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SEC. 401. FINDINGS AND PURPOSE.

(a) Findings.—Congress finds the following:

(1) Since the pandemic, rent and housing prices have increased by 30–40%. Surveys in 2024 found that 54% of renters believed they would never be able to buy a home, and 67% of Americans believed homeownership is an unrealistic milestone for young people. In short, millions of citizens have rationally concluded the housing system is stacked against them.

(2) The United States faces a persistent shortfall of housing, estimated to be more than 4,000,000 dwellings. Good public policy must expand supply while curbing market practices that artificially inflate housing costs, like large institutional investors. The New York Times

has reported: "In 2025, investors accounted for 30.2 percent of all home purchases, a surge from 16.1 percent in 2020."

(3) The use of algorithmic systems and data-sharing arrangements to coordinate rents or occupancy can function as anticompetitive conduct, a violation of long standing public policy.

(4) Financial literacy support and counseling can help struggling households being pushed into avoidable foreclosure, eviction, or financial distress by extractive economic factors. Inaccurate home valuations can also block wealth-building and distort local housing markets; consumers should have meaningful processes to seek reconsideration and accountability.

(5) Public housing is a critical national asset that has been chronically underfunded, languished under the Faircloth Amendment, and exposed to privatization pressures. Improving existing units, expanding supply, and strengthening tenant rights, participation, and a right to return during rehabilitation and redevelopment can provide more stable housing.

(6) Rural housing preservation and farmworker housing are essential to economic stability and food systems, yet rural affordability is being lost. Federal policy can revitalize aging housing stock and preserve affordability.

(7) Federal housing policy can remove bottlenecks that slow building, inflate costs, or lock scarce housing into red tape, including by accelerating repairs, enabling construction, modernizing reviews, and aligning incentives so communities that add housing are rewarded rather than punished.

(8) Supply strategies should include converting underused structures into housing, including by piloting programs that turn blight into attainable homes while protecting safety and habitability.

(9) Manufactured and modular construction can lower costs, reduce waste, and speed delivery, but fragmented rules, financing barriers, and outdated definitions constrain scale; Federal policy can modernize standards, expand financing pathways, and support off-site construction where it improves affordability and quality.

(10) Building abundant housing at scale may require new models of Federal production and leasing that are insulated from speculative resale dynamics, support community formation and mobility, and can recoup public investment over time through predictable lease revenue.

(11) To truly generate an abundance of housing in a post-jubilee framework, the United States should study the feasibility of building a modern metropolis in the heartland of the country. Such a city could provide a symbol of the United States manufacturing ability and productive capacity for the 21st century.

(b) Purpose.—The purpose of this title is to unstack the system of housing in the US.

SEC. 402. PROHIBITION ON ALGORITHMIC RENT PRICING AND COORDINATION.

(a) Definitions.—In this section:

(1) Chair.—The term “Chair” means the Chair of the Federal Trade Commission.

(2) Commission.—The term “Commission” means the Federal Trade Commission.

(3) Consciously parallel pricing coordination.—The term “consciously parallel pricing coordination” means a tacit agreement between 2 or more rental property owners to raise, lower, change, maintain, or manipulate pricing for the purchase or sale of reasonably interchangeable products or services.

(4) Coordinating function.—The term “coordinating function” means—

(A) collecting historical or contemporaneous prices, supply levels, or lease or rental contract termination and renewal dates of residential dwelling units from 2 or more rental property owners;

(B) analyzing or processing the information described in subparagraph (A) using a system, software, or process that uses computation, including by using that information to train an algorithm; and

(C) recommending rental prices, lease renewal terms, or ideal occupancy levels to a rental property owner.

(5) Coordinator.—The term “coordinator” means any person that operates a software or data analytics service that performs a coordinating function for any rental property owner, including a rental property owner performing a coordinating function for their own benefit.

(6) Person.—The term “person” has the meaning given that term in section 12(a) of the Clayton Act ([15 U.S.C. 12\(a\)](#)).

(7) Residential dwelling unit.—The term “residential dwelling unit”—

(A) means any house, apartment, accessory unit, or other unit intended to be used as a primary residence; and

(B) does not include inpatient medical care, licensed long-term care, or detention or correctional facilities.

(9) Rental property owner.—The term “rental property owner” means any individual, corporation, partnership, association, joint-stock company, trust, or unincorporated organization that owns real property and leases or rents such property or any portion thereof in the form of 4 or more residential dwelling units.

(10) State.—The term “State” means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

(b) Unlawful conduct.—

(1) Contract or conspiracy in restraint of trade.—It shall be unlawful for a rental property owner, in or affecting commerce, or any agent or subcontractor thereof, to subscribe to, contract with, or otherwise exchange anything of value in return for the services of a coordinator, and such action shall be deemed a per se violation of the Sherman Act ([15 U.S.C. 1 et seq.](#)).

(2) Facilitation.—It shall be unlawful for a coordinator, in or affecting commerce, to facilitate an agreement among rental property owners to not compete with respect to residential dwelling units, including by performing a coordinating function.

(3) Anti-competitive merger.—It shall be unlawful for any coordinator, in or affecting commerce, to acquire, directly or indirectly, the whole or any part of the stock or other share capital of another coordinator if the acquisition would create an appreciable risk of materially lessening competition in violation of section 7 of the Clayton Act ([15 U.S.C. 18](#)), or tend to create a monopoly or monopsony.

(c) Enforcement.—

(1) Federal Trade Commission.—The Commission shall enforce this section in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms of the Federal Trade Commission Act ([15 U.S.C. 41 et seq.](#)) were incorporated into and made a part of this section.

(2) Attorney General.—The Attorney General shall enforce this section in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms of the Sherman Act ([15 U.S.C. 1 et seq.](#)), the Clayton Act ([15 U.S.C. 12 et seq.](#)), and the Antitrust Civil Process Act ([15 U.S.C. 1311 et seq.](#)) were incorporated into and made a part of this section.

(3) State attorneys general.—The attorney general of any State may enforce this section in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms of the Sherman Act and the Clayton Act were incorporated into and made a part of this section.

(4) Unfair methods of competition.—A violation of this section shall constitute an unfair method of competition under section 5 of the Federal Trade Commission Act ([15 U.S.C. 45](#)).

(5) Independent litigation authority.—If the Commission has reason to believe that a person has violated this section, the Commission may commence a civil action, in its own name, to recover a civil penalty and seek other appropriate relief.

(6) Standards of pleading.—In a civil action under this subsection, a complaint—

(A) plausibly pleads a violation of section 1 or section 3(a) of the Sherman Act ([15 U.S.C. 1, 3\(a\)](#)) if the complaint contains factual allegations, including allegations of consciously parallel pricing coordination, demonstrating that the existence of a contract,

combination, or conspiracy in restraint of trade is among the realm of plausible possibilities; and

(B) need not allege facts tending to exclude the possibility of independent action.

(7) Civil actions by injured persons.—

(A) Any person aggrieved by a violation of this section may bring a civil action in an appropriate district court of the United States.

(B) The court shall award threefold the damages sustained by the plaintiff and the reasonable cost of litigation, including reasonable attorney's fees.

(C) The court may award simple interest on actual damages as provided under applicable antitrust law.

(d) Relationship to State and local laws.—Nothing in this section shall be construed to preempt any State, Tribal, city, or local law, regulation, or ordinance that explicitly supplements or provides greater protection than this section.

SEC. 403. REFORMS TO HOUSING COUNSELING AND FINANCIAL LITERACY PROGRAMS.

(a) In general.—Section 106 of the Housing and Urban Development Act of 1968 ([12 U.S.C. 1701x](#)) is amended—

(1) in subsection (a)(4)(C), by striking “adequate distribution” and all that follows through “foreclosure rates” and inserting “that the recipients are geographically diverse and include organizations that serve urban or rural areas”;

(2) in subsection (e), by adding at the end the following:

“(6) Performance review.—The Secretary—

“(A) may conduct periodic on-site reviews; and

“(B) shall conduct performance reviews of all participating agencies that—

“(i) consists of a review of the participating agency’s compliance with all program requirements; and

“(ii) may take into account the agency’s aggregate counselor performance under paragraph (7)(B).

“(7) Considerations.—

“(A) Covered mortgage loan defined.—In this paragraph, the term ‘covered mortgage loan’ means any loan which is secured by a first or subordinate lien on residential real

property (including individual units of condominiums and cooperatives) designed principally for the occupancy of between 1 and 4 families that is—

"(i) insured by the Federal Housing Administration under title II of the National Housing Act (12 U.S.C. 1707 et seq.); or

"(ii) guaranteed under section 184 or 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a, 1715z–13b).

"(B) Comparison.—For each counselor employed by an organization receiving assistance under this section for pre-purchase housing counseling, the Secretary may consider the performance of the counselor compared to the default rate of all counseled borrowers of a covered mortgage loan in comparable markets and such other factors as the Secretary determines appropriate to further the purposes of this section.

"(8) Certification.—If, based on the comparison required under paragraph (7)(B), the Secretary determines that a counselor lacks competence to provide counseling in the areas described in subsection (e)(2) and such action will not create a significant loss of capacity for housing counseling services in the service area, the Secretary may—

"(A) require continued education coupled with successful completion of a probationary period;

"(B) require retesting if the counselor continues to demonstrate a lack of competence under paragraph (7)(B); and

"(C) permanently suspend an individual certification if a counselor fails to demonstrate competence after not fewer than 2 retesting opportunities under subparagraph (B).";

(3) in subsection (i)—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following:

"(3) Termination of assistance.—

"(A) In general.—The Secretary may deny renewal of covered assistance to an organization or entity receiving covered assistance if the Secretary determines that the organization or entity, or the individual through which the organization or entity provides counseling, is not in compliance with program requirements—

"(i) based on the performance review described in subsection (e)(6); and

"(ii) in accordance with regulations issued by the Secretary.

"(B) Notice.—The Secretary shall give an organization or entity receiving covered assistance not less than 60 days prior written notice of any denial of renewal under this

paragraph, and the determination of renewal shall not be finalized until the end of that notice period.

"(C) Informal conference.—If requested in writing by the organization or entity within the notice period described in subparagraph (B), the organization or entity shall be entitled to an informal conference with the Deputy Assistant Secretary of Housing Counseling on behalf of the Secretary at which the organization or entity may present for consideration specific factors that the organization or entity believes were beyond the control of the organization or entity and that caused the failure to comply with program requirements, such as a lack of lender or servicer coordination or communication with housing counseling agencies and individual counselors.”; and

(4) by adding at the end the following:

"(j) Offering foreclosure mitigation counseling.—

"(1) Covered mortgage loan defined.—In this subsection, the term ‘covered mortgage loan’ means any loan which is secured by a first or subordinate lien on residential real property (including individual units of condominiums) or stock or membership in a cooperative ownership housing corporation designed principally for the occupancy of between 1 and 4 families that is—

"(A) insured by the Federal Housing Administration under title II of the National Housing Act (12 U.S.C. 1707 et seq.);

"(B) guaranteed under section 184 or 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a, 1715z–13b);

"(C) made, guaranteed, or insured by the Department of Veterans Affairs; or

"(D) made, guaranteed, or insured by the Department of Agriculture.

"(2) Opportunity for borrowers.—A borrower with respect to a covered mortgage loan who is 30 days or more delinquent on payments for the covered mortgage loan shall be given an opportunity to participate in available housing counseling.

"(3) Cost.—If the requirements of sections 202(a)(3) and 205(f) of the National Housing Act (12 U.S.C. 1708(a)(3), 1711(f)) are met, the fair market rate cost of counseling for delinquent borrowers described in paragraph (2) with respect to a covered mortgage loan described in paragraph (1)(A) shall be paid for by the Mutual Mortgage Insurance Fund, as authorized under section 203(r)(4) of the National Housing Act (12 U.S.C. 1709(r)(4)).”.

SEC. 404. APPRAISAL MODERNIZATION ACT.

(a) Reconsideration of value.—

(1) In general.—Section 129E of the Truth in Lending Act ([15 U.S.C. 1639e](#)) is amended—

(A) by redesignating subsections (j) and (k) as subsections (k) and (l), respectively; and

(B) by inserting after subsection (i) the following:

"(j) Consumer right to reconsideration of value or subsequent appraisal.—

"(1) Definitions.—In this section:

"(A) Unacceptable appraisal practice.—The term ‘unacceptable appraisal practice’ means an appraisal report that—

"(i) uses unsupported or subjective terms to assess or rate the property without providing a foundation for analysis and contextual information;

"(ii) uses inaccurate or incomplete data about the subject property, the neighborhood, the market area, or any comparable property;

"(iii) includes references, statements, or comparisons about crime rates or crime statistics, whether objective or subjective;

"(iv) relies in the appraisal analysis on comparable properties that were not personally inspected by the appraiser when required by the appraisal’s scope of work;

"(v) relies in the appraisal analysis on inappropriate comparable properties;

"(vi) fails to use comparable properties that are more similar, or nearer, to the subject property without adequate explanation;

"(vii) uses comparable property data provided by any interested party to the transaction without verification by a disinterested party;

"(viii) uses inappropriate adjustments for differences between the subject property and the comparable properties that do not reflect the market’s reaction to such differences; or

"(ix) fails to make proper adjustments, including time adjustments for differences between the subject property and the comparable properties when necessary.

"(B) Unsupported.—The term ‘unsupported’ means, with respect to an appraisal report or an appraiser’s opinion of value, that the appraisal report or the opinion of value is not supported by relevant evidence and logic.

"(2) Review.—In connection with a consumer credit transaction secured by a consumer’s principal dwelling, a creditor shall have a review and resolution procedure for a consumer-initiated reconsideration of value or subsequent appraisal that complies with the following requirements:

"(A) The creditor shall complete its own appraisal review before delivering the appraisal to the consumer.

"(B) The creditor shall have policies and procedures that provide the consumer with a process to submit 1 request for a reconsideration of value and subsequent appraisal prior to the loan closing or within 60 calendar days of denial of a credit application if the consumer believes the appraisal report may be unsupported, may be deficient due to an unacceptable appraisal practice, or may reflect discrimination.

"(C) At the time of application and upon delivery of the appraisal report to the consumer, the creditor shall provide a written disclosure to the consumer describing the process for requesting a reconsideration of value or subsequent appraisal, which written disclosure shall include a standardized format for the consumer to submit the request for a reconsideration of value, including—

"(i) the name of the borrower;

"(ii) the property address;

"(iii) the effective date of the appraisal;

"(iv) the appraiser's name;

"(v) the date of the request;

"(vi) a description of why the consumer believes the appraisal report may be unsupported, may be deficient due to an unacceptable appraisal practice, or may reflect discrimination;

"(vii) any additional information or data, including not more than 5 alternative comparable properties and the related data sources that the consumer would like the appraiser to consider; and

"(viii) an explanation of why the new information, data, or comparable properties support the reconsideration of value.

"(D) The creditor shall obtain the necessary information from the consumer if the consumer's request for reconsideration of value or subsequent appraisal is unclear or requires more information.

"(E) The creditor shall have a standardized format to communicate the reconsideration of value to the appraiser, which format shall include—

"(i) the name of the borrower;

"(ii) the property address;

"(iii) the effective date of the appraisal;

"(iv) the appraiser's name;

"(v) the date of the request;

"(vi) a description of any area of the appraisal report that may be unsupported, may be deficient due to an unacceptable appraisal practice, or may reflect discrimination;

"(vii) any additional information or data, including not more than 5 alternative comparable properties and the related data sources that the consumer would like the appraiser to consider;

"(viii) an explanation of why the new information, data, or comparable properties support the reconsideration of value;

"(ix) a definition of turn-time expectations for the appraiser to communicate the reconsideration of value results back to the creditor;

"(x) instructions for delivering the reconsideration of value response as part of a revised appraisal report that includes commentary on conclusions regardless of the outcome; and

"(xi) a reference for appraisers on how to correct minor appraisal issues or non-material errors not related to the reconsideration of value process.

"(3) Subsequent appraisal and referral.—

"(A) In general.—If the creditor identifies material deficiencies in the appraisal report that are not corrected or addressed by the appraiser upon request of the creditor, including through a consumer-initiated reconsideration of value, or if there is evidence of unsupported or unacceptable appraisal practices, the creditor shall—

"(i) at the request of the consumer, order a subsequent appraisal at the creditor's own expense; and

"(ii) forward the appraisal report and the creditor's summary of findings to the appropriate appraisal licensing agency or regulatory board.

"(B) Discrimination.—If the creditor has reason to believe that an appraisal report reflects discrimination, the creditor shall—

"(i) order a subsequent appraisal at the creditor's own expense;

"(ii) forward the appraisal report and the creditor's summary of findings to the appropriate local, State, or Federal enforcement agency; and

"(iii) upon a final determination of discrimination by the appropriate local, State, or Federal enforcement agency, receive a reimbursement from the appraiser covering the cost of the subsequent appraisal ordered by the creditor.

"(C) Definition.—

"(i) In general.—Except as provided in clause (ii), in this paragraph, the term 'reason to believe' means that the creditor has reviewed the applicable law and available evidence and determined that a potential violation of Federal or State antidiscrimination law exists.

"(ii) Exception.—The term 'reason to believe' does not mean that there is a final legal determination of discrimination.

"(4) Document retention.—The creditor shall retain all documentation and written communications related to the request for reconsideration of value or subsequent appraisal in the loan file during the 7-year period beginning on the date on which the consumer submitted the credit application.

"(5) Rule of construction.—This subsection is consistent with the exceptions to the appraiser independence requirements found in subsection (c). Nothing in this subsection shall be construed to require a creditor to submit a reconsideration of value to the original appraiser before ordering a subsequent appraisal from a subsequent appraiser."

(2) Rules and interpretative guidelines.—Section 129E(g) of the Truth in Lending Act ([15 U.S.C. 1639e\(g\)](#)) is amended—

(A) in paragraph (1), by striking "paragraph (2), the Board" and inserting "paragraphs (2) and (3), the Bureau"; and

(B) by adding at the end the following:

"(3) Final rule.—Not later than 1 year after the date of enactment of this paragraph, the Federal Housing Finance Agency shall issue a final rule after notice and comment and issue such guidance as may be necessary to carry out and enforce subsection (j)."

(b) Public appraisal database.—

(1) Covered agencies defined.—The term "covered agencies" means—

(A) the Federal Housing Finance Agency, on behalf of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation;

(B) the Department of Housing and Urban Development, including the Federal Housing Administration;

(C) the Department of Agriculture; and

(D) the Department of Veterans Affairs.

(2) Feasibility report.—Not later than April 1, 2027, the Comptroller General of the United States shall issue a public report to Congress assessing the feasibility of creating a publicly available appraisal database that consists of a searchable and downloadable appraisal-level

public use file that consolidates appraisal data held or aggregated by covered agencies, which shall include—

(A) the costs and benefits associated with establishing and maintaining the public database;

(B) the benefits and risks associated with either the Federal Housing Finance Agency or the Bureau of Consumer Financial Protection being responsible for the public database and whether there is another Federal agency best suited for implementing and administering such database;

(C) any safety and soundness, antitrust, or consumer privacy-related risks associated with making certain appraisal data factors publicly available, including whether—

(i) there are any existing legal requirements, including under the Home Mortgage Disclosure Act of 1974 (12 U.S.C. 2801 et seq.) and [section 552 of title 5, United States Code](#), or additional actions Federal agencies could take to mitigate such risks; and

(ii) there are any data factors that, if made public, may violate conduct, ethics, or other professional standards as they relate to appraisals and appraisal or valuation professionals;

(D) the feasibility of consolidating or matching appraisal data held by covered agencies with corresponding data that is required and made public under the Home Mortgage Disclosure Act of 1974 (12 U.S.C. 2801 et seq.);

(E) whether the publication of any appraisal data factors may pose unfair business advantages within the valuation industry;

(F) the feasibility of including all valuation data held by covered agencies, including data produced by automated valuation models;

(G) the feasibility and benefits of making the full appraisal dataset, including any modified fields, available to—

(i) Federal agencies;

(ii) relevant State licensing, supervision, and enforcement agencies and State attorneys general;

(iii) approved researchers; and

(iv) any other entities identified by the Comptroller General as having a compelling use for disaggregated data;

(H) what appraisal data is already available in the public domain; and

(l) the feasibility of incorporating legacy data held by covered agencies during the period beginning on January 1, 2017 and ending on the date of enactment of this Act.

(3) Purpose.—The database described in paragraph (2) shall be used to provide the public, the Federal Government, and State governments with residential real estate appraisal data to help determine whether valuation professionals are serving the housing market in a manner that is efficient and consistent.

(4) Consultation.—As part of the information used in the report required under paragraph (2), the Comptroller General of the United States shall conduct interviews with relevant Federal agencies, relevant State licensing and enforcement agencies, appraisers, mortgage lending institutions, fair housing and fair lending experts, and other relevant stakeholders.

(5) Hearing.—Upon completion of the report under paragraph (2), the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives shall each hold a hearing on the findings of the report and the feasibility of establishing a public appraisal-level appraisal database.

SEC. 405. FEASIBILITY STUDY FOR A NEW MODERN METROPOLIS.

(a) In general.—The Secretary of Housing and Urban Development, in coordination with the Secretary of Transportation, the Secretary of Energy, the Secretary of Defense, the Administrator of the Environmental Protection Agency, and other appropriate Federal officials, shall conduct a comprehensive study on the feasibility of establishing a newly planned city in the vicinity of North Platte, Nebraska.

(b) Purpose.—The study shall evaluate the feasibility of constructing a large-scale, purpose-built metropolitan area designed to advance national resilience, economic productivity, technological innovation, democratic governance, and long-term human sustainability.

(c) Areas of evaluation.—The study shall evaluate, at a minimum, the following:

(1) Geographic suitability, including climate stability, water access, agricultural capacity, seismic and environmental risk, and long-term habitability.

(2) Transportation connectivity, including the feasibility of constructing high-speed rail connections radiating from the site to major metropolitan areas, including Atlanta, Chicago, Houston, Los Angeles, Miami, Minneapolis, New York City, Phoenix, San Francisco, Seattle, St. Louis, and Washington, D.C.

(3) The feasibility of constructing an international airport capable of serving as a primary continental aviation hub, including dual-use infrastructure capable of supporting aerospace launch facilities.

(4) Energy infrastructure, including the development of a fully electrified grid powered by advanced nuclear, geothermal, solar, wind, and energy storage systems sufficient to operate the city with net-zero or net-positive emissions.

(5) Water infrastructure, including aquifer sustainability, large-scale recycling, and closed-loop water systems.

(6) Digital infrastructure, including universal fiber connectivity, public data utilities, secure communications architecture, and resilient cybersecurity systems.

(7) Housing and urban design, including high-density walkable districts, modular construction systems, public transit integration, and integration with American Union housing models.

(8) Industrial and economic development capacity, including siting of public production facilities, cooperative enterprises, research laboratories, and advanced manufacturing centers.

(9) Agricultural integration, including surrounding arable land sufficient to partially support regional food production and integration with regenerative agriculture systems.

(10) Governance models, including options for charter structures, municipal autonomy, direct democratic mechanisms, and coordination with Federal authorities.

(11) Public health infrastructure, including integrated hospital systems, medical research facilities, and distributed medical manufacturing capability.

(12) National security implications, including strategic redundancy of coastal population centers and critical infrastructure decentralization.

(13) International engagement potential, including the feasibility of hosting global institutions, scientific assemblies, and international organizations.

(14) The feasibility of such city serving as a future national capital.

(d) Phased development.—The study shall evaluate phased construction scenarios, including initial development for 250,000 residents, expansion to 1,000,000 residents, and long-term capacity beyond 5,000,000 residents.

(e) Cost and financing.—The study shall evaluate estimated capital costs, financing mechanisms, potential Federal Reserve financing authority under title VI of this Act, revenue generation models, and long-term fiscal sustainability.

(f) Report.—Not later than January 1, 2028, the Secretary shall submit to Congress and make publicly available a report containing findings, cost estimates, risk assessments, and legislative recommendations.

Subtitle A—Reining in Large Housing Investment Groups

SEC. 411. DEFINITIONS.

(a) Definitions.—For purposes of this subtitle:

(1) Community land trust.—The term “community land trust” means a nonprofit organization that acquires and holds land for the benefit of a community, maintains ownership of such land permanently, and leases such land to homeowners or tenants under long-term ground leases in order to preserve affordability.

(2) Covered institutional investor.—The term “covered institutional investor” means any institutional investor that controls, directly or indirectly, excessive housing stock. For purposes of determining control, all entities under common control, management, beneficial ownership, or operational direction shall be aggregated.

(3) Excessive housing stock.—The term “excessive housing stock” means single-family residential properties in excess of 10 nationwide owned or under similar control by a single entity.

(4) Institutional investor.—The term “institutional investor” means any for-profit business entity, including any corporation, partnership, limited liability company, trust, real estate investment trust, private equity fund, hedge fund, investment company, or any group of related or affiliated entities, that directly or indirectly, acquires, owns, or holds residential property for investment or profit.

(5) Manufactured-home community or park.—The term “manufactured-home community or park” means any property consisting of multiple manufactured-home sites, pads, or lots, whether held in fee simple or under long-term lease or concession arrangement.

(6) Nationwide.—The term “nationwide” means within any State, the District of Columbia, or any territory or possession of the United States.

(7) Nonprofit housing organization.—The term “nonprofit housing organization” means an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of such Code and that is primarily engaged in the provision, construction, rehabilitation, or preservation of affordable housing.

(8) Person.—The term “person” has the meaning given that term in section 12(a) of the Clayton Act (15 U.S.C. 12(a)).

(9) Public housing agency.—The term “public housing agency” has the meaning given that term in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

(10) Raw land.—The term “raw land” means land that is unimproved and not occupied by any permanent residential or commercial structure, and that has not been graded, subdivided, platted, or otherwise prepared for residential or commercial development. The placement of any temporary, movable, or non-permanent structure, including a manufactured home or recreational vehicle, shall not be considered an improvement for purposes of this definition.

(11) Residential property.—The term “residential property” means any single-family residential property, multifamily residential property, condominium unit, townhouse,

manufactured home, or manufactured-home community or park, except that such term does not include any hotel, motel, or other establishment used primarily for short-term lodging.

(12) Secretary.—The term “Secretary” means the Secretary of the Treasury.

(13) Single-family residential property.—The term “single-family residential property” means any 1-to-4 unit residential dwelling, including any accessory structures and the land underlying such dwelling.

(14) Tribal housing entity.—The term “Tribal housing entity” means a Tribally designated housing entity, as defined in section 4(22) of the Native American Housing Assistance and Self-Determination Act of 1996 ([25 U.S.C. 4103\(22\)](#)).

SEC. 412. DENIAL OF CERTAIN TAX BENEFITS.

(a) Denial of depreciation.—No deduction for depreciation shall be allowed under [chapter 1 of the Internal Revenue Code of 1986](#) with respect to any single-family residential property for a covered institutional investor.

(b) Denial of interest and expense deductions.—No deduction shall be allowed for interest, insurance, real property taxes, or management fees associated with the ownership, financing, or operation of a single-family residential property for a covered institutional investor.

(c) Limitation on loss deductions.—A covered institutional investor may not claim any loss deduction with respect to the sale or disposition of a single-family residential property unless such property is sold to—

- (1) an owner-occupant purchaser;
- (2) a nonprofit housing organization;
- (3) a community land trust;
- (4) a public housing agency; or
- (5) a Tribal housing entity.

(d) No carryforwards or transfers.—Any deduction disallowed under this section may not be carried forward to any succeeding taxable year and may not be transferred to any other taxpayer or affiliated entity.

