
Congress Delivers Major Housing Package: What Counties Need to Know

Jared Grigas
Associate Legislative Director
Community, Economic, & Workforce Development



Stronger Counties. Stronger America.

How We Got Here



- **July 2025:** *ROAD to Housing Act* unanimously approved by Senate Committee on Banking, Housing and Urban Affairs
- **October 2025:** ROAD incorporated into the Senate version of the National Defense Authorization Act (NDAA) and passed
- **December 2025:** House does not concur with ROAD in their own NDAA—introduces alternative bill: the *Housing for the 21st Century Act*. On December 17, the bill passes House FSC markup 50-1
- **February 2026:** House passes *Housing for the 21st Century Act* by vote of 390-9
- **March 2026:** Senate introduces and passes “hybrid” bill – *The 21st Century ROAD to Housing Act*” – combining elements of both chambers’ bills
- **May 2026:** House passes amended text, including key county wins
- **June 2026:** House and Senate reach compromise on final language, both chambers promptly pass bill (358-32 and 85-5, respectively). While the bill has been presented to the President, the White House issued a statement that he would not sign until passage of the SAVE Act

Major Themes



- 1. Delicate bipartisan truce**
- 2. Cutting red tape**
- 3. Program reform**
- 4. Holistic approach**
- 5. Housing finance reform**
- 6. Respect for housing partners**

CDBG-DR



- Final piece of the puzzle
- **Three-year standing authorization**
- Under current law, these funds are appropriated on a supplemental, case-by-case basis
- Avoids appropriations lag
- Complements FEMA core programs: versatile block grant tool for housing recovery, infrastructure rebuilds and economic revitalization

HOME Reform



- Home Investment Partnerships (HOME) program
- Formally reauthorizes program
- Raised income thresholds for both rental households and homeownership activities
 - Looking to better capture gaps in “workforce” housing
- Expands eligible use for grantees that do not receive CDBG entitlement funding
 - Housing adjacent infrastructure
- NEPA exemptions for lower impact HOME projects
- HUD review of BABA sourcing requirements on HOME

Build Now Act



Where it started

- Ties CDBG allocations to housing growth performance
- Carrot vs. Stick: 10% penalty or prorated bonus
- County concerns: threats to multi-year projects; ignores local nuance

Where it landed

- NACo advocacy focused on shrinking impact
- Three-year glide path (2029) and HUD notification requirements
- Moderate exemptions:
 - Expanded disaster lookback (three years)
 - Supply and demand
 - Zoning authority

CDBG Changes



- Community Development Block Grant (CDBG)
- Build Now Act allocation changes
- Authorizes new construction as eligible use
 - 20 percent cap
- Requires entitlement grantees to maintain public database of county-owned land for development
 - Eligible use under CDBG

Large Institutional Investors

Where it started

- Bans “**Large Institutional Investors**” (LII) from owning more than 350 single-family homes
- Exempts **built-to-rent** (BTR); however, **requires an LII to divest to a single-family owner** within seven years (plus potential three-year tenant opt-in)
- County concerns: tenant displacement; administrative hurdles (platting, utilities)

Where it landed

- Maintains LII purchasing ban
- Fully **exempts BTR/master parcels**
- Adds a tenant hotline through HUD

Rural Reforms



- Decouples rental assistance from maturing USDA section 515 mortgages
- Exempts certain USDA Rural Housing Service-assisted properties from more rigorous NEPA requirements
- Directs HUD to study small-dollar mortgages and develop a pilot program to expand access
- Encourages increased collaboration between HUD x USDA and authorizes them to conduct joint environmental reviews

Housing Finance



- Raises PWI cap for banks
 - 15 percent → 20 percent
 - Many banks were approaching the cap
 - Critical for unlocking tools like LIHTC
- Raises Federal Housing Administration maximum loan guarantees for multifamily properties
- Directs HUD to study small-dollar mortgage access and develop a pilot program to expand access
- Series of community banking reforms

Miscellaneous



- NEPA exemptions, CatEx's, and streamlined reviews
 - HUD, HOME, RHS-assisted projects
- Model zoning frameworks
 - For states and local governments
 - Blueprint for preemption?
- Local grant funding
 - Innovation fund pilot, regional planning grants, RESIDE Act
- Whole Home Repairs pilot program
 - Grants and loans direct to low-income homeowners
 - Repairs, weatherization, energy efficiency
- Excludes veterans' disability payments from HUD-VASH eligibility calculation

What's Next?



- **Funding Innovation grants/Whole Home Repairs**
- **Permitting Reform**
- **CDBG-DR**
- **Domestic Sourcing: BABA requirements**
- **Opportunity Zones**
- **Infrastructure needs**
- **Creative land use, adaptive reuse**
- **Agency staffing**

Questions?

Jared Grigas
Associate Legislative Director

E: jgrigas@naco.org

C: (850)322-0229



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