

119TH CONGRESS
2^D SESSION

S. 3600

To require the President to declare a national housing emergency and invoke the Defense Production Act to incentivize residential housing production, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 8 (legislative day, JANUARY 7), 2026

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

A BILL

To require the President to declare a national housing emergency and invoke the Defense Production Act to incentivize residential housing production, 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 “National Housing
5 Emergency Act of 2026”.

6 **SEC. 2. SENSE OF CONGRESS.**

7 It is the sense of Congress that—

1 (1) the President should declare a national
2 emergency with respect to housing under section 201
3 of the National Emergencies Act (50 U.S.C. 1621);
4 and

5 (2) to address that emergency, the President
6 should use the authorities provided by the Defense
7 Production Act of 1950 (50 U.S.C. 4531 et seq.) to
8 increase the supply of materials produced in the
9 United States that support the construction and re-
10 habilitation of housing.

11 **SEC. 3. FINDINGS.**

12 Congress finds that—

13 (1) housing is the largest expenditure for most
14 households and accounts for 45 percent of the Con-
15 sumer Price Index;

16 (2) approximately 75 percent of households in
17 the United States are unable to afford a median-
18 priced home with housing demand outpacing avail-
19 able supply;

20 (3) there is a shortage of at least 4,000,000
21 housing units due to low levels of residential con-
22 struction and compounding regulations;

23 (4) the housing unit deficit is projected to in-
24 crease to nearly 10,000,000 units by 2035;

1 (5) the median sales price for existing single-
2 family homes has risen over 50 percent since the
3 onset of the COVID–19 pandemic;

4 (6) rapid increases in rents, combined with
5 slower income growth, worsen housing affordability
6 in metro and nonmetro areas;

7 (7) the share of first-time homebuyers has de-
8 creased to a record low of 21 percent in 2025, with
9 the average age of a first-time homebuyer increasing
10 to a record high of 40 years old;

11 (8) Federal, State, and local overregulation ac-
12 counts for approximately 25 percent of the cost to
13 build a new single-family home;

14 (9) the housing supply shortage compromises
15 the economic and national security of the United
16 States; and

17 (10) investing in closing the housing unit short-
18 fall can unlock nearly 2,000,000 jobs, including over
19 700,000 construction jobs, and add nearly
20 \$2,000,000,000,000 to the gross domestic product
21 through 2035.

22 **SEC. 4. EXPANSION OF DEFENSE PRODUCTION ACT OF 1950**
23 **TO ADDRESS HOUSING.**

24 The Defense Production Act of 1950 (50 U.S.C.
25 4501 et seq.) is amended—

1 (1) in section 2(a)(5) (50 U.S.C. 4502(a)(5)),
2 by inserting “and residential construction and reha-
3 bilitation” after “domestic energy”; and

4 (2) in section 702(14) (50 U.S.C. 4552(14)), by
5 inserting “, housing,” after “programs for military”.

6 **SEC. 5. REMOVING REGULATORY BARRIERS TO HOUSING**
7 **PRODUCTION.**

8 During the period that a national emergency de-
9 scribed in section 2 is in effect—

10 (1) sections 212(d), 218(g), and 220 of the
11 Cranston-Gonzalez National Affordable Housing Act
12 of 1990 (42 U.S.C. 12742(d), 12748(g), 12750),
13 and any regulation or guidance implementing those
14 sections, shall have no force or effect;

15 (2) section 108(e) of the Community Develop-
16 ment Banking and Financial Institutions Act of
17 1994 (12 U.S.C. 4707(e)), and any regulation or
18 guidance implementing that section related to hous-
19 ing development, shall have no force or effect;

20 (3) no housing preservation or infill project
21 funded by the Department of Housing and Urban
22 Development shall be subject to any Federal envi-
23 ronmental review requirements;

24 (4) notwithstanding any other provision of law,
25 if more than 1 Federal program is used for the de-

1 velopment or rehabilitation of housing, including any
2 Federal agency action that contributes to the devel-
3 opment or rehabilitation of housing, only 1 environ-
4 mental review shall be carried out for the project
5 pursuant to the National Environmental Policy Act
6 of 1969 (42 U.S.C. 4321 et seq.);

7 (5) a choice limiting action described in section
8 58.22 of title 24, Code of Federal Regulations, or
9 any successor regulation, shall be permitted for any
10 housing project funded by the Department of Hous-
11 ing and Urban Development;

12 (6) any provision of law (including regulations)
13 or guidance that prohibits the duplication of benefits
14 under community development block grant disaster
15 recovery grants for the development or rehabilitation
16 of housing, including section 312 of the Robert T.
17 Stafford Disaster Relief and Emergency Assistance
18 Act (42 U.S.C. 5155), shall have no force or effect;
19 and

20 (7) the Secretary of Housing and Urban Devel-
21 opment and the Director of the Office and Manage-
22 ment and Budget shall expedite the waiver process
23 under section 70914 of the Build America, Buy
24 America Act (Public Law 117–58; 135 Stat. 1298)
25 such that the Secretary is required to complete the

1 waiver process within 30 days of publishing a writ-
2 ten justification under subsection (c) of such section
3 70914, and if the Secretary does not complete the
4 review within that timeframe, the waiver shall be
5 deemed to be issued.