(e) (1) Anti-avoidance.—The Secretary shall prescribe regulations to prevent avoidance of this section, including rules requiring the aggregation of entities with common ownership, control, or management, and rules disregarding the use of shell entities, nominee titleholders, or special-purpose vehicles.

(2) Civil penalties.—A covered institutional investor that fails to comply with this section and the regulations promulgated under paragraph (1) shall be subject to a civil penalty equal

to 3 times the amount of any deduction disallowed under this section, plus an additional penalty of \$25,000 per property per taxable year.

(f) Effective date.—This section shall apply to taxable years beginning after December 31, 2026.

SEC. 413. SURTAX ON COVERED INSTITUTIONAL INVESTORS.

(a) Annual surtax.—Beginning with the 2027 taxable year, there is imposed on every covered institutional investor a surtax equal to \$50,000 for each single-family residential property in excess of 10 nationwide that is controlled by such investor at the close of each taxable year.

(1) Divestment safe harbor.—No covered institutional investor shall be liable for the surtax if they divest excess housing stock in accordance with the following schedule. As used in this paragraph, the term “base stock” means the quantity of single-family residential properties controlled at the end of the 2026 taxable year.

(A) For the 2027 taxable year, single-family residential holdings are reduced to less than 80% of the base stock;

(B) For the 2028 taxable year, single-family residential holdings are reduced to less than 60% of the base stock; and

(C) For the 2029 taxable year, single-family residential holdings are reduced to less than 35% of the base stock.

(b) Anti-avoidance.—The Secretary shall prescribe regulations to prevent evasion or avoidance of this section, including:

(1) rules requiring the aggregation of entities with common ownership, control, or management;

(2) rules disregarding the use of shell entities, nominee titleholders, or special-purpose vehicles; and

(3) rules treating multiple entities as a single covered institutional investor if such entities are under common beneficial ownership.

(c) Enforcement.—The Secretary, acting through the Internal Revenue Service, shall enforce the requirements of this section.

(d) Penalties.—A covered institutional investor that fails to comply with this section and the regulations promulgated under subsection (b) shall be subject to a civil penalty equal to 3 times the amount of the surtax which was properly due. It shall not be a defense to this subsection that an avoidance attempt was unsuccessful.

(e) Nondeductibility.—No surtax, nor any interest, penalty, or other amounts imposed under this section shall be deductible for any purpose under the Internal Revenue Code of 1986.

SEC. 414. PROHIBITION ON EXCESSIVE HOUSING STOCK PURCHASES.

- (a) Prohibition.—No institutional investor may purchase excessive housing stock.
- (b) Penalty.—A violation of this section shall be subject to a civil penalty of \$50,000, plus \$1,000 per day for each day during which such institutional investor continues to control excessive housing stock acquired in violation of this section.
- (c) Effective date.—This section shall take effect on August 1, 2026.

SEC. 415. ACQUISITION REPORTING AND ANTITRUST OVERSIGHT.

- (a) Aggregation of acquisitions.—For purposes of section 7A of the Clayton Act ([15 U.S.C. 18a](#)), all acquisitions of residential property by any person, directly or indirectly, during a single calendar year shall be treated as a single aggregated acquisition, and the total consideration for such aggregated acquisition shall be treated as the total consideration paid or expected to be paid during such year for purposes of determining filing obligations under that section.
- (b) Reporting requirement.—Beginning January 1, 2027, no person may acquire residential property in a transaction or series of transactions that, when aggregated under subsection (a), would result in total consideration exceeding the thresholds established under [section 7A\(a\)\(2\)](#) of the Clayton Act unless that person has filed all notifications required under that section with respect to the aggregated acquisition.
- (c) Anti-avoidance.—Not later than January 1, 2027, the Federal Trade Commission and the Assistant Attorney General for Antitrust shall issue regulations to implement this section, including anti-evasion rules requiring aggregation of commonly owned or controlled entities, disregarding the use of shell or pass-through entities, and treating any transaction structured to avoid reporting obligations as part of the aggregated acquisition.
- (d) Enforcement.—Any violation of this section shall be treated as a violation of [section 7A](#) of the Clayton Act and shall be subject to the penalties and remedies established under subsection (g) of that section. Nothing in this section shall be construed to authorize the acquisition of excessive housing stock otherwise prohibited under section 414.

SEC. 416. CLOSING RAW-LAND AND RESIDENTIAL PROPERTY EXEMPTIONS.

- (a) Residential property acquisitions by covered institutional investors.—Section 7A of the Clayton Act ([15 U.S.C. 18a](#)) is amended by adding at the end the following new subsection:

“(l) Residential property acquisitions by covered institutional investors.—

“(1) Applicability.—Notwithstanding any other provision of this section, any acquisition of residential property by a covered institutional investor (as defined in section 411 of the POPULIST Act), shall be subject to the notification and waiting-period requirements of this section, without regard to any exemption provided in [part 802 of title 16](#), Code of Federal Regulations, including [sections 802.2](#) and [802.5](#) of such title.

“(2) Aggregation.—All acquisitions of residential property by a covered institutional investor during a single calendar year shall be aggregated and treated as a single acquisition for purposes of determining filing obligations under this section.

“(3) No exemption for raw land or land zoned for residential use.—No acquisition of raw land or land zoned for residential use shall qualify for any exemption under [part 802 of title 16](#), Code of Federal Regulations, including acquisitions of unimproved land or land upon which a temporary, movable, or non-permanent structure has been placed.

“(4) Rulemaking.—The Federal Trade Commission shall amend its regulations under this section to eliminate any exemption for the acquisition of residential property and any exemption for acquisitions of raw land or land zoned for residential use not later than 180 days after the date of enactment of this subsection.

“(5) Preemption of inconsistent regulations.—To the extent that any regulation is inconsistent with this subsection, such regulation shall have no force or effect.”.

SEC. 417. PROHIBITIONS ON FEDERAL MORTGAGE ASSISTANCE.

(a) Fannie Mae and Freddie Mac.—Subpart A of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 ([12 U.S.C. 4541 et seq.](#)) is amended by inserting after section 1328 the following:

“Sec. 1329. Prohibition relating to covered institutional investors.

“(a) Prohibition.—The Director shall, by regulation, prohibit the enterprises from purchasing, guaranteeing, securitizing, or lending on any mortgage secured by a single-family residential property (as defined in section 411 of the POPULIST Act) or a manufactured-home community or park under which the borrower, mortgagor, or mortgagee is a covered institutional investor (as defined in section 411 of the POPULIST Act).

“(b) Pools.—The Director shall prohibit the enterprises from purchasing or securitizing any interest in a pool that contains a mortgage described in subsection (a).

“(c) Effective date.—The prohibitions of this section shall be effective January 1, 2027.”.

(b) Ginnie Mae.—Section 302(c) of the National Housing Act ([12 U.S.C. 1717\(c\)](#)) is amended by adding at the end the following:

“(6) The Association may not newly guarantee any trust certificate or other security based or backed by any mortgage under which the borrower or mortgagee is a covered institutional investor (as defined in section 411 of the POPULIST Act), nor may the Association purchase or acquire any such mortgage, whether secured by a single-family residential property (as defined in section 411 of the POPULIST Act) or by a manufactured-home community or park.”.

(c) Rulemaking.—The Federal Housing Finance Agency and the Secretary of Housing and Urban Development shall issue regulations to implement this section not later than January 1, 2027.

Subtitle B—Public Housing Protection and Revitalization

SEC. 421. FINDINGS.

Congress finds the following:

(1) The public housing stock of the United States, authorized under section 9 of the United States Housing Act of 1937, is a critical national resource that provides stable, deeply affordable housing to more than one million households.

(2) For decades, Congress has failed to provide sufficient capital and operating assistance to maintain Section 9 housing in a safe, sanitary, and habitable condition, resulting in a national capital-needs backlog exceeding tens of billions of dollars and widespread health and safety hazards including mold, lead, asbestos, failing heating and cooling systems, and structural deterioration.

(3) The Faircloth Amendment has prevented the construction of any net-new public housing units since 1999, even as the national population has grown and the shortage of deeply affordable housing has worsened, leaving millions of households cost-burdened or at risk of homelessness.

(4) The Rental Assistance Demonstration program and other privatization tools, including Section 18 demolition and disposition authorities, have resulted in the permanent removal of Section 9 units, displacement of tenants, diminished democratic control, and the transfer of public assets into private hands.

(5) A comprehensive national strategy to restore, expand, and modernize public housing is necessary to guarantee safe, healthy, climate-resilient, permanently affordable homes for all current and future residents.

(6) Investment in public housing creates high-quality jobs, stabilizes neighborhoods, reduces environmental harms, improves public health outcomes, and strengthens social trust by ensuring that all residents, regardless of income, have access to secure and dignified housing.

(7) Congress therefore declares that it is the policy of the United States to rehabilitate existing public housing, to construct new public housing at scale, to prevent displacement of current residents, to ensure tenant participation in planning and oversight, to guarantee a right to return following redevelopment, and to maintain public ownership and permanent affordability of all housing units developed or modernized under this subtitle.

SEC. 422. DEFINITIONS.

(a) For purposes of this subtitle:

(1) Capital needs backlog.—The term “capital needs backlog” means the total estimated cost of repairing, modernizing, or rehabilitating existing public housing units to meet applicable health, safety, accessibility, energy-efficiency, and structural standards.

(2) Conversion.—The term “conversion” means any action that transfers a public housing unit or development from assistance under section 9 of the United States Housing Act of 1937 to assistance under section 8 of such Act or to any other form of private or mixed-finance ownership or management, including through the Rental Assistance Demonstration program or demolition or disposition under section 18 of such Act.

(3) Displacement.—The term “displacement” means any action requiring a household to vacate a public housing unit as a result of rehabilitation, redevelopment, demolition, or disposition, except when such action is necessary for the immediate protection of life, health, or safety.

(4) Director.—The term “Director” means the Director of the Federal Housing Finance Agency.

(5) Modernization.—The term “modernization” means improvements to existing public housing units or developments necessary to remedy health or safety hazards, enhance accessibility, increase energy efficiency, improve climate resilience, or extend the useful life of the property.

(6) New public housing unit.—The term “new public housing unit” means a dwelling unit constructed, acquired, or substantially rehabilitated under authority provided in this subtitle and owned and operated as public housing under section 9 of the United States Housing Act of 1937 for its entire useful life.

(7) Operating assistance.—The term “operating assistance” means assistance provided to public housing agencies to support the ongoing operation, management, maintenance, utilities, and services of public housing units, as described in section 9(e) of the United States Housing Act of 1937.

(8) Public housing.—The term “public housing” has the meaning given such term in section 3(b) of the United States Housing Act of 1937.

(9) Public housing agency.—The term “public housing agency” has the meaning given such term in section 3(b) of the United States Housing Act of 1937.

(10) Redevelopment.—The term “redevelopment” means the demolition, reconstruction, substantial rehabilitation, or reconfiguration of public housing units or developments, whether undertaken in whole or in part.

(11) Right to return.—The term “right to return” means the guaranteed right of any household displaced from a public housing unit due to modernization or redevelopment to return to a public housing unit of comparable size and affordability in the same development or in the applicable jurisdiction upon completion of such modernization or redevelopment.

(12) Secretary.—The term “Secretary” means the Secretary of Housing and Urban Development.

(13) Section 18 action.—The term “section 18 action” means any demolition or disposition of public housing authorized under section 18 of the United States Housing Act of 1937.

(14) Section 9.—The term “section 9” means section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g).

(15) Tenant.—The term “tenant” means any household residing in public housing, including households temporarily displaced for purposes of modernization or redevelopment.

(16) Useful life.—The term “useful life” means the period during which a public housing unit or development is required to remain in public ownership and maintain permanent affordability as required under this subtitle.

SEC. 423. MORATORIUM AND STUDY.

(a) Moratorium.—Notwithstanding any other provision of law, no public housing agency, and no officer, employee, contractor, or agent acting on its behalf, may initiate, apply for, enter into, execute, or carry out any conversion, section 18 action, demolition, disposition, or transfer of assistance with respect to any public housing unit or development prior to January 1, 2029.

(b) Prohibited actions.—Actions prohibited under subsection (a) include any of the following:

(1) Submission or approval of any application under the Rental Assistance Demonstration program.

(2) Execution of any contract, agreement, or memorandum of understanding providing for conversion to assistance under section 8 of the United States Housing Act of 1937.

(3) Any demolition, disposition, or transfer of assistance under section 18 of such Act.

(4) Any conveyance, ground lease, or change in ownership or control that would remove a unit from assistance under section 9.

(c) Limited exception for emergency conditions.—The Secretary may authorize a temporary relocation of residents and related repairs if the Secretary determines that such action is necessary for the immediate protection of life, health, or safety. Any action authorized under this subsection shall not result in permanent displacement, reduction of public housing units, or removal of such units from assistance under section 9.

(d) Effect on existing agreements.—No agreement, contract, or approval previously issued that would otherwise permit an action prohibited under subsection (a) may take effect during the moratorium period unless the Secretary determines that such action is strictly necessary to address an imminent threat to life, health, or safety under subsection (c).

(e) Enforcement.—Any violation of this section shall be subject to the enforcement authorities of the Secretary, including the suspension or withholding of assistance, imposition of corrective action plans, and any additional remedies authorized under the United States Housing Act of 1937.

(f) Rulemaking.—Not later than October 30, 2026, the Secretary shall issue regulations to implement this section.

SEC. 424. OVERSIGHT, ACCOUNTABILITY, AND IMPACT STUDY.

(a) Strengthened oversight.—The Secretary shall conduct enhanced oversight of public housing agencies to ensure compliance with the United States Housing Act of 1937, the regulations of the Department of Housing and Urban Development, and the requirements of this subtitle. Such oversight shall include the following:

(1) Comprehensive inspections of public housing developments at intervals not to exceed 3 years, with priority for developments with known health or safety deficiencies.

(2) Public reporting of inspection results, capital-needs assessments, and corrective action timelines in a manner readily accessible to tenants and the public.

(3) Authority for the Secretary to impose corrective action plans, with mandatory deadlines, for any public housing agency that fails to remedy health, safety, or structural deficiencies.

(4) Authority for the Secretary to assume temporary or long-term administrative receivership of any public housing agency that demonstrates persistent noncompliance, severe mismanagement, or chronic habitability failures.

(5) Whistleblower protections for employees and tenants who report fraud, waste, mismanagement, or violations of housing standards.

(b) Transparency requirements.—Each public housing agency shall:

(1) Make publicly available on its website all policies, redevelopment plans, inspections, budgets, contracts, waiting lists, tenant-selection criteria, grievance procedures, and capital-improvement schedules.

(2) Provide paper access to such information upon request for any tenant lacking internet access.

(3) Hold at least 2 public meetings annually for tenants of each public housing development, with advance notice of not less than 30 days.

(c) National impact study.—The Secretary shall conduct a nationwide study evaluating the impacts of conversion, section 18 action, demolition, and disposition of public housing since the 2012 implementation of the Rental Assistance Demonstration program. The study shall include an analysis of:

(1) Net change in the number of public housing units, by State and by public housing agency.

(2) Rates, causes, and duration of tenant displacement.

(3) Changes in affordability, rent burden, and tenant protections following conversion.

(4) Effects on accessibility, environmental safety, energy efficiency, and building conditions.

(5) Impacts on long-term public ownership, democratic oversight, and resident participation.

(6) Financial and operational consequences for public housing agencies, including long-term debt obligations.

(d) Consultation.—In conducting the study under subsection (c), the Secretary shall consult with tenants, resident councils, public housing agencies, State and local housing officials, civil rights organizations, disability-rights organizations, and academic researchers.

(e) Report to Congress.—Not later than October 30, 2027, the Secretary shall submit to Congress a report containing the results of the study required under this section, together with recommendations for legislative and administrative action.

(f) Public availability.—The Secretary shall make the report required under subsection (e) publicly available on the website of the Department of Housing and Urban Development in an accessible format not later than 10 days after submission to Congress.

SEC. 425. TENANT PARTICIPATION, RIGHTS, AND PROTECTIONS.

(a) Tenant participation requirements.—Each public housing agency shall ensure meaningful tenant participation in all planning, redevelopment, modernization, and policy processes affecting public housing. Such participation shall include:

(1) Tenant advisory boards for each public housing development, elected solely by residents, with authority to review and comment on budgets, redevelopment plans, and proposed policies.

(2) Advance notice of not less than 60 days for any proposed redevelopment, modernization, or major capital project affecting tenants.

(3) A right for tenants to meet at reasonable times and locations, without interference, for purposes related to housing conditions or redevelopment.

(4) Access to all relevant documents, plans, and environmental or habitability reports.

(b) Tenant approval for redevelopment.—No redevelopment, modernization, or reconfiguration of a public housing development may proceed unless:

(1) A tenant meeting is held with at least 30 days' notice; and

(2) A majority of households residing in the affected development vote to approve the proposed redevelopment plan.

(c) Anti-displacement protections.—No tenant shall be permanently displaced as a result of redevelopment, modernization, or rehabilitation of public housing. Any temporary relocation shall:

(1) Provide comparable housing at comparable rent, with moving expenses covered by the public housing agency;

(2) Not exceed the minimum time necessary to complete construction or rehabilitation; and

(3) Preserve the household's right to return under subsection (d).

(d) Right to return.—Each tenant temporarily relocated due to redevelopment or modernization shall have an unconditional right to return to a public housing unit of comparable size and affordability in the same development or, if unavailable, within the same jurisdiction. The right to return may not be denied based on income, credit history, prior arrears, or screening criteria other than those necessary for safety.

(e) One-for-one replacement.—Any redevelopment or modernization undertaken under this subtitle shall provide for the one-for-one replacement of every public housing dwelling unit demolished, disposed, or converted, with units of equal or greater bedroom count, accessibility, and long-term affordability.

(f) Nondiscrimination.—No tenant shall be denied housing, displaced, or subjected to different terms or conditions of occupancy on the basis of race, color, national origin, sex, gender identity, sexual orientation, familial status, disability, immigration status, religion, or prior criminal legal system involvement, except to the extent required by Federal law.

(g) Tenant rent reporting program.—

(1) Establishment.—The Secretary shall establish a voluntary tenant rent reporting program under which public housing agencies shall offer tenants the option to have on-time rental payments reported to consumer credit reporting agencies.

(2) Protections.—Negative reporting may not be made for nonpayment attributable to habitability deficiencies, administrative errors, or delays caused by the public housing agency. No tenant shall be penalized for declining to participate.

(3) Requirements for reporting agencies.—Any consumer credit reporting agency shall accept rent-payment data submitted under this subsection.

(4) Privacy.—The Secretary shall issue regulations to ensure the confidentiality, security, and appropriate use of tenant information.

(h) Enforcement.—The Secretary may impose corrective action plans, civil monetary penalties, or other remedies authorized under the United States Housing Act of 1937 for any public housing agency that fails to comply with the requirements of this section.

SEC. 426. REHABILITATION AND MODERNIZATION PROGRAM.

(a) Repeal of Faircloth limitation.—Section 9(g) of the United States Housing Act of 1937 ([42 U.S.C. 1437g\(g\)](#)) is repealed, and any limitation on the construction or acquisition of public housing dwelling units based on the number of public housing units owned, assisted, or operated as of October 1, 1999, shall have no force or effect.

(b) Establishment.—The Secretary shall carry out a program to provide grants to public housing agencies for the rehabilitation, modernization, and long-term sustainability and resilience of public housing developments to ensure safe, sanitary, accessible, energy-efficient, and climate-resilient housing conditions for all tenants.

(c) Eligible activities.—Grants under this section may be used for any of the following:

(1) Remediation of environmental health hazards, including mold, lead, asbestos, radon, and other contaminants.

(2) Repair, replacement, or modernization of heating, ventilation, air conditioning, plumbing, electrical, roofing, structural, or foundation systems.

(3) Rehabilitation necessary to meet applicable building, fire, health, accessibility, or energy-efficiency standards.

(4) Modernization of building systems, including elevators, fire-safety systems, lighting, insulation, and water-conservation infrastructure.

(5) Electrification of building systems, including replacement of fossil-fuel infrastructure with electric appliances, heat pumps, heat pump water heaters, and related systems.

(6) Installation of renewable-energy technologies, including solar panels, battery storage, geothermal systems, microgrids, and other distributed-energy systems.

(7) Building-envelope improvements, including insulation, window replacement, air sealing, and weatherization.

(8) Climate-resilience upgrades, including floodproofing, stormwater management systems, wildfire hardening, seismic upgrades, and stormproofing.

(9) Replacement of obsolete buildings or components where rehabilitation is infeasible or more costly than replacement.

(10) Temporary relocation of tenants necessary to complete rehabilitation, with full protection of the right to return under section 425.

(d) Priority.—In awarding grants, the Secretary shall give priority to public housing developments that:

- (1) face documented health or safety hazards;
- (2) are at risk of loss due to deterioration or obsolescence;
- (3) serve predominantly extremely low-income households; or

(4) are located in communities disproportionately affected by pollution, environmental burdens, or climate-related risks.

(e) Public ownership requirement.—Any public housing development receiving assistance under this section shall remain public housing for its entire useful life and may not be demolished, disposed, converted, transferred, or removed from assistance under section 9 of the United States Housing Act of 1937, except as expressly permitted under section 425.

(f) Tenant protections.—All activities under this section shall be carried out in compliance with the tenant protections and participation requirements of section 425, including the right to return, relocation protections, and democratic participation rights.

(g) Workforce standards.—All laborers and mechanics employed in carrying out activities under this section shall be paid wages at rates not less than those prevailing on similar work in the locality, as determined by the Secretary of Labor pursuant to the Davis-Bacon Act.

(h) Community risks.—In allocating grants under this section, the Secretary shall prioritize public housing developments located in communities disproportionately burdened by pollution, environmental hazards, or climate risk.

(i) Enforcement.—The Secretary may require corrective action, recapture funds, impose civil monetary penalties, suspend or terminate participation in this program, or take other enforcement actions necessary to ensure compliance with this section.

SEC. 427. PUBLIC HOUSING CONSTRUCTION AND EXPANSION PROGRAM.

(a) Establishment.—The Secretary shall carry out a program to provide grants to public housing agencies for the construction, acquisition, and substantial rehabilitation of new public housing developments and new public housing units, in order to expand the national supply of permanently affordable, deeply subsidized housing.

(b) Public ownership and affordability.—Housing developed under this section shall—

- (1) be owned and operated by a public housing agency;
- (2) remain public housing for its entire useful life; and
- (3) be permanently affordable to households at rents not exceeding 30 percent of adjusted income.

(c) Eligible activities.—Grants under this section may be used for—

- (1) construction of new public housing developments;
- (2) acquisition of existing buildings for conversion into public housing;
- (3) substantial rehabilitation of vacant or underutilized structures for use as public housing;
- (4) land acquisition, site preparation, utilities, and infrastructure improvements;
- (5) planning, design, engineering, environmental reviews, and other predevelopment activities; and
- (6) soft costs necessary to carry out development activities.

(d) Tenant and community participation.—Before submitting any application under this section, a public housing agency shall—

- (1) conduct at least one public meeting regarding the proposed development;
- (2) provide written notice and meaningful consultation with tenants and affected community stakeholders; and
- (3) certify compliance with the tenant-participation requirements of section 425.

(e) Standards.—The Secretary shall require that housing developed under this section meet—

- (1) energy-efficiency and environmental-performance standards;
- (2) accessibility standards under the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990; and
- (3) hazard-mitigation and climate-resilience standards established by the Secretary.

(f) Prohibition on privatization.—No housing developed under this section may be demolished, disposed, converted, transferred, or otherwise removed from assistance under section 9 of the United States Housing Act of 1937, except as expressly permitted under section 425.

(g) Enforcement.—The Secretary may require corrective action, recapture funds, impose civil monetary penalties, or take other actions necessary to ensure compliance with this section.

SEC. 428. HELPING MORE FAMILIES SAVE.

Section 23 of the United States Housing Act of 1937 ([42 U.S.C. 1437u](#)) is amended by adding at the end the following:

“(p) Escrow expansion pilot program.—

“(1) Definitions.—In this subsection:

“(A) Covered family.—The term ‘covered family’ means a family that receives assistance under section 8 or 9 of this Act and is enrolled in the pilot program.

“(B) Eligible entity.—The term ‘eligible entity’ means an entity described in subsection (c)(2).

“(C) Pilot program.—The term ‘pilot program’ means the pilot program established under paragraph (2).

“(D) Welfare assistance.—The term ‘welfare assistance’ has the meaning given the term in section 984.103 of title 24, Code of Federal Regulations, or any successor regulation.

“(2) Establishment.—The Secretary shall establish a pilot program under which the Secretary shall select not more than 25 eligible entities to establish and manage escrow accounts for not more than 5,000 covered families, in accordance with this subsection.

“(3) Escrow accounts.—

“(A) In general.—An eligible entity selected to participate in the pilot program—

“(i) shall establish an interest-bearing escrow account and place into the account an amount equal to any increase in the amount of rent paid by each covered family in accordance with the provisions of section 3, 8(o), or 8(y), as applicable, that is attributable to increases in earned income by the covered families during the participation of each covered family in the pilot program; and

“(ii) notwithstanding any other provision of law, may use funds it controls under section 8 or 9 for purposes of making the escrow deposit for covered families assisted under, or residing in units assisted under, section 8 or 9, respectively, provided such funds are offset by the increase in the amount of rent paid by the covered family.

“(B) Income limitation.—An eligible entity may not escrow any amounts for any covered family whose adjusted income exceeds 80 percent of the area median income at the time of enrollment.

“(C) Withdrawals.—A covered family shall be able to withdraw funds, including interest earned, from an escrow account established by an eligible entity under the pilot program—

“(i) after the covered family ceases to receive welfare assistance; and

“(ii) (I) not earlier than the date that is 5 years after the date on which the eligible entity establishes the escrow account under this subsection;

“(II) not later than the date that is 7 years after the date on which the eligible entity establishes the escrow account under this subsection, if the covered family chooses to continue to participate in the pilot program after the date that is 5 years after the date on which the eligible entity establishes the escrow account;

“(III) on the date the covered family ceases to receive housing assistance under section 8 or 9, if such date is earlier than 5 years after the date on which the eligible entity establishes the escrow account;

“(IV) earlier than 5 years after the date on which the eligible entity establishes the escrow account, if the covered family is using the funds to advance a self-sufficiency goal as approved by the eligible entity; or

“(V) under other circumstances in which the Secretary determines an exemption for good cause is warranted.

“(D) Interim recertification.—For purposes of the pilot program, a covered family may recertify the income of the covered family multiple times per year, as determined by the Secretary, and not fewer than once per year.

“(E) Contract or plan.—A covered family is not required to complete a standard contract of participation or an individual training and services plan in order to participate in the pilot program.

“(4) Effect of increases in family income.—Any increase in the earned income of a covered family during the enrollment of the family in the pilot program may not be considered as income or a resource for purposes of eligibility of the family for other benefits, or amount of benefits payable to the family, under any program administered by the Secretary.

“(5) Application.—

“(A) In general.—An eligible entity seeking to participate in the pilot program shall submit to the Secretary an application—

“(i) at such time, in such manner, and containing such information as the Secretary may require by notice; and

“(ii) that includes the number of proposed covered families to be served by the eligible entity under this subsection.

“(B) Geographic and entity variety.—The Secretary shall ensure that eligible entities selected to participate in the pilot program—

“(i) are located across various States and in both urban and rural areas; and

“(ii) vary by size and type, including both public housing agencies and private owners of projects receiving project-based rental assistance under section 8.

