Introduction to the 21st Century ROAD to Housing Act

October 27, 2026

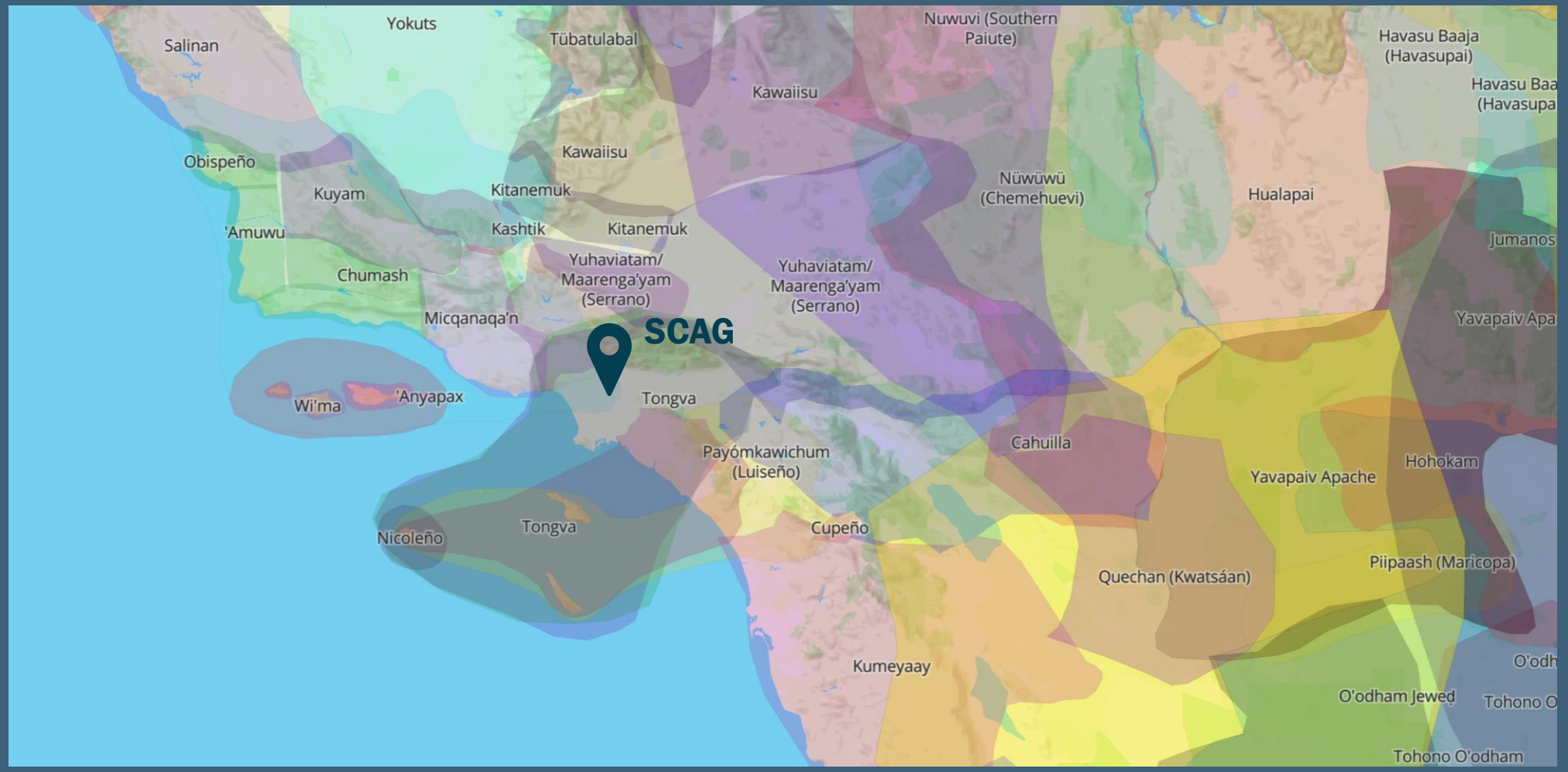
Toolbox Tuesday

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Housekeeping

1. Meeting length: 1.5 hour
2. This meeting is being recorded
3. All participant lines will be muted
4. At the end, there will be a Q&A session
5. If you have a question during the presentation, please type it into the chat box or press the "raise hand" function
6. We will log all questions and then voice a selection at the end of the presentation
7. Closed captioning can be turned on by clicking “Show captions” on the Zoom ribbon
8. A recording of this webinar and the PowerPoint slides will be available on the SCAG website. We will send a link to everyone who has registered after the event
9. Please fill out our survey at the end to help us improve future Toolbox Tuesdays!

