Looking Ahead After the Passage of the 21st Century ROAD to Housing Act

August 2026 Webinar

Today’s Presentation

Our recorded 90-minute webinar will cover:

- Highlights from the *21st Century ROAD to Housing Act*
- What comes next and where to focus
- How to find more resources
- Q&A with our policy team

Today's Presenters

Lindsay Knotts

AVP, Policy

Flora Arabo

AVP, State and Local Policy

Xavier Arriaga

Associate Director, Policy

Emily Nosse-Leirer

Director, Rural and Native American Policy

Francis Torres Gonzalez

Director, Rental Assistance Policy

Our Vision

A country where home and community are steppingstones to more.

Our Mission

To make home and community places of pride, power and belonging.

Enterprise Community Partners is a national nonprofit that exists to make a good home possible for the millions of families without one.

What's in *ROAD*?

✓ **Housing Production Incentives**

Carrots and Sticks

✓ **New Programs**

But No Money Yet

✓ **Changes to Current Programs**

Improvements and Studies

Why does *ROAD* matter?

✓If we **keep building support for these and other solutions and implement them effectively**, we'll expand housing affordability.

✓It lets us **scale proof points from work in communities** and make housing affordability a reality.

✓Passage is **only the beginning**!

New and Reauthorized Programs

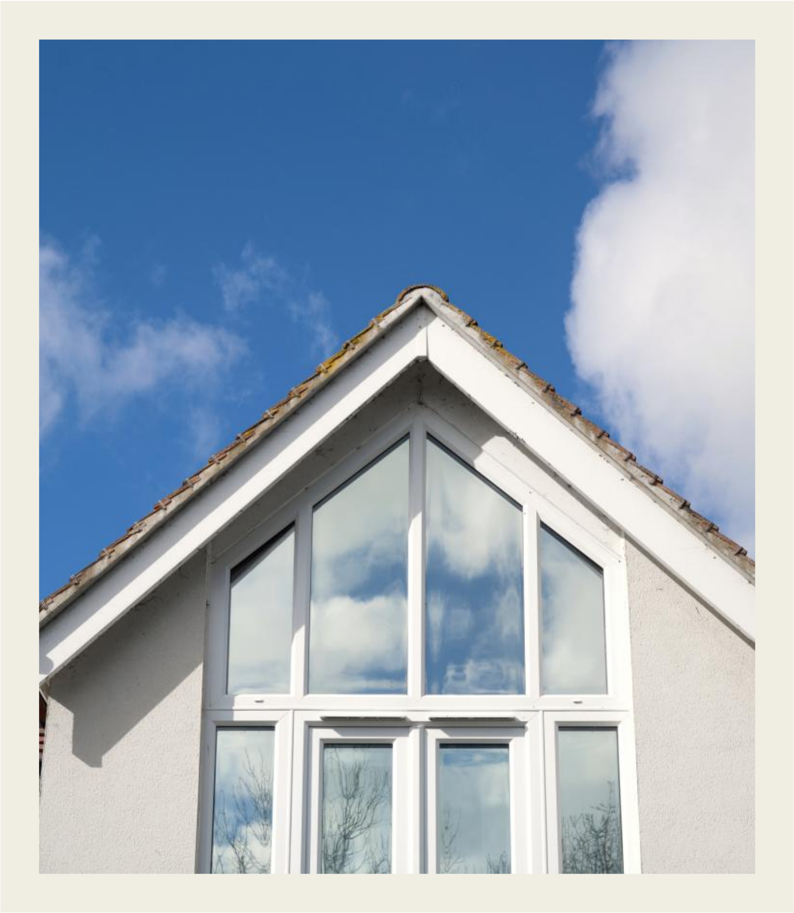
Pilots and reauthorized programs at-a-glance

- **Innovation Fund**: A new program to support state, local, and tribal governments with grants for community infrastructure and housing construction. Authorized at $200 million a year.