“(6) Notification and opt-out.—An eligible entity participating in the pilot program shall—

“(A) notify covered families of their enrollment in the pilot program;

“(B) provide covered families with a detailed description of the pilot program, including how the pilot program will impact their rent and finances;

“(C) inform covered families that the families cannot simultaneously participate in the pilot program and the Family Self-Sufficiency program under this section; and

“(D) provide covered families with the ability to elect not to participate in the pilot program—

“(i) not less than 2 weeks before the date on which the escrow account is established under paragraph (3); and

“(ii) at any point during the duration of the pilot program.

“(7) Maximum rents.—During the term of participation by a covered family in the pilot program, the amount of rent paid by the covered family shall be calculated under the rental provisions of section 3 or 8(o), as applicable.

“(8) Pilot program timeline.—

“(A) Awards.—Not later than 18 months after the date of enactment of this subsection, the Secretary shall select the eligible entities to participate in the pilot program.

“(B) Establishment and term of accounts.—An eligible entity selected to participate in the pilot program shall—

“(i) not later than 6 months after selection, establish escrow accounts under paragraph (3) for covered families; and

“(ii) maintain those escrow accounts for not less than 5 years, or until the date the family ceases to receive assistance under section 8 or 9, and, at the discretion of the covered family, not more than 7 years after the date on which the escrow account is established.

“(9) Nonparticipation and housing assistance.—

“(A) In general.—Assistance under section 8 or 9 for a family that elects not to participate in the pilot program shall not be delayed or denied by reason of such election.

“(B) No termination.—Housing assistance may not be terminated as a consequence of participating, or not participating, in the pilot program under this subsection for any period of time.

“(10) Study.—Not later than 8 years after the date the Secretary selects eligible entities to participate in the pilot program under this subsection, the Secretary shall conduct a study and submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on outcomes for covered families under the pilot program, which shall evaluate the effectiveness of the pilot program in assisting families to achieve economic independence and self-sufficiency, and the impact coaching and supportive services, or the lack thereof, had on individual incomes.

“(11) Waivers.—To allow selected eligible entities to effectively administer the pilot program and make the required escrow account deposits under this subsection, the Secretary may waive requirements under this section.

“(12) Termination.—The pilot program under this subsection shall terminate on the date that is 10 years after the date of enactment of this subsection.

“(13) Authorization of appropriations.—

“(A) In general.—There is authorized to be appropriated to the Secretary for fiscal year 2026 such sums as may be necessary—

“(i) for technical assistance related to implementation of the pilot program; and

“(ii) to carry out an evaluation of the pilot program under paragraph (10).

“(B) Availability.—Any amounts appropriated under this subsection shall remain available until expended.”.

SEC. 429. AUTHORIZATION OF APPROPRIATIONS.

(a) Rehabilitation funding.—There are authorized to be appropriated \$25,000,000,000 for each of fiscal years 2027 through 2030 to carry out section 426, to remain available until expended.

(b) Construction and expansion funding.—There are authorized to be appropriated \$15,000,000,000 for each of fiscal years 2027 through 2030 to carry out section 427, to remain available until expended.

(c) Administrative costs.—Of the amounts made available under this section, the Secretary may use not more than 3 percent for administrative expenses, technical assistance, data collection, and program oversight.

Subtitle C—Investment in Rural Housing Preservation

SEC. 431. PERMANENT ESTABLISHMENT OF HOUSING PRESERVATION AND REVITALIZATION PROGRAM.

(a) Title V of the Housing Act of 1949 ([42 U.S.C. 1471 et seq.](#)) is amended by adding at the end the following new section:

“Sec. 545. Housing preservation and revitalization program.

“(a) Establishment.—The Secretary shall carry out a program under this section for the preservation and revitalization of multifamily rental housing projects financed under section 515 or both sections 514 and 516.

“(b) Notice of maturing loans.—

“(1) To owners.—On an annual basis, the Secretary shall provide written notice to each owner of a property financed under section 515 or both sections 514 and 516 that will mature within the 4-year period beginning upon the provision of such notice, setting forth the options and financial incentives that are available to facilitate the extension of the loan term or the option to decouple a rental assistance contract pursuant to subsection (f).

“(2) To tenants.—

“(A) In general.—For each property financed under section 515 or both sections 514 and 516, not later than the date that is 2 years before the date that such loan will mature, the Secretary shall provide written notice to each household residing in such property that informs them of the date of the loan maturity, the possible actions that may happen with respect to the property upon such maturity, and how to protect their right to reside in federally assisted housing after such maturity.

“(B) Language.—Notice under this paragraph shall be provided in plain English and shall be translated to other languages in the case of any property located in an area in which a significant number of residents speak such other languages.

“(c) Loan restructuring.—Under the program under this section, the Secretary may restructure such existing housing loans, as the Secretary considers appropriate, for the purpose of ensuring that such projects have sufficient resources to preserve the projects to provide safe and affordable housing for low-income residents and farm laborers, by—

“(1) reducing or eliminating interest;

“(2) deferring loan payments;

“(3) subordinating, reducing, or reamortizing loan debt; and

“(4) providing other financial assistance, including advances, payments, and incentives (including the ability of owners to obtain reasonable returns on investment) required by the Secretary.

“(d) Renewal of rental assistance.—When the Secretary offers to restructure a loan pursuant to subsection (c), the Secretary shall offer to renew the rental assistance contract under section 521(a)(2) for a 20-year term that is subject to annual appropriations, provided that the owner agrees to bring the property up to such standards that will ensure its maintenance as decent, safe, and sanitary housing for the full term of the rental assistance contract.

“(e) Restrictive use agreements.—

“(1) Requirement.—As part of the preservation and revitalization agreement for a project, the Secretary shall obtain a restrictive use agreement that obligates the owner to operate the project in accordance with this title.

“(2) Term.—

“(A) No extension of rental assistance contract.—Except when the Secretary enters into a 20-year extension of the rental assistance contract for the project, the term of the restrictive use agreement for the project shall be consistent with the term of the restructured loan for the project.

“(B) Extension of rental assistance contract.—If the Secretary enters into a 20-year extension of the rental assistance contract for a project, the term of the restrictive use agreement for the project shall be for 20 years.

“(C) Termination.—The Secretary may terminate the 20-year use restrictive use agreement for a project prior to the end of its term if the 20-year rental assistance contract for the project with the owner is terminated at any time for reasons outside the owner’s control.

“(f) Decoupling of rental assistance.—

“(1) Renewal of rental assistance contract.—If the Secretary determines that a maturing loan for a project cannot reasonably be restructured in accordance with subsection (c) and the project was operating with rental assistance under section 521, the Secretary may renew the rental assistance contract, notwithstanding any provision of section 521, for a term, subject to annual appropriations, of at least 10 years but not more than 20 years.

“(2) Rents.—Any agreement to extend the term of the rental assistance contract under section 521 for a project shall obligate the owner to continue to maintain the project as decent, safe and sanitary housing and to operate the development in accordance with this title, except that rents shall be based on the lesser of—

“(A) the budget-based needs of the project; or

“(B) the operating cost adjustment factor as a payment standard as provided under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437 note).

“(g) Multifamily housing transfer technical assistance.—Under the program under this section, the Secretary may provide grants to qualified non-profit organizations and public housing agencies to provide technical assistance, including financial and legal services, to borrowers under loans under this title for multifamily housing to facilitate the acquisition of such multifamily housing properties in areas where the Secretary determines there is a risk of loss of affordable housing.

“(h) Transfer of rental assistance.—After the loan or loans for a rental project originally financed under section 515 or both sections 514 and 516 have matured or have been prepaid and the owner has chosen not to restructure the loan pursuant to subsection (c), a tenant residing in such project shall have 18 months prior to loan maturation or prepayment to transfer the rental assistance assigned to the tenant’s unit to another rental project originally financed under section 515 or both sections 514 and 516, and the owner of the initial project may rent the tenant’s previous unit to a new tenant without income restrictions.

“(i) Administrative expenses.—Of any amounts made available for the program under this section for any fiscal year, the Secretary may use not more than \$1,000,000 for administrative expenses for carrying out such program.

“(j) Authorization of appropriations.—

"(1) There is authorized to be appropriated for the program under this section \$200,000,000 for each of fiscal years 2026 through 2030.

"(2) There is authorized to be appropriated to the Secretary of Agriculture \$50,000,000 for fiscal year 2026 for improving the technology of the Department of Agriculture used to process loans for multifamily housing and otherwise managing such housing. Such improvements shall be made within the 5-year period beginning upon the appropriation of such amounts and such amount shall remain available until the expiration of such 5-year period."

SEC. 432. ELIGIBILITY FOR RURAL HOUSING VOUCHERS.

(a) Section 542 of the Housing Act of 1949 ([42 U.S.C. 1490r](#)) is amended by adding at the end the following new subsection:

“(c) Eligibility of households in sections 514, 515, and 516 projects.—The Secretary may provide rural housing vouchers under this section for any low-income household (including those not receiving rental assistance) residing, for a term longer than the remaining term of their lease in effect just prior to prepayment, in a property financed with a loan made or insured under section 514 or 515 (42 U.S.C. 1484, 1485) which has been prepaid without restrictions imposed

by the Secretary pursuant to section 502(c)(5)(G)(ii)(I) (42 U.S.C. 1472(c)(5)(G)(ii)(I)), has been foreclosed, or has matured after September 30, 2005, or residing in a property assisted under section 514 or 516 that is owned by a nonprofit organization or public agency.”.

(b) Notwithstanding any other provision of law, in the case of any rural housing voucher provided pursuant to section 542 of the Housing Act of 1949 (42 U.S.C. 1490r), the amount of the monthly assistance payment for the household on whose behalf such assistance is provided shall be determined as provided in subsection (a) of such section 542.

SEC. 433. RENTAL ASSISTANCE CONTRACT AUTHORITY.

(a) Subsection (d) of section 521 of the Housing Act of 1949 ([42 U.S.C. 1490a\(d\)](#)) is amended—

(1) in paragraph (1), by inserting after subparagraph (A) the following new subparagraph (and by redesignating the subsequent subparagraphs accordingly):

“(B) upon request of an owner of a project financed under section 514 or 515, the Secretary is authorized to enter into renewal of such agreements for a period of 20 years or the term of the loan, whichever is shorter, subject to amounts made available in appropriations Acts;” and

(2) by adding at the end the following new paragraph:

“(3) In the case of any rental assistance contract authority that becomes available because of the termination of assistance on behalf of an assisted family—

“(A) at the option of the owner of the rental project, the Secretary shall provide the owner a period of 6 months before such assistance is made available pursuant to subparagraph (B) during which the owner may use such assistance authority to provide assistance of behalf of an eligible unassisted family that—

“(i) is residing in the same rental project that the assisted family resided in prior to such termination; or

“(ii) newly occupies a dwelling unit in such rental project during such period; and

“(B) except for assistance used as provided in subparagraph (A), the Secretary shall use such remaining authority to provide such assistance on behalf of eligible families residing in other rental projects originally financed under section 515 or both sections 514 and 516 of this Act.”.

SEC. 434. APPROPRIATIONS FOR FARMWORKER HOUSING.

(a) Section 513 of the Housing Act of 1949 ([42 U.S.C. 1483](#)) is amended by adding at the end the following new subsection:

“(f) Funding for farmworker housing.—

“(1) Section 514 farmworker housing loans.—

“(A) Insurance authority.—The Secretary of Agriculture may, to the extent approved in appropriation Acts, insure loans under section 514 (42 U.S.C. 1484) during each of fiscal years 2026 through 2035 in an aggregate amount not to exceed \$200,000,000.

“(B) Authorization of appropriations for costs.—There is authorized to be appropriated \$75,000,000 for each of fiscal years 2026 through 2035 for costs (as such term is defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a)) of loans insured pursuant to the authority under subparagraph (A).

“(2) Section 516 grants for farmworker housing.—There is authorized to be appropriated \$30,000,000 for each of fiscal years 2026 through 2035 for financial assistance under section 516 (42 U.S.C. 1486).

“(3) Section 521 housing assistance.—There is authorized to be appropriated \$2,700,000,000 for each of fiscal years 2026 through 2035 for rental assistance agreements entered into or renewed pursuant to section 521(a)(2) (42 U.S.C. 1490a(a)(2)) or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D).”.

(b) Section 514 of the Housing Act of 1949 (42 U.S.C. 1484) is amended by adding at the end the following:

“(j) Per project limitations on assistance.—If the Secretary, in making available assistance in any area under this section or section 516 (42 U.S.C. 1486), establishes a limitation on the amount of assistance available per project, the limitation on a grant or loan award per project shall not be less than \$5 million.”.

(c) Subsection (a)(5) of section 521 of the Housing Act of 1949 ([42 U.S.C. 1490a\(a\)\(5\)](#)) is amended—

(1) in subparagraph (A) by inserting “or domestic farm labor legally admitted to the United States and authorized to work in agriculture” after “migrant farmworkers”;

(2) in subparagraph (B)—

(A) by striking “Amount.—In any fiscal year” and inserting “Amount.—

“(i) Housing for migrant farmworkers.—In any fiscal year”;

(B) by inserting “providing housing for migrant farmworkers” after “any project”; and

(C) by inserting at the end the following:

“(ii) Housing for other farm labor.—In any fiscal year, the assistance provided under this paragraph for any project providing housing for domestic farm labor legally admitted to the United States and authorized to work in agriculture shall not exceed an amount equal to 50 percent of the operating costs for the project for the year, as determined by the Secretary. The owner of such project shall not qualify for operating assistance unless the Secretary certifies that the project was unoccupied or underutilized before making units available to such farm labor, and that a grant under this section will not displace any farm worker who is a United States worker.”; and

(3) in subparagraph (D), by adding at the end the following:

“(iii) The term ‘domestic farm labor’ has the same meaning given such term in section 514(f)(3) (42 U.S.C. 1484(f)(3)), except that subparagraph (A) of such section shall not apply for purposes this section.”.

SEC. 435. PLAN FOR PRESERVING AFFORDABILITY OF RENTAL PROJECTS.

(a) Plan.—The Secretary of Agriculture (the “Secretary”) shall submit a written plan to the Congress, not later than the expiration of the 6-month period beginning on the date of the enactment of this Act, for preserving the affordability for low-income families of rental projects for which loans were made under section 515 or made to nonprofit or public agencies under section 514 and avoiding the displacement of tenant households, which shall—

(1) set forth specific performance goals and measures;

(2) set forth the specific actions and mechanisms by which such goals will be achieved;

(3) set forth specific measurements by which progress towards achievement of each goal can be measured;

(4) provide for detailed reporting on outcomes; and

(5) include any legislative recommendations to assist in achievement of the goals under the plan.

(b) Advisory committee.—

(1) Establishment; purpose.—The Secretary shall establish an advisory committee whose purpose shall be to assist the Secretary in preserving section 515 properties and section 514 properties owned by nonprofit or public agencies through the multifamily housing preservation and revitalization program under section 545 and in implementing the plan required under subsection (a).

(2) Member.—The advisory committee shall consist of 16 members, appointed by the Secretary, as follows:

(A) A State Director of Rural Development for the Department of Agriculture.

(B) The Administrator for Rural Housing Service of the Department of Agriculture.

(C) 2 representatives of for-profit developers or owners of multifamily rural rental housing.

(D) 2 representatives of non-profit developers or owners of multifamily rural rental housing.

(E) 2 representatives of State housing finance agencies.

(F) 2 representatives of tenants of multifamily rural rental housing.

(G) 1 representative of a community development financial institution that is involved in preserving the affordability of housing assisted under sections 514, 515, and 516 of the Housing Act of 1949.

(H) 1 representative of a nonprofit organization that operates nationally and has actively participated in the preservation of housing assisted by the Rural Housing Service by conducting research regarding, and providing financing and technical assistance for, preserving the affordability of such housing.

(I) 1 representative of low-income housing tax credit investors.

(J) 1 representative of regulated financial institutions that finance affordable multifamily rural rental housing developments.

(K) 2 representatives from non-profit organizations representing farmworkers, including one organization representing farmworker women.

(3) Meetings.—The advisory committee shall meet not less often than once each calendar quarter.

(4) Functions.—In providing assistance to the Secretary to carry out its purpose, the advisory committee shall carry out the following functions:

(A) Assisting the Rural Housing Service of the Department of Agriculture to improve estimates of the size, scope, and condition of rental housing portfolio of the Service, including the timeframes for maturity of mortgages and costs for preserving the portfolio as affordable housing.

(B) Reviewing current policies and procedures of the Rural Housing Service regarding preservation of affordable rental housing financed under sections 514, 515, 516, and 538 of the Housing Act of 1949, the Multifamily Preservation and Revitalization Demonstration program (MPR), and the rental assistance program and making

recommendations regarding improvements and modifications to such policies and procedures.

(C) Providing ongoing review of Rural Housing Service program results.

(D) Providing reports to the Congress and the public on meetings, recommendations, and other findings of the advisory committee.

(5) Travel costs.—Any amounts made available for administrative costs of the Department of Agriculture may be used for costs of travel by members of the advisory committee to meetings of the committee.

SEC. 436. CONFORMING AMENDMENTS.

(a) Subsection (a) of section 214 of the Housing and Community Development Act of 1980 ([42 U.S.C. 1436a](#)) is amended—

(1) in paragraph (6), by striking “or” at the end;

(2) by redesignating paragraph (7) as paragraph (8); and

(3) by inserting after paragraph (6) the following:

“(7) an alien granted certified agricultural worker or certified agricultural dependent status under title IX of the POPULIST Act, but solely for financial assistance made available pursuant to section 521 or 542 of the Housing Act of 1949 ([42 U.S.C. 1490a](#), 1490r); or”.

(b) Paragraph (3) of section 41411(a) of the Violence Against Women Act of 1994 ([34 U.S.C. 12491\(a\)\(3\)](#)) is amended—

(1) in subparagraph (I), by striking “and” at the end;

(2) by redesignating subparagraph (J) as subparagraph (K); and

(3) by inserting after subparagraph (I) the following new subparagraph:

“(J) rural development housing voucher assistance provided by the Secretary of Agriculture pursuant to section 542 of the Housing Act of 1949 ([42 U.S.C. 1490r](#)), without regard to subsection (b) of such section, and applicable appropriation Acts; and”.

Subtitle D—Building More Housing in America

SEC. 441. WHOLE-HOME REPAIRS ACT.

(a) Definitions.—In this section:

(1) Affordable unit.—The term “affordable unit” means a unit for which the monthly rental payment is not more than 30 percent of the gross income of an individual earning at or below 80 percent of the area median income, as defined by the Secretary.

(2) Assisted unit.—The term “assisted unit” means a unit that undergoes repair or rehabilitation work through a whole-home repairs program administered by an implementing organization under this section.

(3) Eligible homeowner.—The term “eligible homeowner” means a homeowner—

(A) with a household income that—

(i) is not more than 80 percent of the area median income; or

(ii) meets the income eligibility requirements for receiving assistance or benefits under a specified program, as defined in paragraph (11); and

(B) who is—

(i) an owner of record as evidenced by a publicly recorded deed and occupies the home on which repairs are to be conducted as their principal residence;

(ii) an owner-occupant of the manufactured home on which repairs are to be conducted; or

(iii) an owner who can demonstrate an ownership interest in the property on which repairs are to be conducted, including a person who has inherited an interest in that property.

(4) Eligible landlord.—The term “eligible landlord” means an individual—

(A) who owns, as determined by the relevant implementing organization, fewer than 10 eligible rental properties, with a majority of affordable units and not more than 50 total units, operated as primary residences in which a majority ownership interest is held by the individual, the spouse of the individual, or the dependent children of the individual, or any closely held legal entity controlled by the individual, the spouse of the individual, or the dependent children of the individual, either individually or collectively; and

(B) who agrees to the provisions described in subsection (b)(3).

(5) Eligible rental property.—The term “eligible rental property” means a residential property that—

(A) is leased, or offered exclusively for lease, as a primary residence by an eligible landlord; and

(B) includes affordable units.

(6) Forgivable loan.—The term “forgivable loan” means a loan—

(A) made to an eligible landlord;

(B) that is secured by a lien recorded against a residential property; and

(C) that may be forgiven by the implementing organization not later than the date that is 3 years after the completion of the repairs if the eligible landlord has maintained compliance with the loan agreement described in subsection (b)(3).

(7) Implementing organization.—The term “implementing organization”—

(A) means a unit of general local government or a State that—

(i) will administer a whole-home repairs program through an agency, department, or other entity; or

(ii) enter into agreements with 1 or more local governments, municipal authorities, other governmental authorities, including a tribally designated housing entity, or qualified nonprofit organizations, to administer a whole-home repairs program as a subrecipient; and

(B) does not include a redundant entity in a jurisdiction already served by a grantee under subsection (b).

(8) Indian tribe.—The term “Indian tribe” has the meaning given the term in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 ([25 U.S.C. 4103](#)).

(9) Qualified nonprofit.—The term “qualified nonprofit” means a nonprofit organization that—

(A) has received funding, as a recipient or subrecipient, through—

(i) the Community Development Block Grant program under title I of the Housing and Community Development Act of 1974 ([42 U.S.C. 5301 et seq.](#));

(ii) the HOME Investment Partnerships program under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act ([42 U.S.C. 12741 et seq.](#));

(iii) the Lead-Based Paint Hazard Reduction grant program under section 1011 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 ([42 U.S.C. 4852](#)) or a grant under the Healthy Homes Initiative administered by the Secretary pursuant to sections 501 and 502 of the Housing and Urban Development Act of 1970 ([12 U.S.C. 1701z-1](#), [1701z-2](#));

(iv) the Self-Help and Assisted Homeownership Opportunity program authorized under section 11 of the Housing Opportunity Program Extension Act of 1996 ([42 U.S.C. 12805 note](#));

(v) a rural housing program under title V of the Housing Act of 1949 ([42 U.S.C. 1471 et seq.](#)); or

(vi) the Neighborhood Reinvestment Corporation established under the Neighborhood Reinvestment Corporation Act ([42 U.S.C. 8101 et seq.](#));

(B) has coordinated, performed, or otherwise been engaged in weatherization, lead remediation, or home-repair work for not less than 2 years;

(C) has been certified by the Environmental Protection Agency, or by a State authorized by the Environmental Protection Agency to administer a certification program, as—

(i) eligible to carry out activities under the lead renovation, repair and painting program; or

(ii) a Home Certification Organization under the Energy Star program established by section 324A of the Energy Policy and Conservation Act ([42 U.S.C. 6294a](#)) or the WaterSense program under section 324B of that Act ([42 U.S.C. 6294b](#)), or recognized or otherwise approved by the Environmental Protection Agency as a Home Certification Organization under either of those programs; or

(D) is a community development financial institution, as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 ([12 U.S.C. 4702](#)).

(10) Secretary.—The term “Secretary” means the Secretary of Housing and Urban Development.

(11) Specified program.—For purposes of paragraph (3)(A)(ii), the term “specified program” means any of the following:

(A) The Medicaid program established under title XIX of the Social Security Act ([42 U.S.C. 1396 et seq.](#)).

(B) The State Children’s Health Insurance Program established under title XXI of the Social Security Act ([42 U.S.C. 1397aa et seq.](#)).

(C) The supplemental security income benefits program established under title XVI of the Social Security Act ([42 U.S.C. 1381 et seq.](#)).

(D) The supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 ([7 U.S.C. 2011 et seq.](#)).

(E) The temporary assistance for needy families program established under part A of title IV of the Social Security Act ([42 U.S.C. 601 et seq.](#)).

(12) State.—The term “State” means—

- (A) each State of the United States;
- (B) the District of Columbia;
- (C) the Commonwealth of Puerto Rico;
- (D) any territory or possession of the United States; and
- (E) an Indian tribe.

(13) Tribally designated housing entity.—The term “tribally designated housing entity” has the meaning given the term in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 ([25 U.S.C. 4103](#)).

(14) Whole-home repairs.—The term “whole-home repairs” means modifications, repairs, or updates to homeowner or renter-occupied units to address—

- (A) physical and sensory accessibility for individuals with disabilities and older adults, such as bathroom and kitchen modifications, installation of grab bars and handrails, guards and guardrails, lifting devices, ramp additions or repairs, sidewalk addition or repair, or doorway or hallway widening;
- (B) habitability and safety concerns, such as repairs needed to ensure residential units are fit for human habitation and free from defective conditions or health and safety hazards; or
- (C) energy and water efficiency, resilience, and weatherization.

(b) Pilot program.—

(1) Establishment.—Not later than 1 year after the date of enactment of this Act, the Secretary shall establish a pilot program to provide grants to implementing organizations to administer a whole-home repairs program for eligible homeowners and eligible landlords.

(2) Use of funds.—An implementing organization that receives a grant under this subsection—

(A) shall provide grants to eligible homeowners to implement whole-home repairs not covered by other Federal home repair programs and up to a maximum amount per unit, which maximum amount should—

(i) reflect local construction costs and the level of repairs needed in each unit; and

(ii) be calculated and approved by the Secretary;

(B) shall provide loans, which may be forgivable, to eligible landlords to implement whole-home repairs not covered by other Federal home repair programs for individual affordable units, public and common use areas within the property, and common structural elements up to a maximum amount per unit, area, or element, as applicable, which maximum amount should—

(i) reflect local construction costs; and

(ii) be calculated and approved by the Secretary;

(C) shall evaluate, or provide assistance to eligible homeowners and eligible landlords to evaluate, whole-home repair program funds provided under this subsection with Federal, State, and local home repair programs to provide the greatest benefit to the greatest number of eligible landlords and eligible homeowners and avoid duplication of benefits and redundancies;

(D) shall ensure that—

(i) all repairs funded or facilitated through an award under this subsection have been completed;

(ii) if repairs are not completed and the plan for whole-home repairs is not updated to reflect the new scope of work, that the loan or grant is repaid on a prorated basis based on completed work; and

(iii) any unused grant or loan balance is returned to the implementing organization, and is reused by the implementing organization for a new whole-home repair grant or loan under this subsection;

(E) may use not more than 5 percent of the awarded funds to carry out related functions, including workforce training for home repair professions, which shall be related to efforts to increase the number of home repairs performed and approved by the Secretary;

(F) may use not more than 10 percent of the awarded funds for administrative expenses; and

(G) shall comply with Federal accessibility requirements and standards under applicable Federal fair housing and civil rights laws and regulations, including section 504 of the Rehabilitation Act of 1973 ([29 U.S.C. 794](#)).

(3) Loan agreement.—In a loan agreement with an eligible landlord under this subsection, an implementing organization shall include provisions establishing that the eligible landlord shall, for each eligible rental property for which a loan is used to fund repairs under this subsection—

(A) comply with Federal accessibility requirements and standards under applicable Federal fair housing and civil rights laws and regulations, including section 504 of the Rehabilitation Act of 1973 ([29 U.S.C. 794](#)); and

(B) (i) if the landlord is renting the assisted units available in the eligible rental property to tenants receiving tenant-based rental assistance under section 8(o) of the United States Housing Act of 1937 ([42 U.S.C. 1437f\(o\)](#)), under another tenant-based rental assistance program administered by the Secretary or the Secretary of Agriculture, or under a tenant-based rental subsidy provided by a State or local government, comply with the program requirements under the relevant tenant-based rental assistance program; or

(ii) if the eligible landlord is not renting to tenants receiving rental-based assistance as described in clause (i)—

(I) (aa) offer to extend the lease of current tenants on current terms, other than the terms described in subclause (iv) for not less than 3 years beginning after the completion of the repairs, unless the lease is terminated due to failure to pay rent, performance of an illegal act within the rental unit, or a violation of an obligation of tenancy that the tenants failed to correct after notice; and

(bb) if the tenant of an assisted unit moves out of the assisted unit at any point in the 3-year period following the loan agreement, maintain the unit as an affordable unit for the remainder of the 3-year period;

(II) provide documentation verifying that the property, upon completion of approved renovations, has met all applicable State and local housing and building codes;

(III) attest that the landlord has no known serious violations of renter protections that have resulted in fines, penalties, or judgments during the preceding 10 years; and

(IV) cap annual rent increases for each assisted unit at 5 percent of base rent or inflation, whichever is lower, for not less than 3 years beginning after the completion of the repairs.

