

[DISCUSSION DRAFT]

119TH CONGRESS
2^D SESSION

H. R. _____

To address the housing crisis through strong perpetual affordability provisions and shared equity housing models, bold investments to increase and preserve the national affordable housing supply, center inclusive local zoning and land use, provide relief for rural renters, and funding paths to homeownership.

IN THE HOUSE OF REPRESENTATIVES

Ms. BALINT introduced the following bill; which was referred to the
Committee on _____

A BILL

To address the housing crisis through strong perpetual affordability provisions and shared equity housing models, bold investments to increase and preserve the national affordable housing supply, center inclusive local zoning and land use, provide relief for rural renters, and funding paths to homeownership.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Community Housing Act of 2026”.

1 (b) TABLE OF CONTENTS.—The table of contents is
2 as follows:

- Sec. 1. Short title; Table of contents.
- Sec. 2. Congressional findings.
- Sec. 3. Severability.

TITLE I—INVESTMENTS IN HOUSING SUPPLY

- Sec. 101. Housing trust fund.
- Sec. 102. GSE basis point fee.
- Sec. 103. Capital magnet fund.
- Sec. 104. Investments in affordable and accessible housing production.
- Sec. 105. Unlocking possibilities program.
- Sec. 106. Repeal of Faircloth Amendment.
- Sec. 107. Establishment of HUD Office of Community Land Use and Zoning.

TITLE II—RENTAL SUPPORT AND PERPETUAL AFFORDABILITY

- Sec. 201. HUD eviction protection grant program.
- Sec. 202. Shared equity housing resources.
- Sec. 203. Homeownership assistance.
- Sec. 204. Report on tax on secondary homes.
- Sec. 205. Shared equity housing fund.
- Sec. 206. Historic Tax Credit Modernization.

TITLE III—LOW-COST FINANCING FOR AFFORDABLE HOUSING PROJECTS

- Sec. 301. Expanding Federal Home Loan Bank Contributions to Affordable Housing.
- Sec. 302. Continuation of FHA—FFB affordable rental housing financing partnership.
- Sec. 303. Allow GSES to purchase mezzanine debt.

TITLE IV—RURAL HOUSING

- Sec. 401. Permanent establishment of housing preservation and revitalization program; decoupling rental assistance.
- Sec. 402. Interagency task force to coordinate delivery of substance use disorder treatment and affordable housing availability.
- Sec. 403. Rural rental housing loans.

3 **SEC. 2. CONGRESSIONAL FINDINGS.**

4 The Congress finds that—

- 5 (1) the cost of housing for all Americans has
- 6 increased dramatically and wages have not kept pace
- 7 with these increases over the last 50 years;

1 (2) the Housing Trust Fund (HTF) provides a
2 dedicated, permanent source of funding for afford-
3 able housing;

4 (3) the HTF is an important source of financ-
5 ing for State housing finance agencies, used along
6 with tax credits and the HOME Investment Partner-
7 ship program (HOME);

8 (4) the Capital Magnet Fund (CMF) provides
9 funding to nonprofits and Community Development
10 Financial Institutions (CDFIs) to expand financing
11 for the development, rehabilitation, and purchase of
12 affordable housing and other related economic devel-
13 opment projects in distressed communities;

14 (5) the HTF and CMF are funded through con-
15 tributions from the Government-sponsored enter-
16 prises (GSEs) Fannie Mae and Freddie Mac;

17 (6) the HOME program is used, in combination
18 with housing tax credits, by state housing finance
19 agencies to build affordable rental housing;

20 (7) the HOME program is also the primary fed-
21 eral resource for the construction of affordable fam-
22 ily homes;

23 (8) despite its importance and effectiveness, the
24 HOME program has not been adequately funded in

1 relation to increasing costs associated with single
2 family and multifamily housing construction;

3 (9) restrictive land use regulations disproportio-
4 tionately affect low- and moderate-income families
5 by limiting the availability of quality affordable
6 housing and driving up the costs of existing housing;

7 (10) public housing agencies are unnecessarily
8 prohibited from increasing their number of public
9 housing units above the total they had in 1992
10 under a provision of law commonly referred to as the
11 Faircloth limit;

12 (11) community land trusts or shared equity
13 housing programs are crucial for ensuring perpetual
14 housing affordability;

15 (12) community land trusts or related shared
16 equity housing programs have established legal
17 frameworks to keep homes affordable for more than
18 30 years;

19 (13) there are over 300 community land trust
20 entities in the United States encompassing 43,931
21 housing units;

22 (14) rental housing subsidized by the Rural
23 Housing Service (RHS) of the Department of Agri-
24 culture is often the only affordable option in rural
25 communities;

1 (15) more than half of extremely low-income
2 rural renters experience housing insecurity;

3 (16) state and local housing finance agencies
4 are innovating new ways to finance and cross-sub-
5 sidize the creation of affordable mixed income public
6 housing without depending on the use of scarce low-
7 income housing tax credits;

8 (17) low-cost debt is one of the primary ways
9 countries around the world subsidize housing afford-
10 able housing development; and

11 (18) state and local housing finance agencies in
12 the United States have reported strong support for
13 access to low cost federal financing.

14 **SEC. 3. SEVERABILITY.**

15 If any provision of this Act, any amendment made
16 by this Act, or the application of any such provision or
17 amendment to any person or circumstance is held to be
18 unconstitutional, the remainder of this Act and of the
19 amendments made by this Act, and the application of the
20 remaining provisions of this Act and amendments to any
21 person or circumstance shall not be affected.

1 **TITLE I—INVESTMENTS IN**
2 **HOUSING SUPPLY**

3 **SEC. 101. HOUSING TRUST FUND.**

4 Section 1338(a) of the Federal Housing Enterprises
5 Financial Safety and Soundness Act of 1992 (12 U.S.C.
6 4568(a)) is amended by adding at the end the following:

7 “(3) APPROPRIATION.—In addition to amounts
8 otherwise made available, there is appropriated to
9 the Housing Trust Fund, out of any money in the
10 Treasury not otherwise appropriated,
11 \$44,500,000,000 for each of fiscal years 2027
12 through 2036.”.

