



2008 LEGISLATIVE PRIORITIES

HOUSING, URBAN & COMMUNITY DEVELOPMENT

ISSUE

The National Association of Regional Councils (NARC) supports sufficient and sustained funding for Housing, Urban and Community Development, including an increase in budget authority for the U.S. Department of Housing and Urban Development (HUD) and those programs that support community development.

RECOMMENDATIONS TO CONGRESS

- Urge authorization of HUD with funding increase to allow for support and expansion of economic and community development programs, both rural and urban, that promote regionalism.
- Support increased FY09 budget funding for Community Development Block Grants (CDBG) to, at minimum, the FY2005 enacted level of \$4.1 billion to fully funding the formula grants before any set-asides.
- Encourage a minimum of \$2 billion in formula funding for the HOME Program in FY09, exclusive of any set-asides within the program.
- Include a minimum of \$1.8 billion in FY09 for HUD's competitive homeless assistance programs.
- Enact the National Affordable Housing Trust Fund with 60% of the funds directly allocated to local governments (including regional councils who administer housing funds or function as a housing authority), subject to the following changes: Increase the administrative cap to 20%; Replace the Allocation Plan with the Consolidated Plan; and, Conform the commitment period to that of the HOME Program.
- Encourage funding for brownfields cleanup and assessment programs at \$25 million in the Brownfields Economic Development Initiative (BEDI) for the FY09 budget.
- Include at least \$17 million in funding in HUD's FY08 budget for Rural Housing and Economic Development (RHED) Program.
- Promote the implementation of criteria for HUD programs to require development through a collaborative process with practitioners and stakeholders at the federal, state, regional and local levels.
- Provide incentives to regions and localities that plan communities by crosslinking transportation, housing and economic development opportunities with environmental considerations.
- Incorporate the use of "Regional Infrastructure Improvement Zones," a financing mechanism that would allow for businesses or individuals to make contributions toward infrastructure/economic development project(s) for a tax deduction.
- Support legislation that will strengthen America's housing finance system.

BACKGROUND

Community development is a local empowerment process that involves local leaders who build organizations and alliances that partner businesses with other areas in a city, town, township or local unit of government for the betterment of the community, especially to assure quality, affordable housing. It is a process that involves a comprehensive approach that factors economic and social goals, a base of operating principles, a strategic planning and analysis process, sound financial management, and an organizational format. Regional councils and metropolitan planning organizations support local leaders in their community efforts and provide a regional framework for achieving community objectives.

President Bush's FY09 budget funds HUD at \$38.5 billion, \$1 billion more than FY08. While this increase is a substantial and positive step, programs key to the provision and attainment of affordable housing remain underfunded as do many other community development programs. The HOME Investment Partnership funding increased by \$223 million and would provide state and local governments additional resources for the creation of affordable housing for low-income residents. Housing Counseling programs would receive an additional \$15 million, totaling \$65 million. These resources will allow states and localities to provide additional assistance for families facing foreclosure as well as provide first home buyer counseling and predatory lending information. Homeless Assistance Grants funding would receive a \$50 million increase. HOPE VI, which provides funding to states and localities for the revitalization of public housing, has been eliminated for the seventh year. CDBG grants, which allocate funds to more than 1,100 local and state governments on a formula basis, are cut again this year by \$727 million.

HUD programs are vital to community planning, development, sustainability and progress. America's communities need to be able to compete in a global marketplace and maintaining HUD programs is essential for continued prosperity and success for American businesses, communities and families.