



UNITED STATES HOUSE COMMITTEE ON
FINANCIAL SERVICES
CHAIRMAN FRENCH HILL

Section-by-Section: THE HOUSING FOR THE 21ST CENTURY ACT

The *Housing for the 21st Century Act* streamlines housing production and affordability by updating outdated programs, removing unnecessary federal requirements, and increasing local flexibility.

TITLE I—BUILDING SMARTER FOR THE 21ST CENTURY.

Section 101: This section would direct the Department of Housing and Urban Development (HUD) to publish voluntary guidelines and best practices states and localities could look to as a model in considering how to modernize their own local zoning frameworks.

Section 102: This section would authorize HUD to award grants to eligible entities to establish “pattern books” of pre-reviewed designs to make it easier to build homes that are always local building code complaint. Doing so would help streamline and expedite local construction processes and build more homes.

Section 103: This section would require HUD to establish federal guidelines for point-access block buildings (i.e., single staircase apartments with 3 or more stories). It also allows HUD to award competitive grants for pilot programs to assess the feasibility of such buildings where they make local sense.

Section 104: This section would require HUD to reclassify what housing-related activities are exempt from requirements under the *National Environmental Policy Act* (NEPA) of 1969 . This provision classifies certain housing-related activities as NEPA “exempt activities,” including tenant-based rental assistance, supportive services, and operating costs. It also classifies other housing-related activities that do not materially alter environmental conditions and do not materially exceed the original scope of the project as NEPA “categorical exclusions,” including the acquisition, new construction, improvement, or rehabilitation of residential buildings, public facilities, and infill and certain other projects. It would authorize the HUD to designate certain federally assisted housing activities as a “special project” for purposes of NEPA allowing those activities to proceed under a streamlined local environmental review.

Section 105: This section would synchronize the housing standards between the HUD and the U.S. Department of Agriculture (USDA) regarding NEPA categorical exclusions, designate a lead agency to streamline the adoption of environmental impact statements and environmental assessments, and evaluate the feasibility of a joint physical inspection process for housing projects.

Section 106: This section updates the statutory maximum loan limits for Federal Housing Administration (FHA) mortgage insurance for residential multifamily construction to reflect current costs, as well as provides for the use of an inflation adjustment formula more appropriate to housing construction costs for setting those limits going forward.

Section 107: This section would direct the Government Accountability Office (GAO) to study identifying any gaps in federal housing programs that exclude middle-income households and recommend a definition for “workforce housing” that policymakers can use going forward. It also would require GAO to conduct a study examining the potential costs, benefits, feasibility, and implications of establishing a federal uniform residential building code.

TITLE II—MODERNIZING LOCAL DEVELOPMENT AND RURAL HOUSING PROGRAMS.

Section 201: This section would modernize HUD’s HOME Investment Partnerships Program to align with current housing market conditions and development practices. The reforms expand eligibility to workforce-income households, update outdated program limits, and allow participating jurisdictions greater flexibility to use HOME funds for housing-related infrastructure. This section also streamlines federal requirements by exempting small-scale projects from environmental mandates that frequently delay modest infill, rehabilitation, and construction. Additionally, it extends the timeframe for jurisdictions to commit funds and removes statutory constraints that limit local decision-making.

Section 202: This section would make changes to HUD’s Community Development Block Grant (CDBG) program. First, it would require certain communities that elect to receive CDBG funds to include a non-binding plan in their statutorily-required use-of-funds reports to review any overly burdensome local land use policies and ideas to improve those policies. It would allow for an additional eligible use of CDBG funds for affordable housing construction, enabling communities to direct CDBG resources toward increasing their local housing supply. Additionally, it would require CDBG grantees to maintain a publicly accessible, searchable database identifying undeveloped land owned by the jurisdiction.

Section 203: This section would allow HUD to issue competitive grants to assist state, local, and tribal governments with implementing regional housing planning and community development activities.

Section 204: This section would allow for the greater use of the Rural Housing Service’s (RHS) Section 504 Home Repair program, including expanding participation to include more low-income families. It would require the RHS to produce an annual report regarding the health of all its programs authorized under Title V of the *Housing Act of 1949* and require RHS to submit to Congress a report on how to shorten the application processing times for its Section 502 and 504 programs to not more than 90 days. It also would require GAO to submit a report to Congress on the status of RHS’ use of technology and the potential cost of modernizing that technology.

