

118TH CONGRESS
2D SESSION **H. R. 10171**

To encourage local government reform of zoning and permitting to enhance housing affordability and economic growth, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 19, 2024

Mr. SMITH of Washington introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Ways and Means, and Science, Space, and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To encourage local government reform of zoning and permitting to enhance housing affordability and economic growth, 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 **TITLE I—ZONING AND**
4 **PERMITTING REFORM**

5 **SECTION 1. SHORT TITLE.**

6 This Act may be cited as the “Prefabricated Housing
7 and Zoning Enhancement Act of 2024”.

1 **SEC. 2. ZONING AND PERMITTING REFORM INCENTIVE**
2 **GRANT PROGRAM.**

3 (a) CONGRESSIONAL FINDINGS.—The Congress finds
4 that—

5 (1) restrictive zoning and permitting processes
6 contribute to housing shortages and inflated housing
7 costs, and hinder economic development; and

8 (2) encouraging local governments to reform
9 zoning and permitting practices can increase housing
10 supply, improve affordability, and stimulate local
11 economies.

12 (b) ESTABLISHMENT.—The Secretary of Housing
13 and Urban Development shall, not later than 1 year after
14 the date of the enactment of this section, establish and
15 carry out a grant program to provide financial incentives
16 to units of local government that implement zoning re-
17 forms and permitting reforms.

18 (c) ELIGIBILITY.—

19 (1) IN GENERAL.—To be eligible to receive a
20 grant under this section, a unit of local government
21 shall—

22 (A) enact zoning and permitting reforms
23 during the 18-month period before the date of
24 application; and

1 (B) submit an application at such time and
2 in such manner as the Secretary may reason-
3 ably require that includes a description of—

4 (i) any zoning and permitting reforms
5 enacted by such unit of local government
6 in the previous 18 months;

7 (ii) how such reforms are expected to
8 increase housing supply and make the
9 housing supply more affordable; and

10 (iii) how the unit of local government
11 intends to monitor the impacts of such
12 zoning and permitting reforms.

13 (2) APPROVAL BY SECRETARY.—The Secretary
14 may only award grants under this section to a unit
15 of local government with zoning and permitting re-
16 forms that the Secretary determines will actively in-
17 crease housing supply and make the housing supply
18 more affordable.

19 (d) PRIORITY.—The Secretary shall give priority to
20 applicants based on the extent to which—

21 (1) the zoning and permitting reforms adopted
22 by an applicant—

23 (A) significantly increase the potential for
24 development of affordable housing and housing
25 for middle-income households;

1 (B) reduce barriers to the conversion of
2 non-residential buildings to residential use;

3 (C) implement expedited permitting proc-
4 esses for housing developments; and

5 (D) encourage mixed-use development and
6 higher-density zoning near transportation hubs;
7 and

8 (2) the applicant has—

9 (A) established partnerships with commu-
10 nity land trusts;

11 (B) provided funding, land, or other sup-
12 port for community land trust initiatives; and

13 (C) used innovative methods to integrate
14 community land trust models into housing and
15 community development strategies, including
16 inclusionary zoning policies that facilitate com-
17 munity land trust projects and tax incentives
18 for land donations to community land trusts.

19 (e) USE OF GRANT AMOUNTS.—Amounts from a
20 grant under the program under this section may be used
21 by a unit of local government only for—

22 (1) infrastructure improvements related to in-
23 creased housing development;

24 (2) technical assistance and capacity building
25 for local planning and development agencies; and

1 (3) establishing or enhancing community en-
2 gagement and consultation processes related to zon-
3 ing and permitting reforms.

4 (f) TECHNICAL ASSISTANCE.—The Secretary shall
5 provide technical assistance to units of local government
6 awarded grants under this section to assist such units of
7 local government in—

8 (1) fostering successful partnerships with com-
9 munity land trusts;

10 (2) developing projects; and

11 (3) engaging with the community.

