



NCSHA Priorities in the 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 the work of the House Financial Services Committee to strengthen America's housing finance programs through comprehensive bipartisan housing legislation – the [Housing for the 21st Century Act](#). NCSHA enthusiastically supports the bill. We applaud the House of Representatives for passing it and now urge Congress to negotiate and pass final legislation combining it with the Senate's ROAD to Housing Act. We especially support the following provisions:

Strengthening the HOME Investment Partnerships Program (Sec. 201)

For more than three decades, The HOME Investment Partnership 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.

The bill would modernize HOME by eliminating the duplicative and outdated 24-month commitment deadline, establishing protections for active-duty service members so that they may sell their homes in the event of deployment, amending the Community Housing Development Organization requirements to enable additional nonprofit organizations to qualify as eligible partners for state and local participating jurisdictions, and making other program improvements.

The bill would also streamline Section 3 requirements for HOME, expand eligibility to more households for HOME homeownership assistance, and direct HUD to evaluate and improve its Build America, Buy America (BABA) rules to mitigate the substantial cost increases and delays caused by BABA.

Raising the Public Welfare Investment Cap (Sec. 303)

The bill would 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. 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.

Streamlining environmental review requirements (Sec. 104)

The bill eliminates unnecessary requirements pertaining to environmental reviews, helping to spur the development of more affordable housing and expedite development to reduce costly delays. It would exempt certain activities from environmental review requirements, such as tenant-based rental assistance and activities to support homebuyers purchasing an existing dwelling or in need of emergency repairs and make other changes to reduce red tape barriers for small scale housing construction and rehabilitation.

Housing Supply Frameworks Act (Sec. 101)

The bill directs 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.