21st Century ROAD to Housing Act

On Saturday, July 11th, the landmark 21st Century ROAD to Housing Act became law, even without President Trump's signature. This bipartisan legislation passed the Senate on June 22, 85-5 and then passed the House on June 23rd by a margin of 358-32. The House transmitted the bill to the President at the end of June, triggering a 10-day period for action, after which the bill would automatically become law even without presidential action.

Therefore, without the President's action, at midnight on July 10th, the 21st Century ROAD to Housing Act Became law at midnight. Below is more information on this historic bill.

Background

This legislation is the combination of two massive bipartisan housing bills passed by the House and Senate. The Senate began the process, passing the ROAD to Housing Act sponsored by U.S. Senators Tim Scott (R-S.C.), and Elizabeth Warren (D-M.A.) through committee in July 2025. The bill would then pass the Senate as an amendment to the National Defense Authorization Act (NDAA), in October of that same year. Ultimately, the bill was not included in the final NDAA. The Senate would eventually pass the 21st Century ROAD to Housing Act in March 2026 by a vote of 89-10.

The House, meanwhile, was developing their own housing package. This bill, the Housing for the 21st Century Act, sponsored by U.S. Representatives French Hill (R-A.R.) and Maxine Walters (D-C.A.), passed out of committee in December 2025. It would later pass the House in February by a vote count of 390-9.

Both bills were, by and large, similar. About half of the provisions in the House bill matched or were similar to those in the Senate's bill. To resolve these differences, the House and Senate then went to a conference committee to reconcile the differences. Ultimately, this resulted in the creation of the final 21st Century ROAD to Housing Act, announced on June 16, 2026, by U.S. Senators Tim Scott (R-S.C.) and Elizabeth Warren (D-M.A.) and U.S. Representatives French Hill (R-A.R.) and Maxine Walters (D-C.A).

Contents

There are almost 60 sections in the final bill, all with significant impacts on the housing landscape. The section-by-section breakdown can be found here. Below are some of the major impacts on public housing.

RAD Expansion

- Section 201 makes changes to the Rental Assistance Demonstration (RAD) program by increasing the cap for RAD by 100,000 units and codifying tenant protections.

    - This brings the total now up to 555,000 units.
- Additionally, this section removes the RAD sunset date, effectively making the program permanent.

<u>Housing Choice Voucher Reform</u>

- Section 405 enacts the Choice in Affordable Housing Act to expand landlord participation in the Housing Choice Voucher (HCV) program. This will allow units that are financed through other federal housing programs including LIHTC, HOME, and USDA Rural Housing to automatically satisfy voucher inspection requirements if they have been inspected within the past year. Additionally, landlords would be permitted to require pre-inspections to increase access to housing and encourage landlord participation.

<u>Streamlining Environmental Reviews</u>

- Section 205 enacts the Better Use of Intergovernmental and Local Development (BUILD) Housing Act, and Section 802 enacts the Streamlining Rural Housing Act.
- Both of these sections will prevent duplicative environmental reviews when additional federal funding is added to projects that have already completed a review and require greater coordination amongst federal agencies to speed up approvals and reduce administrative burden.

<u>New Housing Construction Through CDBG</u>

- There are a number of sections that make changes to the Community Development Block Grant (CDBG) program.
- Most notably, Section 204 adds new construction as an eligible use under the CDBG program. Under this section, no more than twenty (20) percent of a grantee's annual CDBG allocation may be used for new housing construction, and any housing developed with CDBG funds must meet the affordability requirements applicable to the HOME Investment Partnerships Programs.
- Section 104 requires CDBG grantees to maintain a publicly accessible and searchable database that identifies undeveloped land owned by the jurisdictions. Grantees are able to use CDBG funds to comply with this requirement.
- Finally, Section 213 enacts the Build Now Act. This creates a pilot program to incentivize housing development of all types in certain CDBG participating jurisdictions.

<u>CDBG-DR Authorization</u>

- Section 504 enacts the Reforming Disaster Recovery Act which will authorize the Community Development Block Grant-Disaster Recovery (CDBG-DR) program for three (3) years. It further establishes the Office of Disaster Management and Resiliency within HUD to administer the program.
- Historically, CDBG-DR operated through supplemental appropriations and disaster-specific notices in the *Federal Register*. By enacting this section into law, a statutory framework is now established. This is intended to:
  - Provide greater predictability and stability for states and local governments.
  - Reduce delays in accessing recovery funds.
  - Improve transparency and consistency while preserving local flexibility.

