

117TH CONGRESS  
1ST SESSION

# H. R. 1501

To reauthorize the Neighborhood Stabilization Program, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 2021

Mr. HUFFMAN (for himself and Mr. THOMPSON of California) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To reauthorize the Neighborhood Stabilization Program, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Affordable Housing  
5       Redevelopment Act”.

6       **SEC. 2. FINDINGS.**

7       Congress finds that—

8               (1) even before the economic hardship caused  
9       by the COVID–19 pandemic, the United States  
10      faced a shortage of more than 7,000,000 affordable

1 rental homes to meet the needs of extremely low-in-  
2 come renters;

3 (2) due to financial burdens and loss of income  
4 resulting from the pandemic, millions of people in  
5 the United States are at risk of eviction or fore-  
6 closure, and the need for affordable housing is ex-  
7 pected to increase dramatically;

8 (3) homelessness is projected to rise by as much  
9 as 45 percent across the United States as a result  
10 of the pandemic and economic crisis, meaning nearly  
11 1,000,000 people in the United States could be expe-  
12 riencing homelessness in the very near future;

13 (4) in addition to making long-term investments  
14 in the affordable housing stock in the United States,  
15 it is also critically important to focus resources on  
16 more immediate solutions, such as acquiring and re-  
17 habilitating existing buildings and placing afford-  
18 ability requirements on the housing that is produced;

19 (5) acquisition and rehabilitation provides two  
20 distinct advantages by lowering per-unit construction  
21 costs and making affordable housing units available  
22 to low-income households much faster;

23 (6) in addition to rehabilitation of residential  
24 properties, there are opportunities for adaptive reuse  
25 and the conversion of non-residential office and re-

1       tail properties to create new affordable housing in  
2       communities across the United States; and

3               (7) helping States, local governments, and non-  
4       profit organizations acquire blighted, abandoned, va-  
5       cant, foreclosed, or surplus properties and convert  
6       them into affordable housing will allow for the rapid  
7       development of new affordable units, while stimu-  
8       lating local economies and creating jobs.

9   **SEC. 3. DEFINITIONS.**

10       In this Act:

11               (1) **ELIGIBLE ENTITY.**—The term “eligible enti-  
12       ty” means—

13                       (A) a State, a city, county, or other polit-  
14       ical subdivision of a State, a consortium of po-  
15       litical subdivisions of a State, a Tribal govern-  
16       ment, a public housing authority, or a redevel-  
17       opment agency; or

18                       (B) any nonprofit entity or consortium of  
19       nonprofit entities, which may submit an appli-  
20       cation for a grant under this section in partner-  
21       ship with a for-profit entity.

22               (2) **SECRETARY.**—The term “Secretary” means  
23       the Secretary of Housing and Urban Development.

1 **SEC. 4. REAUTHORIZATION OF NEIGHBORHOOD STABILIZA-**  
2 **TION PROGRAM.**

3 (a) AUTHORIZATION OF FUNDS.—

4 (1) IN GENERAL.—There is authorized to be  
5 appropriated to the Secretary \$1,500,000,000 for  
6 fiscal year 2021, to remain available until expended,  
7 for the provision of emergency assistance for the re-  
8 development of abandoned and foreclosed homes, as  
9 authorized under title III of division B of the Hous-  
10 ing and Economic Recovery Act of 2008 (42 U.S.C.  
11 5301 note; Public Law 110–289), in addition to  
12 other related uses of funds authorized under this  
13 section.

14 (2) APPLICABILITY OF PROVISIONS.—

15 (A) IN GENERAL.—Except as otherwise  
16 provided in this section, the provisions under  
17 the second undesignated paragraph under the  
18 heading “COMMUNITY DEVELOPMENT FUND”  
19 under the heading “COMMUNITY PLANNING  
20 AND DEVELOPMENT” under the heading “DE-  
21 PARTMENT OF HOUSING AND URBAN  
22 DEVELOPMENT” in title XII of division A of  
23 the American Recovery and Reinvestment Act  
24 of 2009 (Public Law 111–5) relating to assist-  
25 ance authorized under title III of division B of  
26 the Housing and Economic Recovery Act of

1           2008 (42 U.S.C. 5301 note; Public Law 110–  
2           289) shall apply with respect to the emergency  
3           assistance authorized under paragraph (1).

4                   (B) CERTAIN CRITERIA NOT APPLICA-  
5           BLE.—The fourth proviso in the second undes-  
6           ignated paragraph described in subparagraph  
7           (A) of this paragraph (relating to grantees in  
8           areas with foreclosures and the ability to ex-  
9           pend funding within a certain period) shall not  
10          apply with respect to the emergency assistance  
11          authorized under paragraph (1) of this sub-  
12          section.

13          (b) GRANTS; APPLICATION.—

14                   (1) IN GENERAL.—The Secretary shall award  
15          grants under this section to eligible entities through  
16          a competitive process.

17                   (2) CRITERIA.—Not later than 75 days after  
18          the date of enactment of this Act, the Secretary  
19          shall publish the criteria for awarding grants under  
20          this section.

21                   (3) APPLICATION.—An eligible entity desiring a  
22          grant under this section shall submit to the Sec-  
23          retary an application—

24                           (A) in such manner and containing such  
25          information as the Secretary may require;

1 (B) that demonstrates a capacity to exe-  
2 cute projects and leverage potential, and any  
3 other additional factors as determined by the  
4 Secretary; and

5 (C) not later than 200 days after the date  
6 of enactment of this Act.

