21st Century ROAD to Housing Act fact sheet

A breakdown of key provisions and what they mean for Habitat's mission

Overview

The **21st Century ROAD to Housing Act** represents the most significant bipartisan federal housing legislation in more than a decade and a major step toward addressing the nation's growing housing affordability crisis. Building on earlier House and Senate proposals, the final package includes more than 50 provisions aimed at boosting housing supply, reducing regulatory barriers, modernizing existing federal housing programs, and strengthening coordination across the housing system.

For Habitat for Humanity, this legislation carries broad and tangible implications. Its scope spans core elements of Habitat's work, creating new opportunities for affiliates to expand access to affordable homeownership in the communities they serve. By targeting persistent barriers, the bill supports more efficient and expanded development, rehabilitation and preservation of homes for low- and moderate-income families.

This legislation also reflects years of dedicated advocacy by the Habitat network and Habitat for Humanity International. Through sustained advocacy, strategic partnerships and ongoing collaboration with congressional offices in both chambers and both sides of the aisle, Habitat helped inform, influence and advance **numerous provisions** included in the final package. Input and advocacy from Habitat organizations, staff, homeowners and volunteers across the country ensured the legislation is grounded in practical experience and advances effective solutions to expand access to homeownership.

Key bill provisions of importance to Habitat

The analysis that follows highlights bill provisions most relevant to Habitat's work. They are organized in order of appearance within the package. **Provision titles in bold were endorsed or supported by Habitat.**

Provision Title	Description	Why it matters to Habitat
Reforms to housing counseling and financial literacy programs (Sec. 101)	This section clarifies HUD's authority to evaluate the performance of housing counseling agencies and individual counselors, including requiring additional training, providing opportunities for improvement and revoking certifications for those who remain out of compliance.	Increased HUD oversight could affect how housing counseling services are delivered and regulated, which may have implications for Habitat affiliates that rely on or provide these services.
Federal guidelines for point-access block buildings (Sec. 102)	This section directs HUD to develop model code language, best practices and technical guidance to help state and local governments permit point-access block residential buildings (i.e., multifamily buildings up to six stories with a single stairway). The section also encourages coordination with the International Code Council and authorizes a pilot grant program to support demonstration projects that evaluate the safety, feasibility and cost-effectiveness of these designs.	By providing clear federal guidance and supporting local adoption, this provision could help increase housing supply in high-cost communities while maintaining strong safety standards, ultimately creating more opportunities for multi-story affordable home development consistent with Habitat's mission.

Streamlining USDA environmental reviews (Sec. 103)	This section exempts USDA Rural Housing Service-funded infill residential construction and modification projects from National Environmental Policy Act (NEPA) requirements. It also requires the Agriculture Secretary to report to Congress on the impact that implementation of this section has on development timelines, costs and home affordability.	For Habitat affiliates that use USDA rural housing service programs to fund infill projects, this provision will likely speed up timelines and lower development costs.
Database of publicly owned land (Sec. 104)	This section requires Community Development Block Grant grantees to maintain a publicly accessible, searchable database identifying undeveloped land owned by the jurisdiction. It also allows grantees to use their CDBG funds to comply with the new database requirement.	This provision increases transparency around publicly owned undeveloped land, helping to identify potential sites that could be leveraged for affordable housing development.
Housing supply frameworks (Sec. 107)	This section directs HUD to identify best practice frameworks for zoning and land use planning to support state and local efforts to expand housing supply and improve housing affordability.	This provision would encourage and help local governments adopt locally tailored zoning and land use policies that reduce barriers to housing production.
Increasing housing in Opportunity Zones (Sec. 201)	This section enables the HUD Secretary to give added weight to applicants for competitive HUD grants that are located in, or primarily serve, designated Opportunity Zones to support housing preservation and construction.	Habitat affiliates that rely on HUD funding should be prepared for this policy shift. With a new preference for projects located in or serving Opportunity Zones, affiliates may need to better align their development plans with these areas to remain competitive and maximize access to funding.
Whole-Home Repairs Act (Sec. 202)	This section directs HUD to authorize a five-year pilot program to offer grants and forgivable loans to low-income homeowners and small landlords to holistically address home repair needs, accessibility challenges, and health and safety hazards in aging housing stock.	Helping low-income homeowners make critical repairs not only supports housing stability but also preserves existing affordable homes and aligns with Habitat's repair and preservation work across the country.
Allowing CDBG to be used for new construction (Sec. 204)	This section allows funds from the Community Development Block Grant program to be used for affordable housing construction, previously restricted to Community Based Development Organizations. Use is limited to 20% of funds allocated to the Participating Jurisdiction.	The CDBG program is widely used by the Habitat affiliate network for repair and infrastructure activities, but allowing greater use for new housing construction would boost Habitat's ability to add new supply.
Reducing environmental review duplication (Sec. 205)	This section streamlines environmental reviews for HUD-funded housing by allowing greater use of existing federal, state, local and tribal environmental reviews, rather than requiring separate HUD-led reviews in all cases.	This section may help developers reduce delays tied to HUD-led environmental reviews, which can lower carrying costs and accelerate project timelines.

