

TALKING POINTS & Q&A

The 21st Century ROAD to Housing Act

For Developers & Owners

Prepared for your leadership team and investment committee · [Agency Name] · [Presenter] (Principal / Development Director) · [Date]

SAY THIS IN 60 SECONDS

The Act lowers process cost for HUD-assisted projects (NEPA tiers, HOME exemptions, FHA multifamily limits, bank public-welfare cap) but builds nothing itself; the one hard date for owners is the January 7, 2027 institutional-investor purchase ban.

For affordable and mixed-income developers, the Act is a set of friction reducers. Section 206 requires HUD to reclassify small projects (up to 15 units on a site, infill up to five acres, office-to-residential conversions) into categorical exclusions, and Section 501 writes NEPA exemptions for HOME infill and 15-unit-or-smaller projects directly into statute. Section 211 raises FHA multifamily statutory loan limits roughly fourfold, Section 203 lifts the public-welfare-investment cap for national and state member banks from 15% to 20% of capital and surplus (more LIHTC equity capacity), and Section 204 lets CDBG grantees spend up to 20% of an allocation on new construction of affordable housing.

Make it yours. Replace [Agency Name], [Presenter] and [Date] in the title block, drop the questions that will not come up, and add your own local numbers. Section references (Sec. NNN) point to the enrolled text; every fact traces to a source on the web guide (reviewed on the date in the footer).

Key messages

Sec. 204 Addition of Affordable Housing Construction as an Eligible Activity. For the first time, makes new construction of affordable housing (as defined in HOME Section 215) an eligible CDBG activity, capped at 20 percent of a recipient's allocation, and counts it toward the low- and moderate-income benefit requirement.

Sec. 205 Better Use of Intergovernmental and Local Development (BUILD) Housing Act. Lets HUD designate any assistance it administers as a "special project" for environmental review, which allows states, localities, and — newly — federally recognized Indian Tribes to assume HUD's NEPA responsibilities.

Sec. 206 Unlocking Housing Supply Through Streamlined and Modernized Reviews Act. Directs HUD to rewrite its environmental review regulations (24 CFR parts 50 and 58) through notice-and-comment rulemaking so that a long list of housing activities are exempt or categorically excluded from NEPA review.

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Sec. 207 Grants for Planning and Implementation Associated with Affordable Housing. Creates a competitive HUD grant program — to be established within one year — for states, insular areas, metropolitan cities, urban counties, and regional planning agencies to develop and implement housing plans, update zoning codes, build inspection capacity, and coordinate with transportation.

Sec. 208 Innovation Fund. Authorizes \$200 million a year for FY2027–FY2031 for competitive HUD grants to metropolitan cities, urban counties, other local governments, and Tribes that can show an "objective improvement in housing supply growth" under a HUD methodology published for comment at least 90 days before each NOFO.

Sec. 209 Accelerating Home Building Act. Authorizes HUD grants to local governments, municipal membership organizations, and Tribes to select pre-reviewed designs — "pattern books" — for small mixed-income housing types of up to 25 units (ADUs, duplexes through fourplexes, cottage courts, townhouses...

Likely questions

Q1 What is the 21st Century ROAD to Housing Act, in one paragraph?

It is Public Law 119-101 — H.R. 6644 of the 119th Congress — a 12-title, 60-section federal housing law that became law on July 11, 2026. It merges the Senate's bipartisan "ROAD to Housing Act" (Scott–Warren) with the House's "Housing for the 21st Century Act" (Hill–Waters), and adds two late additions: a purchase restriction on large institutional investors (Title X) and a moratorium on a Federal Reserve central bank digital currency (Title XI). Most of it is program reform and streamlining — HOME, CDBG, RAD, vouchers, rural housing, manufactured housing, environmental review, disaster recovery, appraisals, community banking — rather than new spending. Its long title says it plainly: "An Act to increase the supply of housing in America, and for other purposes."

Q2 What does the Act NOT do?