(4) Application.—

(A) In general.—An implementing organization desiring an award under this subsection shall submit to the Secretary an application that includes—

(i) the geographic scope of the whole-home repairs program to be administered by the implementing organization, including the plan to address need in any rural, suburban, or urban area within a jurisdiction;

(ii) a plan for selecting subrecipients, if applicable;

(iii) how the implementing organization plans to execute the coordination of Federal, State, and local home repair programs, including programs administered by the Department of Energy or the Department of Agriculture, to increase efficiency and reduce redundancy;

(iv) available data on the need for affordable and quality housing within the geographic scope of the whole-home repairs program, and any plans to preserve affordability through the term of the award;

(v) how the implementing organization plans to process and verify applications for grants from eligible homeowners and applications for loans from eligible landlords; and

(vi) such other information as the Secretary requires to determine the ability of an applicant to carry out a program under this subsection.

(B) Considerations.—In making awards under this subsection, the Secretary shall—

(i) with respect to applications submitted by States other than the District of Columbia and the territories of the United States, prioritize those applications with a demonstrated plan to—

(I) make a good faith effort to implement the pilot program in every jurisdiction; and

(II) provide non-metropolitan areas, or subrecipients serving non-metropolitan areas if applicable, with a share of total funds commensurate to their population;

(ii) aim to select applicants so that the awardees collectively span diverse geographies, with an intent to understand the impact of the pilot program under this subsection in urban, suburban, rural, and Tribal settings; and

(iii) not disqualify implementing organizations that were awarded grants under the pilot program in prior application cycles.

(5) Program information.—The Secretary shall make available to grant recipients under this subsection information regarding existing Federal programs for which grant recipients may coordinate or provide assistance in coordinating applications for those programs in accordance with paragraph (2)(C).

(6) Grant number.—In each year in which an award is made under this subsection, the Secretary shall award assistance to—

(A) not less than 2, and not more than 10, implementing organizations, as application numbers and funding permit; and

(B) not more than 1 implementing organization in any State.

(7) Loans that are not forgiven.—If a loan made by an implementing organization under paragraph (2)(B) is not forgiven, the loan repayment funds shall be reused by the implementing organization for a new whole-home repair grant or loan under this subsection.

(8) Supplement, not supplant.—Amounts awarded under this subsection to implementing organizations shall supplement, not supplant, other Federal, State, and local funds made available to those entities.

(9) Streamlining program delivery and ensuring efficiency.—To the extent possible, in carrying out the pilot program under this subsection, the Secretary shall—

(A) endeavor to improve efficiency of service delivery, as well as the experience of and impact on the taxpayer, by encouraging programmatic collaboration and information sharing across Federal, State, and local programs for home repair or improvement, including programs administered by the Department of Agriculture; and

(B) enhance collaboration and cross-agency streamlining efforts that reduce the burdens of multiple income verification processes and applications on the eligible homeowner, the eligible landlord, the implementing organization, and the Federal Government, including by establishing assistance application procedures for income eligibility under this subsection that recognize income eligibility determinations for assistance using any of the criteria under subsection (a)(3)(A) that have been used for assistance applications during the 1-year period preceding the date on which an eligible homeowner or eligible landlord applies for assistance under this subsection.

(10) Reporting requirements.—

(A) Annual report.—An implementing organization that receives a grant under this subsection shall submit to the Secretary an annual report on initial funding that includes—

(i) the number of units served, including reporting on both homeownership and rental units, as well as accessible units;

(ii) the average cost per unit for modifications or repairs and the nature of those modifications or repairs, including reporting on accessibility and both homeownership and rental units;

(iii) the number of applications received, served, denied, or not completed, disaggregated by geographic area;

(iv) the aggregated demographic data of grant recipients, which may include data on income range, urban, suburban, and rural residency, age, and racial and ethnic identity;

(v) the aggregated demographic data of loan recipients, which may include data on income range, urban, suburban, and rural residency, age, and racial and ethnic identity;

(vi) an affirmation that the implementing organization has complied with the applicable regulations, including compliance with Federal accessibility requirements;

(vii) in the first year of receiving a grant, and as certified in subsequent reports, a comprehensive plan to prevent waste, fraud, and abuse in the administration of the pilot program, which shall include, at a minimum—

(I) a policy enacted and enforced by the implementing organization to monitor ongoing expenditures under this subsection and ensure compliance with applicable regulations;

(II) a policy enacted and enforced by the implementing organization to detect and deter fraudulent activity, including fraud occurring in individual projects and patterns of fraud by parties involved in the expenditure of funds under this subsection;

(III) a statement setting forth any violations detected by the implementing organization during the previous calendar year, including details about steps taken to achieve compliance and any remedial measures; and

(IV) a certification by the chief executive or most senior compliance officer of the organization that the organization maintains sufficient staff and resources to effectively carry out the above-mentioned policies; and

(viii) such other information as the Secretary may require.

(B) Reporting requirement alignment.—To limit the costs of implementing the pilot program under this subsection, the Secretary shall endeavor, to the extent possible, to structure reporting requirements such that they align with the data reporting requirements in place for funding streams that implementing organizations are likely to

use in partnership with funding from this subsection, including the reporting requirements under—

(i) the Community Development Block Grant program under title I of the Housing and Community Development Act of 1974 ([42 U.S.C. 5301 et seq.](#));

(ii) the HOME Investment Partnerships program under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act ([42 U.S.C. 12741 et seq.](#));

(iii) the Weatherization Assistance Program for low-income persons established under part A of title IV of the Energy Conservation and Production Act ([42 U.S.C. 6861 et seq.](#)); and

(iv) the Native American Housing Assistance and Self-Determination Act of 1996 ([25 U.S.C. 4101 et seq.](#)).

(C) Pilot program period reports.—Not less frequently than twice during the period in which the pilot program established under this subsection operates, the Office of Inspector General of the Department of Housing and Urban Development shall complete an assessment of the implementation of measures to ensure the fair and legitimate use of the pilot program.

(D) Summary to Congress.—The Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives an annual report providing a summary of the data provided under subparagraphs (A) and (C) during the 1-year period preceding the report and all data previously provided under those subparagraphs.

(11) Funding.—The Secretary—

(A) is authorized to use up to \$30,000,000 of funds made available as provided in appropriations Acts for programs administered by the Office of Lead Hazard Control and Healthy Homes to carry out the pilot program under this subsection; and

(B) shall submit to the Committee on Appropriations and the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Appropriations and the Committee on Financial Services of the House of Representatives a report on the appropriations accounts from which the Secretary will derive the funding under subparagraph (A).

(12) Environmental review.—A grant under this subsection shall be—

(A) treated as assistance for a special project for purposes of section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 ([42 U.S.C. 3547](#)); and

(B) subject to the regulations promulgated by the Secretary to implement such section.

(13) Termination.—The pilot program established under this subsection shall terminate on October 1, 2031.

SEC. 442. COMMUNITY INVESTMENT AND PROSPERITY ACT.

(a) Revised Statutes.—The paragraph designated as the “Eleventh” of section 5136 of the Revised Statutes of the United States ([12 U.S.C. 24](#)) is amended, in the fifth sentence, by striking “15” each place the term appears and inserting “20”.

(b) Federal Reserve Act.—Section 9(23) of the Federal Reserve Act ([12 U.S.C. 338a](#)) is amended, in the fifth sentence, by striking “15” each place the term appears and inserting “20”.

SEC. 443. BUILD NOW ACT.

(a) Definitions.—In this section:

(1) Covered recipient.—The term “covered recipient” means a metropolitan city or urban county, as those terms are defined in section 102 of the Housing and Community Development Act of 1974 ([42 U.S.C. 5302](#)), that receives funds under section 106.

(2) Current annual growth rate.—The term “current annual growth rate”, with respect to an eligible recipient and a fiscal year, means the average annual percentage increase in the number of housing units in the jurisdiction of the eligible recipient, as calculated by the Secretary, during the period—

(A) beginning with the third quarter of the sixth preceding fiscal year; and

(B) ending with the third quarter of the preceding fiscal year.

(3) Eligible recipient.—The term “eligible recipient” means any covered recipient unless—

(A) (i) the median Small Area Fair Market Rent in the jurisdiction of the covered recipient is at or below the 60th percentile of median Small Area Fair Market Rents in the jurisdictions of all covered recipients; and

(ii) the median home value in the jurisdiction of the covered recipient is below the median home value for the United States;

(B) the annual natural rental vacancy rate in the jurisdiction of the covered recipient is greater than the national annual natural rental vacancy rate for the most recent year available, as published by the Bureau of the Census;

(C) during the 1-year period preceding the date on which the Secretary allocates funds under section 106, the jurisdiction of the covered recipient has been the subject of a major disaster or emergency declaration under section 401 or 501, respectively, of the Robert T. Stafford Disaster Relief and Emergency Assistance Act ([42 U.S.C. 5170, 5191](#)); or

(D) the covered recipient lacks the legal authority to enact or update zoning and permitting ordinances.

(4) Extremely high-growth recipient.—The term “extremely high-growth recipient” means an eligible recipient for which the current annual growth rate is at or above 4 percent.

(5) Housing growth improvement rate.—The term “housing growth improvement rate”, with respect to an eligible recipient and a fiscal year, means the quotient of—

(A) the current annual growth rate of the eligible recipient; and

(B) the prior annual growth rate of the eligible recipient.

(6) Prior annual growth rate.—The term “prior annual growth rate”, with respect to an eligible recipient and a fiscal year, means the average annual percentage increase in the number of housing units in the jurisdiction of the eligible recipient, as calculated by the Secretary, during the period—

(A) beginning with the third quarter of the 11th preceding fiscal year; and

(B) ending with the third quarter of the sixth preceding fiscal year.

(7) Secretary.—The term “Secretary” means the Secretary of Housing and Urban Development.

(8) Section 106.—The term “section 106” means section 106 of the Housing and Community Development Act of 1974 ([42 U.S.C. 5306](#)).

(b) Adjustments to community development block grant allocations.—

(1) In general.—In allocating amounts to an eligible recipient under section 106 for a fiscal year, the Secretary shall adjust the allocation based on the housing growth improvement rate of the eligible recipient, in accordance with paragraph (2) of this subsection.

(2) Adjustments.—

(A) Housing growth improvement rate at or above median; extremely high-growth recipients.—

(i) In general.—If, with respect to a fiscal year for which the allocation under section 106 is being determined, the housing growth improvement rate for an eligible recipient is at or above the median housing growth improvement rate for all eligible recipients other than extremely high-growth recipients, or if an eligible recipient is an extremely high-growth recipient, the Secretary shall allocate to the eligible recipient for that fiscal year, in addition to the amount that would otherwise be allocated to the eligible recipient under section 106, a bonus amount, as determined under clause (ii) of this subparagraph.

(ii) Bonus amount.—For purposes of clause (i), the bonus amount for an eligible recipient for a fiscal year shall be equal to the product of—

(I) the aggregate amount by which allocations to eligible recipients are decreased under subparagraph (B) for that fiscal year; and

(II) the quotient of—

(aa) the number of housing units, as of the third quarter of the preceding fiscal year, in the jurisdiction of the eligible recipient, as calculated by the Secretary; and

(bb) the number of housing units, as of the third quarter of the preceding fiscal year, in the jurisdictions of all eligible recipients that receive a bonus amount under this paragraph, as calculated by the Secretary.

(B) Housing growth improvement rate below median.—If, with respect to a fiscal year for which the allocation under section 106 is being determined, the housing growth improvement rate for an eligible recipient is below the median housing growth improvement rate for all eligible recipients other than high-growth outliers, the Secretary shall decrease the amount that would otherwise be allocated to the eligible recipient under section 106 for that fiscal year by 10 percent.

(c) Calculation of housing units.—

(1) Housing and Urban Development requirements.—In calculating the number of housing units in the jurisdiction of an eligible recipient under any provision of this section, the Secretary shall—

(A) use the Current Address Count Listing Files and other data products, as needed, of the Bureau of the Census tabulated from the Master Address File; and

(B) make calculations at the block level, using boundaries that reflect the most current boundaries.

(2) Census Bureau and Postal Service requirements.—The Bureau of the Census and the United States Postal Service shall provide any relevant data to the Secretary upon request to assist the Secretary in making a calculation described in paragraph (1).

(3) Adjustment of calculation periods.—The Secretary may adjust the calculation periods under subparagraphs (A) and (B) of subsection (a)(2), subparagraphs (A) and (B) of subsection (a)(6), and items (aa) and (bb) of subsection (b)(2)(A)(ii)(II) by not more than 2 months to achieve alignment with the data provided by the Bureau of the Census.

(d) Annual report on housing growth improvement rate.—Before allocating funds under section 106 for a fiscal year, the Secretary shall publish a report that—

(1) includes the housing growth improvement rate for each eligible recipient; and

(2) lists, for the most recent fiscal year for which allocations were made under section 106—

(A) the eligible recipients that received a bonus amount under subsection (b)(2)(A); and

(B) the eligible recipients for which the allocation under section 106 was decreased under subsection (b)(2)(B) of this section.

(e) Notification; implementation dates.—

(1) Notification.—

(A) In general.—Not later than 60 days after the date of enactment of this Act, the Secretary shall notify each eligible recipient of the recipient's housing growth improvement rate and whether that housing growth improvement rate is above, at, or below the median housing growth improvement rate for all eligible recipients other than extremely high-growth recipients.

(B) Guidance.—As part of the notification under subparagraph (A), the Secretary shall share guidance, including resources developed by the Department of Housing and Urban Development, on best practices and recommendations on policies to reduce regulatory barriers to housing and increase housing supply.

(2) Implementation dates.—Subsection (b) shall take effect beginning with the second full fiscal year after the date of enactment of this Act and remain in effect through fiscal year 2042.

SEC. 444. BETTER USE OF INTERGOVERNMENTAL AND LOCAL DEVELOPMENT HOUSING.

(a) Designation of environmental review procedure.—The Department of Housing and Urban Development Act ([42 U.S.C. 3531 et seq.](#)) is amended by inserting after section 12 ([42 U.S.C. 3537a](#)) the following:

“Sec. 13. Designation of environmental review procedure.

“(a) In general.—Except as provided in subsection (b), the Secretary may, for purposes of environmental review, decision making, and action pursuant to the National Environmental Policy Act of 1969 ([42 U.S.C. 4321 et seq.](#)), and other provisions of law that further the purposes of such Act, designate the treatment of assistance administered by the Secretary as funds for a special project for purposes of section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 ([42 U.S.C. 3547](#)).

“(b) Exception.—The designation described in subsection (a) shall not apply to assistance for which a procedure for carrying out the responsibilities of the Secretary under the National Environmental Policy Act of 1969 ([42 U.S.C. 4321 et seq.](#)), and other provisions of law that further the purposes of such Act, is otherwise specified in law.”.

(b) Tribal assumption of environmental review obligations.—Section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 ([42 U.S.C. 3547](#)) is amended—

(1) by striking “State or unit of general local government” each place it appears and inserting “State, Indian tribe, or unit of general local government”;

(2) in paragraph (1)(C), in the heading, by striking “State or unit of general local government” and inserting “State, Indian tribe, or unit of general local government”; and

(3) by adding at the end the following:

“(5) Definition of Indian tribe.—For purposes of this subsection, the term ‘Indian tribe’ means a federally recognized tribe, as defined in section 4(13)(B) of the Native American Housing Assistance and Self-Determination Act of 1996 ([25 U.S.C. 4103\(13\)\(B\)](#)).”.

SEC. 445. UNLOCKING HOUSING SUPPLY THROUGH STREAMLINED REVIEWS.

(a) Definitions.—In this section:

(1) Infill project.—The term “infill project” means a project that—

(A) occurs within the geographic limits of a municipality;

(B) is adequately served by existing utilities and public services as required under applicable law;

(C) is located on a site of previously disturbed land of not more than 5 acres and substantially surrounded by residential or commercial development;

(D) will repurpose a vacant or underutilized parcel of land, or a dilapidated or abandoned structure; and

(E) will serve a residential or commercial purpose.

(2) **Secretary.**—The term “Secretary” means the Secretary of Housing and Urban Development.

(b) **NEPA streamlining for HUD housing-related activities.**—

(1) **In general.**—The Secretary shall, in accordance with section 553 of title 5, United States Code, and section 103 of the National Environmental Policy Act of 1969 ([42 U.S.C. 4333](#)), expand and reclassify housing-related activities under the necessary administrative regulations as follows:

(A) The following housing-related activities shall be subject to regulations equivalent or substantially similar to the regulations entitled “exempt activities” as set forth in section [58.34 of title 24](#), Code of Federal Regulations, as in effect on January 1, 2025:

(i) Tenant-based rental assistance.

(ii) Supportive services, including health care, housing services, permanent housing placement, day care, nutritional services, short-term payments for rent, mortgage, or utility costs, and assistance in gaining access to Federal Government and State and local government benefits and services.

(iii) Operating costs, including maintenance, security, operation, utilities, furnishings, equipment, supplies, staff training, and recruitment and other incidental costs.

(iv) Economic development activities, including equipment purchases, inventory financing, interest subsidies, operating expenses, and similar costs not associated with construction or expansion of existing operations.

(v) Activities to assist homebuyers to purchase existing dwelling units or dwelling units under construction, including closing costs and down payment assistance, interest rate buydowns, and similar activities that result in the transfer of title.

(vi) Affordable housing pre-development costs related to obtaining site options, project financing, administrative costs and fees for loan commitment, zoning approvals, and other related activities that do not have a physical impact.

(vii) Approval of supplemental assistance, including insurance or guarantee, to a project previously approved by the Secretary.

(viii) Emergency homeowner or renter assistance for HVAC, hot water heaters, and other necessary uses of existing utilities required under applicable law.

(B) The following housing-related activities shall be subject to regulations equivalent or substantially similar to the regulations entitled, (i) “categorical exclusions not subject to section 58.5” and (ii) “categorical exclusions not subject to the Federal laws and authorities cited in sections 50.4” in [section 58.35\(b\)](#) and [section 50.19](#), respectively of title 24, Code of Federal Regulations, as in effect on January 1, 2025, if such activities do not materially alter environmental conditions and do not materially exceed the original scope of the project:

(i) Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements (other than buildings) if the facilities and improvements are in place and will be retained in the same use without change in size or capacity of more than 20 percent, including replacement of water or sewer lines, reconstruction of curbs and sidewalks, and repaving of streets.

(ii) Rehabilitation of 1-to-4 unit residential buildings, and existing housing-related infrastructure, such as repairs or rehabilitation of existing wells, septic, or utility lines that connect to that housing.

(iii) New construction, development, demolition, acquisition, or disposition on up to 4 scattered site existing dwelling units where there is a maximum of 4 units on any 1 site.

(iv) Acquisitions (including leasing) or disposition of, or equity loans on an existing structure, or acquisition (including leasing) of vacant land if the structure or land acquired, financed, or disposed of will be retained for the same use.

(C) The following housing-related activities shall be subject to regulations equivalent or substantially similar to the regulations entitled, (i) “categorical exclusions subject to section 58.5” and (ii) “categorical exclusions subject to the Federal laws and authorities cited in sections 50.4” in [section 58.35\(a\)](#) and [section 50.20](#), respectively, of title 24, Code of Federal Regulations, as in effect on January 1, 2025, if such activities do not materially alter environmental conditions and do not materially exceed the original scope of the project:

(i) Acquisitions of open space or residential property, where such property will be retained for the same use or will be converted to open space to help residents relocate out of an area designated as a high-risk area by the Secretary.

(ii) Conversion of existing office buildings into residential development, subject to—

(I) a maximum number of units to be determined by the Secretary; and

(II) a limitation on the change in building size of not more than 20 percent.

(iii) New construction, development, demolition, acquisition, or disposition on 5 to 15 dwelling units where there is a maximum of fifteen units on any 1 site. The units can be 15 1-unit buildings or 1 15-unit building, or any combination in between.

(iv) New construction, development, demolition, acquisition, or disposition on 15 or more housing units developed on scattered sites when there are not more than 15 housing units on any 1 site, and the sites are more than a set number of feet apart as determined by the Secretary.

(v) Rehabilitation of buildings and improvements in the case of a building for residential use with 5 to 15 units, if the density is not increased beyond 15 units and the land use is not changed.

(vi) Infill projects consisting of new construction, rehabilitation, or development of residential housing units.

(vii) The voluntary acquisition of properties—

(I) located in a—

(aa) floodway;

(bb) floodplain; or

(cc) other area, clearly delineated by the grantee; and

(II) that have been impacted by a predictable environmental threat to the safety and well-being of program beneficiaries caused or exacerbated by a federally declared disaster.

(c) Report.—The Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives an annual report during the 5-year period beginning on the date that is 2 years after the date of enactment of this Act that provides a summary of findings of reductions in review times and administrative cost reduction, with a particular focus on the affordable housing sector, as a result of the actions set forth in this section, and any recommendations of the Secretary for future

congressional action with respect to revising categorical exclusions or exemptions under title 24, Code of Federal Regulations.

SEC. 446. INNOVATION FUND.

(a) Definitions.—In this section:

(1) Attainable housing.—The term “attainable housing” means housing that—

(A) serves—

(i) a majority of households with income not greater than 80 percent of area median income; and

(ii) households with income not greater than 100 percent of area median income;
or

(B) serves—

(i) a majority of households with income not greater than 60 percent of area median income; and

(ii) households with income not greater than 120 percent of area median income.

(2) Eligible entity.—The term “eligible entity” means—

(A) a metropolitan city or urban county, as those terms are defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302), that has demonstrated an objective improvement in housing supply growth, as determined by the Secretary, whose methodology for determining such growth is published in the Federal Register to allow for public comment not less than 90 days before date on which the notice of funding opportunity is made available; or

(B) a unit of general local government or Indian tribe, as those terms are defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302), that has demonstrated an objective improvement in housing supply growth, as determined by the Secretary, whose methodology for determining such improvement is published in the Federal Register to allow for public comment not less than 90 days before the date on which the notice of funding opportunity is made available.

(3) Secretary.—The term “Secretary” means the Secretary of Housing and Urban Development.

(b) Establishment of a grant program.—

(1) Establishment.—Not later than 1 year after the date of enactment of this Act, the Secretary shall establish a program to award grants on a competitive basis to eligible entities that have increased their local housing supply.

(2) List of eligible entities.—The Secretary shall make a list of eligible entities publicly available on the website of the Department of Housing and Urban Development.

(3) Eligible purposes.—An eligible entity receiving a grant under this section may use funds to—

(A) carry out any of the activities described in section 105 of the Housing and Community Development Act of 1974 ([42 U.S.C. 5305](#));

(B) carry out any of the activities permitted under the Local and Regional Project Assistance Program established under section 6702 of title 49, United States Code;

(C) serve as matching funds under a State revolving fund program related to a clean water or drinking water program administered by the Environmental Protection Agency in which the eligible entity is the grantee under that program, unless otherwise determined by the Secretary; and

(D) carry out initiatives of the eligible entity that facilitate the expansion of the supply of attainable housing and that supplement initiatives the eligible entity has carried out, or is in the process of carrying out, as specified in the application submitted under paragraph (4).

(4) Application.—

(A) In general.—An eligible entity seeking a grant under this section shall submit to the Secretary an application that provides—

(i) a description of each purpose for which the eligible entity will use the grant, and an attestation that the grant will be used only for 1 or more eligible purposes described in paragraph (3);

(ii) data on characteristics of increased housing supply during the 3-year period ending on the date on which the application is submitted, which may include whether such housing—

(I) serves households at a range of income levels; and

(II) has improved the quality and affordability of housing in the jurisdiction of the eligible entity;

(iii) a description of how each eligible purpose described in clause (i) may address a community need or advance an objective, or an aspect of an objective,

included in the comprehensive housing affordability strategy and community development plan of the eligible entity under part 91 of title 24, Code of Federal Regulations, or any successor regulation (commonly referred to as a “consolidated plan”); and

(iv) a description of how the eligible entity has carried out, or is in the process of carrying out, initiatives that facilitate the expansion of the supply of housing.

(B) Initiatives.—Initiatives that meet the criteria described in paragraph (3)(D) include—

(i) increasing by-right uses, including duplex, triplex, quadplex, and multifamily buildings, in areas of opportunity;

(ii) revising or eliminating off-street parking requirements to reduce the cost of housing production;

(iii) revising minimum lot size requirements, floor area ratio requirements, set-back requirements, building heights, and bans or limits on construction to allow for denser and more affordable development;

(iv) instituting incentives to promote dense development;

(v) passing zoning overlays or other ordinances that enable the development of mixed-income housing;

(vi) streamlining regulatory requirements and shortening processes, increasing code enforcement and permitting capacity, reforming zoning codes, or other initiatives that reduce barriers to increasing housing supply and affordability;

(vii) eliminating restrictions against accessory dwelling units and expanding their by-right use;

(viii) using local tax incentives or public financing to promote development of attainable housing;

(ix) streamlining environmental regulations;

(x) eliminating unnecessary manufactured-housing regulations and restrictions;

(xi) minimizing the impact of overburdensome energy and water efficiency standards on housing costs; and

(xii) other activities that reduce cost of construction, as determined by the Secretary.

(5) Grants.—

(A) In general.—The Secretary shall make not fewer than 25 grants on an annual basis (unless amounts appropriated to provide grant amounts consistent with subsection (b) are insufficient, in which case fewer grants may be awarded), with strong consideration of different geographical areas and a relatively even spread of rural, suburban, and urban communities.

(B) Limitations on awards.—No grant awarded under this paragraph may be—

(i) more than \$10,000,000; or

(ii) less than \$250,000.

(C) Priority.—When awarding grants under this paragraph, the Secretary shall give priority to an eligible entity that has—

(i) demonstrated the use of innovative policies, interventions, or programs for increasing housing supply; and

(ii) demonstrated a marked improvement in housing supply growth.

(c) Rules of construction.—Nothing in this section shall be construed—

(1) to authorize the Secretary to mandate, supersede, or preempt any local zoning or land use policy; or

(2) to affect the requirements of section 105(c)(1) of the Cranston-Gonzalez National Affordable Housing Act ([42 U.S.C. 12705\(c\)\(1\)](#)).

(d) Authorization of appropriations.—

(1) In general.—There is authorized to be appropriated to carry out this section \$200,000,000 for each of fiscal years 2027 through 2031.

(2) Adjustment.—The amount authorized to be appropriated under paragraph (1) shall be adjusted for inflation based on the Consumer Price Index.

SEC. 447. ACCELERATING HOME BUILDING ACT.

(a) Definitions.—In this section:

(1) Affordable housing.—The term “affordable housing” means housing for which the total monthly housing cost payment is not more than 30 percent of the monthly household income for a household earning not more than 80 percent of the area median income.

(2) Covered structure.—The term “covered structure” means—

(A) a low-rise or mid-rise structure with not more than 25 dwelling units; and

(B) includes—

(i) an accessory dwelling unit;

(ii) infill development;

(iii) a duplex;

(iv) a triplex;

(v) a fourplex;

(vi) a cottage court;

(vii) a courtyard building;

(viii) a townhouse;

(ix) a multiplex; and

(x) any other structure with not less than 2 dwelling units that the Secretary considers appropriate.

(3) Eligible entity.—The term “eligible entity” means—

(A) a unit of general local government, as defined in section 102(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a));

(B) a municipal membership organization; and

(C) an Indian tribe, as defined in section 102(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)).