Streamlining HUD environmental reviews (Sec. 206)	This section expands categorical exclusions to streamline environmental reviews under NEPA as well as other related laws for a broad range of housing-related activities assisted by HUD—especially repairs, small-scale construction, and infill development. (The full title of this section is "Unlocking Housing Supply Through Streamlined Modernized Reviews")	These changes will greatly simplify the environmental review process for Habitat projects, speeding their completion and reducing costs, particularly for repairs.
Grants for planning and implementation associated with affordable housing (Sec. 207)	This section allows HUD to issue competitive grants to states, localities and tribal governments to help them develop local plans and regulatory reforms that reduce barriers to affordable housing construction and broaden accessibility.	Modernizing older zoning codes and developing comprehensive housing strategies can be time- and resource-intensive, making these resources especially valuable for smaller or hesitant communities considering these efforts.
Innovation Fund (Sec. 208)	This section authorizes $1 billion over five years ($200m per year) to establish a new program offering highly flexible, competitive grants for communities that have taken steps to increase their housing supply over the past three years. These grants can be used to finance new housing production for low- to moderate-income households, improve community infrastructure, and further reform local housing regulations.	This new fund incentivizes communities where Habitat builds to adopt reforms that make it easier and less costly to build affordable housing. It is also a new resource for financially supporting affordable housing and infrastructure, as well as developing reforms that expand housing supply.
Grants to develop zoning "pattern books" (Sec. 209)	This section authorizes HUD to fund grants for local governments and tribes to develop and adopt pre-approved housing designs known as pattern books that meet local codes, allowing projects to skip parts of the design and permitting process.	Habitat affiliates could use locally pre-approved plans to reduce design costs and permitting delays, making it faster and easier to get homes approved and built.
Revitalizing Empty Structures into Desirable Environments (RESIDE) Act (Sec. 210)	This section creates a five-year pilot program within the HOME program to help communities convert vacant and abandoned commercial and industrial buildings into attainable housing for low- or moderate-income households. Funds can support acquisition, demolition, remediation, and full redevelopment, with priority for distressed areas and communities reducing regulatory barriers.	This program will create new opportunities for Habitat and other developers to repurpose underused properties into affordable homes, which can be especially useful in areas with limited buildable land.
Build Now Act (Sec. 213)	This section empowers HUD to adjust CDBG allocations to metropolitan cities and counties based on how much they improve their rate of housing growth relative to other communities. CDBG recipients improving their housing growth rate faster than the national median will receive bonus CDBG dollars for that year. Those falling below the national median will see a 10% reduction. Importantly, the legislation exempts communities with relatively low home values and	These changes to CDBG funding could provide extra motivation for metro area communities to make needed housing reforms and investments so that Habitat and others can create more affordable homes. However, this program could also reduce the availability of funding for CDBG-supported housing activities in communities

	rents, above-average vacancy rates, a recent major disaster or emergency declaration, or no legal authority to enact zoning changes.	that don't qualify for an exemption and are unwilling to adopt reforms needed to increase housing supply.
Updating definition for manufactured housing (Sec. 301)	This section updates the federal definition of manufactured housing to include units not built on a permanent chassis. It directs HUD to establish appropriate standards for these homes and requires states to treat them consistently across regulatory frameworks, including financing, titling and insurance.	This provision would expand the viability of manufactured and CrossMod housing as a building product by allowing the removal of the permanent chassis, provided the final homes meet HFHI's construction standards, which exceed the HUD Code.
PRICE Act **(Sec. 304)**	This section authorizes HUD's Preservation and Reinvestment Initiative for Community Enhancement (PRICE) for seven years to provide grants to local communities to maintain, protect and stabilize manufactured housing communities.	This section could support Habitat affiliates in preserving, revitalizing and expanding manufactured housing communities to ensure continued availability of affordable homes for low to moderate income residents.
Creating incentives for small dollar loan originators (Sec. 401)	This section directs the Consumer Financial Protection Bureau to study the lending industry's mortgage origination compensation practices and their effect on the availability of small-dollar mortgages of less than $100,000. The purpose is to identify and ultimately reduce financial disincentives and other barriers to small-dollar mortgage lending for homebuyers.	This study is a first step toward reducing barriers to small-dollar mortgages for Habitat homebuyers and others seeking financing for affordably priced homes, particularly in lower-cost communities where homes may be affordable, but buyers cannot find mortgage financing.
Small dollar mortgage points and fees (Sec. 402)	Building on Section 401, this section requires CFPB and the Federal Housing Finance Agency to evaluate how existing regulations that limit the points and fees that lenders can charge on qualified mortgage loans impact the availability of small-dollar mortgages of less than $100,000.	This analysis could further help clarify barriers to small-dollar mortgages and the changes needed to increase their availability.
Helping More Families Save Act (Sec. 404)	This section creates a 10-year pilot program under HUD's Family Self-Sufficiency initiative, FSS, that will allow participating families receiving tenant-based or project-based rental assistance to build savings in an interest-bearing escrow account automatically as their income increases, without the case management and contract requirements of the traditional FSS program.	Participating families will be able to withdraw escrow funds under several pathways, and funds may be used to help support the purchase of a home, making these accounts a potential resource for future Habitat partner families.
HOME Investment Partnerships Reauthorization and Reform Act **(Sec. 501)**	This section would reauthorize and modernize HUD's HOME Program. Critical changes include: • Expanding preemptive purchase rights (ex: right of first refusal) to allow "community development corporations," to use this tool, which is currently limited to Community Land Trusts. • Increasing the homeownership value cap so households using HOME funds may	Habitat leverages HOME funds to build, rehabilitate, and repair affordable homes across the country. HOME, along with the CDBG program, is one of the two most utilized federal programs by the Habitat affiliate network. This provision makes it easier for Habitat