- **Whole-Home Repairs**: A pilot program of grants and forgivable loans to help low-income homeowners and small housing providers address repairs.

- **PRICE Program**: Authorized for seven years to provide grants to communities to maintain, protect, and stabilize manufactured housing and manufactured housing communities.

- **Additional Pilot Programs**:
  - Point-Access Building Grant Program
  - FHA Small-Dollar Mortgage Pilot
  - Temperature Sensor Pilot Program
  - Affordable Housing Planning and Implementation Grants
  - Streamlining Affordable Housing Designs Pilot



HOME Reforms

Long-needed modernization of the HOME program

- Permanently reauthorizes the HOME Program.
- Allows HOME to be used for certain infrastructure related activities.
- Streamlines inspections and environmental reviews.
- Provides additional flexibilities to the program to support homeownership activities.
- Streamlines Section 3 requirements for smaller projects and grantees receiving less than $3 million.
- Streamlines CHDO qualification requirements.
- Directs HUD to study and update guidance on Build America, Buy America requirements on the HOME program.
- Authorizes a pilot program within HOME to convert vacant and abandoned commercial or industrial structures into attainable housing.

CDBG Reforms

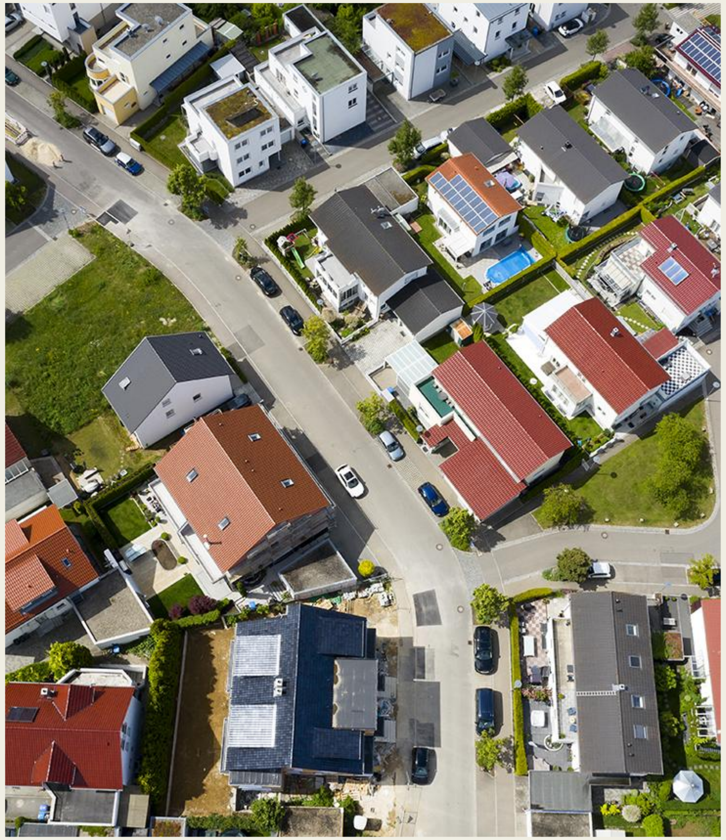
Strengthens CDBG's use for affordable housing

- **Build Now Act:** Beginning in FY29, this provision adjusts the annual CDBG allocation and ties it to housing production, providing a bonus to certain local governments that demonstrate housing growth and decreasing the allocation to localities that do not.
- **Affordable Housing Construction:** Amends the CDBG program to add new construction as an eligible use. New construction may not exceed 20 percent of each recipient's allocation.

Land Use and Zoning

Requires best practices for zoning and database on public lands

- Directs HUD to publish guidelines and best practices for state and local zoning to support the production of adequate housing to meet the needs of communities.
- Requires CDBG grantees to keep a public database of undeveloped, publicly-owned land.



