

# Community Opportunity Alliance

Discussion Circle |

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# 21st Century Road to Housing Act

## Timeline

House Passage → Senate Amendments → House Concurrence → Enrolled Bill → Presented to President → **Became Law (July 11, 2026)**

### **December 2025**

- The House passed the **21st Century ROAD to Housing Act (H.R. 6644)**, a comprehensive package combining dozens of bipartisan housing bills.

### **Spring – Summer 2026**

- The Senate considered and amended the legislation, incorporating additional bipartisan housing provisions and negotiating a final package.

### **July 2026**

- The House agreed to the Senate amendments, clearing the bill for enrollment.
- The bill became law **without the President's signature**. Under Article I, Section 7 of the U.S. Constitution, a bill automatically becomes law after 10 days (excluding Sundays) if the President neither signs nor vetoes it and Congress remains in session.

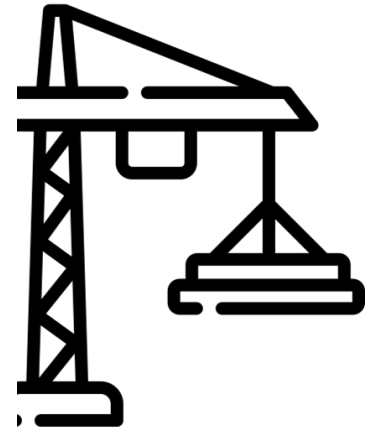
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# Increasing Housing in Opportunity Zones

## Section 201

- Allows HUD to prioritize grant applications for projects in Opportunity Zones.
- Provides additional tax subsidies that incentivize affordable housing development in Opportunity Zones.

*Potential Concern: Can favor larger developers and crowd out smaller CDBOs.*



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# HOME Investment Partnerships Reauthorization and Reform Act

The HOME program receives its first major reauthorization in decades.

## **What's new?**

- Permanently authorizes the HOME Investment Partnerships Program.
- Modernizes and streamlines many program requirements.
- Makes targeted updates to improve program administration and flexibility.
- Annual funding will continue to be determined through the congressional appropriations process.

## **Why it matters**

HOME remains the federal government's primary flexible affordable housing production program, and permanent authorization provides long-term stability for states, local governments, and nonprofit developers.

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# HOME Investment Partnerships: CHDO Set-Aside

The bill preserves the set-aside for Community Housing Development Organizations (CHDOs).

## **Key provisions**

- Retains the 15% CHDO set-aside for HOME funds.
- Makes limited statutory updates to the CHDO definition.
- Continues Congress's longstanding commitment to community-based nonprofit housing developers.

## **Why it matters**

Community-based developers remain a cornerstone of the HOME program, ensuring local organizations continue to play a leading role in developing and preserving affordable housing.

# Housing Innovation Fund

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A new competitive grant program to reward communities that increase housing supply

## **Funding**

- Authorized at \$200 million annually
- FY2027–FY2031 (five-year authorization)

## **Who Can Apply?**

- Metropolitan cities
- Urban counties
- Units of local government
- Indian Tribes

## **Key Eligibility Requirement**

- Applicants must demonstrate measurable growth in local housing supply over the previous three years, using HUD-established criteria.

# Housing Innovation Fund

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## Eligible Uses of the Housing Innovation Fund

### Grant recipients may use funds to:

- Support CDBG-eligible community development activities
- Fund transportation and infrastructure investments that support housing
- Advance local initiatives that expand the supply of housing

### Examples include:

- Zoning and land use reform
- Permitting and regulatory improvements
- Housing strategy implementation
- Community investments that support new housing development
- Other local initiatives that remove barriers to housing production

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# Reforms to Housing Counseling and Financial Literacy Programs

## Section 101. Reforms to Housing Counseling and Financial Literacy Programs

- Counselor Performance Provision (HUD Certified) - Performance reviewed for program compliance
  - Concerns with performance: Continued education, retesting, suspension, etc.
  - Pre Purchase Counseling - “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”
  - Opportunities for Redress: Notice, informal, conference, etc.
- Foreclosure Mitigation Counseling for Borrowers
  - Loans Covered: FHA-insured mortgages
  - Delinquent 30 days or more
  - Paid by Mutual Mortgage Insurance Fund (MMIF)

# Zoning

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## **Tier 1 — Direct Zoning & Land-Use Reform**

### **Sec. 107 – Housing Supply Frameworks**

- Establishes the bill's national model zoning framework \*non binding
- Encourages reforms including ADUs, duplexes, triplexes, fourplexes, by-right development, parking reform, density increases, FAR increases, reduced setbacks and lot sizes, transit-oriented development, impact fee reform, historic preservation coordination, zoning appeals, and affordability preservation strategies.

### **Sec. 207 – Grants for Planning and Implementation Associated with Affordable Housing**

- Creates competitive grants for states, metropolitan cities, urban counties, and regional planning agencies to rewrite zoning codes, modernize permitting, implement housing plans, reduce regulatory barriers, and increase local planning capacity.

# Zoning

## — Tier 2 — Development Form & Housing Typology

- **Sec. 208 – Innovation Fund**
  - Creates competitive funding for jurisdictions implementing innovative housing production strategies. While it does not mandate zoning changes, it financially rewards jurisdictions that pursue regulatory and land-use reforms that increase housing supply.
- **Sec. 209 – Accelerating Home Building Act**
  - Establishes HUD grants for jurisdictions to develop pattern books of pre-approved housing designs. Once adopted locally, these designs can receive by-right or expedited approval, reducing discretionary review for housing types such as ADUs, duplexes, triplexes, fourplexes, townhouses, cottage courts, multiplexes, and other small-scale residential buildings. Also 10% set aside for rural communities.
- **Sec. 210 – Revitalizing Empty Structures Into Desirable Environments (RESIDE) Act**  
Pilot Program (FY 2027-2031) for Adaptive Reuse
  - Awards grants for jurisdictions to convert vacant and abandoned commercial/industrial buildings into affordable housing. Grants range from \$1M–\$10M per award in years when \$100 million is available. If less, will maximize the number of grants awarded.

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# Manufactured Housing

## The Modular Housing Production Act

- Requires HUD to review FHA construction lending programs and modernize financing standards for factory-built homes.
- Expands access to lower cost homes, boosting affordable housing supply

*Potential Concern:* Smaller CDBOs may not have the capacity to take advantage of improvements due to capital commitments and factory relationships required for modular housing development