	purchase or rehabilitate homes valued at up to 110% of area median purchase price (up from 95%). • Reducing environmental review burdens, including eliminating duplicative federal reviews. • Easing CHDO governance requirements including board composition standards and capacity shown. • Streamlining Section 3 requirements by exempting PJs receiving less than $3 million for projects with 50 or fewer units. • Directing HUD to review how Build America, Buy America rules apply to the HOME Program, and issue clarifying guidance. • Increasing the income eligibility threshold for homeownership assistance from 80% to 100% area median income. • Allowing homeownership housing to continue to qualify as affordable housing if the property owner passes away during the affordability period and the heir who inherits the property would not otherwise qualify for HOME assistance.	affiliates and others to use HOME and eases regulations that add to the cost to home construction.
Rural Housing Service Reform Act (Sec. 502)	This section includes several reforms to USDA's rural housing service programs intended to preserve and improve housing opportunities in rural areas. Key changes include addressing challenges to USDA's rental housing portfolio, upgrading staffing and technology, expanding loan flexibility for single-family housing loans, increasing from $7,500 to $15,000 the maximum amount of Section 504 repair loans that can be made without requiring the loan to be secured, and authorizing the Rural Community Development Initiative (RCDI) program.	Improvements to the USDA Rural Housing Service in this section would increase program usability and reduce processing times. Additionally, authorizing the RCDI program will help increase stability in implementation.
Reforming Disaster Recovery Act (Sec. 504)	This section creates a three-year authorization for the Community Development Block Grant–Disaster Recovery program, which provides states, tribes and communities with flexible, long-term recovery resources needed to rebuild affordable housing and infrastructure after a disaster. It would also establish the Office of Disaster Management and Resiliency within HUD to administer the program. It will speed up the delivery of recovery aid, reduce administrative burdens on HUD and grantees, and improve the program's effectiveness.	Habitat for Humanity plays a critical role in long-term disaster recovery, using CDBG-DR funding to rebuild and repair affordable housing after major events. Establishing a consistent, three-year authorization framework will provide much-needed predictability and structure, enabling Habitat and its partners to respond more quickly and effectively after each disaster.

Appraisal Modernization Act (Sec. 704)	This section requires USDA, FHA, and FHFA to implement and maintain requirements that federally backed mortgage lenders have a review and resolution procedure for consumer-initiated second appraisals, or reconsiderations of value, when they believe there may be an issue with their appraised home value.	Section 704 strengthens consumer protections by making the appraisal system more transparent, fair and accountable.
Homes are for people, not corporations (Sec. 1001)	This section prohibits large, for-profit, institutional investors from purchasing certain single-family homes so that more homes are available for individual homebuyers. Exceptions include homes built to rent, homes built as rent-to-own, and homes receiving substantial rehabilitation. To enforce this ban, violators will be penalized up to $1 million or three times the purchase price for each prohibited home purchase. These funds will be made available to HUD to expand HOME program homeownership activities, including new construction, acquisition and rehab of single-family homes, and down payment assistance.	The new restrictions on investor purchases of single-family homes have great potential to increase the availability of modestly priced starter homes for Habitat and other homebuyers. Furthermore, the transfer of fines to HUD to support homeownership activities under the HOME program could be an important, dedicated revenue source supporting Habitat's affordable homeownership activities going forward.

Additional resources

21st Century ROAD to Housing **Bill Text** and Section by Section **Summary**

Habitat for Humanity's **Federal Agenda**

Habitat for Humanity's 119th Congress **Legislative Tracker**