



National Association for County Community
and Economic Development

2025 Legislative and Regulatory Policy Priorities

The National Association for County Community and Economic Development (NACCED) serves as an affiliate of the National Association of Counties (NACo) to develop the technical capacity of county government practitioners to professionally administer federally-funded affordable housing, community development, and economic development programs that benefit low- and moderate-income households. NACCED member counties include entitlement urban counties under the federal Community Development Block Grant (CDBG) program. NACCED also serves small and rural counties, entitlement cities and nonprofit organizations focused on community and economic development, and housing services.

NACCED is committed to preserving, enhancing and improving the delivery and effectiveness of federal affordable housing resources through the nation's counties and local government-based community and economic development, and housing agencies. To accomplish this, NACCED will concentrate its policy activities in 2025 on key federal community and economic development, and affordable housing programs.

Vision: NACCED is the premier organization empowering local governments to create thriving and sustainable communities.

Mission: NACCED builds generational capacity by providing education, resources, advocacy and peer support that strengthens local governments' ability to create sustainable communities and equitable economies, with safe and affordable housing.

Increase Funding for HUD Programs

The Department of Housing and Urban Development (HUD) programs, including the CDBG, HOME Investment Partnerships (HOME), Homeless Housing Assistance, Housing Choice Vouchers (project and tenant based) and other related programs, play an important role in providing housing and community and economic development across the country. CDBG allows local governments to meet a diverse range of needs for their communities, leveraging other sources of investment at a rate of more than four to one. The HOME program has used its \$29.1 billion in funds to attract more than \$185 billion in additional public and private resources to build or preserve over 1.34 million affordable homes since 1992. Furthermore, millions of Americans, many of whom are extremely low-income, elderly or disabled, rely on Homeless Housing Assistance programs and Vouchers.

NACCED also supports access to homelessness prevention initiatives through increased federal funding to local governments and community organizations to develop targeted programs addressing root causes such as joblessness, mental health issues, and substance abuse.

PRIORITY: In 2025, NACCED will continue to work to protect and increase these funds while working with Congress to enhance program efficiency and flexibility. NACCED requests \$3.3 billion in Fiscal Year (FY) 2026 funding for CDBG and \$2.1 billion for FY 2026 HOME funding. Additionally, NACCED will work with Congressional partners to ensure Congressionally Directed Spending projects related to CDBG, HOME and Emergency Solutions Grant programs do not impact formula-based congressional authorization levels.

Federal Regulatory Streamlining

NACCED calls on the Trump Administration to continue supporting housing aid in localities to increase overall community health. NACCED will advocate for housing supply policies that streamline regulatory processes, incentivize construction supply material availability and promote zoning that maximizes affordable housing development areas. Additionally, NACCED will work towards increasing housing affordability by engaging in advocacy efforts for affordable housing funding, tax incentives, and innovative financing models.

NACCED will strive to decrease impediments to affordable housing by advocating for regulatory reforms, federally guided research to identify barriers, and fostering partnerships with stakeholders to create sustainable solutions that promote equitable and accessible housing opportunities for all.

PRIORITY: In 2025, NACCED urges the Trump Administration to increase its support of housing aid through deregulation opportunities that promote the creation and retention of affordable homes and work with county governments for streamlined application of federal resources.

Protect and enhance Low Income Housing Tax Credits

The Low-Income Housing Tax Credit (LIHTC) is the most successful tool available for incentivizing private investment in the production and preservation of affordable housing. LIHTC is structured to allow investors to provide equity capital in exchange for a credit against their tax liability. Additionally, LIHTC serves as a housing investment tool that has been utilized for the development of both CDBG and HOME projects.

PRIORITY: In 2025, NACCED urges Congress to preserve and strengthen the Housing Credit through enhancements such as expanding the program by 50 percent to incentivize the production of affordable housing. Further, NACCED advocates for the inclusion of LIHTC boosts in 2025 tax policy negotiations and supports the passage of the Affordable Housing Credit Improvement Act which would increase nine percent LIHTC credits by 50%.

