

119TH CONGRESS
1ST SESSION

S. 686

To amend the Housing Act of 1949 to permit certain grants to be used
for accessory dwelling units, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 24, 2025

Mr. KING (for himself and Mr. MORAN) introduced the following bill; which
was read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

A BILL

To amend the Housing Act of 1949 to permit certain grants
to be used for accessory 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 “The Farmhouse-to-
5 Workforce Housing Act of 2025”.

6 **SEC. 2. HOUSING PRESERVATION GRANTS.**

7 Section 533 of the Housing Act of 1949 (42 U.S.C.
8 1490m) is amended—

9 (1) in subsection (b)—

1 (A) by redesignating paragraphs (1)
 2 though (7) as subparagraphs (A) through (G),
 3 respectively, and adjusting the margins accord-
 4 ingly;

5 (B) in the matter preceding subparagraph
 6 (A), as so redesignated, by inserting “(1)” be-
 7 fore “Preservation”;

8 (C) in paragraph (1), as so designated—

9 (i) in subparagraph (D), as so redes-
 10 ignated, by striking “, except” and all that
 11 follows through “that structure”;

12 (ii) in subparagraph (F), as so redes-
 13 ignated, by striking “and” at the end;

14 (iii) in subparagraph (G), as so redes-
 15 ignated, by striking the period at the end
 16 and inserting “; or”; and

17 (iv) by adding at the end the fol-
 18 lowing:

19 “(H) be used to provide loans or grants for ac-
 20 cessory dwelling units.”; and

21 (D) by adding at the end the following:

22 “(2) Assistance under this section for single family
 23 housing—

24 “(A) may only be provided with respect to hous-
 25 ing that is not less than 25 years old, as of the date

1 on which the occupancy permit for the housing is
 2 issued; and

3 “(B) to an individual may not exceed \$200,000.

4 “(3) A grantee may not use less than 75 percent of
 5 the assistance provided under this section for single family
 6 housing for the purposes of grants.

7 “(4) Assistance under this section for an accessory
 8 dwelling unit—

9 “(A) may not cover more than 50 percent of
 10 the total cost of the accessory dwelling unit; and

11 “(B) may not exceed \$100,000 (as adjusted for
 12 inflation as described in paragraph (5)).

13 “(5)(A) In this paragraph, the term ‘price index’
 14 means the Consumer Price Index (all items—United
 15 States city average) published monthly by the Bureau of
 16 Labor Statistics.

17 “(B) In the case of any calendar year beginning after
 18 December 31, 2026, the \$100,000 dollar amount de-
 19 scribed in paragraph (4)(B) shall be increased by an
 20 amount equal to—

21 “(i) such dollar amount, multiplied by

22 “(ii) the percentage change in the price index
 23 amount determined by the Secretary of Labor to
 24 represent the percent change in the price index pub-
 25 lished for September of the preceding year over the

1 price index published for the September of the year
 2 prior to the preceding year, adjusted to the nearest
 3 one-tenth of 1 percent.”;

4 (2) in subsection (c)(1)—

5 (A) in the matter preceding subparagraph
 6 (A), by inserting “not more than \$16,000,000
 7 (as adjusted for inflation) of the” after “allo-
 8 cate”; and

9 (B) in the flush text following subpara-
 10 graph (C), by adding at the end the following:
 11 “Any amounts appropriated for this section in
 12 a fiscal year over \$16,000,000 shall be trans-
 13 ferred to States that have committed to grant-
 14 ees all funds allocated to the State under this
 15 subsection.”;

16 (3) in subsection (e), by adding at the end the
 17 following:

18 “(4)(A) Except as provided in subparagraph (B), the
 19 owner of a single-family dwelling unit that uses assistance
 20 under this section for 1 or more accessory dwelling units
 21 shall—

22 “(i) reside in the single-family dwelling
 23 unit or 1 of the accessory dwelling units;

1 “(ii) maintain ownership of the single-fam-
 2 ily dwelling unit and each accessory dwelling
 3 unit;

4 “(iii) ensure that no accessory dwelling
 5 unit is subject to a lease or sublease of less
 6 than 6 months in duration; and

7 “(iv) earn not more than 150 percent of
 8 the area median income.