(4) High opportunity area.—The term “high opportunity area” has the meaning given the term in section 1282.1 of title 12, Code of Federal Regulations, or any successor regulation.

(5) Infill development.—The term “infill development” means residential development on small parcels in previously established areas for replacement by new or refurbished housing that utilizes existing utilities and infrastructure.

(6) Mixed-income housing.—The term “mixed-income housing” means a housing development that is comprised of housing units that promote differing levels of affordability in the community.

(7) Pre-reviewed designs.—The term “pre-reviewed designs”, also known as pattern books, means sets of construction plans that are assessed and approved by localities for

compliance with local building and permitting standards to streamline and expedite approval pathways for housing construction.

(8) Rural area.—The term “rural area” means any area other than a city or town that has a population of less than 50,000 inhabitants.

(9) Secretary.—The term “Secretary” means the Secretary of Housing and Urban Development.

(b) Authority.—The Secretary may award grants to eligible entities to select pre-reviewed designs of covered structures of mixed-income housing for use in the jurisdiction of the eligible entity.

(c) Considerations.—In reviewing applications submitted by eligible entities for a grant under this section, the Secretary shall consider—

(1) the need for affordable housing by the eligible entity;

(2) the presence of high opportunity areas in the jurisdiction of the eligible entity;

(3) coordination between the eligible entity and a State agency; and

(4) coordination between the eligible entity and State, local, and regional transportation planning authorities.

(d) Set-aside for rural areas.—Of the amount made available in each fiscal year for grants under this section, the Secretary shall ensure that not less than 10 percent shall be used for grants to eligible entities that are located in rural areas.

(e) Reports.—The Secretary shall require eligible entities receiving grants under this section to report on—

(1) the impacts of the activities carried out using the grant amounts in improving the production and supply of affordable housing;

(2) the pre-reviewed designs selected using the grant amounts in their communities;

(3) the number of permits issued for housing development utilizing pre-reviewed designs; and

(4) the number of housing units produced in developments utilizing the pre-reviewed designs.

(f) Availability of information.—The Secretary shall—

(1) to the extent possible, encourage localities to make publicly available through a website information on the pre-reviewed designs selected and submitted to the Secretary by

eligible entities receiving grants under this section, including information on the benefits of use of those designs; and

(2) collect, identify, and disseminate best practices regarding such designs and make such information publicly available on the website of the Department of Housing and Urban Development.

(g) Design adoption and repayment.—The Secretary may require an eligible entity to return to the Secretary any grant funds received under this section if the selected pre-reviewed designs submitted under this section have not been adopted during the 5-year period following receipt of the grant, unless that period is extended by the Secretary.

(h) Authorization of appropriations.—

(1) In general.—There is authorized to be appropriated to the Secretary such sums as are necessary to carry out this section.

(2) Technical assistance.—The Secretary may set aside not more than 5 percent of amounts appropriated under paragraph (1) in a fiscal year to provide technical assistance to grant recipients under this section and pre-grant technical assistance for prospective applicants.

SEC. 448. MORE HOUSING NEAR TRANSIT.

(a) Section 5309 of title 49, United States Code, is amended—

(1) in subsection (a)—

(A) by redesignating paragraph (6) as paragraph (7); and

(B) by inserting after paragraph (5) the following:

“(6) Pro-housing policy.—The term ‘pro-housing policy’—

“(A) means any adopted State or local policy that will remove regulatory barriers to the construction or preservation of housing units, including affordable housing units; and

“(B) shall include any adopted State or local policy that—

“(i) reduces or eliminates parking minimums;

“(ii) establishes a by-right approval process for housing under which land use development approval is limited to determining that the development meets objective zoning and design standards that—

“(I) involve no subjective judgment by a public official;

“(II) are uniformly verifiable by reference to an external and uniform benchmark or criterion available to both the land use developer and the public official prior to submission; and

“(III) include only such standards as are published and adopted by ordinance or resolution by a jurisdiction before submission of a development application;

“(iii) reduces or eliminates minimum lot sizes;

“(iv) eliminates or raises residential property height limits or increases the number of dwelling units permitted to be constructed under a by-right approval process; or

“(v) carries out other policies as determined by the Secretary, in consultation with the Secretary of Housing and Urban Development.”;

(2) in subsection (g)(2), by adding at the end the following:

“(D) Eligibility for adjustment of rating for project justification criteria for pro-housing policies; considerations.—In evaluating and rating a project as a whole for project justification under subparagraph (A), the Secretary—

“(i) may increase 1 point on the 5-point scale (high, medium-high, medium, medium-low, or low) the rating of a project if the applicant submits documented evidence of pro-housing policies for areas accessible to transit facilities along the project route; and

“(ii) should consider whether the pro-housing policies documented by the applicant will result, through new production and preservation, in an amount of housing units, including housing units affordable below the area median income, that is appropriate to expected housing demand in the project area.

“(E) Consultation.—In developing the evaluation process that could lead to the increased rating described in subparagraph (D)(i), the Secretary shall consult with the Secretary of Housing and Urban Development.”;

(3) in subsection (h)(6), by adding at the end the following:

“(C) Eligibility for adjustment of rating for project justification criteria for pro-housing policies; considerations.—In evaluating and rating the benefits of a project under subparagraph (A), the Secretary—

“(i) may increase the rating of a project if the applicant submits documented evidence of pro-housing policies for areas accessible to transit facilities along the project route; and

“(ii) should consider whether the pro-housing policies documented by the applicant will result, through new production and preservation, in an amount of

housing units, including housing units affordable below the area median income, that is appropriate to expected housing demand in the project area.

“(D) Consultation.—In developing the evaluation process that could lead to the increased rating described in subparagraph (C)(i), the Secretary shall consult with the Secretary of Housing and Urban Development.”; and

(4) in subsection (o)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking “and” at the end;

(ii) in subparagraph (C), by striking the period at the end and inserting “; and”; and

(iii) by adding at the end the following:

“(D) information concerning projects for which the applicant submitted pro-housing policies under subsection (g)(2)(D) or subsection (h)(6) and received an adjustment of rating for project justification.”.

SEC. 449. REVITALIZING EMPTY STRUCTURES INTO DESIRABLE ENVIRONMENTS.

(a) Definitions.—In this section:

(1) Attainable housing.—The term “attainable housing” means housing that—

(A) serves households earning not more than 100 percent of the area median income, if a majority of the housing units are affordable to households earning not more than 80 percent of the area median income; or

(B) serves households earning not more than 120 percent of the area median income, if the majority of the housing units are affordable to households earning not more than 60 percent of the area median income.

(2) Converted housing unit.—The term “converted housing unit” means a housing unit that is created using a covered grant.

(3) Covered grant.—The term “covered grant” means a grant awarded under the Pilot Program.

(4) Eligible entity.—The term “eligible entity” means a participating jurisdiction, as defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704).

(5) HOME Investment Partnerships Program.—The term “HOME Investment Partnerships Program” means the program under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12741 et seq.).

(6) Pilot Program.—The term “Pilot Program” means the Blighted Building to Housing Conversion Program carried out under subsection (b).

(7) Secretary.—The term “Secretary” means the Secretary of Housing and Urban Development.

(8) Vacant and abandoned building.—The term “vacant and abandoned building” means a property—

(A) that was constructed for use as a warehouse, factory, mall, strip mall, or hotel, or for another industrial or commercial use; and

(B) (i) with respect to which—

(I) a code enforcement inspection has determined that the property is not safe; and

(II) not less than 90 days have elapsed since the owner was notified of the deficiencies in the property and the owner has taken no corrective action; or

(ii) that is subject to a court-ordered receivership or nuisance abatement related to abandonment pursuant to State or local law or otherwise meets the definition of an abandoned property under State law.

(b) Grant program.—For each of fiscal years 2027 through 2031, if the amounts made available to carry out the HOME Investment Partnerships Program exceed \$1,350,000,000, the Secretary may use not more than \$100,000,000 of the excess amounts to carry out a pilot program, to be known as the “Blighted Building to Housing Conversion Program”, under which the Secretary awards grants on a competitive basis to eligible entities to convert vacant and abandoned buildings into attainable housing.

(c) Amount of grant.—

(1) In general.—For any fiscal year for which \$100,000,000 is available to carry out the Pilot Program pursuant to subsection (b), the amount of a covered grant shall be not less than \$1,000,000 and not more than \$10,000,000.

(2) Fiscal years with lower funding.—For any fiscal year for which less than \$100,000,000 is available to carry out the Pilot Program pursuant to subsection (b), the Secretary shall seek to maximize the number of covered grants awarded.

(d) Relation to HOME Investment Partnerships Program formula allocation.—A covered grant awarded to an eligible entity shall be in addition to, and shall not affect, the formula allocation for the eligible entity under the HOME Investment Partnerships Program.

(e) Priority.—In awarding covered grants, the Secretary shall give priority to an eligible entity that—

(1) will use the covered grant in a community that is experiencing economic distress;

(2) will use the covered grant in a qualified opportunity zone (as defined in section 1400Z–1(a) of the Internal Revenue Code of 1986);

(3) will use the covered grant to construct housing that will serve a need identified in the comprehensive housing affordability strategy and community development plan of the eligible entity under part 91 of title 24, Code of Federal Regulations, or any successor regulation (commonly referred to as a “consolidated plan”); or

(4) has enacted ordinances to reduce regulatory barriers to conversion of vacant and abandoned buildings to housing, which shall not include any alteration of an ordinance that governs safety and habitability.

(f) Use of funds.—An eligible entity may use a covered grant for—

(1) property acquisition;

(2) demolition;

(3) health hazard remediation;

(4) site preparation;

(5) construction, renovation, or rehabilitation; or

(6) the establishment, maintenance, or expansion of community land trusts.

(g) Applicability of HOME requirements.—The requirements for rental, sale, and resale of housing under the HOME Investment Partnerships Program shall apply to rental, sale, and resale of converted housing units under the Pilot Program.

(h) Waiver authority.—In administering covered grants, the Secretary may waive, or specify alternative requirements for, any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by eligible entities of covered grant funds (except for requirements related to fair housing, nondiscrimination, labor standards, or the environment) if the Secretary makes a public finding that good cause exists for the waiver or alternative requirement.

(i) Study; report.—Not later than 180 days after the termination of the Pilot Program, the Secretary shall study and submit a report to Congress on the impact of the Pilot Program on—

(1) improving the tax base of local communities;

(2) increasing access to affordable housing, especially for elderly individuals, disabled individuals, and veterans;

(3) increasing homeownership; and

(4) removing blight.

Subtitle E—Manufacturing More Housing for America

SEC. 451. HOUSING SUPPLY EXPANSION.

(a) In general.—Section 603(6) of the National Manufactured Housing Construction and Safety Standards Act of 1974 ([42 U.S.C. 5402\(6\)](#)) is amended by striking “on a permanent chassis” and inserting “with or without a permanent chassis”.

(b) Manufactured home certifications.—Section 604 of the National Manufactured Housing Construction and Safety Standards Act of 1974 ([42 U.S.C. 5403](#)) is amended by adding at the end the following:

“(i) Manufactured home certifications.—

“(1) In general.—

“(A) Initial certification.—Subject to subparagraph (B), not later than July 1, 2027, a State shall submit to the Secretary an initial certification that the laws and regulations of the State—

“(i) treat any manufactured home in parity with a manufactured home (as defined and regulated by the State); and

“(ii) subject a manufactured home without a permanent chassis to the same laws and regulations of the State as a manufactured home built on a permanent chassis, including with respect to financing, title, insurance, manufacture, sale, taxes, transportation, installation, and other areas as the Secretary determines, after consultation with and approval by the consensus committee, are necessary to give effect to the purpose of this section.

“(B) State plan submission.—Any State plan submitted under subparagraph (C) shall contain the required State certification under subparagraph (A) and, if contained therein, no additional State certification under subparagraph (A) or paragraph (3).

“(C) Extended deadline.—With respect to a State with a legislature that meets biennially, the deadline for the submission of the initial certification required under subparagraph (A) shall be July 1, 2028.

“(D) Late certification.—

“(i) No waiver.—The Secretary may not waive the prohibition described in paragraph (5)(B) with respect to a certification submitted after the deadline under subparagraph (A) or paragraph (3) unless the Secretary approves the late certification.

“(ii) Rule of construction.—Nothing in this subsection shall be construed to prevent a State from submitting the initial certification required under subparagraph (A) after the required deadline under that subparagraph.

“(2) Form of State certification not presented in a State plan.—The initial certification required under paragraph (1)(A), if not submitted with a State plan under paragraph (1)(B), shall contain, in a form prescribed by the Secretary, an attestation by an official that the State has taken the steps necessary to ensure the veracity of the certification required under paragraph (1)(A), including, as necessary, by—

“(A) amending the definition of ‘manufactured home’ in the laws and regulations of the State; and

“(B) directing State agencies to amend the definition of ‘manufactured home’ in regulations.

“(3) Annual recertification.—Not later than a date to be determined by the Secretary each year, a State shall submit to the Secretary an additional certification that—

“(A) confirms the accuracy of the initial certification submitted under subparagraph (A) or (B) of paragraph (1); and

“(B) certifies that any new laws or regulations enacted or adopted by the State since the date of the previous certification does not change the veracity of the initial certification submitted under paragraph (1)(A).

“(4) List.—The Secretary shall publish and maintain in the Federal Register and on the website of the Department of Housing and Urban Development a list of States that are up-to-date with the submission of initial and subsequent certifications required under this subsection.

“(5) Prohibition.—

“(A) Definition.—In this paragraph, the term ‘covered manufactured home’ means a home that is—

“(i) not considered a manufactured home under the laws and regulations of a State because the home is constructed without a permanent chassis;

“(ii) considered a manufactured home under the definition of the term in section 603; and

“(iii) constructed after the date of enactment of the POPULIST Act.

“(B) Building, installation, and sale.—If a State does not submit a certification under paragraph (1)(A) or (3) by the date on which those certifications are required to be submitted—

“(i) with respect to a State in which the State administers the installation of manufactured homes, the State shall prohibit the manufacture, installation, or sale of a covered manufactured home within the State; and

“(ii) with respect to a State in which the Secretary administers the installation of manufactured homes, the State and the Secretary shall prohibit the manufacture, installation, or sale of a covered manufactured home within the State.”.

(c) Other Federal laws regulating manufactured homes.—The Secretary of Housing and Urban Development may coordinate with the heads of other Federal agencies to ensure that Federal agencies treat a manufactured home (as defined in Federal laws and regulations other than section 603 of the National Manufactured Housing Construction and Safety Standards Act of 1974 ([42 U.S.C. 5402](#))) in the same manner as a manufactured home (as defined in section 603 of the National Manufactured Housing Construction and Safety Standards Act of 1974 ([42 U.S.C. 5402](#)), as amended by this Act).

(d) Assistance to States.—Section 609 of the National Manufactured Housing Construction and Safety Standards Act of 1974 ([42 U.S.C. 5408](#)) is amended—

(1) in paragraph (1), by striking “and” at the end;

(2) in paragraph (2), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(3) model guidance to support the submission of the certification required under section 604(i).”.

(e) Preemption.—Nothing in this section or the amendments made by this section shall be construed as limiting the scope of Federal preemption under section 604(d) of the National Manufactured Housing Construction and Safety Standards Act of 1974 ([42 U.S.C. 5403\(d\)](#)).

SEC. 452. MODULAR HOUSING PRODUCTION.

(a) Definitions.—In this section:

(1) Manufactured home.—The term “manufactured home” has the meaning given the term in section 603 of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5402).

(2) Modular home.—The term “modular home” means a home that is constructed in a factory in 1 or more modules, each of which meet applicable State and local building codes of the area in which the home will be located, and that are transported to the home building site, installed on foundations, and completed.

(3) Secretary.—The term “Secretary” means the Secretary of Housing and Urban Development.

(b) FHA construction financing programs.—

(1) In general.—The Secretary shall conduct a review of Federal Housing Administration construction financing programs to identify barriers to the use of modular home methods.

(2) Requirements.—In conducting the review under paragraph (1), the Secretary shall—

(A) identify and evaluate regulatory and programmatic features that restrict participation in construction financing programs by modular home developers, including construction draw schedules; and

(B) identify administrative measures authorized under section 525 of the National Housing Act ([12 U.S.C. 1735f–3](#)) to facilitate program utilization by modular home developers.

(3) Report.—Not later than 1 year after the date of enactment of this Act, the Secretary shall publish a report that describes the results of the review conducted under paragraph (1), which shall include a description of programmatic and policy changes that the Secretary recommends to reduce or eliminate identified barriers to the use of modular home methods in Federal Housing Administration construction financing programs.

(4) Rulemaking.—

(A) In general.—Not later than 120 days after the date on which the Secretary publishes the report under paragraph (3), the Secretary shall initiate a rulemaking to examine an alternative draw schedule for construction financing loans provided to modular and manufactured home developers, which shall include the ability for interested stakeholders to provide robust public comment.

(B) Determination.—Following the period for public comment under subparagraph (A), the Secretary shall—

(i) issue a final rule regarding an alternative draw schedule described in subparagraph (A); or

(ii) provide an explanation as to why the rule shall not become final.

(c) Standardized uniform commercial code for modular homes.—

(1) Award.—The Secretary may award a grant to study the design and feasibility of a standardized uniform commercial code for modular homes, which shall evaluate—

(A) the utility of a standardized coding system for serializing and securing modules, streamlining design and construction, and improving modular home innovation; and

(B) a means to coordinate a standardized code with financing incentives.

(2) Authorization of appropriations.—There is authorized to be appropriated such funds as may be necessary to carry out paragraph (1).

SEC. 453. PROPERTY IMPROVEMENT AND MANUFACTURED HOUSING LOAN MODERNIZATION ACT.

(a) National Housing Act amendments.—

(1) In general.—Section 2 of the National Housing Act ([12 U.S.C. 1703](#)) is amended—

(A) in subsection (a), by inserting “construction of additional or accessory dwelling units, as defined by the Secretary,” after “energy conserving improvements,”; and

(B) in subsection (b)—

(i) in paragraph (1)—

(I) by striking subparagraph (A) and inserting the following:

“(A) \$75,000 if made for the purpose of financing alterations, repairs and improvements upon or in connection with an existing single-family structure, including a manufactured home;”;

(II) in subparagraph (B)—

(aa) by striking “\$60,000” and inserting “\$150,000”;

(bb) by striking “\$12,000” and inserting “\$37,500”; and

(cc) by striking “an apartment house or”;

(III) by striking subparagraphs (C) and (D) and inserting the following:

“(C) (i) \$106,405 if made for the purpose of financing the purchase of a single-section manufactured home; and

“(ii) \$195,322 if made for the purpose of financing the purchase of a multi-section manufactured home;

“(D) (i) \$149,782 if made for the purpose of financing the purchase of a single-section manufactured home and a suitably developed lot on which to place the home; and

“(ii) \$238,699 if made for the purpose of financing the purchase of a multi-section manufactured home and a suitably developed lot on which to place the home;”;

(IV) in subparagraph (E)—

(aa) by striking “\$23,226” and inserting “\$43,377”; and

(bb) by striking the period at the end and inserting a semicolon;

(V) in subparagraph (F), by striking “and” at the end;

(VI) in subparagraph (G), by striking the period at the end and inserting “; and”;

(VII) by inserting after subparagraph (G) the following:

“(H) such principal amount as the Secretary may prescribe if made for the purpose of financing the construction of an accessory dwelling unit.”;

(ii) in the matter immediately preceding paragraph (2)—

(I) by striking “regulation” and inserting “notice”;

(II) by striking “increase” and inserting “set”;

(III) by striking “(A)(ii), (C), (D), and (E)” and inserting “(A) through (H)”;

(IV) by inserting “, or as necessary to achieve the goals of the Federal Housing Administration, periodically reset the dollar amount limitations in subparagraphs (A) through (H) based on justification and methodology set forth in advance by regulation” before the period at the end; and

(V) by adjusting the margins appropriately;

(iii) in paragraph (3), by striking “exceeds—” and all that follows through the period at the end and inserting “exceeds such period of time as determined by the Secretary, not to exceed 30 years.”;

(iv) by striking paragraph (9) and inserting the following:

“(9) Annual indexing of certain dollar amount limitations.—The Secretary shall develop or choose 1 or more methods of indexing in order to annually set the loan limits established in paragraph (1), based on data the Secretary determines is appropriate for purposes of this section.”; and

(v) in paragraph (11), by striking “lease—” and all that follows through the period at the end and inserting “lease meets the terms and conditions established by the Secretary”.

(2) Deadline for development or choice of new index; interim index.—

(A) Deadline for development or choice of new index.—Not later than 1 year after the date of enactment of this Act, the Secretary of Housing and Urban Development shall develop or choose 1 or more methods of indexing as required under section 2(b)(9) of the National Housing Act (12 U.S.C. 1703(b)(9)), as amended by paragraph (1) of this subsection.

(B) Interim index.—During the period beginning on the date of enactment of this Act and ending on the date on which the Secretary of Housing and Urban Development develops or chooses 1 or more methods of indexing as required under section 2(b)(9) of the National Housing Act (12 U.S.C. 1703(b)(9)), as amended by paragraph (1) of this subsection, the method of indexing established by the Secretary under that subsection before the date of enactment of this Act shall apply.

(b) HUD study of off-site construction.—

(1) Definitions.—In this subsection:

(A) Off-site construction housing.—The term “off-site construction housing” includes manufactured homes and modular homes.

(B) Manufactured home.—The term “manufactured home” means any home constructed in accordance with the construction and safety standards established under the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.).

(C) Modular home.—The term “modular home” means a home that is constructed in a factory in 1 or more modules, each of which meet applicable State and local building codes of the area in which the home will be located, and that are transported to the home building site, installed on foundations, and completed.

(2) Study.—The Secretary of Housing and Urban Development shall conduct a study and submit to Congress a report on the cost effectiveness of off-site construction housing, that includes—

(A) an analysis of the advantages of the impact of centralization in a factory and transportation to a construction site on cost, precision, and materials waste;

(B) the extent to which off-site construction housing meets housing quality standards under the National Standards for the Physical Inspection of Real Estate, or other standards as the Secretary may prescribe, compared to the extent for site-built homes, for such standards;

(C) the expected replacement and maintenance costs over the first 40 years of life of off-site construction homes compared to those costs for site-built homes; and

(D) opportunities for use beyond single-family housing, such as applications in accessory dwelling units, two- to four-unit housing, and large multifamily housing.

SEC. 454. PRICE ACT.

(a) Title I of the Housing and Community Development Act of 1974 ([42 U.S.C. 5301 et seq.](#)) is amended—

(1) in section 105(a) ([42 U.S.C. 5305\(a\)](#)), in the matter preceding paragraph (1), by striking “Activities” and inserting “Unless otherwise authorized under section 123, activities”; and

(2) by adding at the end the following:

“Sec. 123. Preservation and reinvestment for community enhancement.

“(a) Definitions.—In this section:

“(1) Community development financial institution.—The term ‘community development financial institution’ means an institution that has been certified as a community development financial institution (as defined in section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994 ([12 U.S.C. 4702](#))) by the Secretary of the Treasury.

“(2) Eligible manufactured housing community.—The term ‘eligible manufactured housing community’ means a manufactured housing community that—

“(A) is affordable to low- and moderate-income persons, as determined by the Secretary, but not more than 120 percent of the area median income; and

"(B) (i) is owned by the residents of the manufactured housing community through a resident-controlled entity such as a resident-owned cooperative; or

"(ii) will be maintained as such a community, and remain affordable for low- and moderate-income persons, to the maximum extent practicable and for the longest period feasible.

"(3) Eligible recipient.—The term 'eligible recipient' means—

"(A) an eligible manufactured housing community;

"(B) a unit of general local government;

"(C) a housing authority;

"(D) a resident-owned community;

"(E) a resident-owned cooperative;

"(F) a nonprofit entity with housing expertise or a consortia of such entities;

"(G) a community development financial institution;

"(H) an Indian tribe;

"(I) a tribally designated housing entity;

"(J) a State; or

"(K) any other entity that is—

"(i) an owner-operator of an eligible manufactured housing community; and

"(ii) working with an eligible manufactured housing community.

"(4) Indian tribe.—The term 'Indian tribe' has the meaning given the term 'Indian tribe' in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 ([25 U.S.C. 4103](#)).

"(5) Manufactured housing community.—The term 'manufactured housing community' means—

"(A) any community, court, park, or other land under unified ownership developed and accommodating or equipped to accommodate the placement of manufactured homes, where—

"(i) spaces within such community are or will be primarily used for residential occupancy;

“(ii) all homes within the community are used for permanent occupancy; and

“(iii) a majority of such occupied spaces within the community are occupied by manufactured homes, which may include homes constructed prior to enactment of the Manufactured Home Construction and Safety Standards; or

“(B) any community that meets the definition of manufactured housing community used for programs similar to the program under this section.

“(6) Resident health, safety, and accessibility activities.—The term ‘resident health, safety, and accessibility activities’ means the reconstruction, repair, or replacement of manufactured housing and manufactured housing communities to—

“(A) protect the health and safety of residents;

“(B) address weatherization and reduce utility costs; or

“(C) address accessibility needs for residents with disabilities.

“(7) Tribally designated housing entity.—The term ‘tribally designated housing entity’ has the meaning given the term in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 ([25 U.S.C. 4103](#)).

“(b) Establishment.—The Secretary shall, by notice, carry out a competitive grant program to award funds to eligible recipients to carry out eligible projects for development of or improvements in eligible manufactured housing communities.

“(c) Eligible projects.—

“(1) In general.—Amounts from grants under this section may be used for—

“(A) community infrastructure, facilities, utilities, and other land improvements in or serving an eligible manufactured housing community;

“(B) reconstruction or repair existing housing within an eligible manufactured housing community;

“(C) replacement of homes within an eligible manufactured housing community;

“(D) planning;

“(E) resident health, safety, and accessibility activities in homes in an eligible manufactured housing community;

“(F) land and site acquisition and infrastructure for expansion or construction of an eligible manufactured housing community;

“(G) resident and community services, including relocation assistance, eviction prevention, and down payment assistance; and

“(H) any other activity that—

“(i) is approved by the Secretary consistent with the requirements under this section;

“(ii) improves the overall living conditions of an eligible manufactured housing community, which may include the addition or enhancement of shared spaces such as community centers, recreational areas, or other facilities that support resident well-being and community engagement; and

“(iii) is necessary to protect the health and safety of the residents of the eligible manufactured housing community and the long-term affordability and sustainability of the community.

“(2) Replacement.—For purposes of subparagraphs (B) and (C) of paragraph (1), grants under this section—

“(A) may not be used for rehabilitation or modernization of units that were built before June 15, 1976; and

“(B) may only be used for disposition and replacement of units described in subparagraph (A), provided that any replacement housing complies with the Manufactured Home Construction and Safety Standards or is another allowed home, as determined by the Secretary.

“(d) Priority.—In awarding grants under this section, the Secretary shall prioritize applicants that will carry out activities that primarily benefit low- and moderate-income residents and preserve long-term housing affordability for residents of eligible manufactured housing communities.

“(e) Waivers.—The Secretary may waive or specify alternative requirements for any provision of law or regulation that the Secretary administers in connection with use of amounts made available under this section other than requirements related to fair housing, nondiscrimination, labor standards, and the environment, upon a finding that the waiver or alternative requirement is not inconsistent with the overall purposes of this section and that the waiver or alternative requirement is necessary to facilitate the use of amounts made available under this section.

“(f) Implementation.—

“(1) In general.—Any grant made under this section shall be made pursuant to criteria for selection of recipients of such grants that the Secretary shall by regulation establish and publish together with any notification of availability of amounts under this section.

