

117TH CONGRESS
1ST SESSION

S. 580

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

IN THE SENATE OF THE UNITED STATES

MARCH 3, 2021

Mrs. FEINSTEIN introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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;

(B) may use grant funds for mixed-use development projects, conversion of non-residential office and retail properties, and other redevelopment requiring changes to land use restrictions; and

(C) shall, to the maximum extent feasible—

(i) provide for the hiring of employees who reside in the vicinity, as such term is defined by the Secretary, of projects funded under this section; or

(ii) contract with small business concerns owned and controlled by socially and economically disadvantaged individuals (as defined in section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(d)(3)(C))) residing in the vicinity of projects funded under this section.

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

(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.

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