



NCSHA Priorities in The 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 the work of the Senate Banking Committee and the House Financial Services Committee to strengthen America's housing finance programs through comprehensive bipartisan housing legislation: The Senate's [Renewing Opportunity in the American Dream \(ROAD\) 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 reconcile these bills and pass final legislation in both chambers, NCSHA calls on Congress to ensure that the following provisions—those we believe to be most impactful—are included in the ultimate outcome.**

Core Priorities

Strengthening the HOME Investment Partnerships Program (ROAD to Housing Sec. 502; Housing for the 21st Century 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. There is significant overlap between the HOME components of the ROAD to Housing and Housing for the 21st Century bills, but each contains some key provisions absent from the other.

Both bills would modernize HOME by eliminating the duplicative and outdated 24-month commitment deadline, establishing protections for active-duty service members so that they may sell their homes in the event of deployment, amending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 ROAD to Housing Act would reauthorize HOME, increase administration fees so that states and local governments can better cover their own costs to run the program, simplify HOME's

homeownership rules, and streamline the property inspection regime for HOME-assisted properties. These provisions are not in Housing for the 21st Century.

The Housing for the 21st Century Act would 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. These provisions are not in ROAD to Housing

Raising the Public Welfare Investment Cap (ROAD to Housing Sec. 205; Housing for the 21st Century Sec. 303)

Both bills include language to increase the cap on banks' "public welfare investments," a category that includes Housing Credits and Housing Bonds, 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 and Housing Bonds, 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 (ROAD to Housing Sec. 503)

The 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 that these properties do not lose rental assistance when their mortgage is 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 Housing for the 21st Century Act.

Other Priorities

Streamlining environmental review requirements (ROAD to Housing Sec. 208; Housing for the 21st Century Sec. 104)

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 (ROAD to Housing Sec. 304)

The 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 that such 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 Housing for the 21st Century Act.

Providing resources for home repairs (ROAD to Housing Sec. 204)

The 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 Housing for the 21st Century Act.

Overcoming local barriers to Housing Development (ROAD to Housing Sec. 203; Housing for the 21st Century Sec. 101)

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.