Supporting Affordable Workforce Housing and Economic Development

Affordable workforce housing is essential for fostering economic development and creating job opportunities. Workforce housing enables workers, including teachers, healthcare professionals, and first responders, to live closer to their jobs, reducing commuting costs and boosting local economies. By providing stable housing businesses can attract and retain a reliable workforce, fostering productivity and growth. Additionally, the construction and maintenance of affordable housing projects generate significant employment opportunities in building trades and associated industries. Beyond immediate job creation, these developments stimulate economic activity through increased spending in local businesses, creating a cycle of growth that benefits the entire community.

Communities across the country rely on government programs such as the Community Development Financial Institutions Fund's New Markets Tax Credit program and the CDBG Section 108 Loan Guarantee Program to develop important economic development projects. Additionally, 2018 saw the rollout of Opportunity Zones, the first new community development tax incentive program enacted in decades. This tool will help communities bring together public and private funds to create strong neighborhoods of opportunity.

PRIORITY: In 2025, NACCED urges Congress to protect important economic development programs that generate the essential public-private partnerships necessary to stimulate investment in low- and moderate-income communities that house workforce tenants. Furthermore, NACCED will continue efforts to work with Treasury, HUD, and the Trump Administration to ensure that Opportunity Zones are successful in supporting healthy revitalization of distressed communities without displacing existing residents and making data available to measure success of the program within a given locality.

Increase HUD Disaster Aid to Local Government

Each year HUD applies methodology formulas to assist communities in need. Community Development Block Grant Disaster Recovery (CDBG-DR) funds are allocated by HUD or disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the "most impacted and distressed" (MID) areas resulting from a qualifying major disaster. Congress is not required to appropriate CDBG-DR funding every year. Unlike recovery assistance programs administered by other agencies, CDBG-DR assistance is not permanently authorized.

CDBG-DR funding when approved results in counties needing to apply to states for disaster aid, which can cause delays in receiving federal funds at the local level. HUD published data in January 2023 summarizing 2021 MID disaster aid totaling \$1.4 billion. HUD awarded 23 grantees for 2021 CDBG-DR funding, consisting of 13 state governments and ten cities. HUD awarded \$295.7 million to cities including \$122.8 million granted to New York City alone and dispersed \$172.9 million amongst nine other metropolitan areas compared to \$1.1 billion

awarded to state governments. In December 2022, HUD awarded over \$138 million to state governments for storm and flood damage with zero funding allocated to local governments. HUD must address the inequity in its approach to disaster aid and improve methodology education with local officials and community leaders.

PRIORITY: In 2025, NACCED will work with Congress and HUD to ensure the provision of direct allocation to CDBG Entitlement Counties impacted by major disasters in a timely manner so that counties may better assist residents in immediate need and work with HUD's Office of Disaster Recovery to disseminate resource opportunities for members in high-risk disaster locations. Additionally, NACCED supports permanent annual authorization of federal funds to CDBG-DR.

BABA Impacts on Affordable Housing

The creation and implementation of the Build America, Buy America, (BABA) program has introduced new challenges for affordable housing development. Allowing affordable housing projects to be exempt from BABA will further the goal of increasing the supply of affordable homes. This ensures projects focusing on affordability, including those funded by HOME and CDBG, can still meet program requirements and local market needs while mitigating the impact of increased costs associated with BABA sustainability measures and general construction costs. By exempting affordable housing projects from BABA oversight, regulators will act in the public's best interest to eliminate obstacles that prevent practical approaches in ensuring vulnerable communities are given affordable housing opportunities and streamline federal oversight for increased housing access.

PRIORITY: In 2025, NACCED will work with HUD to support granting waivers and flexibility for impacted grantees under BABA to allow for streamlined statute enforcement that does not interfere with affordable housing construction, administrative and financial assistance.



Approved and endorsed by NACCED Board of Directors on 12/5/24

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