12 (g) SUPPLEMENTAL COMMUNITY LAND TRUST
13 AMOUNTS.—

14 (1) IN GENERAL.—Each unit of local govern-
15 ment awarded a grant under this section shall be eli-
16 gible to receive additional amounts from the Sec-
17 retary to be used by the unit of local government to
18 support the establishment and expansion of commu-
19 nity land trusts.

20 (2) USE OF AMOUNTS.—Supplemental amounts
21 provided under this subsection may only be used
22 for—

23 (A) local capacity building activities of a
24 local community land trust;

1 (B) land acquisition by a local community
2 land trust;

3 (C) project development by local commu-
4 nity land trust; or

5 (D) other operation needs of a local com-
6 munity land trust.

7 (3) PRIORITY.—When providing supplemental
8 amounts under this subsection, the Secretary shall
9 give priority to units of local government that can
10 demonstrate a history of supporting and collabo-
11 rating with community land trusts.

12 (4) AUTHORIZATION OF APPROPRIATIONS.—

13 (A) IN GENERAL.—There is authorized to
14 be appropriated to the Secretary such sums as
15 are necessary to provide supplemental amounts
16 under this subsection.

17 (B) AVAILABILITY OF AMOUNTS.—Any
18 amounts appropriated pursuant to this para-
19 graph shall remain available until expended.

20 (h) REPORTS.—

21 (1) IN GENERAL.—Each unit of local govern-
22 ment that receives a grant under this section shall,
23 each year, submit a report to the Secretary that in-
24 cludes such information as the Secretary determines
25 necessary to evaluate the impacts of the zoning and

1 permitting reforms enacted by the unit of local gov-
2 ernment.

3 (2) ADDITIONAL REQUIREMENT.—Each unit of
4 local government that receives supplemental
5 amounts under subsection (g) shall include, in the
6 annual report required under this section, informa-
7 tion about the efforts of such unit of local govern-
8 ment to promote and collaborate with community
9 land trusts, the outcomes of such efforts, and any
10 barriers encountered by such unit of local govern-
11 ment.

12 (3) REPORT TO CONGRESS.—The Secretary
13 shall compile the reports submitted pursuant to
14 paragraph (1) and submit a compilation of such re-
15 ports to the Congress each year that includes—

16 (A) an evaluation of efforts of community
17 land trust initiatives supported with amounts
18 provided under subsection (g) and how such ef-
19 forts promote long-term affordable housing and
20 sustainable community development; and

21 (B) any recommendations the Secretary
22 may have for further legislative or administra-
23 tive action to encourage zoning and permitting
24 reform.

1 (i) BEST PRACTICES.—The Secretary shall dissemi-
2 nate best practices and guidelines to units of local govern-
3 ment that receive grants under this section relating to the
4 integration of community land trust models into local
5 housing strategies, including mechanisms for ensuring
6 long-term affordability and community stewardship of
7 land.

8 (j) AUTHORIZATION OF APPROPRIATIONS.—

9 (1) IN GENERAL.—There is authorized to be
10 appropriated for grants under this section
11 \$10,000,000,000 for fiscal year 2025 and each fiscal
12 year thereafter.

13 (2) AVAILABILITY OF AMOUNTS.—Any amounts
14 appropriated pursuant to this subsection shall re-
15 main available until expended.

16 (k) DEFINITIONS.—For purposes of this section, the
17 following definitions shall apply:

18 (1) COMMUNITY LAND TRUST.—The term
19 “community land trust” means a nonprofit organiza-
20 tion that—

21 (A) acquires and holds land for the benefit
22 of the community and operates under commu-
23 nity governance to ensure long-term steward-
24 ship of land; and

1 (B) provides affordable housing opportuni-
2 ties through long-term ground leases, which are
3 subject to community accountability measures
4 and deed restrictions to maintain affordability
5 and compliance with community objectives.

6 (2) PERMITTING REFORM.— The term “permit-
7 ting reform” means a modification of permit-related
8 processes that has the effect of significantly decreas-
9 ing the amount of time associated with obtaining
10 construction or development approvals from a unit
11 of local government.

12 (3) SECRETARY.—The term “Secretary” means
13 the Secretary of Housing and Urban Development.