13 **SEC. 102. GSE BASIS POINT FEE.**

14 Section 1337(a) of the Federal Housing Enterprises
15 Financial Safety and Soundness Act of 1992 (12 U.S.C.
16 4567) is amended—

17 (1) in paragraph (1)(A), by striking “4.2 basis
18 points” and inserting “10 basis points”; and

19 (2) in paragraph (2)(A), by striking “4.2 basis
20 points” and inserting “10 basis points”.

21 **SEC. 103. CAPITAL MAGNET FUND.**

22 Section 1339 of the Federal Housing Enterprises Fi-
23 nancial Safety and Soundness Act of 1992 (12 U.S.C.
24 4569) is amended by adding at the end the following:

1 “(k) APPROPRIATION.—In addition to amounts oth-
2 erwise made available, there is appropriated to the Capital
3 Magnet Fund, out of any money in the Treasury not oth-
4 erwise appropriated, \$1,500,000,000 for each of fiscal
5 years 2027 through 2036.”.

6 **SEC. 104. INVESTMENTS IN AFFORDABLE AND ACCESSIBLE**
7 **HOUSING PRODUCTION.**

8 (a) APPROPRIATION.—In addition to amounts other-
9 wise made available, there is appropriated to the Secretary
10 of Housing and Urban Development (in this section re-
11 ferred to as the “Secretary”) for fiscal year 2027, out of
12 any money in the Treasury not otherwise appropriated—

13 (1) \$9,925,000,000, to remain available until
14 September 30, 2030, for activities and assistance for
15 the HOME Investment Partnerships Program (in
16 this section referred to as the “HOME program”),
17 as authorized under sections 241 through 242, 244
18 through 253, 255 through 256, and 281 through
19 290 of the Cranston-Gonzalez National Affordable
20 Housing Act (42 U.S.C. 12741–12742, 42 U.S.C.
21 12744–12753, 42 U.S.C. 12755–12756, 42 U.S.C.
22 12831–12840) (in this section referred to as
23 “NAHA”), subject to the terms and conditions para-
24 graph (1)(A) of subsection (b);

1 (2) \$14,925,000,000, to remain available until
2 September 30, 2030, for activities and assistance for
3 the HOME Investment Partnerships Program, as
4 authorized under sections 241 through 242, 244
5 through 253, 255 through 256, and 281 through
6 290 of the Cranston-Gonzalez National Affordable
7 Housing Act (42 U.S.C. 12741–12742, 42 U.S.C.
8 12744–12753, 42 U.S.C. 12755–12756, 42 U.S.C.
9 12831–12840), subject to the terms and conditions
10 in paragraphs (1)(B) and (2) of subsection (b);

11 (3) \$50,000,000, to remain available until Sep-
12 tember 30, 2036, to make new awards or increase
13 prior awards to existing technical assistance pro-
14 viders to provide an increase in capacity building
15 and technical assistance available to any grantees
16 implementing activities or projects consistent with
17 this section; and

18 (4) \$100,000,000, to remain available until
19 September 30, 2036, for the costs to the Secretary
20 of administering and overseeing the implementation
21 of this section and the HOME and Housing Trust
22 Fund programs generally, including information
23 technology, financial reporting, research and evalua-
24 tions, and other cross-program costs in support of

1 programs administered by the Secretary in this title,
2 and other costs.

3 (b) TERMS AND CONDITIONS.—

4 (1) FORMULAS.—

5 (A) The Secretary shall allocate amounts
6 made available under subsection (a)(1) pursu-
7 ant to section 217 of NAHA (42 U.S.C. 12747)
8 to grantees that received allocations pursuant
9 to that same formula in fiscal year 2024 and
10 shall make such allocations within 60 days of
11 the enactment of this Act.

12 (B) The Secretary shall allocate amounts
13 made available under subsection (a)(2) pursu-
14 ant to the formula specified in section
15 1338(c)(3) of the Federal Housing Enterprises
16 Financial Safety and Soundness Act of 1992
17 (12 U.S.C. 4568(c)(3)) to grantees that re-
18 ceived Housing Trust Fund allocations pursu-
19 ant to that same formula in fiscal year 2027
20 and shall make such allocations within 60 days
21 of the date of the enactment of this Act.

22 (2) ELIGIBLE ACTIVITIES.—Other than as pro-
23 vided in paragraph (5) of this subsection, funds
24 made available under subsection (a)(2) may only be
25 used for eligible activities described in subpara-

1 graphs (A) through (B)(i) of section 1338(c)(7) of
2 the Federal Housing Enterprises Financial Safety
3 and Soundness Act of 1992 (12 U.S.C. 4568(c)(7)),
4 except that not more than 10 percent of funds made
5 available may be used for activities under such sub-
6 paragraph (B)(i).

7 (3) FUNDING RESTRICTIONS.—The commit-
8 ment requirements in section 218(g) (42 U.S.C.
9 12748(g)) of NAHA, the matching requirements in
10 section 220 (42 U.S.C. 12750) of NAHA, and the
11 set-aside for housing developed, sponsored, or owned
12 by community housing development organizations re-
13 quired in section 231 of NAHA (42 U.S.C. 12771)
14 shall not apply for amounts made available under
15 this section.

16 (4) REALLOCATION.—For funds provided under
17 paragraphs (1) and (2) of subsection (a), the Sec-
18 retary may recapture certain amounts remaining
19 available to a grantee under this section or amounts
20 declined by a grantee, and reallocate such amounts
21 to other grantees under that paragraph to ensure
22 fund expenditure, geographic diversity, and avail-
23 ability of funding to communities within the State
24 from which the funds have been recaptured.

1 (5) ADMINISTRATION.—Notwithstanding sub-
2 sections (c) and (d)(1) of section 212 of NAHA (42
3 U.S.C. 12742), grantees may use not more than 15
4 percent of their allocations under this section for ad-
5 ministrative and planning costs.

