act (CAA) establishes a regulatory structure for controlling, monitoring, and improving air quality through a system of cooperative federalism in which states and the Environmental Protection Agency (EPA) work together as co-regulators and as partners in air quality management.
4. States have the authority to manage air quality within their borders. Many western states have assumed primary responsibility for the implementation and enforcement of the CAA, subject to the minimum requirements established by EPA, through approved State Implementation Plans (SIPs).
5. The CAA obligates all states to develop SIPs to attain and maintain National Ambient Air Quality Standards (NAAQS) for criteria pollutants. The General Conformity Rule requires federal agencies to work with states in nonattainment and maintenance areas to ensure that federal actions conform to any applicable SIP.
6. The Regional Haze Rule was established pursuant to section 169A of the 1977 CAA amendments that requires states to prepare SIPs to protect visibility from human-made air pollution in 156 national parks and wilderness areas designated by congress as Mandatory Federal Class I Areas.
7. Air quality in the West has benefited from significant emissions reductions over the last 40 years. However, the number and types of remaining emissions sources controllable by states are somewhat limited. The CAA directs states, pursuant to their SIPs or Federal Implementation Plans, to reduce criteria pollutant emissions from sources that states can control, not natural or international sources. It also precludes states (except California) from establishing emissions standards for mobile sources, although Section 177 of the CAA allows states to adopt California's motor vehicle emission standards for which waivers have been granted by EPA.

B. GOVERNORS' POLICY STATEMENT

Co-Regulation

1. Western Governors value the cooperative federalism in air quality management and believe its application can and should be improved. In some cases, federal agencies disregard state expertise and authority over air quality and/or do not solicit timely, valuable input from states. Limited availability of financial resources exacerbates these tensions.
2. EPA should recognize state authority under the CAA and accord states sufficient flexibility to create air quality and emissions programs tailored to individual state needs, industries, and economies. In reviewing state plans, EPA should focus on the circumstances facing the individual state. EPA should not reject reasonable state policy choices based solely on national consistency, fear of being legally challenged, or on concerns that such choices might not be appropriate for all states.
3. Federal agencies should communicate, consult, and engage with Governors and state air quality agencies as co-regulators. For example, in the Prevention of Significant Deterioration (PSD) program, EPA should work with states to clarify responsibilities and procedures to improve coordination and consultation among state agencies, EPA, and federal land managers, as well as develop guidelines and tools for the program.
4. State CAA programs require financial and technical support from EPA and Congress. EPA must have sufficient resources to perform the research necessary to develop timely tools, templates, and guidance for states to implement effective and efficient air programs.
5. EPA rules and guidance should be clear, timely, and supported by current science and data. EPA should consult with states throughout the drafting process before a potential rule, rule revision, or guidance becomes public. EPA should also provide states with timely implementation guidance when new and revised regulations or standards are published.
6. States require certainty and consistency from Congress and EPA to implement their CAA programs. Congress and EPA should prioritize regulations addressing federally regulated mobile sources, particularly from international aviation and marine sources. EPA should consult with states to ensure adequate and effective implementation of federal programs relied on by states for their CAA programs, such as the New Source Performance Standard (NSPS) for wood heaters.
7. Under current rules and guidance, states must monitor NAAQS throughout a 20-year maintenance period, even when there is no threat of an exceedance and/or the standard has been superseded by a more stringent or different standard. States should be allowed to reduce monitoring in maintenance areas that have appropriately demonstrated air quality in the area is below the NAAQS. This allowance will free resources to address pollutants that remain a concern.

Ozone and Particulate Matter

8. Uncontrollable events and conditions (such as wildfire, lightning, biogenic and geogenic emissions, stratospheric ozone intrusion, and transported ozone from international and

interstate sources) result in elevated levels of particulate matter (PM) and background ozone. Western Governors have significant concerns about the lack of CAA tools available to account for PM and ozone exceedances resulting from factors outside state control.