14 (4) UNIT OF LOCAL GOVERNMENT.— The term
15 “unit of local government” means any city, county,
16 town, township, parish, village, or other general pur-
17 pose subdivision of a State.

18 (5) ZONING REFORM.—The term “zoning re-
19 form” means a modification to local land use regula-
20 tions that has the effect of increasing housing capaci-
21 ty and diversity of housing ownership.

1 **TITLE II—PREFABRICATED**
2 **HOUSING INCENTIVES PRO-**
3 **GRAMS**

4 **SEC. 201. GRANT PROGRAM.**

5 (a) IN GENERAL.—The Secretary of Housing and
6 Urban Development shall, not later than 1 year after the
7 date of the enactment of this title, establish a grant pro-
8 gram to provide financial assistance to eligible entities.

9 (b) ELIGIBLE ENTITY.—The term “eligible entity” in
10 this section means—

11 (1) a company that manufactures modular
12 housing, panelized housing, or manufactured hous-
13 ing components;

14 (2) a developer utilizing prefabricated housing
15 in their projects; or

16 (3) an organization supporting the prefab-
17 ricated housing supply chain.

18 (c) USE OF AMOUNTS.—Amounts awarded under this
19 section shall be used by an eligible entity for 1 or more
20 projects that will—

21 (1) demonstrate the potential to increase af-
22 fordable housing stock;

23 (2) utilize sustainable building practices;

24 (3) create jobs in the prefabricated housing sec-
25 tor; and

1 (4) contribute to the advancement of prefab-
2 rication technologies.

3 (d) APPLICATION PROCESS.—

4 (1) SUBMISSION.—To be eligible to receive
5 amounts under this section, an eligible entity shall
6 submit an application to the Secretary, at such a
7 time and in such a manner as the Secretary may
8 reasonably require, that describes the scope, objec-
9 tives, budget, timeline, and expected outcomes of the
10 project for which such eligible entity shall use any
11 amounts provided under this section.

12 (2) REVIEW AND APPROVAL.—Each application
13 received by the Secretary shall be reviewed by a
14 panel of experts, to be selected by the Secretary,
15 who shall evaluate such applications on criteria in-
16 cluding—

17 (A) innovation;

18 (B) feasibility;

19 (C) impact on affordable housing; and

20 (D) alignment with the goals of the pro-
21 grams under this title.

22 (e) AUTHORIZATION OF APPROPRIATIONS.—

23 (1) IN GENERAL.—There is authorized to be
24 appropriated to the Secretary \$30,000,000,000 for
25 grants under this section.

1 (2) AVAILABILITY OF AMOUNTS.—Any amounts
2 appropriated pursuant to this subsection shall re-
3 main available for a period of 10 years.

4 (f) REPORTING AND ACCOUNTABILITY.—

5 (1) PROGRESS REPORTS.—Each eligible entity
6 that receives amounts under this section shall sub-
7 mit quarterly progress reports to the Secretary de-
8 tailing the—

9 (A) use of funds;

10 (B) project developments; and

11 (C) any challenges encountered.

12 (2) AUDITS.—The Secretary shall conduct reg-
13 ular audits to ensure compliance with grant terms
14 and the effective use of funds.

15 **SECTION 202. MANUFACTURED HOUSING TAX CREDIT.**

16 (a) IN GENERAL.—Subpart E of part IV of sub-
17 chapter A of chapter 1 of subtitle A of the Internal Rev-
18 enue Code of 1986 is amended by inserting after section
19 48E the following new section:

20 **“SEC. 48F. MANUFACTURED HOUSING CREDIT.**

21 “(a) IN GENERAL.—For purposes of section 46, the
22 manufactured housing credit for any taxable year is an
23 amount equal to 20 percent of the qualified investment
24 for such taxable year with respect to any qualified manu-
25 factured housing project of the taxpayer.

