



## NCSHA Priorities in the 21st Century ROAD to Housing Act and Housing for the 21st Century Act

The National Council of State Housing Agencies (NCSHA), on behalf of our state Housing Finance Agency members, strongly supports Congress's efforts to strengthen America's housing finance programs through comprehensive bipartisan housing legislation: The Senate's [21st Century ROAD to Housing Act](#) and the House's [Housing for the 21st Century Act](#).

These bills, which have both passed their respective chambers with overwhelming bipartisan support, would increase the supply of affordable housing through streamlined regulations, common-sense program reforms, and new flexible financing options. NCSHA enthusiastically endorses them both.

Though there is some overlap between the bills, several of the most important provisions under consideration are in one bill but not the other. **As Congress seeks to pass final legislation, NCSHA urges it to ensure the following provisions — those we believe to be most impactful — are included in the ultimate outcome.**

### Core Priorities

#### Strengthening the HOME Investment Partnerships Program

For more than three decades, the HOME Investment Partnerships Program (HOME) has been one of the most effective and flexible tools state and local governments have to meet their affordable housing needs, including rental home production and preservation, single-family home construction, home rehabilitation, and tenant-based rental assistance. However, Congress has not made meaningful changes to improve or reauthorize HOME since the 1990s.

Final legislation should modernize and strengthen HOME by reauthorizing the program, eliminating barriers to homeownership, streamlining Section 3 requirements, eliminating the duplicative and outdated 24-month commitment deadline, amending the Community Housing Development Organization requirements to enable additional nonprofit organizations to qualify as eligible partners for state and local participating jurisdictions, and streamlining property inspection requirements.

*The Senate-passed bill includes all of these program modifications, most of which are also in the House-passed bill.*

### **Ensuring Build America, Buy America (BABA) implementation does not undermine affordable housing financed with HOME funds**

While BABA's goal of supporting domestic manufacturing is laudable, its application to affordable housing, in particular the HOME program, is stymieing development of sorely needed affordable homes, raising the cost of production, and disincentivizing the use of HOME as a subsidy. In many cases, products and materials needed for affordable housing simply are not produced in the United States.

*The House's Housing for the 21st Century Act directs the HUD Secretary to review and revise BABA guidance for HOME. This could lead directly to significant administrative changes that will facilitate BABA compliance while ensuring its application does not upend housing production and preservation. This directive is not included in the Senate's bill at this time. If Congress makes further changes before passing a final bill, NCSHA supports inclusion of the House's language related to BABA.*

### **Raising the public welfare investment cap**

Both bills include language to increase the cap on banks' "public welfare investments," a category that includes Housing Credits, from 15 percent of a bank's capital and surplus to 20 percent. Some banks are currently bumping up against their 15 percent cap and thus are prevented from increasing their public welfare investments. The bill would support a robust investor market for Housing Credits by increasing liquidity in these markets. This is especially important as Congress recently acted to increase affordable rental housing production through the Housing Credit program in the One Big Beautiful Bill Act, making it even more important to facilitate additional investment in Housing Credit developments.

### **Facilitating housing preservation in rural areas**

*The Senate's 21st Century ROAD to Housing Act enacts a series of reforms to Rural Housing Service programs, including codifying a pilot program that allows decoupling of rental assistance from maturing Section 515 mortgages to ensure these properties do not lose rental assistance when their mortgages are paid off. Without rental assistance contracts, many of these developments cannot attract private investment desperately needed for recapitalization and rehabilitation and are likely to be lost from the inventory. This provision is not included in the House's Housing for the 21st Century Act.*

## **Other Priorities**

### **Streamlining environmental review requirements**

Both bills cut unnecessary requirements pertaining to environmental reviews, helping to spur the development of more affordable housing and expedite development to reduce costly delays.

### **Stabilizing manufactured housing communities**

*The Senate's 21st Century ROAD to Housing Act permanently reauthorizes the PRICE program, currently a temporary pilot program that has worked to preserve, maintain, and stabilize manufactured housing communities. Such financing is critical for ensuring these communities*

remain an affordable housing option for working families, particularly in rural and other underserved markets. Several HFAs have participated in the program. *This provision is not included in the House's Housing for the 21<sup>st</sup> Century Act.*

### **Providing resources for home repairs**

*The Senate's 21<sup>st</sup> Century ROAD to Housing Act* authorizes HUD to establish a five-year pilot program to provide grants to nonprofits, as well as state, local, and tribal governments to offer grants and forgivable loans to low- and moderate-income homeowners and qualifying small landlords to address home repair needs and health hazards for single-family homes occupied by low-income households (earning 80 percent of area median income or below). *This provision is not included in the House's Housing for the 21<sup>st</sup> Century Act.*

### **Overcoming local barriers to housing development**

*Both bills* direct HUD to publish voluntary best practices and guidelines for state and local zoning codes and land-use policies, helping communities identify and overcome barriers to housing development. Such guidelines would include model legislation and regulatory changes to eliminate parking minimums, modify building standards to allow for more types of housing to be built, allow for the construction of accessory-dwelling units, and encourage housing near public transit.