Rural Housing

Reforms rental assistance, improves single family loans, studies needs

- Stand Alone Rental Assistance: Project-based rental assistance for multifamily properties even after mortgage payoff.
- Single-family borrowers through USDA Sec. 502 mortgages can now use their homes for in-home childcare, and mortgages can cover ADU construction.
- Grant limits for the Sec. 504 home repair program are doubled from $7,500 to $15,000.
- Studies on technology needs and staffing.

More Information:
Blog on *RHS Reform Act*
Section 502 of *ROAD*

Manufactured and Modular Housing

Updates 1970s Rules to Increase Construction Flexibility

- Updates the federal definition of **manufactured housing** to include homes:
  - Transported to site in "one or more sections," installed with or without a permanent foundation, and built with or without a permanent chassis.
  - Construction and efficiency standards continue to be regulated under Manufactured Home Construction and Safety Standards (HUD Code).
- Establishes a definition of **modular housing** to include homes:
  - Constructed in a factory in "one or more" modules, transported to site and installed on a foundation.
  - Regulated under state and local building codes.
- Determining whether a structure is a manufactured home or a modular home will likely depend on both **future rulemaking** and the **standards individual manufacturers choose to pursue.**

More Information: The Lincoln Institute's Analysis of Chassis Removal

Environmental Reviews

Eases federal regulatory burdens

Aims to cut red tape by:

- Exempting or limiting NEPA review for some infill projects funded through HUD or USDA.
- Requiring joint environmental review for projects with multiple federal sources to reduce duplicative reviews.
- Allowing HUD to delegate more environmental review to states, local governments, and tribes.

More Information:
NCSHA's Overview of NEPA Provisions in *ROAD*

Public Welfare Investment Cap

Increases allowable bank investment levels

- *ROAD* increased the cap from 15% of banks' capital and surplus to 20% – with regulator approval.
- Cap allows banks to invest *more* than they'd otherwise be allowed to by regulators from a risk perspective.
- Will be most impactful for small and regional banks.

More Information:

Affordable Housing Tax Credit Coalition Brief on the PWI Cap

Large Institutional Investors

Sets limits on future purchases of single-family homes

- *ROAD* restricts the future purchase of single-family homes by large institutional investors (owning 350+ single-family homes).
- Exemptions include build-to-rent (including single-family typology LIHTC) and homeownership programs.
- Treasury regulations and renter resources from HUD to come.

More Information:
Legal Brief
GAO Report

Rental Assistance Demonstration (RAD) Cap Expansion

Amends RAD's original 2012 authorizing language

- Raises the RAD cap by 100,000 units (455,000 → 555,000).
- Permanently authorizes RAD, striking the September 2029 sunset date.
- Adds a mandatory tenant lease and management plan addendum for converting properties.
- Requires HUD to annually assess and publicly report on conversion outcomes.
- Bars PHA-owned properties from being used for private, for-profit, or sporting purposes after conversion.

What is RAD?

BEFORE: PUBLIC HOUSING
(Section 9)

Annual Capital & Operating Fund appropriations

Funding tied to Congressional budget cycles

No access to private capital or LIHTC equity

↓ **Conversion**

AFTER: PROJECT-BASED RENTAL ASSISTANCE
(Section 8)