It does not appropriate money (see the next question), does not expand or amend the Low-Income Housing Tax Credit (the LIHTC statute, IRC §42, is untouched — the 2025 LIHTC expansion came from a separate tax law), does not amend the National Housing Trust Fund, does not create new voucher funding, does not preempt state or local zoning, and does not reform Fannie Mae or Freddie Mac. It also contains no tribal title (tribes appear as eligible applicants in several programs) and no general tenant-protection package. Where it touches LIHTC at all it is indirect — for example, LIHTC units that passed inspection within the last 12 months are deemed to meet voucher inspection requirements (§405), and the bank public-welfare-investment cap rises from 15% to 20% of capital and surplus (§203). (Sec. 203, 405)

Q3 Does the Act come with money? What does §1202 mean?

No new dollars are appropriated. The Act is an authorizing statute: it creates or reshapes programs and tells agencies what to do, but the money still has to come through annual appropriations bills. Section 1202 says: "No additional funds are authorized to be appropriated to carry out the requirements of this Act or any amendment made by this Act." The one explicit dollar authorization is the Innovation Fund (§208) at \$200 million a year for

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FY2027–FY2031 — and even that must be funded by appropriators before a dollar moves. CBO's July 14, 2026 estimate of the enacted law found essentially no mandatory-spending effect (a net \$0 on the deficit over 2026–2036, rounded) and did not estimate discretionary spending. (Sec. 208, 1202)

Q4 How did the Act become law without the President's signature?

Congress cleared the bill on June 23, 2026 (Senate 85–5 on June 22; House 358–32 on June 23) and presented it to the President on June 29. Under Article I, §7 of the Constitution, a bill the President neither signs nor vetoes becomes law after ten days (Sundays excepted) as long as Congress is in session — which it was. The President publicly declined to sign in protest over an unrelated bill, and the ten-day window ran out. Public Law 119-101 is dated July 11, 2026, and that is the date agencies and this hub use to compute every "days after enactment" deadline. This is not a pocket veto; a pocket veto only happens when Congress has adjourned and the bill cannot be returned.

Q5 What were the final votes, and who voted no?

The Senate agreed to the final text 85–5 on June 22, 2026 (Vote #182); the House cleared it 358–32 on June 23, 2026 (Roll Call 224) under suspension of the rules. Earlier milestones: Senate Banking Committee markup 24–0 (July 29, 2025); House passage of its own bill 390–9 (Feb 9, 2026); Senate passage of the merged text 89–10 (Mar 12, 2026); House amendment 396–13 (May 20, 2026). Every "no" on the final House vote came from Republicans, most citing the temporary rather than permanent central-bank-digital-currency ban.

Q6 Why do section numbers in older summaries not match the law?

Because the bill was renumbered as it moved. In the Senate's March 2026 text the investor restriction was §901 and the CBDC ban was §1001; in the enacted law they are §1001 and §1101, and community banking is Title IX (§§901–909). Some pre-passage explainers still use the old numbers. This hub uses only the enrolled numbering — for example §405 is the Choice in Affordable Housing Act, §505 is the new Moving to Work cohort, §212 is RAD, and §1202 is "No additional funds authorized." (Sec. 212, 405, 505, 1001, 1101, 1202)

Q7 What does §405 change about Housing Choice Voucher inspections?

Three things. First, a unit in a LIHTC building, a HOME-assisted unit, or a USDA Rural Housing Service-assisted unit is deemed to meet HCV inspection requirements if it was physically inspected and passed under that program in the preceding 12 months and the PHA can obtain the results. Second, HUD may allow remote or video inspections for units in rural or small areas if the inspection is thorough and does not misrepresent the unit. Third, a "new landlord" (one who has never had a HAP contract) can ask the PHA to inspect a unit before a family selects it; a pass counts as the initial inspection if a lease is signed within 60 days, and PHAs must give each newly selected family a list of those pre-inspected units. These changes are self-executing but PHAs will want HUD guidance and administrative-plan updates; no PIH notice had issued as of mid-August 2026. (Sec. 405)

Q8 What happened to the RAD cap in §212?

The Rental Assistance Demonstration unit cap rises from 455,000 to 555,000 units, and RAD's authority — previously set to end September 30, 2029 — now runs "for fiscal year 2012 and each fiscal year thereafter," making it permanent. The section also lets HUD adopt a mandatory tenant lease and management-plan addendum, requires HUD to annually assess and publish RAD's impact (including how many pre-conversion residents stay or

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return), authorizes civil money penalties for material violations, preserves existing tenant and owner rights, and requires PHA-owned property to stay in affordable-housing use rather than "sporting, private, or for-profit purposes." The Senate had wanted to remove the cap entirely; the +100,000 figure was the June 2026 compromise. HUD had not yet revised the RAD Notice as of mid-August 2026. (Sec. 212)

Q9 What are the biggest HOME changes in §501?

