

Community Housing Act 2026

Section-by-Section

TITLE I—INVESTMENTS IN HOUSING SUPPLY

Sec. 101. Housing trust fund.

- Makes massive investments in the Housing Trust Fund (HTF) by directly appropriating \$450 billion over ten years. The HTF provides grants to states to produce and preserve housing for low and very-low-income households.

Sec. 102. GSE basis point fee.

- Improves HTF long-term solvency by increasing the financial fee that provides revenue for the fund. Currently, government sponsored entities (GSEs) like Fannie Mae pay 4.2 basis points (0.042% or 42 cents for every \$1,000) of the unpaid principal balance of mortgages they purchase to the HTF. The Community Housing Act would increase that fee to 10 basis points, or \$1 for every \$1,000.

Sec. 103. Capital magnet fund.

- Directly appropriates \$1.5 billion annually to the Capital Magnet fund for 10 years. CMF funds community development financial institutions (CDFIs)—financial institutions that focus on poor communities—and nonprofit housing organizations to finance loans and to capitalize funds that support affordable housing.

Sec. 104. Investments in affordable and accessible housing production.

- Funds the HOME Investment Partnership Program (HOME). HOME grants support states/local work with nonprofits to build, buy, and/or rehabilitate affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

Sec. 105. Unlocking possibilities program.

- Drastically increase funding for grants to support communities who are taking steps to remove barriers to affordable housing. Establishes the Unlocking Possibilities program, outlined in President Biden's Housing Supply Action Plan, to help states and localities eliminate needless barriers to affordable housing production.

Sec. 106. Repeal of Faircloth amendment.

- Removes the outdated and illogical federal cap on new public housing development.

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Sec. 107. Establishment of HUD Office of Community Land Use and Zoning.

- Require HUD to establish an Office of Community Land Use and Zoning Partnership (CLUZP) to coordinate PRO-Housing funding and provide technical assistance to state and local communities.

TITLE II—RENTAL SUPPORT AND PERPETUAL AFFORDABILITY

Sec. 201. HUD eviction protection grant program.

- Funds free legal assistance programs for low-income tenants at risk of, or subject to, eviction.

Sec. 202. Shared equity housing resources.

- Triples the funding for NeighborWorks America (Neighborhood Reinvestment Corporation) to promote and develop shared equity housing models, including for capital grants for affiliates to acquire homes for shared equity portfolios.

Sec. 203. Homeownership assistance.

- Funds the USDA Section 502 Direct Loan Program that assists low-income applicants purchase housing in eligible rural areas. Makes the Housing Choice Voucher (HCV – formerly “Section 8”) Downpayment program operable. The HCV homeownership program allows families that are assisted under the HCV program to use their voucher to buy a home and receive monthly assistance in meeting homeownership expenses. The program regulations contemplate a down payment grant option, but funding has not been appropriated.

Sec. 204. Report on tax on secondary homes.

- Requires the government to study the practicability and economic effects of a federal tax on secondary or vacation homes.

Sec. 205. Shared equity housing fund.

- Establishes the \$500 million Shared Equity Housing Fund as offered in the Build Back Better framework (as part of the Community Restoration and Revitalization Fund). The Shared Equity Housing Fund would award competitive grants to eligible nonprofits/CDFIs/state housing finance agency to create, expand, and maintain community land trusts and shared equity homeownership, including through the acquisition, rehabilitation, and new construction of affordable, accessible housing.

Sec. 206. Historic Tax Credit Modernization

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- Direct the National Park Service (NPS) to issue a rule allowing greater flexibility in rehabilitating the upper, non-public floors of multi-story buildings while emphasizing historic preservation of the exterior and ground floor.

TITLE III – LOW-COST FINANCING FOR AFFORDABLE HOUSING PROJECTS

Sec 301. Expanding Federal Home Loan Bank Contributions to Affordable Housing

- Require the Federal Home Loan Banks (FHLBanks) to contribute at least 20 percent of their net income each year to Affordable Housing Programs (AHP). Current law requires a 10% set aside.

Sec. 302. Continuation of FHA–FFB affordable rental housing financing partnership.

- Allows for public housing authorities to finance new projects more easily through the U.S. Treasury by permanently establishing the Federal Financing Bank (FFB) partnership with HUD to enable eligible state housing finance agencies (HFAs) to provide low-cost capital for affordable housing development.

Sec. 303. Allow GSEs to purchase mezzanine debt

- Direct FHFA to publish a rule allowing GSEs to purchase construction debt. This would add liquidity to the construction finance market and make lenders comfortable offering more and larger construction loans.

TITLE IV — RURAL HOUSING

Sec. 401. Permanent establishment of housing preservation and revitalization program; decoupling rental assistance.

- Permanently authorizes the USDA Multifamily Preservation and Revitalization (MPR) program and increases funding in line with USDA's FY24 request. The MPR program provides funding tools to restructure loans for existing rural rental housing to help preserve the availability of affordable multi-family rental housing for low income rural. Addresses a long-standing but increasingly urgent issue with expiring USDA rental assistance called Section 521 decoupling. Would allow rural renters to stay in their homes at affordable rates.

Sec. 402. Interagency Task Force to coordinate delivery of substance use disorder treatment and affordable housing availability.

- Establishes an HUD-HHS Interagency Task Force to coordinate delivery of substance use disorder treatment and affordable housing availability.

Sec. 403. Rural Rental Housing Loans

- Appropriates \$200m annually over 10 years for the Section 515 program at USDA. Section 515 Rural Rental Housing Loans are mortgages made by USDA

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to provide affordable rental housing for very low-, low-, and moderate-income families, elderly persons, and persons with disabilities.