Land Acknowledgement





Introduction to the 21st Century ROAD to Housing Act

Leslie Pollner, Senior Managing Director
Adrianna Williams, Policy Advisor
Manatt, Phelps & Phillips

Agenda

01 Overview

02 New Programs

03 Reforms to Existing Programs

04 Timing & Next Steps

Overview

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21st Century ROAD to Housing Act Became Law on July 11, 2026

- The 21st Century ROAD to Housing Act became law on July 11 after House Speaker Mike Johnson (R-LA) transmitted the bill to President Trump on June 29, triggering a 10-day review period.
- Because the President neither signed nor vetoed the bill during that period, the bill became law.
- **While passage of the bill was significant, more action is needed for the bill's programs to be fully implemented.**

What the Law Contains

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Housing-related provisions designed to reshape federal housing policy that aim to:

- Streamline federal reviews for housing projects
- Modernize federal housing programs
- Incentivize local governments to address barriers to housing development
- Expand veterans' access to federal housing programs

> **The provisions are not self-executing.**
>
> Federal agencies — led primarily by the Department of Housing and Urban Development (HUD) — must complete significant implementation actions before many reforms can take effect.

Implementation Actions

124 Implementation actions → **88** led by HUD → **58** due in the first year

HUD's ability to carry out these implementation actions may be constrained by recent staffing reductions, such as:

Policy Development & Research

−27% staffing since FY 2025

Responsible for about 60% of reports and 58% of notices due in year one.

Office of General Counsel

−35% staffing since FY 2025

This office must review every implementation action before HUD publishes the action.

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Implementation Actions: Rulemakings

New rulemakings add to an already crowded rulemaking agenda.

9

Formal rulemakings

The law directs HUD to publish 9 rulemakings, adding to HUD's existing workload.

54

Rules already in development

Proposed and final rules listed in HUD's Summer 2026 Unified Agenda.

~4

Significant rules per year

Average interim or final rules completed during the previous presidential administration.

Recent Implementation Updates

July 11 — The 21st Century ROAD to Housing Act became law.

August 13 — The Department of Housing and Urban Development (HUD) issued a notice with CDBG-DR formula allocation methodologies. HUD listed several potential formula modifications it is considering.

September 9 — HUD missed the deadline to inform localities of Build Now Housing Growth Improvement Rate.

September 30 — HUD and USDA signed a MOU to ease environmental and inspection requirements for housing.

October 7 — HUD announces Next Generation Manufactured Housing Plan.

October 23 — Treasury issues NPRM to implement Section 1001, which restricts institutional investors from purchasing single-family homes.

New Programs

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New Programs Overview

- The legislation authorizes 11 new programs that could impact local governments, nine of which will require congressional appropriations before HUD can release Notice of Funding Opportunities (NOFOs).

- Because the legislation sunsets many of these new programs after a few years, delays in securing appropriations or agency implementation could significantly reduce the timeframe in which these programs can operate.

- For example, both the Temperature Sensor Pilot (Sec. 106) and the Reforming Disaster Recovery Act/CDBG-DR (Sec. 504) are scheduled to sunset on July 11, 2029, just three years after enactment.

- It should also be noted that the law only authorizes specific funding levels for some programs, while other programs are authorized without a specific funding amount.

Sec. 102: Point Access Block Building Grants

WHAT IT DOES

This section requires HUD to establish best practices and provide technical assistance to state and local entities to support permitting and building code approval for point-access block buildings (i.e., apartments with a single staircase to access the dwelling units and that are no more than six stories high).

This provision can increase the use of existing, infill development where there are not large plots of land available for multi-family housing. HUD may award competitive grants for pilot projects testing the safety, feasibility, or effectiveness of single-stair multifamily buildings.

Eligible entities include state, local, and Tribal governments; public housing authorities; nonprofit and community development organizations; private developers; construction, design, and engineering firms; academic and research institutions; and partnerships of two or more of these entities.

This section requires appropriations, but the text does not specify an authorized amount.