1 “(b) QUALIFIED INVESTMENT.—

2 “(1) IN GENERAL.—For purposes of subsection
3 (a), the term ‘qualified investment’ means—

4 “(A) with respect to a project described in
5 subsection (c)(1)(A), the basis of any qualified
6 property placed in service by the taxpayer dur-
7 ing such taxable year which is part of a quali-
8 fied housing manufacturing facility, and

9 “(B) with respect to a project described in
10 subsection (c)(2)(A), the sum of the following
11 amounts which are paid or incurred by the tax-
12 payer during the taxable year in carrying on
13 any trade or business of the taxpayer with re-
14 spect to qualified research and development:

15 “(i) in-house research expenses (as
16 defined in section 41(b)(2)), and

17 “(ii) contract research expenses (as
18 defined in section 41(b)(3)).

19 “(2) CERTAIN QUALIFIED PROGRESS EXPENDI-
20 TURE RULES MADE APPLICABLE.—Rules similar to
21 the rules of subsections (c)(4) and (d) of section 46
22 (as in effect on the day before the enactment of the
23 Revenue Reconciliation Act of 1990) shall apply for
24 purposes of this section.

1 “(3) LIMITATION.—The amount which is treat-
2 ed as the qualified investment for all taxable years
3 with respect to any qualified housing manufacturing
4 facility or qualified research and development shall
5 not exceed the amount designated by the Secretary
6 as eligible for the credit under this section.

7 “(c) DEFINITIONS.—For purposes of this section—

8 “(1) QUALIFIED MANUFACTURED HOUSING
9 PROJECT.—The term ‘qualified manufactured hous-
10 ing project’ means a project, any portion of the
11 qualified investment of which is certified by the Sec-
12 retary under subsection (e) as eligible for a credit
13 under this section—

14 “(A) which equips, expands, or establishes
15 a qualified housing manufacturing facility, or

16 “(B) which facilitates qualified research
17 and development.

18 “(2) QUALIFIED PROPERTY.—

19 “(A) IN GENERAL.—The term ‘qualified
20 property’ means property—

21 “(i) which is tangible property,

22 “(ii) which is—

23 “(I) constructed, reconstructed,
24 or erected by the taxpayer, or

1 “(II) acquired by the taxpayer if
2 the original use of such property com-
3 mences with the taxpayer, and

4 “(iii) which is integral to the oper-
5 ation of the qualified housing manufac-
6 turing facility.

7 “(B) BUILDINGS AND STRUCTURAL COM-
8 PONENTS.—

9 “(i) IN GENERAL.—The term ‘quali-
10 fied property’ includes any building or its
11 structural components which otherwise sat-
12 isfy the requirements under subparagraph
13 (A).

14 “(ii) EXCEPTION.—Clause (i) shall
15 not apply with respect to a building or por-
16 tion of a building used for offices, adminis-
17 trative services, or other functions unre-
18 lated to manufacturing.

19 “(3) QUALIFIED HOUSING MANUFACTURING FA-
20 CILITY.—The term ‘qualified housing manufacturing
21 facility’ means a facility the primary purpose of
22 which is the manufacturing of—

23 “(A) manufactured housing,

24 “(B) modular housing,

25 “(C) panelized housing, or

1 “(D) prefabricated housing.

2 “(4) MANUFACTURED HOUSING, MODULAR
3 HOUSING, PANELIZED HOUSING, PREFABRICATED
4 HOUSING.—The terms ‘manufactured housing’,
5 ‘modular housing’, ‘panelized housing’, and ‘prefab-
6 ricated housing’ have the respective meanings given
7 such terms in section 207 of the ‘Prefabricated
8 Housing and Zoning Enhancement Act of 2024’.

9 “(5) QUALIFIED RESEARCH AND DEVELOP-
10 MENT.—The term ‘qualified research and develop-
11 ment’ means research and development activities re-
12 lating to—

13 “(A) new methods or materials for prefab-
14 ricated housing, manufactured housing, mod-
15 ular housing, or panelized housing, which en-
16 hance durability, efficiency, or cost-effectiveness
17 in manufacturing,

18 “(B) sustainable building practices and
19 materials which reduce the environmental im-
20 pact of such housing, and

21 “(C) the use of advanced technologies, in-
22 cluding automation, robotics, and smart home
23 systems, in the manufacturing process.