Long-term Section 8 rental assistance contract

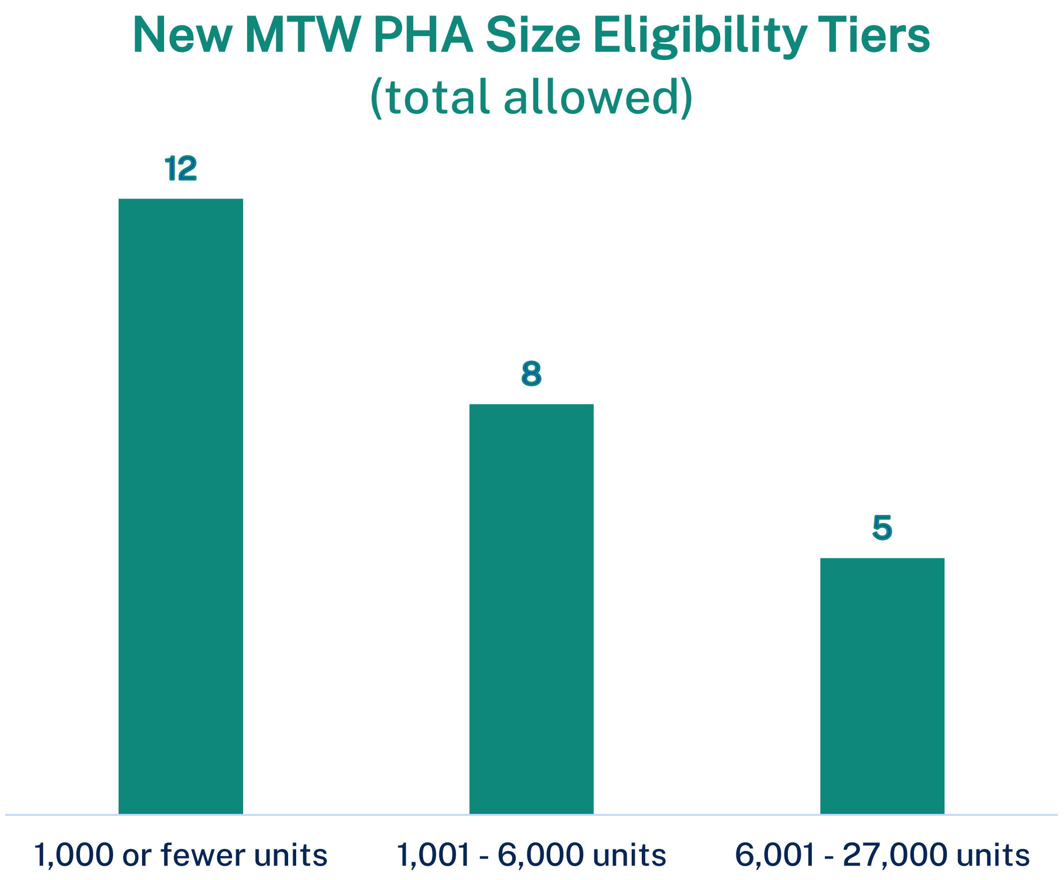
Unlocks private debt & LIHTC for capital repairs

Maintains affordability rules for tenants

Moving to Work (MTW) Expansion

Authorizes a new cohort of PHAs

- Adds up to 25 PHAs to the existing 100 expansion + 39 original MTW agencies.
- Eligibility is tiered by size and limited to PHAs designated as high performers.
- Selection of new cohort will focus on ensuring geographic diversity among MTW participants.
- Prioritizes PHAs that serve families with children and youth aging out of foster care at a rate above the national average.



Family Self-Sufficiency (FSS) Escrow Pilot

Creates a new Escrow Expansion Pilot Program

How the Escrow Works

Family earned income rises

Rent share increases accordingly

Conversion

Increase is banked, not collected as rent

Deposited in interest-bearing escrow account

Family can access account after meeting certain conditions

After 5-7 years, if they exit assistance, etc.

- HUD may select up to 25 entities to manage escrow accounts for up to 5,000 families.
- Participants can withdraw funds, plus interest, after 5-7 years, or earlier if they exit assistance, face hardship, or have an approved self-sufficiency goal.
- Enrollment is automatic, but families may opt out up to 2 weeks before their account is created, or any time after.
- To participate in the pilot, family income cannot exceed 80% of AMI at time of enrollment.