9. The West needs additional and ongoing research on background, interstate, and international ozone. This research should be transparent, comprehensive, and coordinated with state air quality agencies and regional organizations. With this new information, EPA should reconsider the one percent threshold for significant contribution for interstate ozone transport obligations.
10. Congress should provide dedicated funding for analysis of background and transported ozone in the West, as it has historically done for the eastern United States. Congress should also provide a mechanism for which factors, such as international transport and background, that are beyond states' control are factored out of an ozone attainment determination.

Exceptional Events

11. Exceptional event demonstrations are resource intensive, costly, and place a significant burden on strained state resources, especially when EPA does not review or approve these state submissions in a timely manner. A lack of adequate consultation with and feedback from states, along with detailed and transparent rationale for EPA's exceptional event demonstrations, can exacerbate these challenges. EPA should streamline the process for exceptional event demonstrations, provide additional technical tools for states, and allocate resources to review state demonstrations regardless of regulatory significance status.
12. EPA should consider the resource burden placed on state and local air quality agencies to complete exceptional event demonstrations. State and local agencies can face resource challenges due to the timing of data collection requirements, limited communication with EPA during exceptional event occurrences, and limited clarity around the tier of demonstration that is required for a particular event. More specific guidance and additional EPA resources could help address these challenges. In addition, EPA should develop a database with information on air quality impacts that affect the West (e.g., wildfires, dust storms, volcanic activity, etc.) and provide a clearinghouse with tools that states can use for exceptional event demonstrations.
13. Western Governors believe the states and EPA would benefit from the following approaches to exceptional events demonstrations: (1) aggregation of multiple factors contributing to air quality to prove a single exceptional event exceedance demonstration; (2) regional exceptional event demonstrations; and (3) reference to previously submitted and approved exceptional events demonstrations for repeated event types.

Regional Haze

14. Good visibility in the 122 western Regional Haze Program Class 1 Areas, which include many of the crown jewels of the West's national parks and wilderness areas, positively affects western states' economies. It is important to address mobile and international emissions sources beyond states' control in the context of western states' regional haze planning processes.

15. The profound effects of fire and smoke on visibility at Class I areas in the West should be recognized in the Regional Haze Guidance and Rule.
16. EPA provided Draft Regional Haze Guidance for the second implementation period of the Rule in July 2016, but did not finalize the guidance until just weeks prior to when the second implementation period SIP was due. The clarification memo provided by EPA in July 2021 presents challenges to the state regional haze SIP development process and could be the cause of litigation. No input was requested from states before the memo was finalized. States would appreciate the ability to give input on new guidance before it is finalized, to sustain transparency between EPA and state decision making and permitting regarding regional haze.
17. Given the importance of improved visibility in the West, EPA should provide funding and resources to states throughout the planning and implementation process.

Wildfire and Prescribed Fire

18. More frequent and intense wildfires are steadily reducing the West's gains in air quality improvement. Smoke from wildfires can cause air quality to exceed the NAAQS for particulate matter and ozone, affecting public health, safety and transportation. The presence of smoke in western states is increasingly persistent and seasonal in nature, which can further exacerbate public health effects, especially for vulnerable populations.
19. Effective forest management techniques, including mechanical thinning of forests and prescribed burns, can dramatically reduce the size and severity of wildfires and their corresponding effect on air quality. Prescribed fire, which is managed according to state SIPs and smoke management programs, can reduce these effects, but is currently underutilized in some areas.
20. Western Governors support the use of prescribed fire to reduce the air quality effects of uncharacteristic wildfire in the West. Federal and state land managers should have the ability to use prescribed fires when weather and site conditions are appropriate and public health is protected.
21. Prescribed fire practices should include smoke management planning coordinated between state land managers, state air agencies, state health departments, EPA, other federal agencies, and federal land managers. State or regional prescribed fire councils can help facilitate this coordination.
22. Western Governors call on EPA and federal land managers to improve existing air quality tools and create additional air quality tools for states to encourage prescribed fire. These should include simplified exceptional events guidance for prescribed fire, and tools to address the air quality effects from wildfire in the West.
23. Western Governors emphasize that fire management and smoke effects cross state lines, and request that EPA work with the U.S. Forest Service (USFS), Bureau of Land Management, and other public land management agencies to develop a framework for proposing, reviewing, and approving prescribed fire events across interstate, regional areas and entities.