24 “(d) SPECIAL RULES.—

1 “(1) DENIAL OF DOUBLE BENEFIT.—A credit
2 shall not be allowed under this section for any quali-
3 fied investment for which a credit is allowed under
4 section 41 or 48D.

5 “(2) COORDINATION WITH REHABILITATION
6 CREDIT.—The qualified investment with respect to
7 any advanced manufacturing facility for any taxable
8 year shall not include that portion of the basis of
9 any property which is attributable to qualified reha-
10 bilitation expenditures (as defined in section
11 47(c)(2)).

12 “(e) QUALIFIED MANUFACTURED HOUSING INVEST-
13 MENT PROGRAM.—

14 “(1) ESTABLISHMENT.—

15 “(A) IN GENERAL.—Not later than 365
16 days after the date of enactment of this section,
17 the Secretary shall establish a qualified manu-
18 factured housing investment program to con-
19 sider and award certifications for qualified in-
20 vestments eligible for credits under this section.

21 “(B) LIMITATION.—The total amount of
22 credits that may be allocated under the pro-
23 gram shall not exceed \$3,000,000,000.

24 “(2) CERTIFICATION.—

1 “(A) APPLICATION PERIOD.—Each appli-
2 cant for certification under this paragraph shall
3 submit an application containing such informa-
4 tion as the Secretary may require during the 1-
5 year period beginning on the date the Secretary
6 establishes the program under paragraph (1).

7 “(B) TIME TO MEET CRITERIA FOR CER-
8 TIFICATION.—Each applicant for certification
9 shall have 1 year from the date of acceptance
10 by the Secretary of the application during
11 which to provide to the Secretary evidence that
12 the requirements of the certification have been
13 met.

14 “(C) PERIOD OF ISSUANCE.—An applicant
15 which receives a certification shall have 3 years
16 from the date of issuance of the certification in
17 order to place the project in service and if such
18 project is not placed in service by that time pe-
19 riod, then the certification shall no longer be
20 valid.

21 “(3) SELECTION CRITERIA.—In determining
22 which projects to certify under this section, the Sec-
23 retary shall—

1 “(A) take into consideration only those
2 projects where there is a reasonable expectation
3 of commercial viability, and

4 “(B) prioritize projects that—

5 “(i) increase affordable housing stock,
6 particularly for low- and moderate-income
7 families,

8 “(ii) incorporate advanced manufac-
9 turing technologies and innovations that
10 improve efficiency, reduce costs, or in-
11 crease the quality of manufactured hous-
12 ing,

13 “(iii) align with local efforts to
14 streamline zoning and permitting processes
15 or those that comply with new local zoning
16 reforms,

17 “(iv) demonstrate the ability to make
18 use of additional private or public funding,

19 “(v) are ready to begin construction
20 or implementation within a short time
21 frame, and

22 “(vi) use replicable, scalable construc-
23 tion methods that can align with varying
24 regional building code requirements.

25 “(4) REVIEW AND REDISTRIBUTION.—

1 “(A) REVIEW.—Not later than 1 year after
2 the date of enactment of this section, the Sec-
3 retary shall review the credits allocated under
4 this section as of such date.

5 “(B) REDISTRIBUTION AND REALLOCA-
6 TION.—Rules similar to the rules of subpara-
7 graphs (B) and (C) of section 48C(d)(4) shall
8 apply.

9 “(5) DISCLOSURE OF ALLOCATIONS.—The Sec-
10 retary shall, upon making a certification under this
11 subsection, publicly disclose the identity of the appli-
12 cant and the amount of the credit with respect to
13 such applicant.

14 “(f) REGULATIONS AND GUIDANCE.—The Secretary
15 shall issue such regulations or other guidance as may be
16 necessary or appropriate to carry out the purposes of this
17 section.”.

18 (b) CONFORMING AMENDMENTS.—

19 (1) Section 46 of such Code is amended in
20 paragraph (6) by striking “and” at the end, in para-
21 graph (7) by striking the period at the end and in-
22 serting “, and”, and by adding at the end the fol-
23 lowing new paragraph:

24 “(8) the manufactured housing credit.”.