KEY DATES

January 11, 2028: Deadline for HUD to issue federal point-access block building guidelines.

July 11, 2031: Point Access Block Building Grants sunsets.

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Sec. 207: Grants for Planning and Implementation Associated with Affordable Housing

WHAT IT DOES

This section establishes a new competitive grant pilot program to support planning and implementation activities for affordable housing. These activities include updating regulatory processes, increasing capacity to conduct inspections, and coordinating housing development with transportation planning.

This program's design is similar to the PRO Housing Grant Program, which has received up to $100 million in prior appropriations years.

Eligible entities include state and local governments, insular areas, urban counties, and regional planning agencies.

This section requires appropriations, but the text does not specify an authorized amount.

KEY DATES

July 11, 2027: Deadline for HUD to establish the program.

July 11, 2031: Grants for Planning and Implementation Associated with Affordable Housing sunsets.

Sec. 208: Innovation Fund

WHAT IT DOES

This section authorizes a $200 million annual competitive grant program for each of the fiscal years 2027 through 2031 for local governments and tribes that demonstrate measurable increases in housing supply. Individual grants will range from $250,000 to $10,000,000.

An eligible entity receiving an Innovation Fund grant may use the funds to carry out activities including, but not limited to, initiatives that facilitate the expansion of the supply of attainable housing, the installation of public works facilities, housing services, development of energy use strategies, and public transportation projects.

This program sunsets after seven years and will require appropriations.

KEY DATES

July 11, 2027: Deadline for HUD to establish the program.

July 11, 2033: Innovation Fund program sunsets.

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Sec. 210: RESIDE Act

WHAT IT DOES

This section creates a pilot program to help local governments convert vacant commercial and industrial buildings into housing, prioritizing economically distressed areas and Opportunity Zones. The pilot program will offer grants to supplement existing HOME formula funding.

Eligible uses of funding under the RESIDE Act include acquisition of abandoned properties at market value, site cleanup and preparation, weatherization and energy efficiency upgrades, major infrastructure repairs such as plumbing, HVAC, and sewer systems, and construction necessary to create affordable housing.

If the program is authorized for $100 million per fiscal year, individual grants will range from $1 million - $10 million. If the fiscal year funding is less than $100 million, the Secretary must try to award as many grants as possible.

KEY DATES

FY 2027: HUD to establish the pilot program.

September 30, 2031: RESIDE Act sunsets.

Sec. 304: PRICE Act Grants

WHAT IT DOES

This section authorizes HUD's Preservation and Reinvestment Initiative for Community Enhancement (PRICE) program for seven years to provide grants to maintain, protect, and stabilize manufactured housing and manufactured housing communities. The PRICE grant program provides funding for the construction of and improvements to manufactured homes and communities.

About 18 million Americans live in manufactured homes, including approximately 8.5 million senior or low-income residents.

Eligible entities include state and local governments; housing authorities; certain manufactured housing communities; and certified CDFIs.

This section requires appropriations, but the text does not specify an authorized amount.

KEY DATES

July 11, 2027: HUD to publish a notice establishing application requirements.

July 11, 2033: PRICE Act sunsets.

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Sec. 404: Helping More Families Save Pilot

WHAT IT DOES

This section authorizes a pilot program under HUD's Family Self-Sufficiency initiative that will test and evaluate an opt-out approach to the Family Self-Sufficiency (FSS) program, among other program changes. The pilot, unlike underlying FSS, does not rely on HUD-funded FSS coordinators to act as caseworkers, instead allowing private owners and public housing authorities (PHAs) to establish and calculate the interest-bearing escrow accounts using standard HUD income recertification data.

Families are eligible if they receive assistance under Sections 8 or 9. Up to 25 entities serving no more than 5,000 families may participate in the program. Eligible entities include public housing agencies and private owners of projects receiving Section 8 project-based rental assistance.

This section requires appropriations, but the text does not specify an authorized amount.

KEY DATES

July 11, 2027: HUD to establish the pilot program.

July 11, 2036: Helping More Families Save Pilot sunsets.

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Sec. 504: Reforming Disaster Recovery Act/CDBG-DR

WHAT IT DOES

This section authorizes the Community Development Block Grant-Disaster Recovery (CDBG-DR) program for three years. The CDBG-DR program is a critical mechanism for local governments to rebuild disaster-impacted areas and start the long-term recovery process.