6 (c) WAIVERS.—The Secretary may waive or specify
7 alternative requirements for any provision of the Cran-
8 ston-Gonzalez National Affordable Housing Act specified
9 in subsection (a)(1) or (a)(2) or regulation for the admin-
10 istration of the amounts made available under this section
11 other than requirements related to tenant rights and pro-
12 tections, fair housing, nondiscrimination, labor standards,
13 and the environment, upon a finding that the waiver or
14 alternative requirement is necessary to facilitate the use
15 of amounts made available under this section.

16 (d) IMPLEMENTATION.—The Secretary shall have au-
17 thority to issue such regulations, notices, or other guid-
18 ance, forms, instructions, and publications to carry out the
19 programs, projects, or activities authorized under this sec-
20 tion to ensure that such programs, projects, or activities
21 are completed in a timely and effective manner.

22 **SEC. 105. UNLOCKING POSSIBILITIES PROGRAM.**

23 (a) APPROPRIATION.—In addition to amounts other-
24 wise available, there is appropriated to the Secretary of
25 Housing and Urban Development for fiscal year 2027, out

1 of any money in the Treasury not otherwise appro-
2 priated—

3 (1) \$1,646,000,000 for awarding grants under
4 sections 101, 102, 103, 104(a) through 104(i),
5 104(l), 104(m), 105(a) through 105(g), 106(a)(2),
6 106(a)(4), 106(b) through 106(f), 109, 110, 111,
7 113, 115, 116, 120, and 122 of the Housing and
8 Community Development Act of 1974 (42 U.S.C.
9 5301, 5302, 5303, 5304(a)–(i), 5304(l), 5304(m),
10 5305(a)–(g), 5306(a)(2), 5306(a)(4), 5306(b)–(f),
11 5309, 5310, 5311, 5313, 5315, 5316, 5319, and
12 5321) awarded on a competitive basis to eligible re-
13 cipients to carry out grants under subsection (c) of
14 this section;

15 (2) \$8,000,000 for research and evaluation re-
16 lated to housing planning and other associated costs;

17 (3) \$3,000,000 to provide technical assistance
18 to grantees or applicants for grants made available
19 by this section; and

20 (4) \$66,000,000 for the costs to the Secretary
21 of administering and overseeing the implementation
22 of this section and community and economic develop-
23 ment programs overseen by the Secretary generally,
24 including information technology, financial report-
25 ing, research and evaluations, and other cross-pro-

1 gram costs in support of programs administered by
2 the Secretary in this title, and other costs.

3 Amounts appropriated by this section shall remain avail-
4 able until September 30, 2036.

5 (b) PROGRAM ESTABLISHMENT.—The Secretary of
6 Housing and Urban Development, acting through the Di-
7 rector of the Office of Community Land Use and Zoning
8 Reform established under section 4(i) of the Department
9 of Housing and Urban Development Act (as added by the
10 amendment made by section 107(a) of this Act), shall es-
11 tablish a competitive grant program for—

12 (1) planning grants to develop and evaluate
13 housing plans and substantially improve housing
14 strategies;

15 (2) streamlining regulatory requirements and
16 shorten processes, reform zoning codes, increasing
17 capacity to conduct housing inspections, or other ini-
18 tiatives that reduce barriers to housing supply elas-
19 ticity and affordability;

20 (3) developing and evaluating local or regional
21 plans for community development to substantially
22 improve community development strategies related
23 to sustainability, fair housing, and location effi-
24 ciency;

1 (4) implementation and livable community in-
2 vestment grants; and

3 (5) research and evaluation.

4 (c) GRANTS.—

5 (1) PLANNING GRANTS.—The Secretary shall,
6 under selection criteria determined by the Secretary,
7 award grants under this paragraph on a competitive
8 basis to eligible entities to assist planning activities,
9 including administration of such activities, engage-
10 ment with community stakeholders and housing
11 practitioners, to—

12 (A) develop housing plans;

13 (B) substantially improve State or local
14 housing strategies;

15 (C) develop new regulatory requirements
16 and processes, reform zoning codes, increasing
17 capacity to conduct housing inspections, or un-
18 dertake other initiatives to reduce barriers to
19 housing supply elasticity and affordability;

20 (D) develop local or regional plans for
21 community development; and

22 (E) substantially improve community de-
23 velopment strategies, including strategies to in-
24 crease availability and access to affordable
25 housing, to further access to public transpor-

1 tation or to advance other sustainable or loca-
2 tion-efficient community development goals.

3 (2) IMPLEMENTATION AND LIVABLE COMMU-
4 NITY INVESTMENT GRANTS.—The Secretary shall
5 award implementation grants under this paragraph
6 on a competitive basis to eligible entities for the pur-
7 pose of implementing and administering—

8 (A) completed housing strategies and hous-
9 ing plans and any planning to affirmatively fur-
10 ther fair housing within the meaning of sub-
11 sections (d) and (e) of section 808 of the Fair
12 Housing Act (42 U.S.C. 608) and applicable
13 regulations and for community investments that
14 support the goals identified in such housing
15 strategies or housing plans;

16 (B) new regulatory requirements and proc-
17 esses, reformed zoning codes, increased capacity
18 to conduct housing inspections, or other initia-
19 tives to reduce barriers to housing supply elas-
20 ticity and affordability that are consistent with
21 a plan under subparagraph (A); and

22 (C) completed local or regional plans for
23 community development and any planning to in-
24 crease availability and access to affordable
25 housing, access to public transportation and

1 other sustainable or location-efficient commu-
2 nity development goals.

3 (d) COORDINATION WITH FTA ADMINISTRATOR.—

4 To the extent practicable, the Secretary shall coordinate
5 with the Federal Transit Administrator in carrying out
6 this section.