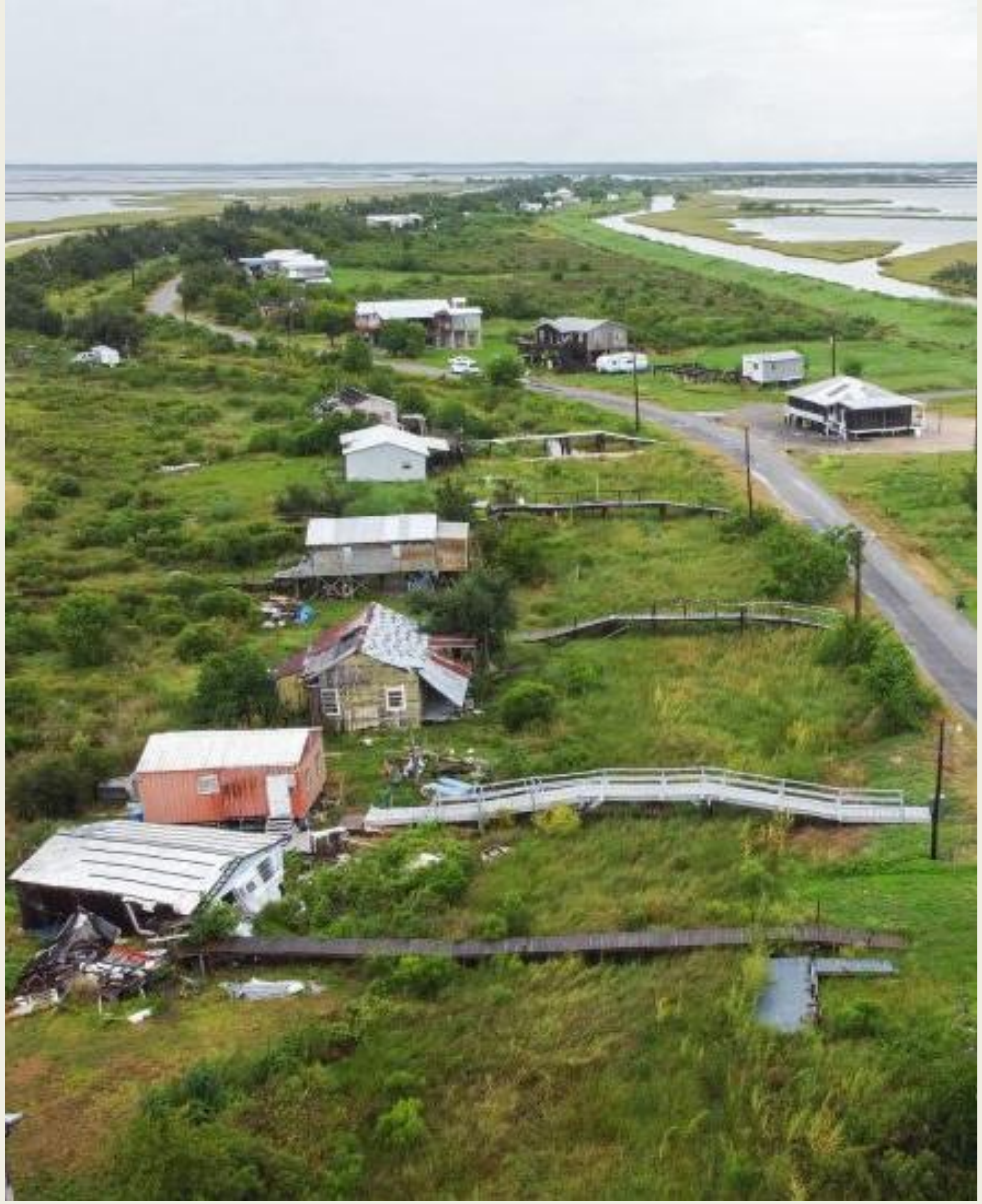
Streamlined HCV Inspections

Reduces inspection-driven delays in leasing up voucher units

- Units inspected under LIHTC, HOME, or USDA Rural Housing Service programs within the past year will automatically satisfy HCV inspection requirements, eliminating a duplicate PHA inspection.
- Allows new landlords to request advance inspections before a voucher holder is matched to the unit, shortening time-to-lease.
- Permits HUD to allow remote inspections under specific conditions (rural or small area).
- Intended to expand housing options for voucher holders and reduce a longstanding landlord participation barrier.