24. Western Governors appreciate EPA, USFS, the Department of the Interior, and the National Institute of Standards and Technology's collaboration to publish a report comparing the air quality and health effects of smoke from prescribed fire and wildfire. Western Governors encourage EPA, the Centers for Disease Control and Prevention, and other federal public health agencies to continue researching interactions between smoke and public health. Such research will inform western states' efforts to expand the use of prescribed fire as a wildfire mitigation tool.

Methane Emissions

25. Oil and gas operations are an important economic activity in the West, and western states regulate these operations through comprehensive programs. Methane is also a potent greenhouse gas emitted from a variety of sources, including oil and gas operations, coal mines, landfills, agriculture, wastewater facilities and natural sources. There are environmental and economic benefits of reducing methane emissions and opportunities for the beneficial use of this natural resource.
26. Many western states – in cooperation with industry in those states – have already implemented regulatory strategies that reduce methane emissions from oil and gas operations, while expanding the use and sale of methane.
27. In any federal methane regulation, federal agencies should: (1) ensure that the capture, commoditization, and sale of methane is promoted; (2) give states the flexibility to integrate a variety of technologies and tools to achieve methane emission reduction standards; (3) recognize methane emissions reductions that result from existing state regulation of volatile organic compounds; (4) ensure federal rules are coordinated with states to ensure alignment of federal and state regulatory structures; and (5) work with states to ensure the consistent use of a single, clear method of quantifying methane emissions.

Hydrofluorocarbon Emissions

28. Hydrofluorocarbons (HFCs) are a category of gases used in refrigeration and industrial applications that have the potential to contribute significantly to climate change. The federal American Innovation and Manufacturing Act of 2020 established federal restrictions on HFC production and consumption and will lead to a significant phasedown by 2036, but more action is needed.
29. California and Washington have passed laws creating more rigorous HFC restrictions than those in federal law. This includes the establishment of refrigerant management programs aimed at reducing HFC leaks during product lifetimes, and promoting reclamation and disposal at end of life. Congress should pass similar legislation that does not preempt state authority, but can take advantage of the opportunity to phase out these super pollutants and promote the transition to readily available substitutes.
30. Federal agencies should promote and fund research, development, and deployment of low-Global Warming Potential refrigerant alternatives to aid manufacturers, lower costs, and incentivize industry transitions to products compliant with state HFC restrictions. This includes updating federal building codes to safely allow the use of alternative refrigerants.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. The Governors direct WGA staff to work with congressional committees of jurisdiction, the Executive Branch, and other entities, where appropriate, to achieve the objectives of this resolution.
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Policy Resolution 2023-04 Housing is Foundational to the Success of the West