“(2) Set aside of grant amounts.—The Secretary may set aside amounts provided under this section for grants to Indian tribes and tribally designated housing entities.

“(g) Authorization of appropriations.—There is authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section.”.

Subtitle F—Increasing Access To Homeownership

SEC. 461. CREATING INCENTIVES FOR SMALL DOLLAR LOAN ORIGINATORS.

(a) Definitions.—In this section:

(1) Director.—The term “Director” means the Director of the Bureau of Consumer Financial Protection.

(2) Small dollar mortgage.—The term “small dollar mortgage” means a mortgage loan having an original principal obligation of not more than \$100,000 that is—

(A) secured by real property designed for the occupancy of between 1 and 4 families; and

(B) (i) insured by the Federal Housing Administration under title II of the National Housing Act (12 U.S.C. 1707 et seq.);

(ii) made, guaranteed, or insured by the Department of Veterans Affairs;

(iii) made, guaranteed, or insured by the Department of Agriculture; or

(iv) eligible to be purchased or securitized by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.

(b) Requirement regarding loan originator compensation practices.—Not later than 270 days after the date of enactment of this Act, the Director shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on loan originator compensation practices throughout the residential mortgage market, including the relative frequency of loan originators being compensated—

(1) with a salary;

(2) with a commission reflecting a fixed percentage of the amount of credit extended;

(3) with a commission based on a factor other than a fixed percentage of the amount of credit extended;

(4) with a combination of salary and commission;

(5) on a loan volume basis;

(6) with a commission reflecting a percentage of the amount of credit extended, for which a minimum or maximum compensation amount is set; and

(7) by any other mechanism that the Director may find to be a practice for compensating mortgage loan originators, including any mechanism that provides a loan originator with compensation in such a way that the loan originator does not necessarily receive a lower level of compensation for originating a small dollar mortgage than the loan originator would receive for originating a mortgage loan that is not a small dollar mortgage.

(c) Contents.—The report required under subsection (b) shall include—

(1) data and other analysis regarding the effect of the approaches to loan originator compensation described in subsection (b) on the availability of small dollar mortgage loans; and

(2) analysis and discussion regarding other potential barriers to small dollar mortgage lending.

(d) Rulemaking.—Following the issuance of the report required under subsection (b), the Director may issue regulations to clarify the forms of compensation a lender may use to compensate a loan originator that—

(1) are permissible pursuant to section 129B(c) of the Truth in Lending Act (15 U.S.C. 1639b(c)); and

(2) would result in the loan originator receiving compensation for originating a small dollar mortgage that is not less than the compensation the loan originator would receive for originating a mortgage loan that is not a small dollar mortgage.

SEC. 462. SMALL DOLLAR MORTGAGE POINTS AND FEES.

(a) Small dollar mortgage defined.—In this section, the term “small dollar mortgage” means a mortgage with an original principal obligation of less than \$100,000.

(b) Amendments.—

(1) In general.—Not later than 270 days after the date of enactment of this Act, the Director of the Bureau of Consumer Financial Protection, in consultation with the Secretary of Housing and Urban Development and the Director of the Federal Housing Finance Agency, shall evaluate the impact of the existing thresholds under section 1026.43 of title 12, Code of Federal Regulations, on small dollar mortgage originations.

(2) Rulemaking.—Following the evaluation required under paragraph (1), the Director of the Bureau of Consumer Financial Protection may initiate rulemaking to amend the limitations with respect to points and fees under section 1026.43 of title 12, Code of Federal Regulations, or any successor regulation, to encourage additional lending for small dollar mortgages.

SEC. 463. APPRAISAL INDUSTRY IMPROVEMENT ACT.

(a) Appraisal standards.—

(1) Certification or licensing.—

(A) In general.—Section 202(g)(5) of the National Housing Act ([12 U.S.C. 1708\(g\)\(5\)](#)) is amended—

(i) by moving the paragraph two ems to the left; and

(ii) by striking subparagraphs (A) and (B) and inserting the following:

“(A) be certified or licensed by the State in which the property to be appraised is located, except that a Federal employee who has as their primary duty conducting appraisal-related activities and who chooses to become a State-licensed or certified real estate appraiser need only to be licensed or certified in 1 State or territory to perform appraisals on mortgages insured by the Federal Housing Administration in all States and territories;

“(B) meet the requirements under the competency rule set forth in the Uniform Standards of Professional Appraisal Practice before accepting an assignment; and

“(C) have demonstrated verifiable education in the appraisal requirements established by the Federal Housing Administration under this subsection, which shall include the completion of a course or seminar that educates appraisers on those appraisal requirements, which shall be provided by—

“(i) the Federal Housing Administration; or

“(ii) a third party, so long as the course is approved by the Secretary or a State appraiser certifying or licensing agency.”.

(B) Application.—Subparagraph (C) of section 202(g)(5) of the National Housing Act (12 U.S.C. 1708(g)(5)), as added by subparagraph (A), shall not apply with respect to any certified appraiser approved by the Federal Housing Administration to conduct appraisals on property securing a mortgage to be insured by the Federal Housing Administration on or before the effective date under paragraph (3)(C).

(2) Compliance with verifiable education and competency requirements.—On and after the effective date under paragraph (3)(C), no appraiser may conduct an appraisal on a property securing a mortgage to be insured by the Federal Housing Administration unless—

(A) the appraiser is in compliance with the requirements under subparagraphs (A) and (B) of section 202(g)(5) of such Act (12 U.S.C. 1708(g)(5)), as amended by paragraph (1); and

(B) if the appraiser was not approved by the Federal Housing Administration to conduct appraisals on mortgages insured by the Federal Housing Administration before

the date on which the mortgagee letter or guidance take effect under paragraph (3)(C), the appraiser is in compliance with subparagraph (C) of such section 202(g)(5).

(3) Implementation.—Not later than the 240 days after the date of enactment of this Act, the Secretary of Housing and Urban Development shall issue a mortgagee letter or guidance that shall—

(A) implement the amendments made by paragraph (1);

(B) clearly set forth all of the specific requirements under section 202(g)(5) of the National Housing Act (12 U.S.C. 1708(g)(5)), as amended by paragraph (1), for approval to conduct appraisals on property secured by a mortgage to be insured by the Federal Housing Administration, which shall include—

(i) providing that, before the effective date of the mortgagee letter or guidance, compliance with the requirements under subparagraphs (A), (B), and (C) of such section 202(g)(5), as amended by paragraph (1), shall be considered to fulfill the requirements under such subparagraphs; and

(ii) providing a method for appraisers to demonstrate such prior compliance; and

(C) take effect not later than the date that is 180 days after the date on which the Secretary issues the mortgagee letter or guidance.

SEC. 464. CHOICE IN AFFORDABLE HOUSING ACT.

(a) Satisfaction of inspection requirements through participation in other housing programs.—Section 8(o)(8) of the United States Housing Act of 1937 ([42 U.S.C. 1437f\(o\)\(8\)](#)), as amended by section 101(a) of the Housing Opportunity Through Modernization Act of 2016 (Public Law 114–201; 130 Stat. 783), is amended by adding at the end the following:

“(I) Satisfaction of inspection requirements through participation in other housing programs.—

“(i) Low-income housing tax credit-financed buildings.—A dwelling unit shall be deemed to meet the inspection requirements under this paragraph if—

“(I) the dwelling unit is in a building, the acquisition, rehabilitation, or construction of which was financed by a person who received a low-income housing tax credit under section 42 of the Internal Revenue Code of 1986 in exchange for that financing;

“(II) the dwelling unit was physically inspected and passed inspection as part of the low-income housing tax credit program described in subclause (I) during the preceding 12-month period; and

“(III) the applicable public housing agency is able to obtain the results of the inspection described in subclause (II).

“(ii) Home Investment Partnerships Program.—A dwelling shall be deemed to meet the inspection requirements under this paragraph if—

“(I) the dwelling unit is assisted under the HOME Investment Partnerships Program under title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.);

“(II) the dwelling unit was physically inspected and passed inspection as part of the program described in subclause (I) during the preceding 12-month period; and

“(III) the applicable public housing agency is able to obtain the results of the inspection described in subclause (II).

“(iii) Rural Housing Service.—A dwelling unit shall be deemed to meet the inspection requirements under this paragraph if—

“(I) the dwelling unit is assisted by the Rural Housing Service of the Department of Agriculture;

“(II) the dwelling unit was physically inspected and passed inspection in connection with the assistance described in subclause (I) during the preceding 12-month period; and

“(III) the applicable public housing agency is able to obtain the results of the inspection described in subclause (II).

“(iv) Remote or video inspections.—When complying with inspection requirements for a housing unit located in a rural or small area using assistance under this subtitle, the Secretary may allow a grantee to conduct a remote or video inspection of a unit.

“(v) Rule of construction.—Nothing in clause (i), (ii), (iii), or (iv) shall be construed to affect the operation of a housing program described in, or authorized under a provision of law described in, that clause.”.

(b) Pre-approval of units.—Section 8(o)(8)(A) of the United States Housing Act of 1937 ([42 U.S.C. 1437f\(o\)\(8\)\(A\)](#)) is amended by adding at the end the following:

“(iv) Initial inspection prior to lease agreement.—

“(I) Definition.—In this clause, the term ‘new landlord’ means an owner of a dwelling unit who has not previously entered into a housing assistance payment contract with a public housing agency under this subsection for any dwelling unit.

“(II) Early inspection.—Upon the request of a new landlord, a public housing agency may inspect the dwelling unit owned by the new landlord to determine

whether the unit meets the housing quality standards under subparagraph (B) before the unit is selected by a tenant assisted under this subsection.

“(III) Effect.—An inspection conducted under subclause (II) that determines that the dwelling unit meets the housing quality standards under subparagraph (B) shall satisfy this subparagraph and subparagraph (C) if the new landlord enters into a lease agreement with a tenant assisted under this subsection not later than 60 days after the date of the inspection.

“(IV) Information when family is selected.—When a public housing agency selects a family to participate in the tenant-based assistance program under this subsection, the public housing agency shall include in the information provided to the family a list of dwelling units that have been inspected under subclause (II) and determined to meet the housing quality standards under subparagraph (B).”.

SEC. 465. USE-OF-FUNDS RESTRICTIONS ON FEDERAL HOME LOAN BANK ADVANCES.

(a) Definitions.—In this section:

(1) Advance.—The term “advance” means a loan made by a Federal Home Loan Bank to a member pursuant to section 10 of the Federal Home Loan Bank Act ([12 U.S.C. 1430](#)), secured by eligible collateral and subject to the terms and conditions established under such section.

(2) Agency.—The term “Agency” means the Federal Housing Finance Agency.

(3) Bank.—The term “Bank” means a Federal Home Loan Bank.

(4) Covered housing.—The term “covered housing” means residential housing that—

(A) is owner-occupied housing; or

(B) is developed, owned, or operated by a nonprofit organization, cooperative, community land trust, public housing authority, or other mission-driven entity.

(5) Covered midsize development.—The term “covered midsize development” means a housing structure consisting of not fewer than 5 and not more than 49 dwelling units subject to enforceable use restrictions, affordability covenants, resale restrictions, rent stabilization provisions, or occupancy requirements that ensure long-term affordable housing availability.

(6) Member.—The term “member” has the meaning given such term in section 2 of the Federal Home Loan Bank Act ([12 U.S.C. 1422](#)).

(7) Preferential terms.—The term “preferential terms” means a preferential interest rate, extended maturity, or other terms more favorable than those generally available for advances made by a Federal Home Loan Bank.

(b) Condition on preferential terms.—A Bank may provide an advance on preferential terms only if the member receiving such advance certifies that the proceeds of such advance will be exclusively used for—

- (1) originating, acquiring, or refinancing loans secured by covered housing; or
- (2) supporting the acquisition, construction, rehabilitation, or refinancing of a covered midsize development.

(c) Certification and tracing.—Each member receiving an advance under subsection (b) shall—

- (1) certify the specific loans or projects to be financed with such advance;
- (2) maintain records sufficient to trace the advance proceeds for uses permitted under subsection (b); and
- (3) submit such documentation to the Bank and the Agency as may be required.

(d) Enforcement.—If the Agency determines subsection (b) has been violated, the Agency may—

- (1) require repayment of the advance;
- (2) impose restrictions on future access to advances;
- (3) assess civil penalties; or
- (4) take such other supervisory or enforcement action as the Agency determines appropriate.

Subtitle G—Program Reform

SEC. 471. REFORMING DISASTER RECOVERY ACT.

(a) Definitions.—In this section:

(1) Department.—The term “Department” means the Department of Housing and Urban Development.

(2) Fund.—The term “Fund” means the Long-Term Disaster Recovery Fund established under subsection (c).

(3) Secretary.—The term “Secretary” means the Secretary of Housing and Urban Development.

(b) Duties of the Department of Housing and Urban Development.—

- (1) In general.—The offices and officers of the Department shall be responsible for—

(A) leading and coordinating the disaster-related responsibilities of the Department under the National Response Framework, the National Disaster Recovery Framework, and the National Mitigation Framework;

(B) coordinating and administering programs, policies, and activities of the Department related to disaster relief, long-term recovery, resiliency, and mitigation, including disaster recovery assistance under title I of the Housing and Community Development Act of 1974 ([42 U.S.C. 5301 et seq.](#));

(C) supporting disaster-impacted communities as those communities specifically assess, plan for, and address the housing stock and housing needs in the transition from emergency shelters and interim housing to permanent housing of those displaced, especially among vulnerable populations and extremely low-, low-, and moderate-income households;

(D) collaborating with the Federal Emergency Management Agency and the Small Business Administration and across the Department to align disaster-related regulations and policies, including incorporation of consensus-based codes and standards and insurance purchase requirements, and ensuring coordination and reducing duplication among other Federal disaster recovery programs;

(E) promoting best practices in mitigation and resilient land use planning;

(F) coordinating technical assistance, including mitigation, resiliency, and recovery training and information on all relevant legal and regulatory requirements, to entities that receive disaster recovery assistance under title I of the Housing and Community Development Act of 1974 ([42 U.S.C. 5301 et seq.](#)) that demonstrate capacity constraints; and

(G) supporting State, Tribal, and local governments in developing, coordinating, and maintaining their capacity for disaster resilience and recovery and developing pre-disaster recovery and hazard mitigation plans, in coordination with the Federal Emergency Management Agency and other Federal agencies.

(2) Establishment of the Office of Disaster Management and Resiliency.—Section 4 of the Department of Housing and Urban Development Act (42 U.S.C. 3533) is amended by adding at the end the following:

“(i) Office of Disaster Management and Resiliency.—

“(1) Establishment.—There is established, in the Office of the Secretary, the Office of Disaster Management and Resiliency.

“(2) Duties.—The Office of Disaster Management and Resiliency shall—

“(A) be responsible for oversight and coordination of all departmental disaster preparedness and response responsibilities; and

“(B) coordinate with the Federal Emergency Management Agency, the Small Business Administration, and the Office of Community Planning and Development and other offices of the Department in supporting recovery and resilience activities to provide a comprehensive approach in working with communities.”.

(c) Long-Term Disaster Recovery Fund.—

(1) Establishment.—There is established in the Treasury of the United States an account to be known as the Long-Term Disaster Recovery Fund.

(2) Deposits, transfers, and credit.—

(A) In general.—The Fund shall consist of amounts appropriated, transferred, and credited to the Fund.

(B) Transfers.—The following may be transferred to the Fund:

(i) Amounts made available through section 106(c)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306(c)(4)) as a result of actions taken under section 104(e), 111, or 124(j) of such Act.

(ii) Any unobligated balances available until expended remaining or subsequently recaptured from amounts appropriated for any disaster and related purposes under the heading “Community Development Fund” in any Act prior to the establishment of the Fund.

(C) Use of transferred amounts.—Amounts transferred to the Fund shall be used for the eligible uses described in paragraph (3).

(3) Eligible uses of Fund.—

(A) In general.—Amounts in the Fund shall be available—

(i) to provide assistance in the form of grants under section 124 of the Housing and Community Development Act of 1974, as added by subsection (d); and

(ii) for activities of the Department that support the provision of such assistance, including necessary salaries and expenses, information technology, and capacity building, technical assistance, and pre-disaster readiness.

(B) Set aside.—Of each amount appropriated for or transferred to the Fund, 3 percent shall be made available for activities described in subparagraph (A)(ii), which shall be in addition to other amounts made available for those activities.

(C) Transfer of funds.—With respect to amounts made available for use in accordance with subparagraph (B)—

(i) amounts may be transferred to the account under the heading for “Program Offices—Salaries and Expenses—Community Planning and Development”, or any

successor account, for the Department to carry out activities described in paragraph (1)(B); and

(ii) amounts may be used for the activities described in subparagraph (A)(ii) and for the administrative costs of administering any funds appropriated to the Department under the heading “Community Planning and Development—Community Development Fund” for any major disaster declared under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) in any Act before the establishment of the Fund.

(D) Inspector General.—

(i) In general.—Not less than one-tenth of 1 percent of each series of awards the Secretary makes from the Fund shall be transferred to the account under the heading “Office of Inspector General” for the Department of Housing and Urban Development to support audit activities and to investigate grantee noncompliance with program requirements and waste, fraud, and abuse as a result of appropriations made available through the Fund.

(ii) Availability.—Funding under clause (i) shall not be made available to the Office of Inspector General until 90 days after the date on which the grantee plan or supplemental plan for the grantee is approved by the Secretary under subsection (c) or (f)(3)(C) of section 124 of the Housing and Community Development Act of 1974, as added by subsection (d), is approved by the Secretary.

(4) Interchangeability of prior administrative amounts.—Any amounts appropriated in any Act prior to the establishment of the Fund and transferred to the account under the heading “Program Offices—Salaries and Expenses—Community Planning and Development”, or any predecessor account, for the Department for the costs of administering funds appropriated to the Department under the heading “Community Planning and Development—Community Development Fund” for any major disaster declared under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) shall be available for the costs of administering any such funds provided by any prior or future Act, notwithstanding the purposes for which those amounts were appropriated and in addition to any amount provided for the same purposes in other appropriations Acts.

(5) Availability of amounts.—Amounts appropriated, transferred, and credited to the Fund shall remain available until expended.

(6) Formula allocation.—Use of amounts in the Fund for grants shall be made by formula allocation in accordance with the requirements of section 124(a) of the Housing and Community Development Act of 1974, as added by subsection (d).

(7) Authorization of appropriations.—There are authorized to be appropriated to the Fund such sums as may be necessary to respond to current or future major disasters declared under section 401 of the Robert T. Stafford Disaster Relief and Emergency

Assistance Act (42 U.S.C. 5179) for grants under section 124 of the Housing and Community Development Act of 1974, as added by subsection (d).

(d) Establishment of CDBG Disaster Recovery Program.—Title I of the Housing and Community Development Act of 1974 ([42 U.S.C. 5301 et seq.](#)), as amended by this Act, is amended—

(1) in section 102(a) (42 U.S.C. 5302(a))—

(A) in paragraph (20)—

(i) by redesignating subparagraph (B) as subparagraph (C);

(ii) in subparagraph (C), as so redesignated, by inserting “or (B)” after “subparagraph (A)”; and

(iii) by inserting after subparagraph (A) the following:

“(B) The term ‘persons of extremely low income’ means families and individuals whose income levels do not exceed household income levels determined by the Secretary under section 3(b)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(2)(C)), except that the Secretary may provide alternative definitions for the Commonwealth of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, and American Samoa.”; and

(B) by adding at the end the following:

“(25) The term ‘major disaster’ has the meaning given the term in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122).”;

(2) in section 106(c)(4) (42 U.S.C. 5306(c)(4))—

(A) in subparagraph (A)—

(i) by striking “declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act”;

(ii) inserting “States for use in nonentitlement areas and to” before “metropolitan cities”; and

(iii) inserting “major” after “affected by the”;

(B) in subparagraph (C)—

(i) by striking “metropolitan city or” and inserting “State, metropolitan city, or”;

(ii) by striking “city or county” and inserting “State, city, or county”; and

(iii) by inserting “major” before “disaster”;

(C) in subparagraph (D), by striking “metropolitan cities and” and inserting “States, metropolitan cities, and”;

(D) in subparagraph (F)—

(i) by striking “metropolitan city or” and inserting “State, metropolitan city, or”; and

(ii) by inserting “major” before “disaster”; and

(E) in subparagraph (G), by striking “metropolitan city or” and inserting “State, metropolitan city, or”;

(3) in section 122 (42 U.S.C. 5321), by striking “disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act” and inserting “major disaster”; and

(4) by adding at the end the following:

“Sec. 124. Community development block grant disaster recovery program.

“(a) Authorization, formula, and allocation.—

“(1) Authorization.—The Secretary is authorized to make community development block grant disaster recovery grants from the Long-Term Disaster Recovery Fund established under section 471(c) of the POPULIST Act (hereinafter referred to as the ‘Fund’) for necessary expenses for activities authorized under subsection (f)(1) related to disaster relief, long-term recovery, restoration of housing and infrastructure, economic revitalization, and mitigation in the most impacted and distressed areas resulting from a catastrophic major disaster.

“(2) Grant awards.—Grants shall be awarded under this section to States, units of general local government, and Indian tribes based on capacity and the concentration of damage, as determined by the Secretary, to support the efficient and effective administration of funds.

“(3) Section 106 allocations.—Grants under this section shall not be considered relevant to the formula allocations made pursuant to section 106.

“(4) Federal Register notice.—

“(A) In general.—Not later than 30 days after the date of enactment of this section, the Secretary shall issue a notice in the Federal Register containing the latest formula allocation methodologies used to determine the total estimate of unmet needs related to housing, economic revitalization, and infrastructure in the most impacted and distressed areas resulting from a catastrophic major disaster.

“(B) Public comment.—If the Secretary has not already requested public comment on the formula described in the notice required by subparagraph (A), the Secretary shall solicit public comments on—

“(i) the methodologies described in subparagraph (A) and seek alternative methods for formula allocation within a similar total amount of funding;

“(ii) the impact of formula methodologies on rural areas and Tribal areas;

“(iii) adjustments to improve targeting to the most serious needs;

“(iv) objective criteria for grantee capacity and concentration of damage to inform grantee determinations and minimum allocation thresholds; and

“(v) research and data to inform an additional amount to be provided for mitigation depending on type of disaster, which shall be up to 18 percent of the total estimate of unmet needs.

“(5) Regulations.—

“(A) In general.—The Secretary shall, by regulation, establish a formula to allocate assistance from the Fund to the most impacted and distressed areas resulting from a catastrophic major disaster.

“(B) Formula requirements.—The formula established under subparagraph (A) shall—

“(i) set forth criteria to determine that a major disaster is catastrophic, which criteria shall consider the presence of a high concentration of damaged housing or businesses that individual, State, Tribal, and local resources could not reasonably be expected to address without additional Federal assistance or other nationally encompassing data that the Secretary determines are adequate to assess relative impact and distress across geographic areas;

“(ii) include a methodology for identifying most impacted and distressed areas, which shall consider unmet serious needs related to housing, economic revitalization, and infrastructure;

“(iii) include an allocation calculation that considers the unmet serious needs resulting from the catastrophic major disaster and an additional amount up to 18 percent for activities to reduce risks of loss resulting from other natural disasters in the most impacted and distressed area, primarily for the benefit of low- and moderate-income persons, with particular focus on activities that reduce repetitive loss of property and critical infrastructure; and

“(iv) establish objective criteria for periodic review and updates to the formula to reflect changes in available data.

“(C) Minimum allocation threshold.—The Secretary shall, by regulation, establish a minimum allocation threshold.

“(D) Interim allocation.—Until such time that the Secretary issues final regulations under this paragraph, the Secretary shall—

“(i) allocate assistance from the Fund using the formula allocation methodology published in accordance with paragraph (4); and

“(ii) include an additional amount for mitigation of up to 18 percent of the total estimate of unmet need.

“(6) Allocation of funds.—

“(A) In general.—The Secretary shall—

“(i) except as provided in clause (ii), not later than 90 days after the President declares a major disaster, use best available data to determine whether the major disaster is catastrophic and qualifies for assistance under the formula described in paragraph (4) or (5), unless data is insufficient to make this determination; and

“(ii) if the best available data is insufficient to make the determination required under clause (i) within the 90-day period described in that clause, the Secretary shall determine whether the major disaster qualifies when sufficient data becomes available, but in no case shall the Secretary make the determination later than 120 days after the declaration of the major disaster.

“(B) Announcement of allocation.—If amounts are available in the Fund at the time the Secretary determines that the major disaster is catastrophic and qualifies for assistance under the formula described in paragraph (4) or (5), the Secretary shall immediately announce an allocation for a grant under this section.

“(C) Additional amounts.—If additional amounts are appropriated to the Fund after amounts are allocated under subparagraph (B), the Secretary shall announce an allocation or additional allocation (if a prior allocation under subparagraph (B) was less than the formula calculation) within 15 days of any such appropriation.

“(7) Preliminary funding.—

“(A) In general.—To speed recovery, the Secretary is authorized to allocate and award preliminary grants from the Fund before making a determination under paragraph (6)(A) if the Secretary projects, based on a preliminary assessment of impact and distress, that a major disaster is catastrophic and would likely qualify for funding under the formula described in paragraph (4) or (5).

“(B) Amount.—

“(i) Maximum.—The Secretary may award preliminary funding under subparagraph (A) in an amount that is not more than \$5,000,000.

“(ii) Sliding scale.—The Secretary shall, by regulation, establish a sliding scale for preliminary funding awarded under subparagraph (A) based on the size of the preliminary assessment of impact and distress.

“(C) Use of funds.—The uses of preliminary funding awarded under subparagraph (A) shall be limited to eligible activities that—

“(i) in the determination of the Secretary, will support faster recovery, improve the ability of the grantee to assess unmet recovery needs, plan for the prevention of improper payments, and reduce fraud, waste, and abuse; and

“(ii) may include evaluating the interim housing, permanent housing, and supportive service needs of the disaster impacted community, with special attention to vulnerable populations, such as homeless and low- to moderate-income households, to inform the grantee action plan required under subsection (c).

“(D) Consideration of funding.—Preliminary funding awarded under subparagraph (A)—

“(i) is not subject to the certification requirements of subsection (h)(1); and

“(ii) shall not be considered when calculating the amount of the grant used for administrative costs, technical assistance, and planning activities that are subject to the requirements under subsection (f)(2).

“(E) Waiver.—To expedite the use of preliminary funding for activities described in this paragraph, the Secretary may waive or specify alternative requirements to the requirements of this section in accordance with subsection (i).

“(F) Amended award.—

“(i) In general.—An award for preliminary funding under subparagraph (A) may be amended to add any subsequent amount awarded because of a determination by the Secretary that a major disaster is catastrophic and qualifies for assistance under the formula.

“(ii) Applicability.—Notwithstanding subparagraph (D), amounts provided by an amendment under clause (i) are subject to the requirements under subsections (f)(1) and (h)(1) and other requirements on grant funds under this section.

“(G) Technical assistance.—Concurrent with the allocation of any preliminary funding awarded under this paragraph, the Secretary shall assign or provide technical assistance to the recipient of the grant.

“(b) Interchangeability.—

“(1) In general.—The Secretary is authorized to approve the use of grants under this section to be used interchangeably and without limitation for the same activities in the most

impacted and distressed areas resulting from a declaration of another catastrophic major disaster that qualifies for assistance under the formula established under paragraph (4) or (5) of subsection (a) or a major disaster for which the Secretary allocated funds made available under the heading 'Community Development Fund' in any Act prior to the establishment of the Fund.

“(2) Requirements.—The Secretary shall establish requirements to expedite the use of grants under this section for the purpose described in paragraph (1).