Comparable HUD rulemaking and guidance has historically taken 12-24+ months to complete

More Information: BPC's ROAD to Housing Act Implementation Tracker



CDBG-DR Reforms

Creates standing, predictable federal authority

- Authorizes CDBG-DR for three years and creates a new HUD Office of Disaster Management and Resiliency to coordinate response with FEMA and SBA.
- Directs HUD to publish CDBG-DR allocation methodologies within 30 days of enactment, with a proposed rule due in 6 months and a final rule within 1 year.
- Targets faster and more predictable disbursement of funding for LMI disaster survivors, replacing the prior *ad hoc*, supplemental appropriations approach.

What’s Next?

Enterprise

Next Steps for States

- **Work with your HFAs on provisions that may change how multifamily properties are financed**, including the decoupling of USDA's 515/521 programs, changes to HOME and CDBG, updates to RAD, and changes to environmental reviews.
- **Prepare to certify conformity with the new HUD Code on manufactured housing.** The law removes the permanent chassis requirement and requires states to certify that their laws and regulations conform to the new standards within 1 year of enactment (2 years for legislatures that meet biennially).
- **Consider impact of state-level preemption and authorization on supply.** Explore ways to support local governments to increase production. Work now to inventory whether existing preemptions prevent localities from taking action, or whether localities need authority from the state.

Next Steps for Local Governments

- **Understand the changes to the CDBG allocation formula and exemptions for impacted jurisdictions:** The changes to the CDBG formula will not take effect for 3 fiscal years. Recipients will be informed of their housing growth rates within 60 days of the law's enactment. This change does not apply to states. There are also numerous exemptions for localities.

- **Proactively identify and remove barriers to production:** Several provisions drive resources to jurisdictions that have made progress in easing restrictions and increasing supply. Local governments can get a head-start on this work.

- **Prepare to apply for competitive grants:** Some newly created programs – Innovation Fund, Regional Planning Grants, and the single-staircase building pilot – will rely on a competitive grant processes. Monitor and prepare applications accordingly.

Next Steps for All Stakeholders

- **Partner with governors' offices to review Opportunity Zone redesignation**, which HUD is allowed to prioritize for competitive grants. New OZ designations are due by end of September *and will remain in place for a decade.*

- **Assess federal funding streams.** Identify funding sources you rely on like HOME, CDBG, and Rural Housing Service. Stress-test the financial impact of reforms.

- **Monitor proposed regulations and guidance.** Submit comments accordingly.

- **Comment on CDBG-DR draft regulations,** which will move quickly. Governments and nonprofits can shape the final rule and ensure that relief reaches disaster-impacted communities quickly and effectively.

- **Developers and owners** can comment on proposed regs, focusing on single-staircase buildings, pattern books, off-site construction, and lending standards. Owners can offer feedback on lending standards, property inspections, and decoupling.

Immediate and Short-Term Deadlines (First Six Months)

- **30 days post-enactment (August 10th)**
  - HUD to publish latest CDBG-DR formula allocation methodologies for unmet needs.
- **60 days post-enactment (September 9th)**
  - HUD to notify recipients of their calculated housing growth rate and issue guidance on how local jurisdictions can increase supply before the CDBG formula change takes effect.
- **90 days post-enactment (October 9th)**
  - USDA must submit first annual report on the timeline for eligibility notifications for loan guarantees.
- **180 days post-enactment (January 7th, 2027)**
  - HUD must issue guidance on temperature sensor pilot.
  - HUD must complete its review of Build America, Buy America requirements. Within 90 days of the review's completion, HUD must issue updated guidance on BABA.
  - HUD to submit reports on MTW cohort, USDA / VA collaboration.
  - Large Institutional Investors must notify / report to HUD; HUD must establish renter resource.
- **6 months post-enactment (January 11th, 2027)**
  - USDA must complete a study of the Sec. 521 program.
  - HUD must issue proposed rule on CDBG-DR.