Section 501 reauthorizes HOME with no expiration and rewrites a long list of rules. Highlights: participating jurisdictions that are not CDBG grantees may fund housing-related infrastructure (water, sewer, sidewalks, roads) adjacent to HOME- or LIHTC-assisted housing; the homeownership purchase-price limit rises from 95% to 110% of area median purchase price; voucher-occupied units count as affordable; certain HOME activities (infill new construction, acquisition, small rehab, new construction of 15 or fewer units) get statutory environmental-review exemptions; Section 3 does not apply to state recipients or small PJs (under \$3 million allocations) for projects of 50 or fewer units; the minimum PJ allocation threshold rises from \$500,000 to \$750,000; a community land trust definition is added; and the CHDO set-aside recaptures to the PJ after 24 months. HUD owes rules on the infrastructure and environmental provisions within one year (about July 11, 2027) and a Build America, Buy America review within 180 days. (Sec. 501)

Q10 What is the Innovation Fund (§208), and is it funded?

It is a competitive HUD grant program for metropolitan cities, urban counties, other local governments, and Indian tribes that show "objective improvement in housing supply growth" under a methodology HUD must publish in the Federal Register at least 90 days before the first funding notice. Grants run from \$250,000 to \$10 million, HUD must make at least 25 awards a year if funds allow, and eligible uses include any CDBG-eligible activity, certain transportation projects, and "attainable housing" initiatives (up to 120% of area median income, with a majority at or below 60%). The Act authorizes \$200 million a year for FY2027–FY2031, adjusted for inflation, and requires HUD to establish the program within one year; it sunsets seven years after enactment. As of mid-August 2026 nothing had been appropriated: the House FY2027 THUD bill approved in committee June 3, 2026 predates enactment and identifies no Innovation Fund line, and the Senate bill had not been released. States and HFAs are not eligible applicants. (Sec. 208)

Watch-outs

- No new construction subsidy: Section 1202 authorizes no additional appropriations; the supply programs are competitive, mostly unfunded, and routed through governments.
- NEPA relief covers HUD-assisted projects only and, for Section 206, only funds appropriated after HUD's rule takes effect — do not commingle pre- and post-enactment funds if you want the new treatment.

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- Section 1001 names no exemption for nonprofits, community land trusts, or LIHTC owners — but read the definition before concluding they are caught. §1001(a)(3)(A)(i) defines a large institutional investor as "an investment fund, corporation, general or limited partnership, limited liability company, joint venture, association, or other for-profit entity," a qualifier that plausibly puts nonprofits and CLTs outside the category altogether. And §1001(a)(5) defines a single-family home as a structure with 2 or fewer dwelling units, excluding manufactured homes, so most multifamily LIHTC production is outside the provision entirely. Treasury may issue rules but cannot change the definitions or the 350-home threshold.
- Davis-Bacon attaches to HOME infrastructure and to activities the Act treats as CDBG-assisted (Innovation Fund construction, point-access pilots, whole-home landlord loans).
- The Act contains no zoning preemption and no federal land conveyance; local rules still govern.

Where to point people

Full guide, sources and tracker: aihousers.com/road-to-housing/for/developers

H.R. 6644 — Enrolled bill text (21st Century ROAD to Housing Act) — GovInfo (GPO)

<https://www.govinfo.gov/content/pkg/BILLS-119hr6644enr/html/BILLS-119hr6644enr.htm>

BPC — What's in the 21st Century ROAD to Housing Act? — Bipartisan Policy Center

<https://bipartisanpolicy.org/explainer/whats-in-the-21st-century-road-to-housing-act/>

BPC — 21st Century ROAD to Housing Act Implementation Tracker — Bipartisan Policy Center

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

Fact sheet — large institutional investors (Title X) — Senate Banking Committee

https://www.banking.senate.gov/imo/media/doc/road_lji.pdf

Fact sheet — housing supply — Senate Banking Committee

https://www.banking.senate.gov/imo/media/doc/road_supply.pdf

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