

118TH CONGRESS  
2D SESSION

# H. R. 10179

To direct the Secretary of Housing and Urban Development to award grants to States to develop and expand the industrialized construction of innovative residential dwelling units, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 20, 2024

Ms. CARAVEO (for herself and Ms. PETTERSEN) introduced the following bill;  
which was referred to the Committee on Financial Services

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## A BILL

To direct the Secretary of Housing and Urban Development to award grants to States to develop and expand the industrialized construction of innovative residential dwelling units, 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 “Innovative Housing  
5 Solutions and Affordability Act”.

1 **SEC. 2. GRANTS TO DEVELOP AND EXPAND THE INDUSTRI-**  
2 **ALIZED CONSTRUCTION OF INNOVATIVE RES-**  
3 **IDENTIAL DWELLING UNITS.**

4 (a) GRANTS FROM THE SECRETARY.—

5 (1) IN GENERAL.—The Secretary of Housing  
6 and Urban Development (referred to in this section  
7 as the “Secretary”) shall, not later than 1 year after  
8 the date of the enactment of this section, establish  
9 a program to award grants on a competitive basis to  
10 States to develop and expand the industrialized con-  
11 struction of innovative residential dwelling units.

12 (2) APPLICATION.—A State that seeks a grant  
13 under this subsection shall submit to the Secretary  
14 an application at such time and in such manner that  
15 the Secretary may require, and the application shall  
16 contain the following information:

17 (A) A plan for the State to provide sub-  
18 grants under subsection (b).

19 (B) If the State intends to coordinate the  
20 provision of subgrants under subsection (b)  
21 with a Federal, State, or local program that is  
22 not established under this section, a plan for  
23 the State to coordinate the provision of the sub-  
24 grants with the Federal, State, or local pro-  
25 gram.

1 (C) The ability of the State to match the  
2 grant by making available non-Federal funds to  
3 provide subgrants under subsection (b).

4 (D) Any other information that the Sec-  
5 retary may require.

6 (b) SUBGRANTS.—

7 (1) IN GENERAL.—A State that has received a  
8 grant under subsection (a) shall provide subgrants  
9 on a competitive basis to eligible entities for any of  
10 the following purposes:

11 (A) To reimburse not more than \$350,000  
12 of the operating expenses of an eligible entity.

13 (B) To provide, for each innovative resi-  
14 dential dwelling unit that is constructed by an  
15 eligible entity, an incentive in an amount deter-  
16 mined by the State—

17 (i) that is not greater than \$6,000 for  
18 each such unit that is not a unit of afford-  
19 able housing and an energy-efficient unit;  
20 and

21 (ii) that is greater than the incentive  
22 described in clause (i) for each such unit  
23 that is a unit of affordable housing and an  
24 energy-efficient unit.

1 (C) To provide a fixed incentive of \$50,000  
2 if an eligible entity agrees to construct not less  
3 than 10 percent of the innovative residential  
4 dwelling units under a subgrant of the State as  
5 affordable housing.

6 (D) Any other purpose that, as determined  
7 by the Secretary, would develop or expand the  
8 industrialized construction of innovative resi-  
9 dential dwelling units.

10 (2) APPLICATION.—An eligible entity that seeks  
11 a subgrant from a State under this subsection shall  
12 submit to the State an application at such time and  
13 in such manner as the State may require, and the  
14 application shall contain any information that the  
15 State may require.

16 (3) LIMITATION ON SUBGRANT RECIPIENTS.—

17 (A) DEADLINE.—Not later than 2 years  
18 after the date on which an eligible entity re-  
19 ceives a subgrant under this subsection, the eli-  
20 gible entity shall complete each activity for  
21 which the eligible entity received the subgrant.

22 (B) POSTPONEMENT.—The Secretary may,  
23 on a case-by-case basis, postpone the deadline  
24 for an eligible entity to complete an activity  
25 under subparagraph (A).