7 (e) DEFINITIONS.—For purposes of this section, the
8 following definitions apply:

9 (1) ELIGIBLE ENTITY.—The term “eligible enti-
10 ty” means—

11 (A) a State, insular area, metropolitan
12 city, or urban county, as such terms are defined
13 in section 102 of the Housing and Community
14 Development Act of 1974 (42 U.S.C. 5302); or

15 (B) for purposes of grants under sub-
16 section (b)(1), a regional planning agency or
17 consortia.

18 (2) HOUSING PLAN; HOUSING STRATEGY.—

19 (A) HOUSING PLAN.—The term “housing
20 plan” means a plan of an eligible entity to, with
21 respect to the area within the jurisdiction of the
22 eligible entity—

23 (i) match the creation of housing sup-
24 ply to existing demand and projected de-
25 mand growth in the area, with attention to

1 preventing displacement of residents, re-
2 ducing the concentration of poverty, and
3 meaningfully reducing and not perpet-
4 uating housing segregation on the basis of
5 race, color, religion, natural origin, sex,
6 disability, or familial status;

7 (ii) increase the affordability of hous-
8 ing in the area, increase the accessibility of
9 housing in the area for people with disabil-
10 ities, including location-efficient housing,
11 and preserve or improve the quality of
12 housing in the area;

13 (iii) reduce barriers to housing devel-
14 opment in the area, with consideration for
15 location efficiency, affordability, and acces-
16 sibility; and

17 (iv) coordinate with the metropolitan
18 transportation plan of the area under the
19 jurisdiction of the eligible entity, or other
20 regional plan.

21 (B) HOUSING STRATEGY.—The term
22 “housing strategy” means the housing strategy
23 required under section 105 of the Cranston-
24 Gonzalez National Affordable Housing Act (42
25 U.S.C. 12705).

1 (f) COSTS TO GRANTEES.—Up to 15 percent of a re-
2 cipient's grant may be used for administrative costs.

3 (g) RULES OF CONSTRUCTION.—

4 (1) IN GENERAL.—Except as otherwise pro-
5 vided by this section, amounts appropriated or oth-
6 erwise made available under this section shall be
7 subject to the community development block grant
8 program requirements under subsection (a)(1).

9 (2) EXCEPTIONS.—

10 (A) HOUSING CONSTRUCTION.—Expendi-
11 tures on new construction of housing shall be
12 an eligible expense under this section.

13 (B) BUILDINGS FOR GENERAL CONDUCT
14 OF GOVERNMENT.—Expenditures on building
15 for the general conduct of government, other
16 than the Federal Government, shall be eligible
17 under this section when necessary and appro-
18 priate as a part of a natural hazard mitigation
19 project.

20 (h) WAIVERS.—The Secretary may waive or specify
21 alternative requirements for any provision of subsection
22 (a)(1) or regulation for the administration of the amounts
23 made available under this section other than requirements
24 related to fair housing, nondiscrimination, labor stand-
25 ards, and the environment, upon a finding that the waiver

1 or alternative requirement is not inconsistent with the
2 overall purposes of such Act and that the waiver or alter-
3 native requirement is necessary to facilitate the use of
4 amounts made available under this section.

5 (i) IMPLEMENTATION.—The Secretary shall have the
6 authority to issue such regulations notices, or other guid-
7 ance, forms, instructions, and publications to carry out the
8 programs, projects, or activities authorized under this sec-
9 tion to ensure that such programs, projects, or activities
10 are completed in a timely and effective manner.

11 **SEC. 106. REPEAL OF FAIRCLOTH AMENDMENT.**

12 Section 9(g) of the United States Housing Act of
13 1937 (42 U.S.C. 1437g(g)) is amended by striking para-
14 graph (3) (relating to limitation on new construction).

15 **SEC. 107. ESTABLISHMENT OF HUD OFFICE OF COMMUNITY**
16 **LAND USE AND ZONING.**

17 (a) IN GENERAL.—Section 4 of the Department of
18 Housing and Urban Development Act (42 U.S.C. 3533)
19 is amended by adding at the end the following new sub-
20 section:

21 “(i) OFFICE OF COMMUNITY LAND USE AND ZON-
22 ING.—

23 “(2) ESTABLISHMENT.—There is established in
24 the Department, in the Office of the Secretary, the
25 Office of Community Land Use and Zoning.

1 “(3) DIRECTOR.—There is established the posi-
2 tion of Director of the Office of Community Land
3 Use and Zoning. The Director shall be the head of
4 the Office of Community Land Use and Zoning and
5 shall be appointed by, and shall report to, the Sec-
6 retary. Such position shall be a career-reserved posi-
7 tion in the Senior Executive Service.

8 “(4) MISSION.—The mission of the Office of
9 Community Land Use and Zoning shall be to en-
10 courage communities to pursue land use policies that
11 increase the availability and affordability of housing.

12 “(5) FUNCTIONS.—The Director shall have pri-
13 mary responsibility within the Department for all ac-
14 tivities and matters relating to land use and zoning
15 reform, including the following:

16 “(A) To collect, process, assemble, coordi-
17 nate research, and disseminate information on
18 State and local regulations and policies affect-
19 ing the creation and maintenance of affordable
20 housing.

21 “(B) To provide technical assistance to
22 State and local communities regarding State
23 and local regulations and policies affecting the
24 creation and maintenance of affordable housing.

1 “(C) To maintain a Regulatory Barriers
2 Clearinghouse and a database of land use poli-
3 cies across the United States.

4 【“(D) To administer the Unlocking Possi-
5 bilities Program under 【section 105 of the
6 Community Housing Act of 2024 — need to
7 update when we get short title】.】

8 【“(E) To administer the Shared Equity
9 Housing Resource Center established under
10 【section 203(b) of the Community Housing Act
11 of 2024 — need to update when we get short
12 title】.】

13 “(F) To issue, not later than 2 years after
14 the date of the enactment of this Act, guidance
15 and best practices regarding State and local
16 land use and zoning regulations and policies af-
17 fecting the creation and maintenance of afford-
18 able housing, and to maintain and update such
19 guidance and best practices regularly.”.