A. BACKGROUND

1. The West has undergone extraordinary growth in recent years. According to the 2020 U.S. Census, the region has experienced population growth of 9.2 percent from 2010 to 2020, the second highest rate nationally, with more than 78 million new residents. The three fastest growing states by percentage – Utah, Idaho, and Colorado – are all western states. In addition, towns with less than 5,000 people in the Rocky Mountain and coastal areas of the West have experienced the highest nationwide population growth rates at 13.3 percent.
2. The COVID-19 pandemic accelerated and spurred several noteworthy trends. Over the past ten years, moves to large and expensive cities have plateaued in favor of smaller cities and suburbs. The U.S. Census reports that while overall moving rates continued to decline, starting in 2021, the West began to see a dramatic increase in net migration to the region. During the public health crisis, people fled big cities at increased rates for less dense areas that offered warmer weather, more outdoor recreation activities, and greater opportunities to safely social distance as telework became the new normal and employees were no longer tethered to a physical office. The Pew Research Center estimated that 1 in 5 adults, especially young professionals, relocated during the pandemic or know someone who did.
3. This growth in the West has led to housing shortages in communities large and small. Shortages have been exacerbated by Great Recession development delays and stops and a lack of workforce, which have resulted in a housing slump and left communities across the West struggling to keep up with demand and a near-record rise in the number of American homeowners. As the market began to recover, the spread of COVID-19 hit builders with similar issues, including supply chain delays and a workforce deficit.
4. According to the Federal Reserve, while home sales have boomed, the number of active housing listings in January 2022 dropped to its lowest in at least five years – 60 percent below the number on the market just two years previously – causing home sale prices to skyrocket. Nationally, prices have increased by nearly 20 percent, with the West seeing some of the greatest increases.
5. The West's natural beauty brings people from across the nation and globe. While western states welcome the growth in remote workers and visitors to tourism and outdoor recreation-based economies such as resort towns and gateway communities, unmanaged growth has caused "big city" issues for some areas. Additionally, many residences have been converted into temporary rental units through services like Airbnb and VRBO. The unchecked proliferation of these rentals can heighten housing shortages, drive costs higher, and diminish the availability of places for residents and workers to call home. Long-time community residents and workers are often forced to move out of the communities they grew up in and are culturally connected to, exacerbating disparities and making it difficult for social services, businesses and government to retain and attract employees from within

the community. Rapid population influxes also strain existing infrastructure and resources in areas that already have limited planning capacities.

6. Rural communities face unique challenges when addressing housing issues. Construction costs in rural areas are often higher than in urban areas and are further compounded by a lack of critical infrastructure. There are limited numbers of investors and contractors who are willing to mobilize or invest in small communities, making the cost of new or improved housing too high for middle-income residents. Rural areas can also lack access to lenders and credit, which reduces funding for the production of new units and the maintenance of existing housing stock. As a result, a disproportionate amount of the nation's occupied substandard housing is in rural communities. According to the U.S. Department of Agriculture (USDA), approximately half a million of its multifamily housing properties will need a total of \$5.6 billion in investments to maintain suitable living conditions for residents.
7. Despite a recognized need for more housing and housing of different types, existing homeowners often oppose increasing the housing supply in their communities, especially the construction of denser housing. This opposition, and the signal it sends to city leaders, zoning boards, and planning commissions, represents a significant impediment to addressing the housing shortage and can lead to restrictive local land use regulations. Some western communities are addressing these challenges in part through the development of communities that combine housing of different types and sizes with commercial properties in ways that promote affordability, walkability, diversity of homeowner type, and a higher quality of life.
8. In downtown submarkets and dense neighborhoods, apartment absorption rates show that landlords are quickly leasing vacant apartment units, driving strong rent costs. From October 2020 to October 2021, rental costs increased 15.9 percent, with the median cost of advertised rentals rising to above \$2,000 for the first time. Rental occupancy, new lease signings, and lease renewal rates show strong growth, indicating an increase in rental demand across the market. The West plays a strong role in this growth, with half of the top twenty predicted strongest markets in 2022.
9. All available data suggests that homelessness, including among families with children, has risen during the current housing crisis, likely attributed to surging rents, which compound personal and societal causes of homelessness. Homelessness and housing instability make it harder to find and keep a job, treat or manage medical conditions, and learn in school. It destabilizes communities and lowers outcomes across public systems. No one institution can end this issue on its own.
10. Housing is foundational to economic development and community vitality. In the long run, it is more cost effective for public systems to house those in need with wrap around service. Models like permanent supportive housing or transitional housing with supportive services keep residents off the streets and provide upstream interventions that lessen costs for justice and health systems. The need for a greater diversity of housing options goes beyond the obligation to treat people with dignity, as it is also cost effective for governments.
11. The HOME Investment Partnerships Program (HOME) and the Housing Trust Fund are federal housing programs administered by the Department of Housing and Urban Development (HUD). HOME is the largest federal block grant to state and local