This section also establishes the Office of Disaster Management and Resiliency within HUD to administer the CDBG-DR program.

Although this section does not authorize a specific funding level, implementation will require appropriations, formal rulemaking, and HUD action.

Eligible entities include state and local governments. The maximum award is $5,000,000.

KEY DATES

August 13, 2026: HUD issued a notice with CDBG-DR formula allocation methodologies.

January 11, 2027: Deadline for HUD to issue a proposed consolidated set of implementing regulations.

July 11, 2027: Deadline for HUD to issue final implementing regulation.

July 11, 2029: Reforming Disaster Recovery Act sunsets.

Sec. 1001: Homes are for People, Not Corporations

WHAT IT DOES

This section prohibits large institutional investors that invest in single-family homes (and have investment control of at least 350 such homes in aggregate) from purchasing additional single-family homes. The section authorizes specified agencies to issue rules to implement the prohibition.

Large institutional investors must notify HUD they meet the definition of large institutional investor, identifying how many single-family homes they have direct or indirect investment control of and their location unless the investor owns 10 or fewer single-family homes in a given city (and no later than December 31 annually thereafter).

KEY DATES

October 23, 2026: Treasury issues NPRM to clarify exceptions and safe harbors.

Public comments due November 23, 2026.

January 7, 2027: Institutional investor purchase ban takes effect.

Reforms to Existing Programs

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Reforms to Existing Programs Overview

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The legislation includes 16 reforms to existing federal housing programs that are likely to impact local governments. Implementing these reforms will require substantial HUD action, including rulemakings, reports, notices, guidance documents, and administrative actions.

HUD May Have to Issue:

Rulemakings	Reports	Notices	Guidance	Administrative actions

Sec. 104: Database of Publicly Owned Land

WHAT IT DOES

This section requires all CDBG recipients to publish a searchable, publicly accessible online database of undeveloped land parcels owned by the grantee. It also allows grantees to use their CDBG funds to comply with the new database requirement.

October 1, 2026 (FY 2027) is the start of the grant year in which this requirement applies — grantees do not have to have the database fully built by that date, but it must be ready before executing their FY 2027 grant agreements, which are expected in spring or summer 2027. HUD is reportedly developing guidance on format and data requirements. Importantly, CDBG funds may be used to create and maintain the database.

KEY DATES

October 1, 2026: Requires all CDBG recipients to publish a searchable, publicly accessible online database of undeveloped land parcels owned by the grantee.

Sec. 201: Increasing Housing in Opportunity Zones

WHAT IT DOES

This section enables the HUD Secretary to give added weight to applicants for competitive HUD grants that are located in, or primarily serve, designated Opportunity Zones to support housing preservation and construction.

KEY DATES

Effective upon enactment.

Sec. 204: Addition of Affordable Housing Construction as an Eligible Activity

WHAT IT DOES

This section adds new construction as an eligible use under HUD's CDBG program. CDBG grantees may allocate up to 20% of their annual grant on new construction activities. This provision applies only to post-enactment appropriations.

KEY DATES

Effective upon enactment.

Sec. 205: BUILD Housing Act

WHAT IT DOES

This section authorizes HUD to treat certain housing assistance as "special projects" to help streamline NEPA compliance and expands HUD's authority to delegate certain environmental review responsibilities to states, local governments, and tribes.

This section also directs HUD to review the application of Build America, Buy America (BABA) rules on affordable housing projects and to issue updated guidance.

HUD may implement changes through a Federal Register notice or updated guidance.

KEY DATES

Effective upon enactment.

Sec. 206: Unlocking Housing Supply Through Streamlined and Modernized Reviews Act

WHAT IT DOES

This section streamlines the NEPA review process for small and infill housing projects by expanding categorical exclusions, including rehabilitation of residential buildings with one to four units, small-scale new construction and redevelopment projects involving up to four dwelling units.

The section also requires HUD to expand and reclassify activities as "exempt activities" under NEPA, including tenant-based rental assistance, supportive services and homelessness assistance, housing operating costs, certain economic development activities not involving construction, and homebuyer assistance such as down payment assistance and interest rate buydowns.

This section will require a HUD rulemaking and report.

KEY DATES

July 11, 2028: First annual report to Congress due, with annual reports required for 5 years thereafter.