9 “(B) The requirements under clauses (i) and
 10 (ii) of subparagraph (A) shall cease to be effective
 11 on the earlier of—

12 “(i) the date that is 5 years after the date
 13 on which the final accessory dwelling unit is
 14 available for occupancy; or

15 “(ii) the death of the owner.

16 “(C) If the owner of a single-family dwelling
 17 unit does not meet the requirements under clauses
 18 (i) and (ii) of subparagraph (A), the owner shall re-
 19 turn to the Secretary the full amount of assistance
 20 received under this section.”; and

21 (4) by adding at the end the following:

22 “(j) A recipient of assistance under this section may
 23 use not more than 20 percent of the funds for direct and
 24 indirect administrative costs related to projects carried out
 25 under this section, which—

1 “(1) may include—

2 “(A) payment of reasonable salaries or
3 contracts for professional, technical, and clerical
4 staff actively assisting in the delivery of the
5 project;

6 “(B) payment of necessary and reasonable
7 office expenses such as office rental, supplies,
8 utilities, telephone services, and equipment.,
9 with any item of nonexpendable personal prop-
10 erty having a unit value of \$1,000 or more, ac-
11 quired with funds provided under this section
12 specifically identified to the Secretary in writ-
13 ing;

14 “(C) payment of necessary and reasonable
15 administrative costs such as workers’ compensa-
16 tion, liability insurance, and the employer’s
17 share of Social Security and health benefits,
18 with payments to private retirement funds only
19 permitted if the grantee already has such a
20 fund established and ongoing;

21 “(D) payment of reasonable fees for nec-
22 essary training of grantee personnel;

23 “(E) payment of necessary and reasonable
24 costs for an audit upon expiration of the grant
25 agreement;

1 “(F) other reasonable travel and miscella-
2 neous expenses necessary to accomplish the ob-
3 jectives of the specific grant which were antici-
4 pated in the individual grant proposal and have
5 been approved as eligible expenses at the time
6 of grant approval; and

7 “(G) costs related to landlord education;
8 and

9 “(2) may not include—

10 “(A) preparing housing development plans
11 and strategies except as necessary to accom-
12 plish the specific objectives of the project;

13 “(B) substitution of any financial support
14 previously provided or currently available from
15 any other source;

16 “(C) reimbursing personnel to perform
17 construction related to housing preservation as-
18 sistance;

19 “(D) buying property of any kind from
20 persons receiving assistance from the grantee
21 under the terms of the grant agreement;

22 “(E) paying for or reimbursing the grantee
23 for any expense or debts incurred before the
24 Secretary executes the grant agreement;

1 “(F) paying any debts, expenses, or costs
 2 which should be the responsibility of the indi-
 3 vidual homeowner, owner, tenant or household
 4 member of a rental property, or owner (mem-
 5 ber) or non-member of a co-op receiving assist-
 6 ance under this section outside the costs of re-
 7 pair and rehabilitation as well as for replace-
 8 ment housing (individual homeowners only);

9 “(G) any type of political activities prohib-
 10 ited by the Office of Management and Budget
 11 Circular A–122, or any successor guidance;

12 “(H) other costs including contributions
 13 and donations, entertainment, fines and pen-
 14 alties, interest and other financial costs unre-
 15 lated to the assistance to be provided, legislative
 16 expenses, and any excess of cost from other
 17 grant agreements; or

18 “(I) paying added salaries for employees
 19 paid by other sources.

20 “(k) There are authorized to be appropriated to the
 21 Secretary \$200,000,000 to carry out this section, to re-
 22 main available until expended.

23 “(l) In this section, the term ‘accessory dwelling unit’
 24 means a self-contained dwelling unit—

- 1 “(1) located within, attached to, or detached
2 from a single-family dwelling unit; and
3 “(2) that is located on the same parcel of land
4 as the single-family dwelling unit.”.

