NCDA HOUSING COMMITTEE
LEGISLATIVE AND REGULATORY PRIORITIES IN 2004

- **Increase the formula funding of the HOME Program in FY 2005 to $2.25 billion.** NCDA, the U.S. Conference of Mayors, and other national interest groups have sought this funding level for the last two years. The formula funding for the program increased from $1.785 billion in FY 2003 to $1.870 billion in FY 2004.

- **Ensure that participating jurisdictions do not have to repay HOME funds in case of foreclosure of a HOME-assisted property or in cases of non-compliance on the part of a property owner.** In the June 2003 issue of its *HOMEFires* newsletter, HUD told participating jurisdictions that they must repay HOME funds invested in a property in instances where the affordability period has not been completed. This includes HOME-assisted properties that have been foreclosed.

- **Increase the administrative fee for HOME or suggest some other vehicle to increase administrative resources in the program.** At the June 2002 Annual Conference, NCDA's Housing Committee and Board of Directors approved, as a legislative position, an increase in the HOME administrative fee from 10% to 20%. One other mechanism for increasing administrative funds under the program may be to charge a monitoring fee or some other fee under the program in lieu of increasing the administrative fee.

- **Create an administrative fee of 5% within the American Dream Downpayment Program.** Currently, the program provides no administrative funds for grantees. The Senate recommended 5% for administrative fees, but the language was eventually stripped from the final bill.

- **Increase funding for the American Dream Downpayment Program.** Since the program is separate from the HOME program and does not take away from the HOME program's allocation, we are seeking at least $200 million for the American Dream Downpayment Program in FY 2005. This is the same level that the President has proposed in his budget for the past three years. The program was funded at $87.5 million in FY 2004.

- **Extend the URA provision within the American Dream Downpayment Program to the HOME program.** S 811 – The American Dream Downpayment Act – exempts the Uniform Relocation Assistance and Real Property Acquisitions Act (URA) from applying to the American Dream Downpayment Initiative. Initially, the legislation also exempted down payment assistance activities within the HOME program from URA also. This language was stripped from the bill during conference committee. We would like to see the language added to the HOME program statute.

- **Develop and recommend a set of statutory and regulatory changes to the HOME program.** The House wants to hold a hearing on the HOME program this year. In addition, HUD is preparing a rule with several proposed changes to the program. This is an opportune time to prepare a set of recommendations to Congress and HUD on the HOME program. Staff will work with the committee to develop a list of recommended changes by the end of February 2004.

- **Increase funding for HUD's homeless assistance programs in FY 2005 and renew all expiring Shelter Plus Care housing contracts.** The funding for HUD's homeless assistance programs increased from $997.4 million in FY 2003 to $1.06 billion in FY 2004. In addition, Congress provided $194 million for expiring Shelter Plus Care housing contracts.

- **Renew all expiring Shelter Plus Care housing contracts and fund them separately from the homeless assistance programs.** This will allow for more funds to be distributed through the SuperNOFA for development of new housing, emergency shelter, services, and other activities.

- **Consolidate HUD's McKinney Act programs into a formula-allocated block grant or streamline the existing programs and application process.** The application process to apply for homeless assistance funds through the SuperNOFA is burdensome and very time consuming. While NCDA prefers to have the programs folded into a single, formula-allocated block grant, in lieu of the creation of a block grant, we support streamlining the existing programs to ensure more continuity among the programs and support streamlining of the application process.

- **Continue to fight against predatory lending and the weakening of the Community Reinvestment Act (CRA).** This includes opposing any regulations or legislation that would preempt state and local anti-predatory lending laws. NCDA also opposes the proposal by the Office of the Comptroller of the Currency (OCC) to eliminate the investment and service parts of the CRA exam for banks and thrifts with assets between $250 million and $500 million in assets. If this occurs, more than 1,350 banks and thrifts would no longer have to invest in or provide banking services in under-served communities.

- **Oppose Regulatory Barrier and Other Notices or Regulations From HUD that Pre-empt Local Authority.** NCDA is deeply committed to reducing regulatory barriers to affordable housing; however, this is a local decision and one that cannot be driven from the Federal level. Reducing regulatory barriers to affordable housing involves zoning and land use decision making that are inherently local processes that is subject to a range of influences including market forces, citizen input, and political realities. Instead of a blanket regulation that covers all HUD grantees, we suggest that HUD fund a demonstration program to work with a few local governments to reduce regulatory barriers to affordable housing.

- **Support the Creation of a Homeownership Tax Credit**. President Bush proposed the creation of a Homeownership Tax Credit (HOTC) as part of his FY 2004 budget and will likely do so again in FY 2005. This tax credit would provide additional resources for home ownership, while not tapping into HUD's budget.