Rural Housing Preservation

- Section 502, the Rural Housing Service Reform Act, will enact reforms to the United States Department of Agriculture's (USDA) Rural Housing Service, including decoupling rental assistance from maturing mortgages to preserve affordable housing in rural areas. This will allow for the preservation of housing access for 400,000 rural families.
- This section will also expand the definition of manufactured homes to include housing built with or without a permanent chassis.

HOME Program Modernization

- Sections 210 and 501make significant changes to HOME Investment Partnerships Program.
- Specifically, Section 210 enacts the Revitalizing Empty Structures into Desirable Environments (RESIDE) Act which establishes a pilot program to convert vacant and abandoned buildings into attainable housing.
- Section 501enacts the HOME Investment Partnerships Reauthorization and Reform Act which implements critical updates to improve program administration and facilitates the construction of more affordable housing.
- Overall, these major reforms include things such as:
  - Provide for long-term authorization for HOME.
  - Allow HOME funds to support certain housing-related infrastructure including roads, sidewalks, and utilities that may be needed for development.
  - Increase allowable homeownership purchase rights in high-cost areas.
  - Reduce administrative burden and provide additional program flexibility.

- Finally, and perhaps most importantly, the bill directs HUD to review the impacts of Build America, Buy America (BABA) requirements on HOME-funded affordable housing development.

MTW Expansion

- Section 505 authorizes a new Moving to Work (MTW) expansion cohort, called the "Economic Opportunity and Pathway to Independence" cohort, of up to 25 additional high-performing PHAs. This cohort will have targeted flexibilities to improve program administration and tenant outcomes.
- PHA selection for this cohort is limited as follows:
  - HUD can select no more than 12 agencies administering 1,000 or fewer combined vouchers and public housing units.
  - HUD can select no more than 8 agencies administering between 1,001 and 6,000 combined units.
  - HUD can select no more than 5 agencies administering between 6,001 and 27,000 combined units.
  - Agencies with 27,001 or more units cannot join this cohort.
- To be eligible, agencies must be designated high performers under PHAs or SEMAP.
- However, this section has new reporting and oversight requirements that could create additional administrative burden if not implemented with care.

Opportunity Zones

- Section 201 will enable HUD to give more weight to applicants for HUD grants that are located in, or are primarily serving, designated Opportunity Zones to support housing preservation and construction. This section does not create any new funding nor carry any changes to the current Opportunity Zone tax incentive but does provide HUD with more tools to encourage investment in these communities.
- The preference is discretionary; HUD is not required to prioritize eligible projects.
- It would apply to all competitive grants related to construction, rehabilitation, modification, or preservation.

Family Self-Sufficiency Opt-Out Pilot

- Section 404, titled "Helping More Families Save Act," authorizes a multi-year pilot demonstration program under HUD's Family Self-Sufficiency (FSS) initiative. The goal is to promote economic mobility and eventual homeownership for public housing residents and allows PHAs and owners to test an "opt-out" model to improve participation.

Temperature Sensor Pilot Program

- Section 106 creates a pilot program that will provide grants to public housing agencies or owners of eligible federally assisted rentals to install temperature sensors in residential units.
- This will require written permission from the resident but will help ensure that units are meeting temperature requirements.
- After one year, HUD will publish a report examining the number of temperature-related complaints and violations, with a final evaluation after three years.

Housing Unhouse Disabled Veterans Act

- Section 602 will permanently exclude disability benefits for the purpose of determining income eligibility for the HUD-VASH program.

Oversight, Interagency Coordination, and Reporting Requirements

Other Provisions

- **Homes are for People, Not Corporations**
    - The inclusion of this act will limit the number of single-family homes that institutional investors may purchase and rent. This language is a more targeted approach than the Senate's original language. It prohibits future acquisitions by large institutional investors.
    - More specifically, this legislation:
        - Creates a prohibition on entities owning 350 or more single-family homes from making additional purchases in the single-family housing market.
        - Includes targeted exemptions that will allow flexibility for certain rental housing development and management activities.
        - Provide additional resources for tenants that reside in institutionally owned single-family rental homes in an effort to help address landlord-related concerns.
- **PRICE ACT**
    - This provides grants that will help preserve and improve manufactured housing and manufactured housing communities.
- **Whole-Homes Repairs Act**
    - Section 202 creates a 5-year, $30million pilot program offering grants to low-and moderate-income homeowners to make home repairs. Small landlords are eligible to receiving forgivable loans.

    - The repairs are intended to address habitability and safety concerns, physical and accessibility improvements, and energy efficiency, weatherization, and resilience improvements.
- **Innovation Fund**
    - A competitive grant program to help state and local governments implement innovative strategies to expand housing supply, improve affordability, and modernize local housing policies. Funding would need to be appropriated by Congress.