Sec. 212: Rental Assistance Demonstration Program

WHAT IT DOES

This section increases the cap for the Rental Assistance Demonstration (RAD) program by 100,000 units, from 455,000 to 555,000, as well as codifies tenant protections by implementing adoption of a mandatory tenant lease and management plan addendum for covered properties.

The section also requires HUD to annually assess and publish findings regarding the impact of the conversion under RAD component one, the amount of private-sector funds leveraged, the prevalence of pre-conversion residents remaining in or returning to the property after conversion, and the conversion's effect on tenants.

This section will require HUD guidance, administrative action, and reporting.

KEY DATES

Effective upon enactment.

Sec. 213: Build Now Act

WHAT IT DOES

This section ties some localities' Community Development Block Grant (CDBG) funding to their housing production, including boosting localities' funding when they build more housing and adjusting it modestly for those that do not. Several categories of grantees are exempt from this provision entirely.

CDBG recipients with a housing growth improvement rate at or above the median, or annual, rate of at least 4 percent, would be considered an "extremely high-growth recipient" and receive bonus funding in addition to their regular allocation. The bonus is reallocated funding from recipients whose allocations were reduced and is distributed among "extremely high-growth recipients" based on the number of housing units each qualifying jurisdiction added relative to other bonus recipients.

Conversely, recipients with a housing growth improvement rate below the median, or annual, rate for all eligible recipients other than high-growth outliers will see their allocation decreased by 10 percent.

The allocation of bonuses or funding reductions will begin in the third full fiscal year after enactment and run through fiscal year 2043. This reform does not require appropriations or formal rulemaking but will require HUD to publish a notice and report.

KEY DATES

September 9, 2026: HUD misses deadline to inform localities of Build Now Housing Growth Improvement Rate.

FY 2030: CDBG funding adjustments based on housing production begin.

September 30, 2043: Sunsets.

Sec. 301: Housing Supply Expansion Act

WHAT IT DOES

This section updates the federal definition of manufactured housing to include units not built on a permanent chassis to encourage innovation. The chassis definition change is self-executing upon enactment, but HUD must issue revised construction and safety standards for homes built without a permanent chassis through a rulemaking.

The section also ensures no energy efficiency standards for manufactured housing take legal effect until adopted by HUD. HUD has up to one year after the bill's enactment to adopt minimum energy efficiency standards for manufactured homes and must update those standards at least once every three years.

KEY DATES

October 7, 2026: HUD released its Next Generation Manufactured Housing Plan.

July 11, 2027: States must submit parity certifications and HUD must complete an energy-efficiency rulemaking. Rule updates required at least every three years thereafter.

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Sec. 501: HOME Investment Partnerships Reauthorization and Reform Act

WHAT IT DOES

This section reforms and reauthorizes the HOME Program and establishes statutory National Environmental Policy Act (NEPA) exemptions for certain housing activities, including infill development, acquisition of real property for affordable housing, certain rehabilitation projects, and new construction of 15 units or fewer.

This section also directs HUD to review the implementation of Build America, Buy America (BABA) requirements and to update its guidance to clarify the application of these requirements for HOME-funded projects.

Although this section does not require appropriations, implementation will require formal rulemaking, HUD guidance, administrative action, and a report.

KEY DATES

January 7, 2027: Build America, Buy America (BABA) implementation review due.

April 7, 2027: Report to Congress on BABA review and guidance.

July 11, 2027: Two BABA implementing rulemakings due.

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Sec. 503: Incentivizing Local Solutions to Homelessness

WHAT IT DOES

This section allows states and localities that receive HUD's Emergency Solutions Grant (ESG) funding to request a waiver of the statutory 60 percent spending cap on emergency shelter beds and street outreach. The waiver authority is available for FY 2027 through FY 2030.

ESG recipients can now request the waiver. Cities with unmet emergency shelter demand above the 60% threshold should move now.

This section will require HUD guidance.

KEY DATES

October 1, 2026: ESG waiver authority begins applying to FY 2027 – FY 2030 grant funds.