20 (b) TRANSFER; REDESIGNATION.—The Secretary of
21 Housing and Urban Development shall provide for—

22 (1) the transfer of the administration of the
23 Regulatory Barriers Clearinghouse of the Depart-
24 ment, which as of the date of the enactment of this
25 Act is the responsibility of the Office of Policy De-

1 velopment and Research, to the Director of the Of-
2 fice of Community Land Use and Zoning established
3 under section 4(i) of the Department of Housing
4 and Urban Development Act, as added by the
5 amendment made by subsection (a) of this section;
6 and

7 (2) the redesignation of the Regulatory Barriers
8 Clearinghouse as the Community Land Use and
9 Zoning Research Center.

10 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
11 authorized to be appropriated \$2,000,000 for each of fis-
12 cal years 2027 through 2031 for costs of personnel for
13 and activities of the Office of Community Land Use and
14 Zoning.

15 **TITLE II—RENTAL SUPPORT**
16 **AND PERPETUAL AFFORD-**
17 **ABILITY**

18 **SEC. 201. HUD EVICTION PROTECTION GRANT PROGRAM.**

19 In addition to amounts otherwise made available,
20 there is appropriated to the Secretary of Housing and
21 Urban Development for each of fiscal years 2027 through
22 2036, out of any money in the Treasury not otherwise ap-
23 propriated, \$10,000,000 for grants under the Eviction
24 Protection Grant Program of the Office of Policy Develop-
25 ment and Research.

1 **SEC. 202. SHARED EQUITY HOUSING RESOURCES.**

2 (a) FUNDING.—In addition to amounts otherwise
3 made available, there is appropriated for fiscal year 2027
4 for payment to the Neighborhood Reinvestment Corpora-
5 tion for use in neighborhood reinvestment activities, as au-
6 thorized by the Neighborhood Reinvestment Corporation
7 Act (42 U.S.C. 8101–8107), \$12,000,000, to remain
8 available until September 30, 2029: Provided, That such
9 amount shall be for the promotion and development of
10 shared equity housing models, including for capital grants
11 for NeighborWorks affiliates to acquire homes for their
12 shared equity portfolios.

13 (b) RESOURCE CENTER.—The Secretary of Housing
14 and Urban Development shall establish and maintain,
15 under the Office of Community Land Use and Zoning, a
16 Shared Equity Housing Resource Center to provide tech-
17 nical and legal assistance and resources to communities
18 and the general public regarding forming shared equity
19 housing governance structures, including affordable hous-
20 ing community land trusts. There is authorized to be ap-
21 propriated for each fiscal year such sums as may be nec-
22 essary to operate such Resource Center.

23 **SEC. 203. HOMEOWNERSHIP ASSISTANCE.**

24 (a) RURAL HOMEOWNERHIP.—

25 (1) APPROPRIATION.—In addition to amounts
26 otherwise available, there is appropriated to the Sec-

1 retary of Agriculture for each of fiscal years 2027
2 through 2036, out of any money in the Treasury not
3 otherwise appropriated—

4 (A) \$4,000,000,000, for gross obligations
5 for the principal amount of direct loans as au-
6 thorized by section 502 of the Housing Act of
7 1949 (42 U.S.C. 1472); and

8 (B) \$148,400,000 for the cost of direct
9 loans authorized by such section 502, including
10 the cost of modifying loans, as defined in sec-
11 tion 502 of the Congressional Budget Act of
12 1974 (2 U.S.C. 661a).

13 (2) INTEREST RATE.—Notwithstanding any
14 other provision of law, the annual interest rate pay-
15 able on a direct loan authorized by section 502 of
16 the Housing Act of 1949 (42 U.S.C. 1472), as modi-
17 fied by payment assistance, may not be lower than
18 1.0 percent.

19 (b) HOUSING CHOICE VOUCHER DOWNPAYMENT
20 PROGRAM.—In addition to amounts otherwise available,
21 there is appropriated to the Secretary of Housing and
22 Urban Development for each of fiscal years 2027 through
23 2036, out of any money in the Treasury not otherwise ap-
24 propriated, \$1,000,000,000, for providing downpayment

1 assistance under section 8(y)(7) of the United States
2 Housing Act of 1937 (42 U.S.C. 1437f(y)(7)).

3 **SEC. 204. REPORT ON TAX ON SECONDARY HOMES.**

4 The Secretary of the Treasury shall, not later than
5 180 days after the date of the enactment of this Act, sub-
6 mit to Congress a report on the feasibility, economic con-
7 sequences, and revenue effects of establishing a tax on va-
8 cation homes and short-term rental homes.

9 **SEC. 205. SHARED EQUITY HOUSING FUND.**

10 (a) APPROPRIATION.—In addition to amounts other-
11 wise available, there is appropriated to the Community
12 Restoration and Revitalization Fund established under
13 subsection (b) for fiscal year 2027, out of any money in
14 the Treasury not otherwise appropriated, to remain avail-
15 able until September 30, 2035, \$500,000,000 for planning
16 and implementation grants under sections 101, 102, 103,
17 104(a) through 104(i), 104(l), 104(m), 105(a) through
18 105(g), 106(a)(2), 106(a)(4), 106(b) through 106(f), 109,
19 110, 111, 113, 115, 116, 120, and 122 of the Housing
20 and Community Development Act of 1974 (42 U.S.C.
21 5301, 5302, 5303, 5304(a)–(i), 5304(l), 5304(m),
22 5305(a)–(g), 5306(a)(2) 5306(a)(4), 5306(b)–(f), 5309,
23 5310, 5311, 5313, 5315, 5316, 5319, and 5321), awarded
24 on a competitive basis to eligible recipients, as defined
25 under subsection (d) of this section, to create, expand, and

1 maintain community land trusts and shared equity home-
2 ownership, including through the acquisition, rehabilita-
3 tion, and new construction of affordable, accessible hous-
4 ing.

