

THE ROAD TO HOUSING ACT



- Bipartisan bill passed Senate 77–20; pending House vote
 - Lead by Senators Scott (R-SC) and Warren (D-MA)
 - Passed (October 9th, 2025) as an inclusion in the [2026 NDAA, S.2296](#)
- The legislation is 27 part, our focus: Sections 202, 203, 207–210, 501, 506, and 802
- Themes: local flexibility, housing supply expansion, federal and local coordination

Section 202 – Increasing Housing in Opportunity Zones

HUD gives preference to grants in Opportunity Zones

- OZs were created by the 2017 TCJA and incentivizes investment in low-income areas.
 - While there has been significant investment in multifamily housing, very little of the housing created using the incentive is capital 'A' affordable.
 - 260 qualified census tracts in Georgia.
 - 60% are rural and 40% are metro.
- Incentive: capital gains tax deferral/elimination for investors
- New scoring incentive is aimed at encouraging affordable and workforce housing development in these growth areas.

Section 203 – Housing Supply Frameworks Act

- HUD to develop zoning and land-use best practices
 - Opportunity for engagement in rule-making
- Helps communities identify barriers to housing production
- Promotes local, not top-down, land-use reform

“NLC supports the overall objectives of the bill, which reflect many of the longstanding policy priorities sought by local governments: expanding housing supply, improving housing access and affordability, and preserving local flexibility. ***We are especially encouraged to see that the bill: Contains no unfunded mandates or preemptions of local authority; Invests directly in cities through flexible new grant programs*** tied to housing supply and infrastructure readiness; Supports evidence-based, community-driven zoning and land-use frameworks through HUD guidance, ***not top-down mandates***.” – NLC Letter to the Senate Committee on Banking, Housing, and Urban Affairs.

Section 207/208/802 – BUILD Housing Act, Modernized NEPA, Rural Housing

SEC 207:

- Provides a clearer and potentially faster environmental review pathway for HUD-assisted housing projects, reducing administrative delays.
- Reinforces local authority to perform NEPA-equivalent reviews in place of HUD (“responsible entity” model).

SEC 208:

- Reduces the time and cost to advance HUD-funded housing projects.
- Clarifies which routine activities no longer trigger full NEPA reviews.
- Empowers municipalities to accelerate infill housing, small-lot rehab, and disaster recovery projects.

SEC 802:

- HUD–USDA joint reviews for dual-funded projects, reduces duplication in environmental processes. Build Faster + Plan Smarter

Section 209 – Innovation Fund

Creation of HUD Grant Program

Eligible Entities:

- Metropolitan city, urban county, or local gov demonstrating improvements in housing supply
- Funds used for:
 - CDBG Type Activities
 - Transportation Projects
 - Matching Fundings Water/Revolving Loan, etc.
 - Local Housing Initiatives

Direct, flexible investment in local housing initiatives and infrastructures

Section 210 – Accelerating Home Building Act

- Grant funding provided to enable local governments to standardize and pre-approve small-scale, mixed-income housing designs, cutting months from typical permitting timelines.
- Encourage “gentle density” through pre-approved duplexes, fourplexes, and cottage courts.
 - Funding partitioned for rural set-aside
 - à la, ‘Model Ordinances’

Section 501 – Reforming Disaster Recovery Act

Permanently authorizes CDBG–Disaster Recovery (CDBG-DR)

- Program works to rebuild areas affected by disaster through grants for unmet housing needs, infrastructure, and business needs.
- Ensures reliable, faster post-disaster housing aid

Working with DCA to amend ‘trigger language’ to ensure less populated communities have access to aid in a timely manner. (Formula Definitions)

Section 505 and 506 – Incentivizing Local Solutions to Homelessness

- Allows localities receiving Emergency Solutions Grants (ESG) to request waivers of the 60 % cap on shelter and outreach spending.
- Gives cities and counties flexibility to direct ESG funds toward the greatest local needs—shelter beds, outreach, or rapid rehousing.
- Supports locally tailored homelessness strategies instead of uniform federal limits.

Emphasizes measurable outcomes, rewards holistic programs, wrap around, etc.

Questions - Contacts

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