Section 205: This section would allow housing units that are financed through certain existing federal housing programs to automatically satisfy the inspection requirements of HUD's Section 8 Tenant Based Voucher program if they have been inspected within the prior year.

TITLE III—EXPANDING MANUFACTURED AND AFFORDABLE HOUSING FINANCE OPPORTUNITIES.

Section 301: Subsection (a) would amend the federal definition of “manufactured home” to allow housing built with or without a permanent chassis. It would also require updated standards and state certifications so manufactured homes without a chassis are treated on par with traditional HUD-code homes for financing, sale, installation, and title. Subsection (b) would establish HUD as the primary federal authority for approving any manufactured home construction or safety standard, including standards related to a manufactured home’s construction, design, energy efficiency, and performance.

Section 302: This section would require FHA to issue a report to Congress evaluating options to incentivize and expand access to small-dollar mortgages with original principal balances of \$100,000 or less.

TITLE IV—PROTECTING BORROWERS AND ASSISTED FAMILIES.

Section 401: This section would require HUD to exclude a veteran’s disability benefits from HUD’s the calculation of income to determine eligibility for its HUD- Veterans Affairs Supportive Housing (VASH) program. It would also require HUD to exclude such benefits from the calculation of income eligibility for any similar future HUD veteran assistance program. The section would also require HUD to exclude any service-connected disability compensation received by a veteran when determining eligibility for services under HUD’s CDBG program.

Section 402: This section would require the Uniform Residential Loan Application used by most mortgage lenders to include a disclosure informing military veterans that they may be eligible for a Department of Veterans Affairs (VA) home loan.

Section 403: This section would direct HUD, USDA, and VA to enter into a memorandum of understanding to strengthen interagency coordination regarding housing-related research, data, and market information.

Section 404: This section would establish a HUD pilot program allowing up to 5,000 families assisted under Section 8 or Section 9 of the U.S. Housing Act of 1937 to be enrolled in an opt-out escrow savings program that deposits increases in rent due to income growth into an interest-bearing account on their behalf.

Section 405: This section would require that organizations receiving federal funding to provide housing counseling and advice to tenants and homeowners are subject to periodic on-site reviews and performance reviews by HUD. The section also allows HUD to subject poorly performing housing counselors to continued education training requirements, suspensions, or the termination of federal assistance.

Section 406: This section would require HUD to establish a helpline for tenants of federally assisted rental units to call for assistance with respect to eviction-related matters.

Section 407: This section would establish a HUD pilot program to award grants to public housing agencies and owners of federally assisted rental housing to install temperature sensors in dwelling units, with the written permission of tenants, to ensure compliance with temperature-related housing quality standards.

Section 408: Subsection (a) would direct GAO to study options to remove barriers and improve housing for elderly and disabled residents under HUD programs, including evaluating the potential impacts of providing capital support, strengthening accessibility standards, expanding service coordination, and improving program alignment across federal housing initiatives. Subsection (b) would direct GAO to identify the number of residential dwelling units, including public housing units, located within one mile of Environmental Protection Agency–designated Superfund sites and to report those findings to Congress.

TITLE V—ENHANCING OVERSIGHT OF HOUSING PROVIDERS.

Section 501: This section would require the HUD Secretary to testify before Congress on an annual basis regarding the Department’s operations, oversight activities, and program performance.

Section 502: This section would require HUD to mandate that public housing agencies publicly disclose information regarding each contract they enter into and ensure that such agreements are made available online for public viewing.

Section 503: This section would require the HUD Inspector General to conduct an investigation of, and issue a report on, the New York City Housing Authority to evaluate its compliance with the terms of its federal monitorship and assess the physical condition of the housing it operates.

Section 504: This section would require any federal monitor or receiver appointed to oversee a public housing agency to testify annually before Congress regarding oversight activities conducted during the prior year.

Section 505: This section would require the Chairperson United States Interagency Council on Homelessness to provide annual updates to Congress regarding the activities and accomplishments of the Council.