Timing & Next Steps

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Implementation Calendar

DATE	§	ACTION / DEADLINE	LEAD
Aug 10, 2026	§504	HUD issues CDBG-DR formula allocation notice — review for disaster recovery implications	*HUD CPD*
Sep 9, 2026	§213	HUD notifies each city of its housing growth improvement rate — baseline for future CDBG adjustments	*HUD CPD*
Oct 1, 2026	§104	FY2027 grant year begins — land database must be ready before FY2027 grant agreement execution (expected spring/summer 2027). CDBG funds may be used to build the database. Watch for HUD guidance.	*City Comm. Dev.*
Jan 7, 2027	§106	HUD establishes Temperature Sensor Pilot eligibility — city PHAs can apply for grants	*HUD / Local PHA*
Jan 7, 2027	§501	HUD completes BABA review for HOME — guidance issued 90 days after; HOME staff should prepare	*City HOME Grantee*
Jan 7, 2027	§1001	INSTITUTIONAL INVESTOR BAN TAKES EFFECT. HUD launches renter hotline. Investors must register.	*Monitor market*
Jan 11, 2027	§601	FHFA directs Fannie/Freddie to add VA loan disclosure to URLA — relevant to local housing counselors	*FHFA*
Jan 11, 2027	§504	HUD issues proposed rule on CDBG-DR — engage in comment process	*City CDBG-DR staff*
Mar 8, 2027	§403	HUD issues mortgagee letter on appraiser eligibility standards — affects local FHA lending volume	*HUD FHA*
Apr 7, 2027	§401-402	CFPB reports on small-dollar mortgage originator compensation and points/fees	*CFPB / Monitor*

Source: The United States Conference of Mayors

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Implementation Calendar

DATE	§	ACTION / DEADLINE	LEAD
Jul 11, 2027	§208	HUD establishes Innovation Fund ($200M/year). GRANT APPLICATIONS OPEN. Prepare housing supply data now.	*City Grants Team*
Jul 11, 2027	§207	HUD establishes Planning and Implementation Grant Program. Coordinate with regional planning agency.	*City Planning*
Jul 11, 2027	§501	HUD issues HOME modernization rules. Comment period opportunity — coordinate with USCM.	*City HOME Grantee*
Jul 11, 2027	§805	HUD requires all PHAs to publicly disclose contracts online. Ensure your PHA is compliant.	*City PHA*
Jul 11, 2027	§504	HUD issues final rule on CDBG-DR. Engage actively if city has recent disaster declarations.	*HUD CPD*
Jul 11, 2028	§107	HUD publishes draft voluntary zoning guidelines and convenes advisory task force — seek representation	*City Planning*
Oct 1, 2028	§213	CDBG allocation adjustments based on housing production begin (through FY2043)	*City CDBG/Planning*
Jul 11, 2029	§107	HUD issues final voluntary zoning guidelines — review for alignment with your comprehensive plan	*City Planning*
Sep 30, 2030	§503	ESG 60% CAP WAIVER AUTHORITY EXPIRES. All waiver requests must be submitted before this date.	*City CoC / ESG*

Source: The United States Conference of Mayors

Implementation Calendar

DATE	§	ACTION / DEADLINE	LEAD
Oct 1, 2031	§202	Whole-Home Repairs Pilot sunsets. Secure any pending applications well before this date.	*City Housing*
Sep 30, 2031	§210	RESIDE Conversion Grant Pilot sunsets. Submit applications well in advance.	*City Planning/Housing*
Jul 11, 2033	§208	Innovation Fund sunsets — seven-year window. Maximize grant applications throughout.	*City Grants Team*
Jan 7, 2042	§1001	Institutional investor purchase ban terminates after 15-year window.	*Monitor*

Source: The United States Conference of Mayors

Steps Stakeholders Can Take

- Direct housing or community development departments to compile a complete inventory of undeveloped city-owned parcels (Sec. 104)
- Review the current CDBG Action Plan to identify projects or re-programming opportunities for new construction partnerships (Sec. 204)
- Prepare housing or community development departments for changes to CDBG allocations based on the locality's housing growth improvement rate (Sec. 213)
- Pursue an Emergency Solutions Grant Waiver if the locality has unmet emergency shelter demand above the 60% threshold (Sec. 503)
- Determine whether to pursue federal appropriations advocacy (Secs. 102, 106, 202, 207, 208, 210, 304, 404, 504)

Source: The United States Conference of Mayors

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Questions?

Tell us how we did!

Take a quick 2-minute survey to help us improve future Toolbox Tuesdays!