5 (b) ESTABLISHMENT OF FUND.—The Secretary of
6 Housing and Urban Development (in this section referred
7 to as the “Secretary”) shall establish a Shared Equity
8 Fund (in this section referred to as the “Fund”) to award
9 planning and implementation grants on a competitive
10 basis to eligible recipients for activities authorized under
11 subsections (a) through (g) of section 105 of the Housing
12 and Community Development Act of 1974 (42 U.S.C.
13 5305) and under this section for community-led affordable
14 housing and community development and economic devel-
15 opment projects.

16 (c) USE OF FUNDS.—An eligible recipient of a com-
17 munity land trust grant awarded under subsection (a)
18 shall use such grant for establishing and operating a com-
19 munity land trust or shared equity homeownership pro-
20 gram; creation, subsidization, construction, acquisition, re-
21 habilitation, and preservation of housing in a community
22 land trust or shared equity homeownership program, and
23 expanding the capacity of the recipient to carry out the
24 grant, provided that any housing units created or main-
25 tained—

1 (1) in the case of rental units, including units
2 in mixed-use properties, are affordable and acces-
3 sible to a household whose income does not exceed
4 80 percent of the median income for the area, as de-
5 termined by the Secretary, for a period of not less
6 than 30 years; and

7 (2) in the case of homeownership units, are af-
8 fordable and accessible to households whose incomes
9 do not exceed 120 percent of the median income for
10 the area, as determined by the Secretary.

11 (d) **ELIGIBLE RECIPIENT.**—An eligible recipient of a
12 planning or implementation grant under subsection (a)
13 shall be a local partnership with the ability to administer
14 the grant.

15 (e) **WAIVERS.**—The Secretary may waive or specify
16 alternative requirements for sections 104(a) through (e),
17 104(h), 104(l), 104(m), 105(a) through (g), 106(a)(2),
18 106(a)(4), and 106(b) through (f) of the Housing and
19 Community Development Act of 1974 (42 U.S.C. 5304(a)
20 through (e), 5304(h), 5304(l), 5304(m), 5305(a) through
21 (g), 5306(a)(2), 5306(a)(4), and 5306(b) through (f)), or
22 associated regulations for the administration of the
23 amounts made available under this section other than re-
24 quirements related to fair housing, nondiscrimination,
25 labor standards, and the environment, upon a finding that

1 the waiver or alternative requirement is not inconsistent
2 with the overall purposes of such Act and that the waiver
3 or alternative requirement is necessary to expedite or fa-
4 cilitate the use of amounts made available under this sec-
5 tion.

6 (f) DEFINITIONS.—For purposes of this section, the
7 following definitions shall apply:

8 (1) COMMUNITY LAND TRUST.—The term
9 “community land trust” means a nonprofit organiza-
10 tion or State or local governments or instrumental-
11 ities that—

12 (A) use a ground lease or deed covenant
13 with an affordability period of at least 30 years
14 or more to—

15 (i) make rental and homeownership
16 units affordable to households; and

17 (ii) stipulate a preemptive option to
18 purchase the affordable rentals or home-
19 ownership units so that the affordability of
20 the units is preserved for successive in-
21 come-eligible households; and

22 (B) monitor properties to ensure afford-
23 ability is preserved.

24 (2) LAND BANK.—The term “land bank”
25 means a government entity, agency, or program, or

1 a special purpose nonprofit entity formed by one or
2 more units of government in accordance with State
3 or local land bank enabling law, that has been des-
4 ignated by one or more State or local governments
5 to acquire, steward, and dispose of vacant, aban-
6 doned, or other problem properties in accordance
7 with locally-determined priorities and goals.

8 (3) SHARED EQUITY HOMEOWNERSHIP PRO-
9 GRAM.—The term “shared equity homeownership
10 program” means a program to facilitate affordable
11 homeownership preservation through a resale restric-
12 tion program administered by a community land
13 trust, other nonprofit organization, or State or local
14 government or instrumentalities and that utilizes a
15 ground lease, deed restriction, subordinate loan, or
16 similar mechanism that includes provisions ensuring
17 that the program shall—

18 (A) maintain the home as affordable for
19 subsequent very low-, low-, or moderate-income
20 families for an affordability term of at least 30
21 years after recordation;

22 (B) apply a resale formula that limits the
23 homeowner’s proceeds upon resale; and

24 (C) provide the program administrator or
25 such administrator’s assignee a preemptive op-

1 tion to purchase the homeownership unit from
2 the homeowner at resale.

3 (g) IMPLEMENTATION.—The Secretary shall have the
4 authority to establish by notice any requirements that the
5 Secretary determines are necessary for timely and effec-
6 tive implementation of the program and expenditure of
7 funds appropriated, which requirements shall take effect
8 upon issuance.

9 **SEC. 206. HISTORIC TAX CREDIT MODERNIZATION.**

10 Not later than 180 after the date of the enactment
11 of this section, the Secretary of the Interior, acting
12 through the Director of the National Park Service, shall
13 revise the standards for rehabilitation and accompanying
14 guidelines used to determine if the rehabilitation of a his-
15 toric property qualifies for the Federal Historic Preserva-
16 tion Tax Incentives program by providing owners of his-
17 toric commercial, multi-story properties with greater flexi-
18 bility in incorporating residential dwelling units on upper
19 floors that are not generally accessible to the public while
20 retaining the historic characteristics of—

- 21 (1) the exterior of the property; and
22 (2) the areas of the property generally acces-
23 sible to the public.

1 **TITLE III—LOW-COST FINANC-**
2 **ING FOR AFFORDABLE HOUS-**
3 **ING PROJECTS**

4 **SEC. 301. EXPANDING FEDERAL HOME LOAN BANK CON-**
5 **TRIBUTIONS TO AFFORDABLE HOUSING.**

6 Section 10(j)(5) of the Federal Home Loan Bank Act
7 (12 U.S.C. 1430(j)(5)) is amended—

8 (1) in subparagraph (C), by striking “, and
9 subsequent years” and inserting “through 2026”;
10 and

11 (2) by adding at the end the following:

12 “(D) In 2027, and subsequent years, 20
13 percent of the preceding year’s net income.”.