1 (2) The table of sections for subpart D of part
2 IV of subchapter A of chapter 1 of subtitle A of
3 such Code is amended by adding at the end the fol-
4 lowing new item:

“Sec. 48F. Manufactured housing credit.”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall take effect on the date of the enactment
7 of this Act.

8 **SEC. 203. INNOVATION CENTERS.**

9 (a) INNOVATION CENTERS.—The Secretary, in co-
10 ordination with relevant partners as determined by the
11 Secretary, shall establish a network of National Prefab-
12 ricated Housing Technology Centers (hereafter referred to
13 as “Centers”) to promote research and development in
14 prefabrication technologies, materials, and processes.

15 (b) GOALS OF THE CENTERS.—The goals of the Cen-
16 ters shall include the following:

17 (1) Developing and refining new methods and
18 materials for prefabricated housing to enhance dura-
19 bility, efficiency, and cost-effectiveness.

20 (2) Researching sustainable building practices
21 and materials to reduce the environmental impact of
22 prefabricated housing.

23 (3) Investigating and implementing advanced
24 technologies like automation, robotics, and smart

1 home systems in the prefabricated housing manufac-
2 turing process.

3 (4) Providing training programs and certifi-
4 cations for builders, architects, and engineers in pre-
5 fabricated housing techniques and technologies.

6 (5) Educating the public on the benefits and
7 options available in prefabricated housing to increase
8 acceptance and adoption.

9 (6) Funding vocational training programs and
10 partnerships with community colleges to create a
11 skilled workforce proficient in prefabricated and
12 modular construction methods, including—

13 (A) coursework on modern construction
14 techniques;

15 (B) improving safety practices; and

16 (C) the use of advanced manufacturing
17 equipment.

18 (7) Fostering partnerships with construction
19 companies, manufacturers, academic institutions,
20 and government agencies to drive innovation and
21 share knowledge.

22 (8) Working with policymakers to develop and
23 promote regulations and incentives that support the
24 growth of the prefabricated housing industry.

1 (9) Developing and promoting industry stand-
2 ards and best practices to ensure high-quality, safe,
3 and reliable prefabricated housing products.

4 (10) Establishing testing and certification pro-
5 grams to guarantee that prefabricated housing units
6 meet or exceed regulatory and industry standards.

7 (11) Promoting prefabricated housing as a via-
8 ble solution for affordable housing that addresses
9 the housing shortage in various communities.

10 (12) Supporting job creation within the prefab-
11 ricated housing sector through training and develop-
12 ment programs.

13 (13) Creating a central database of research,
14 case studies, and best practices, to be accessible to
15 industry stakeholders and the public.

16 (14) Supporting startups and small businesses
17 in the prefabricated housing sector by providing re-
18 sources, mentorship, and funding opportunities.

19 (15) Regularly assessing, benchmarking, and
20 comparing the activities the center engages in with
21 global standards to ensure it remains at the fore-
22 front of the industry.

23 (16) Supporting the use of sustainable mate-
24 rials and energy-efficient designs in prefabricated
25 housing.

1 (17) Supporting the integration of resilient con-
2 struction practices to ensure that prefabricated
3 housing can withstand natural disasters and other
4 challenges.

5 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
6 authorized to be appropriated to the Secretary
7 \$1,000,000,000 to carry out this section.

8 **SEC. 204. RESEARCH AND DEVELOPMENT GRANTS.**

9 (a) IN GENERAL.—The Secretary shall, not later
10 than 1 year after the date of the enactment of this title,
11 establish a grant program to provide financial assistance
12 to eligible entities.

13 (b) ELIGIBLE ENTITY.—The term “eligible entity” in
14 this section means a—

- 15 (1) university;
16 (2) private company;
17 (3) government agency; or
18 (4) collaborative partnership.