6 **SEC. 6. MINIMUM RESIDENTIAL CODE STANDARD.**

7 During the period that a national emergency de-
8 scribed in section 2 is in effect, housing constructed or
9 rehabilitated shall meet the requirements of—

10 (1) the 2009 International Residential Code, or
11 an equivalent code, including amendments adopted
12 by State, local, Indian tribal, or territorial govern-
13 ments for site-built housing; or

14 (2) part 3280 of title 24, Code of Federal Reg-
15 ulations, for manufactured housing.

16 **SEC. 7. PRO-GROWTH REQUIREMENT.**

17 (a) IN GENERAL.—Not later than 30 days after the
18 date of enactment of this Act, the Undersecretary for Pol-
19 icy Development and Research at the Department of
20 Housing and Urban Development and the Undersecretary
21 for Policy at the Department of Transportation shall es-
22 tablish a funding condition to be known as the “Pro-
23 Growth Requirement”, which shall be applied as a re-
24 quired funding condition in order for a State or unit of
25 general local government to receive Federal block grant

1 funding, such as surface transportation block grant pro-
2 gram funding under section 133 of title 23, United States
3 Code, during the period that a national emergency de-
4 scribed in section 2 is in effect.

5 (b) FACTORS.—The following factors shall be met in
6 order for a grantee to be in compliance with the Pro-
7 Growth Requirement described in subsection (a):

8 (1) A positive level of housing growth measured
9 against the previous year based on the Building Per-
10 mit Survey and the Address Count Listing Files
11 published by the Bureau of the Census within the
12 jurisdiction of the grantee.

13 (2) The grantee has taken action to remove
14 barriers to housing development and rehabilitation,
15 such as—

16 (A) reducing minimum lot size require-
17 ments;

18 (B) allowing manufactured homes in areas
19 zoned for single-family residential homes;

20 (C) eliminating or reducing off-street park-
21 ing requirements;

22 (D) allowing duplexes, triplexes, or
23 fourplexes in areas zoned for single-family resi-
24 dential homes;

25 (E) establishing density bonuses;

1 (F) allowing a single staircase for residen-
2 tial structures up to 5 stories;

3 (G) enacting high-density single-family and
4 multifamily zoning;

5 (H) streamlining or shortening permitting
6 processes and timelines;

7 (I) allowing the conversion of office units
8 into residential units;

9 (J) donating vacant public land for afford-
10 able housing development;

11 (K) allowing accessory dwelling units, in-
12 cluding detached accessory dwelling units, on all
13 lots with single-family homes;

14 (L) establishing transit-oriented develop-
15 ment zones;

16 (M) using property tax abatements to en-
17 able higher residential density; or

18 (N) enacting and implementing other laws
19 or rules with a positive anticipated impact on
20 housing supply.

21 (3) The comprehensive housing affordability
22 strategy and community development plan issued by
23 the grantee under part 91 of title 24, Code of Fed-
24 eral Regulations, or any successor regulation (com-

1 monly referred to as a “consolidated plan”) identi-
2 fies clear, measurable objectives for housing growth.

3 (c) APPEAL PROCESS.—A grantee described in sub-
4 section (a) is allowed an appeal process relating to compli-
5 ance with the Pro-Growth Requirement described in that
6 subsection with the agency distributing an applicable
7 grant if the recipient can display measurable actions taken
8 to increase housing supply and growth within their juris-
9 diction.

10 **SEC. 8. PROHIBITION.**

11 During the period that a national emergency de-
12 scribed in section 2 is in effect, no State or unit of general
13 local government shall impose or implement a land-use
14 regulation in a manner that imposes a substantial burden
15 on the construction or rehabilitation of residential hous-
16 ing.

17 **SEC. 9. TERMINATION.**

18 A national emergency described in section 2 shall ter-
19minate on the earlier of—

20 (1) the date on which 4,000,000 additional resi-
21 dential housing units, as compared to the date of en-
22 actment of this Act, are constructed or rehabilitated
23 in the United States; or

24 (2) October 1, 2031.

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