

Date: October 1, 2004

City: Columbus, OH

NAHB Resolution

Title: Davis Bacon Wage Requirements for HUD Housing Programs
Original Sponsor: NAHB Task Force on Enhancing HUD's Role in Housing

WHEREAS, financing affordable housing developments typically requires multiple sources of funding and, increasingly, developers are using combinations of HOME, Community Development Block Grants (CDBG), Low-Income Housing Tax Credits, tax-exempt bonds and FHA mortgage insurance;

WHEREAS, conflicting program regulations increase costs and processing time and complicate compliance requirements;

WHEREAS, requirements to use Davis Bacon wage rates can substantially increase the cost of constructing an affordable multifamily housing development, particularly for smaller projects;

WHEREAS, the statutory and regulatory requirements for federal housing programs related to the application of Davis Bacon wage rates vary depending on the program; and

WHEREAS, in addition to varying statutory and regulatory provisions as to when Davis Bacon wage rates are triggered, the U.S. Department of Labor (DOL) classifies buildings consisting of five or more stories differently than residential structures with four or fewer stories (the "building" classification for five or higher structures triggers higher wage rates than for "residential" structures of four or fewer stories);

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders urge Congress, the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Labor (DOL) to undertake the following changes to the Davis Bacon requirements for federal housing programs:

1. Brings into conformance the Davis Bacon statutory and regulatory requirements for all federal housing programs;
2. Exempt small projects (50 or fewer units) from Davis Bacon;
3. Revise the DOL construction classification system to classify all multifamily rental buildings as "residential" construction; and
4. Require the U.S. Department of Labor (DOL) to transmit prevailing wage rate surveys to NAHB-affiliated local home builders associations and subsequently accept survey input from NAHB members in computing local DOL prevailing wage rates.

Board of Directors Action:

Joint Executive/Resolutions Committee Action:

Resolutions Committee Action:

Federal Government Affairs Committee Action:

Housing Finance Committee Action:

Multifamily Finance Subcommittee Action:

Multifamily Trustees Action:

Affordable Housing Subcommittee Action:

Approved

Recommends Approval

Recommends Approval

Recommends Approval

Recommends Approval

Recommends Approval

Recommends Approval

Recommends Approval