14 **SEC. 302. CONTINUATION OF FHA-FFB AFFORDABLE RENT-**
15 **AL HOUSING FINANCING PARTNERSHIP.**

16 The Secretary of Housing and Urban Development
17 shall continue to carry out the FHA affordable rental
18 housing financing partnership with the Federal Financing
19 Bank, under which such Bank provides financing for loans
20 insured under the FHA Multifamily Risk-Sharing Pro-
21 gram under section 542 of the Housing and Community
22 Development Act of 1992 (12 U.S.C. 1707), and may
23 enter into such new commitments under such program
24 during fiscal year 2027 and fiscal years thereafter, subject
25 to the overall limitations provided in this Act on new com-

1 mitments to guarantee loans insured under the General
2 and Special Risk Insurance Funds, as authorized by sec-
3 tions 238 and 519 of the National Housing Act (12 U.S.C.
4 1715z-3 and 1735c).

5 **SEC. 303. ALLOW GSES TO PURCHASE MEZZANINE DEBT.**

6 Not later than 1 year after the date of the enactment
7 of this Act, the Director of the Federal Housing Finance
8 Agency shall issue a final rule to permit the Federal Na-
9 tional Mortgage Association and the Federal Home Loan
10 Mortgage Corporation to purchase and securitize loans
11 made for the purpose of home construction.

12 **TITLE IV—RURAL HOUSING**

13 **SEC. 401. PERMANENT ESTABLISHMENT OF HOUSING PRES-**
14 **ERVATION AND REVITALIZATION PROGRAM;**
15 **DECOUPLING RENTAL ASSISTANCE.**

16 Title V of the Housing Act of 1949 (42 U.S.C. 1471
17 et seq.) is amended by adding at the end the following
18 new section:

19 **“SEC. 545. HOUSING PRESERVATION AND REVITALIZATION**
20 **PROGRAM.**

21 “(a) ESTABLISHMENT.—The Secretary shall carry
22 out a program under this section for the preservation and
23 revitalization of multifamily rental housing projects fi-
24 nanced under section 515 or both sections 514 and 516.

25 “(b) NOTICE OF MATURING LOANS.—

1 “(1) TO OWNERS.—On an annual basis, the
2 Secretary shall provide written notice to each owner
3 of a property financed under section 515 or both
4 sections 514 and 516 that will mature within the 4-
5 year period beginning upon the provision of the no-
6 tice, setting forth the options and financial incen-
7 tives that are available to facilitate the extension of
8 the loan term or the option to decouple a rental as-
9 sistance contract pursuant to subsection (f).

10 “(2) TO TENANTS.—

11 “(A) IN GENERAL.—For each property fi-
12 nanced under section 515 or both sections 514
13 and 516, not later than the date that is 2 years
14 before the date that the loan will mature, the
15 Secretary shall provide written notice to each
16 household residing in the property that informs
17 them of the date of the loan maturity, the pos-
18 sible actions that may happen with respect to
19 the property upon that maturity, and how to
20 protect their right to reside in federally assisted
21 housing after that maturity.

22 “(B) LANGUAGE.—Notice under this para-
23 graph shall be provided in plain English and
24 shall be translated to other languages in the
25 case of any property located in an area in which

1 a significant number of residents speak such
2 other languages.

3 “(c) LOAN RESTRUCTURING.—Under the program
4 under this section, in any circumstance in which the Sec-
5 retary proposes a restructuring to an owner or an owner
6 proposes a restructuring to the Secretary, the Secretary
7 may restructure such existing housing loans, as the Sec-
8 retary considers appropriate, for the purpose of ensuring
9 that those projects have sufficient resources to preserve
10 the projects to provide safe and affordable housing for low-
11 income residents and farm laborers, by—

12 “(1) reducing or eliminating interest;

13 “(2) deferring loan payments;

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

16 “(4) providing other financial assistance, in-
17 cluding advances, payments, and incentives (includ-
18 ing the ability of owners to obtain reasonable re-
19 turns on investment) required by the Secretary.

20 “(d) RENEWAL OF RENTAL ASSISTANCE.—

21 “(1) IN GENERAL.—When the Secretary pro-
22 poses to restructure a loan or agrees to the proposal
23 of an owner to restructure a loan pursuant to sub-
24 section (c), the Secretary shall offer to renew the
25 rental assistance contract under section 521(a)(2)

1 for a 20-year term that is subject to annual appro-
2 priations, provided that the owner agrees to bring
3 the property up to or maintain the property at such
4 standards that will ensure maintenance of the prop-
5 erty as decent, safe, and sanitary housing for the
6 full term of the rental assistance contract.

7 “(2) ADDITIONAL RENTAL ASSISTANCE.—

8 “(A) IN GENERAL.—With respect to a
9 project described in paragraph (1), if rental as-
10 sistance is not available for all households in
11 the project for which the loan is being restruc-
12 tured pursuant to subsection (c), the Secretary
13 may extend such additional rental assistance to
14 unassisted households at that project as is nec-
15 essary to make the project safe and affordable
16 to low-income households.

17 “(B) UNAVAILABLE PROPERTY.—In the
18 event that a property is not available to provide
19 additional rental assistance to households under
20 subparagraph (A), the Secretary may offer a
21 rural housing voucher to those households.

22 “(e) RESTRICTIVE USE AGREEMENTS.—

23 “(1) REQUIREMENT.—As part of the preserva-
24 tion and revitalization agreement for a project, the
25 Secretary shall obtain a restrictive use agreement

1 that obligates the owner to operate the project in ac-
2 cordance with this title.

3 “(2) TERM.—

4 “(A) NO EXTENSION OF RENTAL ASSIST-
5 ANCE CONTRACT.—Except when the Secretary
6 enters into a 20-year extension of the rental as-
7 sistance contract for a project, the term of the
8 restrictive use agreement for the project shall
9 be consistent with the term of the restructured
10 loan for the project.

11 “(B) EXTENSION OF RENTAL ASSISTANCE
12 CONTRACT.—If the Secretary enters into a 20-
13 year extension of the rental assistance contract
14 for a project, the term of the restrictive use
15 agreement for the project shall be for 20 years.