governments for affordable housing. It provides formula grants for building, buying, and rehabilitating affordable housing or direct rental assistance to low-income households. The Housing Trust Fund provides grants to states to develop and preserve affordable housing for extremely low-income households. Although both programs are administered by the same agency, they have separate environmental review requirements. Some projects utilize both programs, resulting in a taxing process that can yield conflicting results.

12. Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) requires recipients of HUD funding to direct employment, training, and contracting opportunities to low-income individuals and the businesses that employ these persons. Davis-Bacon and related acts require federal government construction contractors on covered public buildings and public works to pay the "prevailing wage" to laborers. Applying Section 3 or Davis-Bacon to multifamily projects significantly increases the administrative burden of projects. In tight construction markets in the West, affordable multifamily projects often struggle to find contractors willing to accept the regulatory burden. These projects receive far fewer bids than non-federal projects and frequently face higher construction costs. An Oregon affordable housing cost driver study found that prevailing wage determinations, some related to Davis-Bacon, increased costs by 9 percent when controlling for other factors.
13. The Federal Housing Administration (FHA) insures mortgages on single family homes, multifamily properties, residential care facilities, and hospitals and is critical to sustaining and financing affordable housing across the nation. However, it has become increasingly arduous to work with FHA and its third-party contractor. A significant amount of time and effort is expended on delinquency reporting, filing claims, and the foreclosures process due to a lack of guidance, staffing shortages, and antiquated technology. Applicants must navigate multiple systems for delinquency reporting and filing claims and interpret handbooks if they have questions, as FHA no longer has state staff to consult and is frequently unresponsive to requests for guidance.
14. FHA determines lending limits annually based on median house prices, a percentage of the national conforming limit, and the county in which the property is located. In rural areas and non-disclosure states, there may not be current sales data or information may not be public, which generally means loan limits are not raised in spite of the fact that prices have increased.
15. Private Activity Bonds (PAB) are used to develop affordable housing and provide mortgages to low- and moderate-income homebuyers, allocated from the federal government with Congressionally set caps. Many states in the West have hit their PAB cap, meaning their ability to advance housing solutions and leverage state and local funds is limited. Additionally, the PAB cap restricts the use of the 4 percent Low Income Housing Tax Credit (LIHTC) because 50 percent of these developments must be funded with PAB. States that invest state and local resources in housing development are unable to fully leverage federal funds, creating the perverse disincentive of limiting how much state and local partners invest in housing.
16. The Community Development Block Grant (CDBG) Program, administered by HUD, provides flexible resources to states and localities to fund housing and economic development opportunities for low- and moderate-income communities. For single-family residential projects, HUD requires states and localities to identify all properties for funding upfront and

to work on them as a single project, but this is an obstacle for small, rural communities. These communities struggle with getting contractors and finding the workforce to do everything at once. The burden of administration is also extremely high and there is a tremendous amount of risk involved with the cost of compliance for CDBG. Audits may occur years after funding has been disbursed and projects have begun, and states and localities must bear the costs if projects are not compliant.