19 (c) USE OF AMOUNTS.—Amounts awarded under this
20 section shall be used by an eligible entity for a project
21 that will focus on the development of—

- 22 (1) new prefabrication technologies;
23 (2) sustainable materials; or

1 (3) advanced manufacturing techniques that en-
2 hance the quality, affordability, and environmental
3 performance of prefabricated housing.

4 (d) APPLICATION PROCESS.—

5 (1) SUBMISSION.—To be eligible to receive
6 amounts under this section, an eligible entity shall
7 submit an application to the Secretary, at such a
8 time and in such a manner as the Secretary may
9 reasonably require, that describes the scope, objec-
10 tives, budget, timeline, and expected outcomes of the
11 project for which such eligible entity shall use any
12 amounts provided under this section.

13 (2) REVIEW AND APPROVAL.—Each application
14 received by the Secretary shall be reviewed by a
15 panel of experts, to be selected by the Secretary,
16 who shall evaluate such applications on criteria in-
17 cluding—

18 (A) innovation;

19 (B) feasibility;

20 (C) impact on affordable housing; and

21 (D) alignment with the goals of the pro-
22 grams under this title.

23 (e) AUTHORIZATION OF APPROPRIATIONS.—

1 (1) IN GENERAL.—There is authorized to be
2 appropriated to the Secretary \$1,000,000,000 for
3 grants under this section.

4 (2) AVAILABILITY OF AMOUNTS.—Any amounts
5 appropriated pursuant to this section shall remain
6 available for a period of 10 years.

7 (f) REPORTING AND ACCOUNTABILITY.—

8 (1) PROGRESS REPORTS.—Each eligible entity
9 that receives amounts under this section shall sub-
10 mit quarterly progress reports to the Secretary de-
11 tailing the—

12 (A) use of funds;

13 (B) project developments; and

14 (C) any challenges encountered.

15 (2) AUDITS.—The Secretary shall conduct reg-
16 ular audits to ensure compliance with grant terms
17 and the effective use of funds.

18 **SEC. 205. TECHNICAL SUPPORT.**

19 (a) IN GENERAL.—The Secretary shall provide tech-
20 nical assistance to State and local governments with re-
21 spect to—

22 (1) streamlining the permitting process for pre-
23 fabricated and modular housing projects;

24 (2) reducing bureaucratic hurdles; and

25 (3) accelerating project timelines.

1 (b) DEVELOPMENT OF MODEL CODES AND PROC-
2 ESSES.—The Secretary shall, not later than 1 year after
3 the date of the enactment of this section, convene a panel
4 of expert to develop and provide technical assistance on—

5 (1) a model permitting process for construction
6 using prefabricated construction methods; and

7 (2) a model building codes that support the use
8 of prefabricated construction methods.

9 **SEC. 206. COMMUNITY AND AFFORDABLE HOUSING DEVEL-**
10 **OPMENT.**

11 (a) IN GENERAL.—The Secretary shall, not later
12 than 1 year after the date of the enactment of this title,
13 establish a grant program to provide financial assistance
14 to eligible entities.

15 (b) ELIGIBLE ENTITY.—The term “eligible entity” in
16 this section means a—

17 (1) nonprofit organization;

18 (2) local government;

19 (3) housing authority; or

20 (4) developer.

21 (c) USE OF FUNDS.—Amounts awarded under this
22 section shall be used by an eligible entity on projects
23 that—

24 (1) serve low-income and moderate-income
25 households;

1 (2) address specific community needs;

2 (3) utilize prefabricated and modular construc-
3 tions methods; and

4 (4) involve communities in planning and devel-
5 opment processes, ensuring that prefabricated hous-
6 ing projects meet local needs and preferences, in-
7 cluding through conducting—

8 (A) public meetings for community mem-
9 bers to voice opinions, ask questions, and pro-
10 vide feedback on proposed affordable housing
11 developments;

12 (B) surveys, in multiple languages, to
13 gather opinions and suggestions from commu-
14 nity members about planning and development
15 processes; and

16 (C) neighborhood walkthroughs and site
17 visits to allow community members to see po-
18 tential housing development sites and discuss
19 concerns and suggestions.