16 “(C) TERMINATION.—The Secretary may
17 terminate the 20-year use restrictive use agree-
18 ment for a project before the end of the term
19 of the agreement if the 20-year rental assist-
20 ance contract for the project with the owner is
21 terminated at any time for reasons outside the
22 control of the owner.

23 “(f) DECOUPLING OF RENTAL ASSISTANCE.—

24 “(1) RENEWAL OF RENTAL ASSISTANCE CON-
25 TRACT.—If the Secretary determines that a matur-

1 ing loan for a project cannot reasonably be restruc-
2 tured in accordance with subsection (c) because it is
3 not financially feasible or the owner does not agree
4 with the proposed restructuring, and the project was
5 operating with rental assistance under section 521,
6 the Secretary may renew the rental assistance con-
7 tract, notwithstanding any provision of section 521,
8 for a term, subject to annual appropriations, of 20
9 years, provided that the owner enters into a restric-
10 tive use agreement.

11 “(2) ADDITIONAL RENTAL ASSISTANCE.—With
12 respect to a project described in paragraph (1), if
13 rental assistance is not available for all households
14 in the project, the Secretary may extend such addi-
15 tional rental assistance to unassisted households at
16 that project as is necessary to make the project safe
17 and affordable to low-income households.

18 “(3) RENTS.—Any agreement to extend the
19 term of the rental assistance contract under section
20 521 for a project shall obligate the owner to con-
21 tinue to maintain the project as decent, safe, and
22 sanitary housing and to operate the development in
23 accordance with this title, except that rents shall be
24 based on the lesser of—

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

2 or

3 “(B) the operating cost adjustment factor
4 as a payment standard as provided under sec-
5 tion 524 of the Multifamily Assisted Housing
6 Reform and Affordability Act of 1997 (42
7 U.S.C. 1437 note).

8 “(4) CONDITIONS FOR APPROVAL.—

9 “(A) PLAN.—Before the approval of a
10 rental assistance contract authorized under this
11 section, the Secretary shall require the owner to
12 submit to the Secretary a plan that identifies fi-
13 nancing sources and a timetable for renovations
14 and improvements determined to be necessary
15 by the Secretary to maintain and preserve the
16 project.

17 “(B) AUTOMATIC APPROVAL.—If a plan
18 submitted under subparagraph (A) is not acted
19 upon by the Secretary within 30 days of the
20 submission, the rental assistance contract is
21 automatically approved for not more than a 1-
22 year period.

23 “(g) MULTIFAMILY HOUSING TRANSFER TECHNICAL
24 ASSISTANCE.—Under the program under this section, the
25 Secretary may provide grants to qualified nonprofit orga-

1 nizations and public housing agencies to provide technical
2 assistance, including financial and legal services, to bor-
3 rowers under loans under this title for multifamily housing
4 to facilitate the acquisition of such multifamily housing
5 properties in areas where the Secretary determines there
6 is a risk of loss of affordable housing.

7 “(h) TRANSFER OF RENTAL ASSISTANCE.—After the
8 loan or loans for a rental project originally financed under
9 section 515 or both sections 514 and 516 have matured
10 or have been prepaid and the owner has chosen not to
11 restructure the loan pursuant to subsection (c)—

12 “(1) a tenant residing in the project shall have
13 18 months before loan maturation or prepayment to
14 transfer the rental assistance assigned to the unit of
15 the tenant to another rental project originally fi-
16 nanced under section 515 or both sections 514 and
17 516, and such tenants will have priority for admis-
18 sion over other applicants; and

19 “(2) the owner of the initial project may rent
20 the previous unit of the tenant to a new tenant with-
21 out income restrictions.

22 “(i) ADMINISTRATIVE EXPENSES.—Of any amounts
23 made available for the program under this section for any
24 fiscal year, the Secretary may use not more than

1 \$1,000,000 for administrative expenses for carrying out
2 such program.

3 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
4 is authorized to be appropriated for the program under
5 this section \$200,000,000 for each of fiscal years 2027
6 through 2031.

7 “(k) RULEMAKING.—

8 “(1) IN GENERAL.—Not later than 180 days
9 after the date of enactment of this section, the Sec-
10 retary shall—

11 “(A) publish an advance notice of proposed
12 rulemaking; and

13 “(B) consult with appropriate stake-
14 holders.

15 “(2) INTERIM FINAL RULE.—Not later than 1
16 year after the date of enactment of this section, the
17 Secretary shall publish an interim final rule to carry
18 out this section.”.

19 **SEC. 402. INTERAGENCY TASK FORCE TO COORDINATE DE-**
20 **LIVERY OF SUBSTANCE USE DISORDER**
21 **TREATMENT AND AFFORDABLE HOUSING**
22 **AVAILABILITY.**

23 (a) ESTABLISHMENT.—The Secretary of Housing
24 and Urban Development and the Secretary of Health and
25 Human Services shall jointly establish an interagency task

1 force to develop and make recommendations the Congress
2 to better coordinate delivery of treatment for substance
3 use disorder in an affordable housing setting.

4 (b) MEMBERS.—The Secretary of Housing and
5 Urban Development and the Secretary of Health and
6 Human Services shall each appoint 5 members to the task
7 force.

8 (c) REPORT.—Not later than the expiration of the 2-
9 year period beginning on the date of the enactment of this
10 Act, the task force shall submit a report to the Congress
11 making recommendations on how to better coordinate de-
12 livery of treatment for substance use disorder in an afford-
13 able housing setting.

14 (d) TERMINATION.—The task force shall terminate
15 90 days after submission of the report required under sub-
16 section (c).

17 **SEC. 403. RURAL RENTAL HOUSING LOANS.**

18 There is appropriated to the Secretary of Agriculture
19 \$200,000,000 for each of the fiscal years 2027 through
20 2037 for the program described under section 515(a) of
21 the Housing Act of 1949 (42 U.S.C. 1485(a)).