The above list is not comprehensive and only represents a selection of key milestones.

Immediate and Short-Term Deadlines (First Year)

- **240 days post-enactment (March 8th, 2027)**
  - HUD must issue guidance on appraisal eligibility standards.
  - GAO must issue report on feasibility of appraisal database.
- **270 days post-enactment (April 7th, 2027)**
  - HUD must publish a report on the findings from the BABA review and issue updated guidance.
- **1-year post-enactment (July 11th, 2027)**
  - USDA must issue an interim final rule on decoupling.
  - HUD must establish a small-dollar mortgage pilot under Sec. 105.
  - HUD must establish pilot program for regional planning under Sec. 207.
  - HUD must establish Innovation Fund program under Sec. 208.
  - HUD must issue rules governing PJs who use their HOME funds for infrastructure.
  - HUD must issue rules on streamlining environmental reviews within the HOME program.
  - HUD must adopt minimum energy efficiency standards for manufactured housing.
  - States certify to HUD that they have conformed to the new manufactured housing Code.
  - HUD must issue report identifying barriers to financing for modular construction.
  - HUD must issue report on cost effectiveness of off-site construction.
  - HUD must issue final rule on CDBG-DR.
  - HUD must issue report on work requirements.
  - GAO must issue a report on technology utilized by RHS.
  - HUD must publish first annual report on LIIs.

The above list is not comprehensive and only represents a selection of key milestones.

Long-Term Deadlines

- **18 months post-enactment (1/11/2028)**
  - HUD must issue guidance / best practices on single-staircase buildings.
- **2 years post-enactment (7/11/2028)**
  - USDA must issue regulations addressing rural development vouchers for households with income changes under Sec. 502.
  - HUD must publish draft guidelines and establish task force on land use and zoning under Sec. 107.
  - OCC must publish report on PWI cap.
  - HUD must issue first annual report on streamlining NEPA under Sec. 206.
- **3 fiscal years post-enactment (10/1/2028)**
  - Change to CDBG formula allocation goes into effect under Sec. 213.
- **2 years, 180 days post-enactment (1/7/2029)**
  - GAO, HUD, & others must issue reports on large institutional investors under Sec. 1001.
- **3 years post-enactment (7/11/2029)**
  - HUD to submit final report on best practices on zoning and land use under Sec. 107.
  - HUD to submit report on multifamily loan limits study under Sec. 211.
- **5 years post-enactment (7/11/2031)**
  - USDA must submit report on NEPA infill exemption under Sec. 103.

Questions?

Enterprise®

Resources

- **Bill Text:**
  - https://www.congress.gov/bill/119th-congress/house-bill/6644/text

- **Section by Section Summary:**
  - https://www.banking.senate.gov/imo/media/doc/section-by-section_for_the_21st_century_road_to_housing_act.pdf

- **Enterprise Resources:**
  - https://www.enterprisecommunity.org/learning-center/resources/21st-century-road-housing-act

- **Other Resources:**

  - https://bipartisanpolicy.org/hub/21st-century-road-to-housing-act-implementation-tracker/

  - https://naahl.org/thecenter/roadmap

  - https://www.ncsha.org/blog/changes-in-store-for-housing-programs-after-congress-passes-comprehensive-housing-bill

  - https://nlihc.org/sites/default/files/ROAD_Impacts_071026.pdf

  - https://naihc.net/the-21st-century-road-to-housing-act-is-now-law/

Thank you!

Enterprise