1 (C) SANCTIONS.—If the Secretary deter-  
2 mines, after reasonable notice and opportunity  
3 for a hearing, that an eligible entity has failed  
4 to complete an activity under subparagraph (A)  
5 by the deadline under subparagraph (A) or sub-  
6 paragraph (B) (whichever is applicable), the  
7 Secretary may—

8 (i) impose a civil monetary penalty on  
9 the entity;

10 (ii) prohibit the entity from receiving  
11 another subgrant under this subsection for  
12 a period of time determined by the Sec-  
13 retary; or

14 (iii) take a combination of the actions  
15 described in clauses (i) and (ii).

16 (D) CONSIDERATIONS.—In determining  
17 the extent of any penalty or prohibition to be  
18 imposed under subparagraph (C), the Secretary  
19 shall consider the severity of the eligible entity's  
20 violation under this paragraph.

21 (c) REPORTING REQUIREMENT.—Not later than 2  
22 years after the date on which a State first provides a  
23 subgrant under subsection (b), the State shall submit to  
24 the Secretary a report that includes the following informa-  
25 tion with respect to the subgrants:

1           (1) The number of applications that the State  
2           has received for a subgrant.

3           (2) The average cost to construct an innovative  
4           residential dwelling unit under a subgrant of the  
5           State.

6           (3) The average cost to purchase such a unit.

7           (4) The number of such units.

8           (5) The number of such units that are afford-  
9           able housing.

10          (6) Any other information that the Secretary  
11          may require.

12          (d) AUTHORIZATION OF APPROPRIATIONS.—There is  
13          authorized to be appropriated to the Secretary  
14          \$75,000,000 for fiscal years 2025 through 2029 to carry  
15          out this section.

16          (e) DEFINITIONS.—In this section:

17               (1) AFFORDABLE HOUSING.—The term “afford-  
18               able housing” means housing that is 1 or more of  
19               the following:

20                       (A) Compliant with the conditions set forth  
21                       in section 215 of the Cranston-Gonzalez Na-  
22                       tional Affordable Housing Act (42 U.S.C.  
23                       12745).

24                       (B) Eligible for financing under subpara-  
25                       graph (A) or (B) of section 10(j)(2) of the Fed-

1           eral Home Loan Bank Act (12 U.S.C.  
2           1430(j)(2)).

3           (2) ELIGIBLE ENTITY.—The term “eligible enti-  
4           ty” means an entity that—

5                   (A) employs fewer than 500 individuals;  
6           and

7                   (B) carries out—

8                           (i) industrialized construction of inno-  
9                   vative residential dwelling units;

10                           (ii) an innovative technology or proc-  
11                   ess that significantly reduces the on-site  
12                   time and labor necessary to construct resi-  
13                   dential dwelling units, as determined by  
14                   the Secretary; or

15                           (iii) a combination of the activities de-  
16                   scribed in clauses (i) and (ii).

17           (3) ENERGY-EFFICIENT UNIT.—The term “en-  
18           ergy-efficient unit” means a residential dwelling unit  
19           for which the annual household site energy consump-  
20           tion is designed to be less than the average annual  
21           household site energy consumption for the cor-  
22           responding type of residential dwelling unit in the  
23           census region where the residential dwelling unit is  
24           located, as measured by the most recent Residential

1 Energy Consumption Survey of the Energy Informa-  
2 tion Administration.

3 (4) INNOVATIVE RESIDENTIAL DWELLING  
4 UNIT.—The term “innovative residential dwelling  
5 unit” means a residential dwelling unit that—

6 (A) is modular, panelized, constructed with  
7 3-D printing technology, or constructed under  
8 a process approved by a State; and

9 (B) is compliant with each building code  
10 that applies to the site on which the residential  
11 dwelling unit is to be located.

12 (5) MODULAR.—The term “modular” means,  
13 with respect to a residential dwelling unit, being  
14 composed of not less than 2 modules built in a fac-  
15 tory, transported to the site of the residential dwell-  
16 ing unit, and attached to the foundation of the resi-  
17 dential dwelling unit.

18 (6) PANELIZED.—The term “panelized” means,  
19 with respect to a residential dwelling unit, being  
20 composed of panels built in a factory, transported to  
21 the site of the residential dwelling unit, and attached  
22 to the foundation of the residential dwelling unit.

23 (7) STATE.—The term “State” means each  
24 State, each federally recognized Indian Tribe, the



- 1 District of Columbia, and each territory or posses-
- 2 sion of the United States.

