TALKING POINTS & Q&A

The 21st Century ROAD to Housing Act

For State & Local Housing Finance Agencies

Prepared for your Board and executive team · **[Agency Name]** · **[Presenter]** (Executive Director / Policy Director) · **[Date]**

SAY THIS IN 60 SECONDS

Section 501 permanently authorizes HOME and changes homeownership limits, CHDO rules, inspections, Section 3, and NEPA for HOME — most of it effective now, with two HUD rules due by July 11, 2027.

For state and local housing finance agencies, the center of gravity is Section 501, the HOME Investment Partnerships Reauthorization and Reform Act. It authorizes HOME indefinitely, raises the homeownership income limit to 100% of area median income and the value cap to 110% of area median purchase price, lets state participating jurisdictions inspect to a national standard, exempts small HOME projects from Section 3, writes statutory NEPA exemptions for HOME infill and projects of 15 units or fewer, and lets non-CDBG PJs fund infrastructure next to HOME or LIHTC housing (with Davis-Bacon). It also raises the minimum PJ threshold to $750,000 and requires a Build America, Buy America review of HOME by about January 7, 2027.

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. 501 **HOME Investment Partnerships Reauthorization and Reform Act.** A top-to-bottom modernization of HOME, the block grant that states and larger localities use for affordable rental and homeownership housing.

Sec. 202 **Whole-Home Repairs Act.** Authorizes a HUD pilot that funds states, localities, and Tribes ("implementing organizations") to run whole-home repair programs: grants to homeowners at or below 80 percent of AMI (or income-eligible for Medicaid, CHIP, SSI, SNAP, or TANF) and loans — which may be forgivable…

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…

Sec. 210 **Revitalizing Empty Structures Into Desirable Environments (RESIDE) Act.** Adds a new Section 227 to the HOME statute authorizing a FY2027–FY2031 pilot of competitive grants to HOME participating jurisdictions to convert vacant and abandoned commercial and industrial buildings — warehouses, factories, malls, hotels — into "attainable housing."

Sec. 211 **Housing Affordability Act.** Roughly quadruples the statutory per-unit mortgage limits for FHA's multifamily insurance programs (Sections 207, 213, 220, 221(d)(4), 231, and 234) — for example, the Section 207 limits move from $38,025–$85,328 to $167,310–$375,443…

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 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 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)

Q9 What changes for CDBG grantees — §204, §213, and §104?

Section 204 makes new construction of affordable housing an eligible CDBG activity for up to 20% of a recipient's allocation, applying only to funds appropriated after enactment. Section 213, the Build Now Act, ties entitlement allocations to housing production: HUD computes each metropolitan city's and urban county's "housing growth improvement rate," recipients below the median lose 10% of their allocation, and that money is redistributed to at-or-above-median and extremely-high-growth (4%+ per year) recipients — with exemptions for low-cost, high-vacancy, recently disaster-declared, and no-zoning-authority jurisdictions. HUD must notify recipients of their rates within 60 days (about September 9, 2026); the adjustments begin with the third full fiscal year after enactment and run through FY2043. Section 104 requires every CDBG grantee to certify it maintains a public, searchable database of all undeveloped land it owns, effective October 1, 2026. (Sec. 104, 204, 213)

Q10 What does the Act do to environmental review (§§205–206)?

Section 205, the BUILD Housing Act, lets HUD designate any HUD assistance as a "special project" so environmental review can be assumed by states and localities under 24 CFR part 58, and confirms Indian tribes may assume those responsibilities; it applies only to funds appropriated after enactment and not to projects that mix pre- and post-enactment money. Section 206 directs HUD, through notice-and-comment rulemaking, to reclassify listed housing activities: tenant-based rental assistance, supportive services, operating costs, predevelopment costs, and homebuyer assistance become exempt; small rehab and up-to-four-unit scattered-site work become categorically excluded not subject to the related laws in §58.5; and 5–15 unit new construction, office-to-residential conversions, infill projects on five acres or less, and voluntary floodplain buyouts become categorically excluded subject to §58.5. There is no fixed deadline for the §206 rule, but HUD must report annually for five years starting two years after enactment. Separately, §501(l) writes HOME-specific exemptions directly into statute and §103 exempts USDA infill housing from environmental study. (Sec. 103, 205, 206, 501)

Watch-outs

- LIHTC, the national Housing Trust Fund, HFA bond authority, and credit scoring are not in the Act; the 2025 LIHTC expansion came from a different law.
- The Innovation Fund (Section 208), pattern-book grants (Section 209) and Build Now (Section 213) do not include states or HFAs as eligible applicants — your role there is coordination and gap financing.
- No BABA exemption made it into the final text — only a HUD review and updated guidance. The Senate's administrative-cost provision did survive: §501(t)(1) strikes NAHA §220(b)(2), so contributions for administrative expenses may now be recognized toward the HOME match.
- Section 501 also raises compliance stakes: HUD may deny reallocations to and reduce payments for noncompliant PJs through the affordability period.

- The RESIDE funding trigger described in some summaries ($1.35 billion in HOME appropriations) does not appear in the enacted text — the statute sets grant sizes only when at least $100 million is appropriated.
- Whether HUD treats the HOME NEPA exemptions and voucher inspection parity as operative before it issues rules or notices was unconfirmed as of August 29, 2026.

Where to point people

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

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/

NLIHC — 21st Century ROAD to Housing Act: Impacts on Low-Income Households (July 2026) — National Low Income Housing Coalition
https://nlihc.org/sites/default/files/ROAD_Impacts_071026.pdf

Fact sheet — oversight and accountability — Senate Banking Committee
https://www.banking.senate.gov/imo/media/doc/road_oversight.pdf

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