17. Federal formulas for funding do not always function effectively for states. While costs for projects have grown significantly and federal funds are often crucially important to offsetting these extreme per unit costs for affordable units, minimum allocations have stayed relatively constant. In addition, some programs utilize formulas that have been designed for other programs. For example, the traditional Emergency Solutions Grants (ESG) Program uses the CDBG formula despite the vast differences between their program goals. Although the traditional ESG formula is effective at making allocations quickly, it does not adequately serve places with homelessness needs because it is designed to address more general community development needs. The ESG formula used for the second wave of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding was more aligned with program goals and led to more targeted investments to drive improved outcomes.
18. Rural states often receive the minimum allocation of federal grant funds. Consequently, they receive a much smaller administrative allocation even though every project must follow the same steps and requires the same administrative responsibilities as more populous states. Insufficient administrative funding makes it difficult for these states to leverage federal housing programs.
19. Across the West, wildfires and other natural disasters are devastating communities and creating real and persistent impacts on the lives of Americans. Federal Emergency Management Agency (FEMA) resources do a poor job of supporting those in need, particularly renters and communities with little trust in government. The federal process requires extensive documentation – which is often lost, especially in fires – and multiple rounds of applications and appeals. CDBG-Disaster Recovery (CDBG-DR) funds require Congressional allocation, which delays implementation of recovery activities. In addition, the program is not well suited to support the immediate needs of wildfire recovery. Homes are a total loss in wildfires, unlike floods or hurricanes, and infrastructure needs are beyond what CDBG-DR can support.
20. Manufactured and modular homes could help address the housing shortage in the West. These prefabricated structures are partially or fully constructed in off-site factories, which makes them affordable housing options because they are significantly less expensive and faster to build. Manufactured homes are built to HUD standards and are moveable, while modular homes are held to local, state, and regional building codes for on-site homes. While there is a huge opportunity for growth in this industry, regulatory barriers threaten to dampen or halt their expansion. A recent Department of Labor (DOL) proposal to expand the "site of work" definition for Davis-Bacon could drive up costs for manufactured and modular housing, making it harder for Americans to access affordable housing.
21. Affordable and quality housing is essential for an effective military and the recruitment and retention of military personnel and civilians. On military bases, the government provides single and unaccompanied military installation housing rent-free. There are also houses on bases, which are commonly privately-owned. The federal government provides military

personnel with a Basic Allowance for Housing (BAH) to offset the costs of renting these houses or renting or buying off-base housing. Civilians do not receive a BAH, but they are allowed to utilize base housing if it is available. BAH rates are set by surveying the cost of rental properties in each geographic location. However, the Government Accountability Office (GAO) has noted that these rates do not always accurately reflect the cost of suitable housing for service members. Furthermore, GAO has reported that remote military bases typically lack critical services and amenities, prompting personnel and civilians to search for housing in communities that are farther away or to commute long distances to access them.

B. GOVERNORS' POLICY STATEMENT

1. Western Governors urge Congress to pass legislation lowering the threshold of PAB financing from 50 percent to 25 percent to infuse equity into local economies, which would result in an immediate increase in affordable housing opportunities and hundreds of thousands of additional homes being built or preserved.
2. Inflation, increased material costs, and labor shortages are already constraining affordable housing development. Western Governors urge the federal government to reduce the administrative burden associated with federal housing programs to better facilitate and expedite affordable housing development, using the U.S. Department of the Treasury's (USDT) administration of the Emergency Rental Assistance (ERA) Program as a model. Reducing administrative burdens would enable affordable housing to compete on a more even field. Specifically, Western Governors support subsidy layering review and efforts to streamline the National Environmental Policy Act or use other environmental reviews in its place and urge HUD to streamline environmental review requirements for the HOME and Housing Trust Fund Programs so that projects utilizing both programs only have to complete one review. The Governors also encourage DOL to consider providing Davis-Bacon waivers for multifamily projects in small and rural communities, which often have a limited pool of contractors.
3. Western Governors request that HUD change provisions of 24 CFR 92.241(b) requiring property rehabilitation to adhere to strict minimum property standards for the HOME Program. Flexibility and discretion for rehabilitation funding would allow states to make critical improvements to the housing stock without projects dying due to the identification of other, less critical problems during HOME assessments.
4. Western Governors urge Congress to appropriate funding to FHA to upgrade their technology and processing systems. We recommend that FHA streamline its cumbersome claim filing process by creating one efficient, centralized, and modern claim system. In addition, FHA should provide ongoing and up-to-date guidance to state and local housing authorities or authorize and train its third-party contractor to provide guidance to state and local housing authorities to avoid costly consequences that hinder housing improvements in states. Western Governors also encourage FHA to consider having designated state staff again to improve communication and coordination between states and the federal government.
5. Western Governors request that the federal government support state housing finance and public housing agencies and explore ways to improve the services and resources provided to them.