“(3) Emergency designation.—Amounts repurposed pursuant to this subsection that were previously designated by Congress as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 or a concurrent resolution on the budget are designated by the Congress as being for an emergency requirement pursuant to section 4001(a)(1) of S. Con. Res. 14 (117th Congress), the concurrent resolution on the budget for fiscal year 2022, and to legislation establishing fiscal year 2026 budget enforcement in the House of Representatives.

“(c) Grantee plans.—

“(1) Requirement.—Not later than 90 days after the date on which the Secretary announces a grant allocation under this section, unless an extension is granted by the Secretary, the grantee shall submit to the Secretary a plan for approval describing—

“(A) the activities the grantee will carry out with the grant under this section;

“(B) the criteria of the grantee for awarding assistance and selecting activities;

“(C) how the use of the grant under this section will address disaster relief, long-term recovery, restoration of housing and infrastructure, economic revitalization, and mitigation in the most impacted and distressed areas;

“(D) how the use of the grant funds for mitigation is consistent with hazard mitigation plans submitted to the Federal Emergency Management Agency under section 322 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5165);

“(E) the estimated amount proposed to be used for activities that will benefit persons of low and moderate income;

“(F) how the use of grant funds will repair and replace existing housing stock for vulnerable populations, including low- to moderate-income households;

“(G) how the grantee will address the priorities described in paragraph (5);

“(H) how uses of funds are proportional to unmet needs, as required under paragraph (6);

“(I) for State grantees that plan to distribute grant amounts to units of general local government, a description of the method of distribution; and

“(J) such other information as may be determined by the Secretary in regulation.

“(2) Public consultation.—To permit public examination and appraisal of the plan described in paragraph (1), to enhance the public accountability of grantee, and to facilitate coordination of activities with different levels of government, when developing the plan or substantial amendments proposed to the plan required under paragraph (1), a grantee shall—

“(A) publish the plan before adoption;

“(B) provide citizens, affected units of general local government, and other interested parties with reasonable notice of, and opportunity to comment on, the plan, with a public comment period of not less than 14 days;

“(C) consider comments received before submission to the Secretary;

“(D) follow a citizen participation plan for disaster assistance adopted by the grantee that, at a minimum, provides for participation of residents of the most impacted and distressed area affected by the major disaster that resulted in the grant under this section and other considerations established by the Secretary; and

“(E) undertake any consultation with interested parties as may be determined by the Secretary in regulation.

“(3) Approval.—The Secretary shall—

“(A) by regulation, specify criteria for the approval, partial approval, or disapproval of a plan submitted under paragraph (1), including approval of substantial amendments to the plan;

“(B) review a plan submitted under paragraph (1) upon receipt of the plan;

“(C) allow a grantee to revise and resubmit a plan or substantial amendment to a plan under paragraph (1) that the Secretary disapproves;

“(D) by regulation, specify criteria for when the grantee shall be required to provide the required revisions to a disapproved plan or substantial amendment under paragraph (1) for public comment prior to resubmission of the plan or substantial amendment to the Secretary; and

“(E) approve, partially approve, or disapprove a plan or substantial amendment under paragraph (1) not later than 60 days after the date on which the plan or substantial amendment is received by the Secretary.

“(4) Low- and moderate-income overall benefit.—

“(A) Use of funds.—Not less than 70 percent of a grant made under this section shall be used for activities that benefit persons of low and moderate income unless the Secretary—

“(i) specifically finds that—

“(I) there is compelling need to reduce the percentage for the grant; and

“(II) the housing needs of low- and moderate-income persons have been addressed; and

“(ii) issues a waiver and alternative requirement specific to the grant pursuant to subsection (i) to lower the percentage.

“(B) Regulations.—The Secretary shall, by regulation, establish protocols that reflect the required use of funds under subparagraph (A), including persons with extremely and very low incomes.

“(5) Prioritization.—The grantee shall prioritize activities that—

“(A) assist persons with extremely low-, low-, and moderate-incomes and other vulnerable populations to better recover from and withstand future disasters;

“(B) address housing needs arising from a disaster, or those needs present prior to a disaster, including the needs of both renters and homeowners;

“(C) prolong the life of housing and infrastructure;

“(D) use cost-effective means of preventing harm to people and property and incorporate protective features and redundancies; and

“(E) other measures that will assure the continuation of critical services during future disasters.

“(6) Proportional allocation.—For each specific disaster, a grantee under this section shall allocate grant funds proportional to unmet needs between housing activities for renters and homeowners, economic revitalization, and infrastructure unless the Secretary specifically finds that—

“(A) there is a compelling need for a disproportional allocation among those unmet needs; and

“(B) the disproportional allocation described in subparagraph (A) is not inconsistent with the requirements under paragraph (4).

“(7) Disaster risk mitigation.—

“(A) Definition.—In this paragraph, the term ‘hazard-prone areas’—

“(i) means areas identified by the Secretary, in consultation with the Administrator of the Federal Emergency Management Agency, at risk from natural hazards that threaten property damage or health, safety, and welfare, such as floods, wildfires

(including Wildland-Urban Interface areas), earthquakes, lava inundation, tornados, and high winds; and

“(ii) includes areas having special flood hazards as identified under the Flood Disaster Protection Act of 1973 (42 U.S.C. 4002 et seq.) or the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.).

“(B) Hazard-prone areas.—The Secretary, in consultation with the Administrator of the Federal Emergency Management Agency, shall establish minimum construction standards, insurance purchase requirements, and other requirements for the use of grant funds in hazard-prone areas.

“(C) Special flood hazards.—

“(i) In general.—For the areas described in subparagraph (A)(ii), the insurance purchase requirements established under subparagraph (B) shall meet or exceed the requirements under section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(a)).

“(ii) Treatment as financial assistance.—All grants under this section shall be treated as financial assistance for purposes of section 3(a)(3) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4003(a)(3)).

“(D) Consideration of future risks.—The Secretary may consider future risks to protecting property and health, safety, and general welfare, and the likelihood of those risks, when making the determination of or modification to hazard-prone areas under this paragraph.

“(8) Relocation.—

“(A) In general.—The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.) shall apply to activities assisted under this section to the extent determined by the Secretary in regulation, or as provided in waivers or alternative requirements authorized in accordance with subsection (i).

“(B) Policy.—Each grantee under this section shall establish a relocation assistance policy that—

“(i) minimizes displacement and describes the benefits available to persons displaced as a direct result of acquisition, rehabilitation, or demolition in connection with an activity that is assisted by a grant under this section; and

“(ii) includes any appeal rights or other requirements that the Secretary establishes by regulation.

“(d) Certifications.—Any grant under this section shall be made only if the grantee certifies to the satisfaction of the Secretary that—

"(1) the grantee is in full compliance with the requirements under subsection (c)(2);

"(2) for grants other than grants to Indian tribes, the grant will be conducted and administered in conformity with the Civil Rights Act of 1964 (42 U.S.C. 2000a et seq.) and the Fair Housing Act (42 U.S.C. 3601 et seq.);

"(3) the projected use of funds has been developed so as to give maximum feasible priority to activities that will benefit recipients described in subsection (c)(4)(A) and activities described in subsection (c)(5), and may also include activities that are designed to aid in the prevention or elimination of slum and blight to support disaster recovery, meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs, and alleviate future threats to human populations, critical natural resources, and property that an analysis of hazards shows are likely to result from natural disasters in the future;

"(4) the grant funds shall principally benefit persons of low- and moderate-income as described in subsection (c)(4)(A);

"(5) for grants other than grants to Indian tribes, within 24 months of receiving a grant or at the time of its 3- or 5-year update, whichever is sooner, the grantee will review and make modifications to its non-disaster housing and community development plans and strategies required by subsections (c) and (m) of section 104 to reflect the disaster recovery needs identified by the grantee and consistency with the plan under subsection (c)(1);

"(6) the grantee will not attempt to recover any capital costs of public improvements assisted in whole or part under this section by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless—

"(A) funds received under this section are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this chapter; or

"(B) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that the grantee lacks sufficient funds received under this section to comply with the requirements of subparagraph (A);

"(7) the grantee will comply with the other provisions of this title that apply to assistance under this section and with other applicable laws;

"(8) the grantee will follow a relocation assistance policy that includes any minimum requirements identified by the Secretary; and

"(9) the grantee will adhere to construction standards, insurance purchase requirements, and other requirements for development in hazard-prone areas described in subsection (c)(7).

"(e) Performance reviews and reporting.—

"(1) In general.—The Secretary shall, on not less frequently than an annual basis until the closeout of a particular grant allocation, make such reviews and audits as may be necessary or appropriate to determine whether a grantee under this section has—

"(A) carried out activities using grant funds in a timely manner;

"(B) met the performance targets established by paragraph (2);

"(C) carried out activities using grant funds in accordance with the requirements of this section, the other provisions of this title that apply to assistance under this section, and other applicable laws; and

"(D) a continuing capacity to carry out activities in a timely manner.

"(2) Performance targets.—The Secretary shall develop and make publicly available critical performance targets for review, which shall include spending thresholds for each year from the date on which funds are obligated by the Secretary to the grantee until such time all funds have been expended.

"(3) Failure to meet targets.—

"(A) Suspension.—If a grantee under this section fails to meet 1 or more critical performance targets under paragraph (2), the Secretary may temporarily suspend the grant.

"(B) Performance improvement plan.—If the Secretary suspends a grant under subparagraph (A), the Secretary shall provide to the grantee a performance improvement plan with the specific requirements needed to lift the suspension within a defined time period.

"(C) Report.—If a grantee fails to meet the spending thresholds established under paragraph (2), the grantee shall submit to the Secretary, the appropriate committees of Congress, and each member of Congress who represents a district or State of the grantee a written report identifying technical capacity, funding, or other Federal or State impediments affecting the ability of the grantee to meet the spending thresholds.

"(4) Collection of information and reporting.—

"(A) Requirement to report.—A grantee under this section shall provide to the Secretary such information as the Secretary may determine necessary for adequate oversight of the grant program under this section.

"(B) Public availability.—Subject to subparagraph (D), the Secretary shall make information submitted under subparagraph (A) available to the public and to the Inspector General for the Department of Housing and Urban Development.

"(C) Summary status reports.—To increase transparency and accountability of the grant program under this section the Secretary shall, on not less frequently than an annual basis, post on a public facing dashboard summary status reports for all active grants under this section that includes—

"(i) the status of funds by activity;

"(ii) the percentages of funds allocated and expended to benefit low- and moderate-income communities;

"(iii) performance targets, spending thresholds, and accomplishments; and

"(iv) other information the Secretary determines to be relevant for transparency.

"(D) Considerations.—In carrying out this paragraph, the Secretary shall take such actions as may be necessary to ensure that personally identifiable information regarding applicants for assistance provided from funds made available under this section is not made publicly available.

"(E) Research partnerships.—

"(i) In general.—The Secretary may, upon a formal request from researchers, make disaggregated information available to the requestor that is specific and relevant to the research being conducted, and for the purposes of researching program impact and efficacy.

"(ii) Privacy protections.—In making information available under clause (i), the Secretary shall protect personally identifiable information as required under section [552a of title 5](#), United States Code (commonly known as the Privacy Act of 1974).

"(f) Eligible activities.—

"(1) In general.—Activities assisted under this section—

"(A) may include activities permitted under section 105 or other activities permitted by the Secretary by waiver or alternative requirement pursuant to subsection (i); and

"(B) shall be related to disaster relief, long-term recovery, restoration of housing and infrastructure, economic revitalization, and mitigation in the most impacted and distressed areas resulting from the major disaster for which the grant was awarded.

"(2) Prohibition.—Grant funds under this section may not be used for costs reimbursable by, or for which funds have been made available by, the Federal Emergency Management Agency, or the United States Army Corps of Engineers.

"(3) Administrative costs, technical assistance and planning.—

"(A) In general.—The Secretary shall establish in regulation the maximum grant amounts a grantee may use for administrative costs, technical assistance and planning activities, taking into consideration size of grant, complexity of recovery, and other factors as determined by the Secretary, but not to exceed 8 percent for administration and 20 percent in total.

"(B) Availability.—Amounts available for administrative costs for a grant under this section shall be available for eligible administrative costs of the grantee for any grant made under this section, without regard to a particular disaster.

"(C) Supplemental plan.—

"(i) In general.—Grantees may submit to the Secretary an optional supplemental plan to the grantee plan required under this title specifically for administrative costs, which shall include a description of the use of all grant funds for administrative costs, including for any eligible pre-award program administrative costs, and how such uses will prepare the grantee to more effectively and expeditiously administer funds provided under the full plan.

"(ii) Use of funds.—If a supplemental plan is approved under clause (i), a grantee may draw down the aforementioned administrative funds before the full grantee plan is approved.

"(iii) Waivers.—In carrying out this subparagraph, the Secretary may include any waivers or alternative requirements in accordance with subsection (i).

"(4) Program income.—Notwithstanding any other provision of law, any grantee under this section may retain program income that is realized from grants made by the Secretary under this section if the grantee agrees that the grantee will utilize the program income in accordance with the requirements for grants under this section, except that the Secretary may—

"(A) by regulation, exclude from consideration as program income any amounts determined to be so small that compliance with this paragraph creates an unreasonable administrative burden on the grantee; or

"(B) permit the grantee to transfer remaining program income to the other grants of the grantee under this title upon closeout of the grant.

"(5) Prohibition on use of assistance for employment relocation activities.—

"(A) In general.—Grants under this section may not be used to assist directly in the relocation of any industrial or commercial plant, facility, or operation, from one area to another area, if the relocation is likely to result in a significant loss of employment in the labor market area from which the relocation occurs.

"(B) Applicability.—The prohibition under subparagraph (A) shall not apply to a business that was operating in the disaster-declared labor market area before the incident date of the applicable disaster and has since moved, in whole or in part, from the affected area to another State or to a labor market area within the same State to continue business.

"(6) Requirements.—Grants under this section are subject to the requirements of this section, the other provisions of this title that apply to assistance under this section, and other applicable laws, unless modified by waivers or alternative requirements in accordance with subsection (i).

"(g) Environmental review.—

"(1) Adoption.—A recipient of funds provided under this section that uses the funds to supplement Federal assistance provided under section 203, 402, 403, 404, 406, 407, 408(c)(4), 428, or 502 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170a, 5170b, 5170c, 5172, 5173, 5174(c)(4), 5189f, 5192) may adopt, without review or public comment, any environmental review, approval, or permit performed by a Federal agency, and such adoption shall satisfy the responsibilities of the recipient with respect to such environmental review, approval, or permit under section 104(g)(1), so long as the actions covered by the existing environmental review, approval, or permit and the actions proposed for these supplemental funds are substantially the same.

"(2) Approval of release of funds.—Notwithstanding section 104(g)(2), the Secretary or a State may, upon receipt of a request for release of funds and certification, immediately approve the release of funds for an activity or project to be assisted under this section if the recipient has adopted an environmental review, approval, or permit under paragraph (1) or the activity or project is categorically excluded from review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

"(3) Units of general local government.—The provisions of section 104(g)(4) shall apply to assistance under this section that a State distributes to a unit of general local government.

"(h) Financial controls and procedures.—

"(1) In general.—The Secretary shall develop requirements and procedures to demonstrate that a grantee under this section—

"(A) has adequate financial controls and procurement processes;

"(B) has adequate procedures to detect and prevent fraud, waste, abuse, and duplication of benefit; and

"(C) maintains a comprehensive and publicly accessible website.

"(2) Certification.—Before making a grant under this section, the Secretary shall certify that the grantee has in place proficient processes and procedures to comply with the requirements developed under paragraph (1), as determined by the Secretary.

"(3) Compliance before allocation.—The Secretary may permit a State, unit of general local government, or Indian tribe to demonstrate compliance with the requirements for adequate financial controls developed under paragraph (1) before a disaster occurs and before receiving an allocation for a grant under this section.

"(4) Duplication of benefits.—

"(A) In general.—Funds made available under this section shall be used in accordance with section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155), as amended by section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115–254), and such rules as may be prescribed under such section 312.

"(B) Penalties.—In any case in which the use of grant funds under this section results in a prohibited duplication of benefits, the grantee shall—

"(i) apply an amount equal to the identified duplication to any allowable costs of the award consistent with actual, immediate cash requirement;

"(ii) remit any excess amounts to the Secretary to be credited to the obligated, undisbursed balance of the grant consistent with requirements on Federal payments applicable to such grantee; and

"(iii) if excess amounts under clause (ii) are identified after the period of performance or after the closeout of the award, remit such amounts to the Secretary to be credited to the Fund.

"(C) Failure to comply.—Any grantee provided funds under this section or from prior Appropriations Acts under the heading Community Development Fund for purposes related to major disasters that fails to comply with section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act ([42 U.S.C. 5155](#)) or fails to satisfy penalties to resolve a duplication of benefits shall be subject to remedies for

noncompliance under section 111, unless the Secretary publishes a determination in the Federal Register that it is not in the best interest of the Federal Government to pursue remedial actions.

"(i) Waivers and alternative requirements.—

"(1) In general.—In administering grants under this section, the Secretary may waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the grantee of those funds (except for requirements related to fair housing, nondiscrimination, labor standards, the environment, and the requirements of this section that do not expressly authorize modifications by waiver or alternative requirement), if the Secretary makes a public finding that good cause exists for the waiver or alternative requirement.

"(2) Effective date.—A waiver or alternative requirement described in paragraph (1) shall not take effect before the date that is 5 days after the date of publication of the waiver or alternative requirement on the website of the Department of Housing and Urban Development or the effective date for any regulation published in the Federal Register.

"(3) Public notification.—The Secretary shall notify the public of all waivers or alternative requirements described in paragraph (1) in accordance with the requirements of section 7(q)(3) of the Department of Housing and Urban Development Act ([42 U.S.C. 3535\(q\)\(3\)](#)).

"(j) Unused amounts.—

"(1) Deadline to use amounts.—A grantee under this section shall use an amount equal to the grant within 6 years beginning on the date on which the Secretary obligates the amounts to the grantee, as such period may be extended under paragraph (4).

"(2) Recapture.—The Secretary shall recapture and credit to the Fund any amount that is unused by a grantee under this section upon the earlier of—

"(A) the date on which the grantee notifies the Secretary that the grantee has completed all activities identified in the disaster grantee's plan under subsection (c); or

"(B) the expiration of the 6-year period described in paragraph (1), as such period may be extended under paragraph (4).

"(3) Retention of funds.—Notwithstanding paragraph (1), the Secretary—

"(A) shall allow a grantee under this section to retain amounts needed to close out grants; and

"(B) may allow a grantee under this section to retain up to 10 percent of the remaining funds to support maintenance of the minimal capacity to launch a new

program in the event of a future disaster and to support pre-disaster long-term recovery and mitigation planning.

"(4) Extension of period for use of funds.—The Secretary may extend the 6-year period described in paragraph (1) by not more than 4 years, or not more than 6 years for mitigation activities, if—

"(A) the grantee submits to the Secretary—

"(i) written documentation of the exigent circumstances impacting the ability of the grantee to expend funds that could not be anticipated; or

"(ii) a justification that such request is necessary due to the nature and complexity of the program and projects; and

"(B) the Secretary submits a written justification for the extension to the Committee on Appropriations and the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Appropriations and the Committee on Financial Services of the House of Representatives that specifies the period of that extension.

"(k) Definition.—In this section, the term 'Indian tribe' has the meaning given the term in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103)."

(e) Regulations.—

(1) Proposed rules.—Following consultation with the Federal Emergency Management Agency, the Small Business Administration, and other Federal agencies, not later than 6 months after the date of enactment of this Act, the Secretary shall issue proposed rules to carry out this Act and the amendments made by this Act and shall provide a 90-day period for submission of public comments on those proposed rules.

(2) Final rules.—Not later than 1 year after the date of enactment of this Act, the Secretary shall issue final regulations to carry out section 124 of the Housing and Community Development Act of 1974, as added by subsection (d).

(f) Coordination of disaster recovery assistance, benefits, and data with other Federal agencies.—

(1) Coordination of disaster recovery assistance.—In order to ensure a comprehensive approach to Federal disaster relief, long-term recovery, restoration of housing and infrastructure, economic revitalization, and mitigation in the most impacted and distressed areas resulting from a catastrophic major disaster, the Secretary shall coordinate with the Federal Emergency Management Agency, to the greatest extent practicable, in the implementation of assistance authorized under section 124 of the Housing and Community Development Act of 1974, as added by subsection (d).

(2) Data sharing agreements.—To support the coordination of data to prevent duplication of benefits with other Federal disaster recovery programs while also expediting recovery and reducing burden on disaster survivors, the Department shall establish data sharing agreements that safeguard privacy with relevant Federal agencies to ensure disaster benefits effectively and efficiently reach intended beneficiaries, while using effective means of preventing harm to people and property.

(3) Data transfer from FEMA and SBA to HUD.—As permitted and deemed necessary for efficient program execution, and consistent with a computer matching agreement entered into under paragraph (6)(A), the Administrator of the Federal Emergency Management Agency and the Administrator of the Small Business Administration shall provide data on disaster applicants to the Department, including, when necessary, personally identifiable information, disaster recovery needs, and resources determined eligible for, and amounts expended, to the Secretary for all major disasters declared by the President pursuant to section 401 of Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) for the purpose of providing additional assistance to disaster survivors and prevent duplication of benefits.

(4) Data transfers from HUD to HUD grantees.—The Secretary is authorized to provide to grantees under section 124 of the Housing and Community Development Act of 1974, as added by subsection (d), offices of the Department, technical assistance providers, and lenders information that in the determination of the Secretary is reasonably available and appropriate to inform the provision of assistance after a major disaster, including information provided to the Secretary by the Administrator of the Federal Emergency Management Agency, the Administrator of the Small Business Administration, or other Federal agencies.

(5) Data transfers from HUD grantees to HUD, FEMA, and SBA.—

(A) Reporting.—Grantees under section 124 of the Housing and Community Development Act of 1974, as added by subsection (d), shall report information requested by the Secretary on households, businesses, and other entities assisted and the type of assistance provided.

(B) Sharing information.—The Secretary shall share information collected under subparagraph (A) with the Federal Emergency Management Agency, the Small Business Administration, and other Federal agencies to support the planning and delivery of disaster recovery and mitigation assistance and other related purposes.

(6) Privacy protection.—The Secretary may make and receive data transfers authorized under this subsection, including the use and retention of that data for computer matching programs, to inform the provision of assistance, assess disaster recovery needs, and prevent the duplication of benefits and other waste, fraud, and abuse, provided that—

(A) the Secretary enters an information sharing agreement or a computer matching agreement, when required by section 552a of title 5, United States Code (commonly

known as the Privacy Act of 1974), with the Administrator of the Federal Emergency Management Agency, the Administrator of the Small Business Administration, or other Federal agencies covering the transfer of data;

(B) the Secretary publishes intent to disclose data in the Federal Register;

(C) notwithstanding subparagraphs (A) and (B), section 552a of title 5, United States Code, or any other law, the Secretary is authorized to share data with an entity identified in paragraph (4), and the entity is authorized to use the data as described in this section, if the Secretary enters a data sharing agreement with the entity before sharing or receiving any information under transfers authorized by this section, which data sharing agreement shall—

(i) in the determination of the Secretary, include measures adequate to safeguard the privacy and personally identifiable information of individuals; and

(ii) include provisions that describe how the personally identifiable information of an individual will be adequately safeguarded and protected, which requires consultation with the Secretary and the head of each Federal agency the data of which is being shared subject to the agreement.

SEC. 472. HOME INVESTMENT PARTNERSHIPS REAUTHORIZATION AND IMPROVEMENT.

(a) Authorization.—Section 205 of the Cranston-Gonzalez National Affordable Housing Act ([42 U.S.C. 12724](#)) is amended to read as follows:

“Sec. 205. Authorization of program.

“The HOME Investment Partnerships Program under subtitle A is hereby authorized. There is authorized such sums as may be necessary to carry out subtitle A.”.

(b) Increase in program administration resources.—Subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12741 et seq.) is amended—

(1) in section 212(c) (42 U.S.C. 12742(c)), by striking “10 percent” and inserting “15 percent”; and

(2) in section 220(b) (42 U.S.C. 12750(b))—

(A) by striking “Recognition.—” and all that follows through “A contribution” and inserting the following: “Recognition.—A contribution”; and

(B) by striking paragraph (2).

(c) Modification of jurisdictions eligible for reallocations.—Section 217(d)(3) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12747(d)(3)) is amended by striking “Limitation.—Unless otherwise specified” and inserting the following:

“Limitations.—

“(A) Removal of participating jurisdictions from reallocation.—The Secretary may, upon a finding that such jurisdiction has failed to meet or comply with the requirements of this title, remove a participating jurisdiction from participation in reallocations of funds made available under this title.

“(B) Reallocation to same type of entity.—Unless otherwise specified”.

(d) Amendments to qualification as affordable housing.—Section 215 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745) is amended—

(1) in subsection (a)—

(A) in paragraph (1)(E), by striking all that follows “purposes of this Act,” and inserting the following: “except upon a foreclosure by a lender (or upon other transfer in lieu of foreclosure) if such action—

“(i) recognizes any contractual or legal rights of public agencies, nonprofit sponsors, or others to take actions that would avoid termination of low-income affordability in the case of foreclosure or transfer in lieu of foreclosure; and

“(ii) is not for the purpose of avoiding low-income affordability restrictions, as determined by the Secretary; and”;

(B) by adding at the end the following:

“(7) Small-scale housing.—

“(A) Definition.—In this paragraph, the term ‘small-scale housing’ means housing with not more than 4 rental units.

“(B) Alternative requirements.—Small-scale housing shall qualify as affordable housing under this title if—

“(i) the housing bears rents that comply with paragraph (1)(A);

“(ii) each unit is occupied by a household that qualifies as a low-income family;

“(iii) the housing complies with paragraph (1)(D);

“(iv) the housing meets the requirements under paragraph (1)(E); and

“(v) the participating jurisdiction monitors ongoing compliance of the housing with requirements of this title in a manner consistent with the purposes of section 226(b), as determined by the Secretary.”; and

(2) in subsection (b)(1), by inserting “(defined as the amount borrowed by the homebuyer to purchase the home, or estimated value after rehabilitation, which may be adjusted to account for the limits on future value imposed by the resale restriction)” after “purchase price”.

(e) Elimination of commitment deadline.—

(1) In general.—Section 218 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12748) is amended—

(A) by striking subsection (g); and

(B) by redesignating subsection (h) as subsection (g).

(2) Conforming amendment.—Section 218(c) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12748(c)) is amended—

(A) in paragraph (1), by adding “and” at the end;

(B) by striking paragraph (2);

(C) by redesignating paragraph (3) as paragraph (2); and

(D) in paragraph (2), as so redesignated, by striking “section 224” and inserting “section 223”.