7 (4) PREFERENCE.—The Secretary shall award  
8 preference to an application for a grant under this  
9 section to applicants that submit proposals—

10 (A) to provide assistance in areas with  
11 high levels of cost-burdened households;

12 (B) to provide assistance in rural areas;

13 (C) to provide assistance in communities  
14 that have adopted local land-use policies, build-  
15 ing codes, or related regulations that favor  
16 greater housing production, such as—

17 (i) allowing greater density near pub-  
18 lic transportation lines;

19 (ii) establishing by-right development;

20 (iii) eliminating off-street parking re-  
21 quirements;

22 (iv) granting density bonuses;

23 (v) employing inclusionary zoning;

24 (vi) relaxing minimum lot sizes;

1 (vii) authorizing conversion of com-  
2 mercial properties into mixed-use and resi-  
3 dential properties; or

4 (viii) other local land-use policies,  
5 building codes, or related regulations that  
6 favor greater housing production;

7 (D) to provide assistance in areas that are  
8 in close proximity to high-frequency public  
9 transportation; or

10 (E) that have a higher proportion of af-  
11 fordable units for households with incomes that  
12 are less than 50 percent of the area median in-  
13 come.

14 (5) DIVERSITY.—In awarding grants under this  
15 section, the Secretary shall ensure a geographic di-  
16 versity of grantees from across the United States.

17 (c) USE OF FUNDS.—

18 (1) IN GENERAL.—A recipient of a grant under  
19 this section—

20 (A) shall use grant funds to purchase  
21 blighted, abandoned, vacant, foreclosed, or sur-  
22 plus property and convert the property into af-  
23 fordable housing, which shall serve individuals  
24 and families with a household income that does  
25 not exceed the area median income;

1 (B) may use grant funds for mixed-use de-  
2 velopment projects, conversion of non-residen-  
3 tial office and retail properties, and other rede-  
4 velopment requiring changes to land use restric-  
5 tions; and

6 (C) shall, to the maximum extent fea-  
7 sible—

8 (i) provide for the hiring of employees  
9 who reside in the vicinity, as such term is  
10 defined by the Secretary, of projects fund-  
11 ed under this section; or

12 (ii) contract with small business con-  
13 cerns owned and controlled by socially and  
14 economically disadvantaged individuals (as  
15 defined in section 8(d)(3)(C) of the Small  
16 Business Act (15 U.S.C. 637(d)(3)(C)) re-  
17 siding in the vicinity of projects funded  
18 under this section.

19 (2) SET ASIDE FOR EXTREMELY LOW-INCOME  
20 AND VERY LOW-INCOME FAMILIES.—Not less than  
21 25 percent of the affordable housing described in  
22 paragraph (1) shall service individuals and families  
23 with a household income that does not exceed 50  
24 percent of the area median income.

25 (3) AFFORDABILITY PERIODS.—



1 (A) IN GENERAL.—The affordability period  
2 for housing assisted under this section—

3 (i) with respect to rental housing or  
4 housing with resale restrictions, shall be  
5 not less than 30 years, beginning on  
6 project completion; and

7 (ii) with respect to housing with re-  
8 capture restrictions, shall be not less than  
9 10, 20, or 30 years in accordance with the  
10 affordability period requirements under  
11 section 93.305 of title 24, Code of Federal  
12 Regulations, or any successor regulation.

13 (B) LONGER PERIODS PERMITTED.—Noth-  
14 ing in subparagraph (A) shall be construed to  
15 prohibit a recipient of a grant under this sec-  
16 tion from establishing a longer affordability pe-  
17 riod than is required under that subparagraph.

18 (4) DEADLINE FOR EXPENDING FUNDS.—A re-  
19 cipient of a grant under this section shall expend—

20 (A) not less than 50 percent of allocated  
21 funds under this section not later than 3 years  
22 after the date on which the funds become avail-  
23 able to the grantee for obligation; and

24 (B) 100 percent of allocated funds under  
25 this section not later than 6 years after the

1           date on which the funds become available to the  
2           grantee for obligation.

3       (d) TECHNICAL ASSISTANCE.—

4           (1) IN GENERAL.—The Secretary may use not  
5       more than 2 percent of the funds made available  
6       under this section to provide technical assistance to  
7       grantees under this section.

8           (2) SENSE OF CONGRESS.—It is the sense of  
9       Congress that, to the extent practicable, the Sec-  
10      retary shall provide technical assistance directly to  
11      grantees under this section.

12      (e) DEADLINE FOR AWARDING FUNDS.—The Sec-  
13      retary shall award all grant funds authorized under this  
14      section not later than 1 year after the date of enactment  
15      of this Act.

16      (f) EXISTING REGULATIONS.—Except to the extent  
17      that a regulation is in conflict with the provisions of this  
18      Act, the regulations applicable to the provision of emer-  
19      gency assistance for the redevelopment of abandoned and  
20      foreclosed homes, as authorized under title III of division  
21      B of the Housing and Economic Recovery Act of 2008  
22      (42 U.S.C. 5301 note; Public Law 110–289) and subse-  
23      quent Acts, as in effect on the day before the date of en-

1 actment of this Act, shall apply to the provision of assist-  
2 ance under this Act.