6. Western Governors encourage HUD to review and allow for alternative processes in non-disclosure states to address the increasing price of housing and adjust loan limits accordingly.
7. The federal government should enable the LIHTC Program to work more effectively for underserved communities, including rural, tribal, high-poverty, and high-cost communities, as well as extremely low-income and formerly homeless tenants. Western Governors encourage the USDT and HUD to ensure that they better preserve the nation's existing affordable housing inventory by simplifying and aligning program rules. In addition, we recommend that the federal government reauthorize the expansion of 9 percent low-income housing tax credits that expired at the end of the 2021 and move forward by increasing Housing Credit allocations by 50 percent to help meet the need for affordable housing.
8. The federal government should review and adjust the formulas that determine minimum allocations granted to states for housing programs, including the Housing Trust Fund, the LIHTC Program, and the HOME Program, to account for the high administrative and regulatory costs associated with these programs. Increased allocations would allow the states to produce more impactful projects in our states. In addition, federal formulas should include data elements that directly relate to program goals, especially for the ESG Program, to ensure federal funding serves those who need it most.
9. Western Governors call for HUD to add a flat administrative fee for minimum allocation states in addition to the percentage amount for administration that is granted to them. Although projects in these states tend to be smaller, the administrative costs are the same as they are for larger projects and the administrative funds determined by the percentage formula is insufficient to cover these costs.
10. Western Governors request flexibility from HUD when utilizing CDBG funds for housing, which will ensure necessary adaptability in challenging rural markets. We encourage HUD to implement a similar approach to USDA and allow grantees to identify properties over the course of a project, instead of identifying all properties before a project begins. Focusing on one or a few properties at a time will open opportunities to grow and improve the housing stock, especially in rural areas. We also request ongoing guidance and communication from HUD to ensure that states are in compliance and are not surprised by updated guidance and penalized when projects are already underway or finished.
11. Western Governors recommend that the federal government make FEMA programs and CDBG-DR funds better tools for disaster relief. FEMA resources should require less documentation requirements after wildfires, given that many records are destroyed with little time for households to evacuate a fire zone. For CDBG-DR, HUD allocations should consider infrastructure needs and include additional resources to support rebuilding costs in the West.
12. Western Governors urge Congress to pass legislation facilitating the purchase of federal land by state or local governments at a reduced price for the purpose of increasing the supply of residential housing. We also request that the federal government honor existing commitments to transfer land to state or local governments in a reasonable amount of time.

13. Western Governors support manufactured and modular housing and recognize the important role they play in providing affordable housing for communities, particularly in rural areas. We encourage DOL not to expand the “site of work” definition to factory-built housing for Davis-Bacon wages, as it would significantly impact the affordability of these housing options.
14. Western Governors urge Congress and the Department of Defense to consider how housing costs affect recruiting, retention, and quality of life for military personnel and civilians, and solutions to the challenge. This should include adjusting the formula and process for determining the cost of housing on and near military installations; the process and frequency of adjusting locality pay, housing allowance, and remote site pay; the formula for deciding which services and amenities should be offered to personnel living on remote military installations; and other adjustments that could improve the affordability of housing and quality of life for both civilian and uniformed personnel.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. The Governors direct WGA staff to work with Congressional committees of jurisdiction, the Executive Branch, and other entities, where appropriate, to achieve the objectives of this resolution.
2. Furthermore, the Governors direct WGA staff to consult with the Staff Advisory Council regarding its efforts to realize the objectives of this resolution and to keep the Governors apprised of its progress in this regard.

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