(f) Reform of homeownership resale restrictions.—Section 215 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745), as amended by this section, is amended—

(1) in subsection (b)—

(A) in paragraph (2), by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and adjusting the margins accordingly;

(B) by striking paragraph (3);

(C) by redesignating paragraphs (1), (2), and (4) as subparagraphs (A), (B), and (D), respectively, and adjusting the margins accordingly;

(D) by inserting after subparagraph (B), as so redesignated, the following:

“(C) is subject to restrictions that are established by the participating jurisdiction and determined by the Secretary to be appropriate, including with respect to the useful life of the property, to—

“(i) require that any subsequent purchase of the property be—

“(I) only by a person who meets the qualifications specified under subparagraph (B); and

“(II) at a price that is determined by a formula or method established by the participating jurisdiction that provides the owner with a reasonable return on investment, which may include a percentage of the cost of any improvements; or

“(ii) recapture the investment provided under this title in order to assist other persons in accordance with the requirements of this title, except where there are no net proceeds or where the net proceeds are insufficient to repay the full amount of the assistance; and”;

(E) by striking “Housing that is for homeownership” and inserting the following:

“(1) Qualification.—Housing that is for homeownership”; and

(F) by adding at the end the following:

“(2) Purchase by community land trust.—Notwithstanding subparagraph (C)(i) of paragraph (1) and under terms determined by the Secretary, the Secretary may permit a participating jurisdiction to allow a community land trust that used assistance provided under this subtitle for the development of housing that meets the criteria under paragraph (1), to acquire the housing—

“(A) in accordance with the terms of the preemptive purchase option, lease, covenant on the land, or other similar legal instrument of the community land trust when the terms and rights in the preemptive purchase option, lease, covenant, or legal instrument are and remain subject to the requirements of this title;

“(B) when the purchase is for—

“(i) the purpose of—

“(I) entering into the chain of title;

“(II) enabling a purchase by a person who meets the qualifications specified under paragraph (1)(B) and is on a waitlist maintained by the community land trust, subject to enforcement by the participating jurisdiction of all applicable requirements of this subtitle, as determined by the Secretary;

“(III) performing necessary rehabilitation and improvements; or

“(IV) adding a subsidy to preserve affordability, which may be from Federal or non-Federal sources; or

“(ii) another purpose determined appropriate by the Secretary; and

“(C) if, within a reasonable period of time after the applicable purpose under subparagraph (B) of this paragraph is fulfilled, as determined by the Secretary, the housing is then sold to a person who meets the qualifications specified under paragraph (1)(B).

“(3) Suspension or waiver of requirements for military members.—A participating jurisdiction, in accordance with terms established by the Secretary, may suspend or waive a requirement under paragraph (1)(B) with respect to housing that otherwise meets the criteria under paragraph (1) if the owner of the housing—

“(A) is a member of a regular component of the armed forces or a member of the National Guard on full-time National Guard duty, active Guard and Reserve duty, or inactive-duty training (as those terms are defined in section 101(d) of title 10, United States Code); and

“(B) has received—

“(i) temporary duty orders to deploy with a military unit or military orders to deploy as an individual acting in support of a military operation, to a location that is not within a reasonable distance from the housing, as determined by the Secretary, for a period of not less than 90 days; or

“(ii) orders for a permanent change of station.

“(4) Suspension or waiver of requirements for heir or beneficiary of deceased owner.—Notwithstanding subparagraph (C) of paragraph (1), housing that meets the criteria under that paragraph prior to the death of an owner may continue to qualify as affordable housing if—

“(A) the housing is the principal residence of an heir or beneficiary of the deceased owner, as defined by the Secretary; and

“(B) the heir or beneficiary, in accordance with terms established by the Secretary, assumes the duties and obligations of the deceased owner with respect to funds provided under this title.”.

(g) Home property inspections.—Section 226(b) of the Cranston-Gonzalez National Affordable Housing Act ([42 U.S.C. 12756\(b\)](#)) is amended—

(1) by striking “Each participating jurisdiction” and inserting the following:

“(1) In general.—Each participating jurisdiction”; and

(2) by striking “Such review shall include” and all that follows and inserting the following:

“(2) On-site inspections.—

“(A) Inspections by units of general local government.—A review conducted under paragraph (1) by a participating jurisdiction that is a unit of general local government shall include an on-site inspection to determine compliance with housing codes and other applicable regulations.

“(B) Inspections by States.—A review conducted under paragraph (1) by a participating jurisdiction that is a State shall include an on-site inspection to determine compliance with a national standard as determined by the Secretary.

“(3) Inclusion in performance report and publication.—A participating jurisdiction shall include in the performance report of the participating jurisdiction submitted to the Secretary under section 108(a), and make available to the public, the results of each review conducted under paragraph (1).”.

(h) Revisions to strengthen enforcement and penalties for noncompliance.—Section 223 of the Cranston-Gonzalez National Affordable Housing Act ([42 U.S.C. 12753](#)) is amended—

(1) in the heading, by striking “Penalties for misuse of funds” and inserting “Program enforcement and penalties for noncompliance”;

(2) in the matter preceding paragraph (1), by inserting after “any provision of this subtitle” the following: “, including any provision applicable throughout the period required by section 215(a)(1)(E) and applicable regulations.”;

(3) in paragraph (2), by striking “or” at the end;

(4) in paragraph (3), by striking the period at the end and inserting “; or”; and

(5) by adding at the end the following:

“(4) reduce payments to the participating jurisdiction under this subtitle by an amount equal to the amount of such payments which were not expended in accordance with this title.”.

(i) Tenant and participant protections for small-scale affordable housing.—Section 225 of the Cranston-Gonzalez National Affordable Housing Act ([42 U.S.C. 12755](#)) is amended by adding at the end the following:

“(e) Tenant selection for small-scale housing.—Paragraphs (2) through (4) of subsection (d) shall not apply to the owner of small-scale housing (as defined in section 215(a)(7)).”.

(j) Modification of rules related to community housing development organizations.—

(1) Definitions of community housing development organization and community land trust.—

(A) In general.—Section 104 of the Cranston-Gonzalez National Affordable Housing Act ([42 U.S.C. 12704](#)) is amended—

(i) in paragraph (6)(B)—

(I) by striking “significant”; and

(II) by striking “and otherwise” and inserting “or as otherwise determined acceptable by the Secretary”; and

(ii) by adding at the end the following:

“(26) The term ‘community land trust’ means a nonprofit entity or a State or local government or instrumentality thereof that—

“(A) is not managed by, or an affiliate of, a for-profit organization;

“(B) has as a primary purpose acquiring, developing, or holding land to provide housing that is permanently affordable to low- and moderate-income persons, and monitors properties to ensure affordability is preserved;

“(C) provides housing described in subparagraph (B) using a ground lease, deed covenant, or other similar legally enforceable measure, as determined by the Secretary, that—

“(i) keeps the housing affordable to low- and moderate-income persons for not less than 30 years; and

“(ii) enables low- and moderate-income persons to rent or purchase the housing for homeownership; and

“(D) maintains preemptive purchase options to purchase the property so the housing remains affordable to low- and moderate-income persons.”.

(B) Elimination of existing definition of community land trust.—Section 233 of the Cranston-Gonzalez National Affordable Housing Act ([42 U.S.C. 12773](#)) is amended by striking subsection (f).

(2) Set-aside for community housing development organizations.—Section 231 of the Cranston-Gonzalez National Affordable Housing Act ([42 U.S.C. 12771](#)) is amended—

(A) in subsection (a), by striking “to be developed, sponsored, or owned by community housing development organizations” and inserting “when a community housing development organization materially participates in the ownership or development of such housing, as determined by the Secretary”;

(B) by striking subsection (b) and inserting the following:

“(b) Recapture and reuse.—If any funds reserved under subsection (a) remain uninvested for a period of 24 months, then the Secretary shall make such funds available to the participating jurisdiction for any eligible activities under this title without regard to whether a community housing development organization materially participates in the use of the funds.”; and

(C) by striking subsection (c).

(k) Technical corrections.—The Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 et seq.) is amended—

(1) in section 104 (42 U.S.C. 12704)—

(A) by redesignating paragraph (23) (relating to the definition of the term “to demonstrate to the Secretary”) as paragraph (22); and

(B) by redesignating paragraph (24) (relating to the definition of the term “insular area”, as added by section 2(2) of Public Law 102–230) as paragraph (23);

(2) in section 105(b) (42 U.S.C. 12705(b))—

(A) in paragraph (7), by striking “Stewart B. McKinney Homeless Assistance Act” and inserting “McKinney-Vento Homeless Assistance Act”; and

(B) in paragraph (8), by striking “subparagraphs” and inserting “paragraphs”;

(3) in section 106 (42 U.S.C. 12706), by striking “Stewart B. McKinney Homeless Assistance Act” and inserting “McKinney-Vento Homeless Assistance Act”;

(4) in section 108(a)(1) (42 U.S.C. 12708(a)(1)), by striking “section 105(b)(15)” and inserting “section 105(b)(18)”;

(5) in section 212 (42 U.S.C. 12742)—

(A) in subsection (a)—

(i) in paragraph (3)(A)(ii), by inserting “United States” before “Housing Act”; and

(ii) by redesignating paragraph (5) as paragraph (4);

(B) in subsection (d)(5), by inserting “United States” before “Housing Act”; and

(C) in subsection (e)(1)—

(i) by striking “section 221(d)(3)(ii)” and inserting “section 221(d)(4)”; and

(ii) by striking “not to exceed 140 percent” and inserting “as determined by the Secretary”;

(6) in section 215(a)(6)(B) (42 U.S.C. 12745(a)(6)(B)), by striking “grand children” and inserting “grandchildren”;

(7) in section 217 (42 U.S.C. 12747)—

(A) in subsection (a)—

(i) in paragraph (1), by striking “(3)” and inserting “(2)”;

(ii) by striking paragraph (3), as added by section 211(a)(2)(D) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3756); and

(iii) by redesignating the remaining paragraph (3), as added by the matter under the heading “Home investment partnerships program” under the heading “Housing programs” in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993 (Public Law 102–389; 106 Stat. 1581), as paragraph (2); and

(B) in subsection (b)—

(i) in paragraph (1)—

(I) in the first sentence of subparagraph (A)—

(aa) by striking “in regulation” and inserting “, by regulation,”; and

(bb) by striking “eligible jurisdiction” and inserting “eligible jurisdictions”; and

(II) in subparagraph (F)—

(aa) in the first sentence—

(AA) in clause (i), by striking “Subcommittee on Housing and Urban Affairs” and inserting “Subcommittee on Housing, Transportation, and Community Development”; and

(BB) in clause (ii), by striking “Subcommittee on Housing and Community Development of the Committee on Banking, Finance and Urban Affairs” and inserting “Subcommittee on Housing and Insurance of the Committee on Financial Services”; and

(bb) in the second sentence, by striking “the Committee on Banking, Finance and Urban Affairs of the House of Representatives” and inserting “the Committee on Financial Services of the House of Representatives”;

(ii) in paragraph (2)(B), by striking “\$500,000” each place that term appears and inserting “\$750,000”;

(iii) in paragraph (3)—

(I) by striking “\$500,000” each place that term appears and inserting “\$750,000”;

and

(II) by striking “, except as provided in paragraph (4)”;

and

(iv) by striking paragraph (4);

(8) in section 220(c) (42 U.S.C. 12750(c))—

(A) in paragraph (3), by striking “Secretary” and all that follows and inserting “Secretary”;

(B) in paragraph (4), by striking “under this title” and all that follows and inserting “under this title”;

and

(C) by redesignating paragraphs (6), (7), and (8) as paragraphs (5), (6), and (7), respectively;

(9) in section 225(d)(4)(B) (42 U.S.C. 12755(d)(4)(B)), by striking “for” the first place that term appears; and

(10) in section 283 (42 U.S.C. 12833)—

(A) in subsection (a), by striking “Banking, Finance and Urban Affairs” and inserting “Financial Services”; and

(B) in subsection (b), by striking “General Accounting Office” each place that term appears and inserting “Government Accountability Office”.

SEC. 473. HOUSING-FIRST PERFORMANCE SAFEGUARDS.

(a) In general.—Section 422(b) of the McKinney-Vento Homeless Assistance Act ([42 U.S.C. 11382\(b\)](#)) is amended by adding at the end the following:

"(3) Housing-first performance safeguards; due process.—

"(A) In general.—For purposes of paragraph (2)(A), a project may be determined to be underperforming only in accordance with objective performance measures established by the Secretary by notice or regulation.

"(B) Housing-first alignment.—The measures under subparagraph (A) shall prioritize outcomes related to placement into permanent housing and retention of permanent housing, and shall not condition project eligibility, participant eligibility, or continued funding on participant compliance with treatment, medication, services participation, sobriety, employment, curfews, or other behavioral requirements unrelated to health and safety.

"(C) Notice and opportunity to improve.—Before a collaborative applicant may apply to replace a project under paragraph (2)(A), the collaborative applicant shall provide the project sponsor with written notice describing the basis for the determination, the data relied upon, and the actions required to remedy identified deficiencies, and shall provide not less than 90 days for the project sponsor to submit a corrective action plan and demonstrate measurable improvement, unless the Secretary determines that an imminent threat to health or safety requires immediate action.

"(D) Appeal.—A project sponsor may appeal a determination under subparagraph (A) to the Secretary in accordance with procedures established by the Secretary, and the Secretary shall provide for an expedited determination for purposes of year 2 awards under paragraph (2)."

(b) Rule of construction.—Nothing in this section shall be construed to prohibit the Secretary from establishing performance measures that account for the differing needs and barriers of subpopulations served, including individuals with serious mental illness, substance use disorders, chronic health conditions, or high-service needs.

SEC. 474. INCENTIVIZING LOCAL SOLUTIONS TO HOMELESSNESS.

(a) Section 414 of the McKinney-Vento Homeless Assistance Act ([42 U.S.C. 11373](#)) is amended by adding at the end the following:

"(f) Funding cap waiver authority.—

"(1) In general.—Notwithstanding any other provision of law or regulation, a recipient may request a waiver of the spending cap established pursuant to section 415(b) for amounts provided between fiscal years 2026 through 2030.

"(2) Waiver request.—

"(A) In general.—A recipient seeking a waiver described in paragraph (1) shall submit to the Secretary a waiver request that includes not more than the following:

"(i) a demonstration of local needs and circumstances that necessitate a waiver;

"(ii) a detailed plan for how the recipient intends to use funds;

"(iii) a justification for how the proposed use of funds supports the most recent Consolidated Annual Performance and Evaluation Report of the recipient; and

"(iv) any public input solicited under subparagraph (B)(ii).

"(B) Notification.—Each recipient shall—

"(i) notify all subrecipients, including local continuums of care, of the availability of waivers under this subsection; and

"(ii) prior to the submission of a waiver request under subparagraph (A), solicit public input regarding the potential need for and proposed uses of such waiver.

"(C) Approval; publication.—The Secretary shall—

"(i) make all waiver requests submitted under subparagraph (A) publicly available on the website of the Department of Housing and Urban Development;

"(ii) not later than 60 days after the date on which the Secretary receives a waiver request under subparagraph (A), approve or deny the request; and

"(iii) deny any waiver submitted under subparagraph (A) by a recipient that relocates or threatens to relocate individuals or their property without providing emergency shelter, rapid rehousing, transitional housing, permanent supportive housing, or other permanent housing options.

"(3) Revocation.—

"(A) In general.—A waiver approved under this subsection shall remain in effect for each of fiscal years 2026 through 2030 unless the recipient notifies the Secretary in writing that the recipient wishes to revoke the waiver.

"(B) Notification.—If a recipient revokes a waiver under subparagraph (A), the recipient shall solicit input from subrecipients regarding the revocation and provide a justification for the revocation.

"(C) Publication.—The Secretary shall publish any revocation of a waiver under subparagraph (A) and the justification of the recipient for the waiver on the website of the Department of Housing and Urban Development."

Subtitle H—American Union Housing

SEC. 481. FINDINGS AND PURPOSES.

(a) Findings.—Congress finds the following:

(1) The United States faces a persistent shortage of affordable, stable housing that undermines economic security, labor mobility, family formation, and community stability.

(2) Long-term public ownership of residential housing, coupled with standardized leasing and predictable costs, can provide durable affordability without reliance on speculative real estate markets.

(3) The construction and leasing of federally owned housing can recoup public investment over time and generate stable, long-term revenue for the Federal Government.

(4) Purpose-built residential buildings that include shared community space can facilitate voluntary community formation, mutual support, democratic self-governance, and collective problem-solving.

(5) Housing is a form of essential national infrastructure, comparable to transportation, energy, and communications infrastructure, and its provision serves interstate commerce, national labor mobility, and the general welfare of the United States.

(6) A parallel Federal housing production and allocation system can expand housing supply, support geographic mobility, and complement existing housing assistance programs without replacing them.

(7) Federally owned housing developed under this subtitle can be paired with public production facilities, cooperative enterprises, educational initiatives, and reindustrialization programs to promote employment, resilience, and shared prosperity.

(b) Purposes.—The purposes of this subtitle are—

(1) to establish a Federal program for the development of standardized, affordable residential housing which will remain permanently outside speculative resale and ownership markets;

(2) to provide a mechanism for groups of individuals with a common interest or goal to coalesce and form real world communities; and

(3) to recoup public investment in housing construction and operations and generate long-term public revenue in a way that promotes the general welfare of the United States.

SEC. 482. DEFINITIONS.

(a) Definitions.—In this subtitle:

(1) American Union housing.—The term “American Union housing” means residential buildings developed, owned, and leased by the Federal Government under this subtitle.

(2) Community occupancy.—The term “community occupancy” means the collective residential use of an American Union housing building by an eligible group under a standardized agreement with the Director.

(3) Director.—The term “Director” means the Director of the Office of American Union Housing.

(4) Eligible group.—The term “eligible group” means an unincorporated association of natural persons of not fewer than 30 individuals or families, recognized by the Secretary solely for purposes of leasing (or intending to lease) an American Union housing building.

(5) Five-over-one.—The term “five-over-one” means a mixed-use building type consisting of not more than 1 story of nonresidential or commercial use at ground level, with additional stories (commonly but not always 5) of residential dwelling units constructed above.

(6) Fund.—The term “Fund” means the “American Union Housing Capital Fund” established by section 483.

(7) Further Act by Congress.—The term “further Act by Congress” means an Act expressly authorizing expansion beyond the pilot limits in section 487.

(8) GOCO facility.—The term “GOCO facility” means a government owned, community operated facility established under title VIII of the POPULIST ACT which is leased by an eligible group. Such facility may be industrial, commercial, retail, or agricultural.

(9) Housing queue.—The term “housing queue” means the centralized Federal system established by the Office of American Union Housing for receiving applications for and allocating community occupancy.

(10) Office.—The term “Office” means the Office of American Union Housing.

(11) Payment in lieu of taxes.—The term “payment in lieu of taxes” means a discretionary payment authorized by the Secretary to a State or political subdivision to offset demonstrable, material fiscal impacts directly attributable to American Union housing.

(12) Secretary.—The term “Secretary” means the Secretary of Housing and Urban Development.

(13) Standardized rate.—The term “standardized rate” means a rent or occupancy charge established by statute or regulation that is fixed, predictable, and not subject to market repricing.

SEC. 483. AMERICAN UNION HOUSING CAPITAL FUND.

(a) Establishment.—There is established in the Treasury of the United States a fund to be known as the “American Union Housing Capital Fund”.

(1) In general.—There is authorized to be appropriated to the Fund 100 percent of the revenue generated under section 486.

(2) Startup funding.—There is appropriated, from the amounts rescinded under subsection (c) or any money in the Treasury not otherwise appropriated, \$1,200,000,000 to carry out this section.

(3) Investment funding.—The Director may, after a further Act by Congress, negotiate loans through the Federal Reserve Investment Authority established under title VI of this Act.

(b) Authorization.—There are authorized to be made available for expenditure, out of the Fund and without fiscal year limitation, such sums as may be necessary to carry out the provisions of this subtitle.

(c) Rescission.—Of the amounts appropriated under section 90003 of the One Big Beautiful Bill Act ([Public Law 119–21](#)) for detention capacity, \$1,200,000,000 is hereby rescinded.

SEC. 484. OFFICE OF AMERICAN UNION HOUSING.

(a) Establishment.—There is established within the Department of Housing and Urban Development an office to be known as the Office of American Union Housing. The Office shall be headed by a Director, who shall be appointed by the Secretary.

(b) Responsibilities.—The Office shall—

(1) plan, develop, and administer American Union housing in a manner that enables standardized residential buildings to be repeatedly and consistently constructed and rapidly deployed across the United States;

(2) develop standardized application procedures, occupancy agreements, internal governance frameworks, and administrative systems consistent with this subtitle;

(3) manage the housing queue established under this subtitle in a transparent manner that encourages community occupancy to support collective living, civic engagement, employment, public production, cooperative development, education, or other purposes;

(4) collect and publish data regarding construction costs, occupancy rates, fiscal performance, and geographic distribution of American Union housing;

(5) after a further Act by Congress, facilitate funding and financing for American Union housing, including coordination with FRIA; and

(6) carry out such other duties as the Director determines necessary to implement this subtitle.

SEC. 485. DESIGN AND CONSTRUCTION.

(a) Construction design.—American Union housing shall be built for long-term durability, safety, energy efficiency, community occupancy, and cost-effective operation.

(1) Standardized exterior designs.—The Director shall develop and approve a limited number of standardized exterior building designs for American Union housing, suitable for construction across the United States, which shall provide between 30 and 49 residential housing units suitable for long-term occupancy. At least one design must be a five-over-one building.

(A) Pilot program design.—During the pilot program described in section 487, the Director shall utilize a single standardized exterior building design for American Union housing. Such design may not be a five-over-one building or offer commercial space.

(B) Additional designs.—Development and approval of other designs may occur during the pilot, but construction of any non-pilot design may not begin until a further Act by Congress.

(2) Interior design variants.—The Director shall, for each exterior building design of American Union housing, approve no less than 3 standardized interior design variants while maintaining a common construction framework.

(A) In general.—Each design shall include a common area or areas suitable for facilitating community governance, as well as features to support different community uses and occupancy pathways under this subtitle.

(B) Occupancy options.—The design variants shall include:

(i) an efficiency-oriented layout with 49 units, consisting of primarily of studio or single-room dwelling units with shared facilities, suitable for individual dormitory-style living;

(ii) a mixed residential layout with 40 units, consisting primarily of 1-bedroom and 2-bedroom dwelling units suitable for individuals, couples, or small households; and

(iii) a family-oriented layout with 30 units, which include 3-bedroom or larger dwelling units, suitable for families or multigenerational households.

(b) Design process.—In developing standardized designs, the Director may employ competitive, open, or collaborative design processes for both interior and exterior layouts, and may solicit design proposals from members of the public, professional designers, educational institutions, or other qualified entities. The Director shall prioritize designs according to the criteria set out in subsection (a).

(c) Land acquisition.—The Director shall, to the fullest extent possible, utilize existing Federal real property for the construction of American Union housing, including any Federal real property made available for use to assist the homeless pursuant to title V of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11411 et seq.), but is authorized to purchase property if necessary.

(1) Gifts.—The Director may accept donations of real property to the Office which are conditioned on the construction of American Union housing on such property; provided that if the gift is linked to an eligible group and such housing is not for general allocation, construction shall not begin until such group reaches the front of the housing queue.

(d) Construction.—The Director shall, to the fullest extent possible, construct American Union housing utilizing the employment program established under title VIII of this Act.

(e) Pairing with other resources.—The Director may site American Union housing adjacent to or in coordination with Federal facilities, public production sites, cooperative enterprises, or other public-purpose developments to promote employment, training, and community stability.

(f) Local impact.—The Director—

(1) shall provide notice to, and solicit input from, the jurisdiction where they intend to build American Union housing;

(2) may approve and carry out the construction and operation of American Union housing without regard to local zoning, approval processes, or building restrictions; and

(3) may make a one-time payment in lieu of taxes.

SEC. 486. COMMUNITY OCCUPANCY.

(a) Allocation.—The Director shall continually make American Union housing available for community occupancy to eligible groups in the housing queue.

(1) In general.—The Director shall allocate housing in the order applications are received.

(2) Exceptions.—Applications requesting specific proximity features or specific interior designs may be held until the first available housing such matching features are available.

(3)

(b) Application.—

(1) Availability.—Not later than September 30, 2026, the Director shall make available an application by which eligible groups may apply for available American Union housing under this section.

(2) Requirements.—An application under this subsection shall—

(A) be submitted in such form and manner as the Director may require;

(B) identify the members of the group at the time of application;

(C) describe the shared purpose or purposes of collective occupancy;

(D) indicate any requested proximity to a GOCO facility, terrain, or similar exogenous features relevant to the shared purpose of the group;

(E) include a nonrefundable deposit of \$100 per adult applicant; and

(F) provide any other information which the Director deems necessary.

(c) Community association as lessee.—

(1) Recognition framework.—The Director shall establish by regulation a standardized framework for recognizing eligible groups as unincorporated associations for purposes of entering into, performing, and terminating a lease under this subtitle.

(2) Legal status and liability.—An association recognized under this subsection—

(A) shall consist solely of natural persons occupying or intending to occupy American Union housing;

(B) shall not be required to incorporate under Federal or State law;

(C) shall not be deemed a corporation, partnership, cooperative, or other entity except as expressly provided under this subtitle;

(D) shall not acquire any equity interest in American Union housing;

(E) shall not subject any member to joint or several liability beyond obligations expressly assumed under the lease; and

(F) shall cease to be recognized upon termination or nonrenewal of the lease or dissolution in accordance with regulations of the Director.

(d) Lease terms.—

(1) In general.—A lease under this section shall have an initial term of 5 years, except in the case of American Union housing built on land acquired under section 485(c)(1), in which case the Director may require a lease of up to 20 years.

(2) Renewal.—Upon expiration of the initial term, the lease shall be presumptively renewable in successive 1-year increments, subject to compliance with this subtitle.

(3) Residential lease rates.—The lease shall be at standardized rates and set by the Director at an amount equal to 1/3 of the basic wage (as defined in section 1398B(d) of title 42, United States Code) for the members of the eligible group; provided that the Director shall establish a minimum threshold to reflect the population mix for which the building is designs, and the departure of members may not reduce the rate below such threshold.

(A) Exception.—The restriction in paragraph (3) shall not apply for a five-over-one or similar structure that includes non-commercial space.

(e) Internal governance.—

(1) Autonomy.—Except as provided in paragraph (2), the Director shall not regulate the internal governance, membership criteria, internal allocation of units, or internal decision-making of a community occupancy group.

(2) Minimum requirements.—Each eligible group shall, prior to community occupancy, adopt internal rules addressing—

(A) admission and departure of members;

(B) internal dispute resolution;

(C) shared obligations, including—

(i) maintenance of real property and common areas; and

(ii) any payment of dues;

(D) recordkeeping and management of community funds;

(E) conditions for dissolution or reconstitution of the group; and

(F) other matters of internal governance.

(3) Civil rights.—Nothing in this section shall be construed to authorize conduct or governance practices that violate applicable Federal civil rights laws.

(f) Termination and reallocation.—If a community occupancy group dissolves, materially breaches the standardized lease, or fails to maintain minimum occupancy, the Secretary may terminate the lease after notice and a reasonable cure period and reallocate the housing under this subtitle.

SEC. 487. PILOT PROGRAM.

(a) Pilot program.—The Director shall carry out a pilot program to test the feasibility of, and the demand for, American Union housing pursuant to this subtitle.

(1) Scale.—Under the pilot program, the Director shall develop not more than 150 residential buildings; but no less than 1 in each State.

(2) Consideration of demand.—In determining the number, location, and configuration of buildings developed under the pilot program, the Director shall consider the applications for community occupancy received pursuant to section 485(b).

(3) Construction authority.—Authority to construct new American Union housing under this subtitle shall terminate on January 30, 2029, unless further construction is authorized by a further Act by Congress. Projects for which funds have been obligated prior to such date may proceed to completion notwithstanding this subparagraph.

(b) Termination of construction authority shall not affect continued operation, leasing, or maintenance of housing constructed under this subtitle.”

(c) Reports.—Not later than October 30, 2027, and every 2 years after, the Director shall submit to Congress (and make publicly available) a report evaluating—

(1) construction costs and timelines;

(2) occupancy rates and demand;

(3) fiscal performance and cost recovery; and

(4) legislative recommendations for expansion, modification, or termination of the program.