20 (d) PRIORITY.— The Secretary shall give grant pri-
21 ority to projects that demonstrate the potential to—

22 (1) increase affordable housing stock;

23 (2) utilize sustainable building practices; and

24 (3) create community benefits.

25 (e) APPLICATION PROCESS.—

1 (1) SUBMISSION.—To be eligible to receive
2 amounts under this section, an eligible entity shall
3 submit an application to the Secretary, at such a
4 time and in such a manner as the Secretary may
5 reasonably require, that describes the scope, objec-
6 tives, budget, timeline, and expected outcomes of the
7 project for which such eligible entity shall use any
8 amounts provided under this section.

9 (2) REVIEW AND APPROVAL.—Each application
10 received by the Secretary shall be reviewed by a
11 panel of experts, to be selected by the Secretary,
12 who shall evaluate such applications on criteria in-
13 cluding—

14 (A) innovation;

15 (B) feasibility;

16 (C) impact on affordable housing; and

17 (D) alignment with the goals of the pro-
18 grams under this title.

19 (f) AUTHORIZATION OF APPROPRIATIONS.—

20 (1) IN GENERAL.—There is authorized to be
21 appropriated to the Secretary \$15,000,000,000 for
22 grants under this section.

23 (2) AVAILABILITY OF AMOUNTS.—Any amounts
24 appropriated pursuant to this subsection shall re-
25 main available for a period of 10 years.

1 (g) REPORTING AND ACCOUNTABILITY.—

2 (1) PROGRESS REPORTS.—Each eligible entity
3 that receives amounts under this section shall sub-
4 mit quarterly progress reports to the Secretary de-
5 tailing the—

6 (A) use of funds;

7 (B) research developments; and

8 (C) any challenges encountered.

9 (2) AUDITS.—The Secretary shall conduct reg-
10 ular audits to ensure compliance with grant terms
11 and the effective use of funds.

12 **SEC. 207. DEFINITIONS.**

13 In this title:

14 (a) AFFORDABLE HOUSING.—The term “affordable
15 housing” has the meaning of the term section 215 of title
16 2 in the Cranston-Gonzalez National Affordable Housing
17 Act (42 U.S.C. 12745).

18 (b) MANUFACTURED HOUSING.—The term “manu-
19 factured housing” means housing that is built entirely in
20 a factory, transported to a site, and installed on a perma-
21 nent chassis.

22 (c) MODULAR HOUSING.—The term “modular hous-
23 ing” means housing that is built in sections in a factory
24 setting and then transported to the construction site for
25 assembly.

1 (d) PANELIZED HOUSING.—The term “panelized
2 housing” means to housing where panels, such as walls
3 and floors, are prebuilt in a factory and then assembled
4 on-site.

5 (e) PREFABRICATED HOUSING.—The term “prefab-
6 ricated housing” means housing that is manufactured off-
7 site, in advance, usually in standard sections, that can be
8 easily shipped and assembled, and includes—

- 9 (1) modular housing;
10 (2) panelized housing; and
11 (3) manufactured housing.

12 (f) NATIONAL PREFABRICATED HOUSING TECH-
13 NOLOGY CENTER.—The term “National Prefabricated
14 Housing Technology Center” means a comprehensive,
15 multidisciplinary institution dedicated to advancing the
16 technology, innovation, and adoption of prefabricated
17 housing, serving as a central hub for research, develop-
18 ment, education, and collaboration in the prefabricated
19 housing industry.

20 (g) THE SECRETARY.—The term “Secretary” means
21 the Secretary of Housing and Urban Development.

1 **TITLE III—NATIONAL BUILDING**
2 **CODE FOR AFFORDABLE**
3 **HOUSING**

4 **SEC. 1. THE NATIONAL BUILDING CODE.**

5 (a) **AUTHORITY.**—The Secretary of Housing and
6 Urban Development (hereafter referred to as the “Sec-
7 retary”) shall, in consultation with relevant Federal,
8 State, Tribal, and local agencies not later than 3 years
9 after date of the enactment of this section, develop a Na-
10 tional Building Code for Affordable Housing (hereafter re-
11 ferred to as the “Code”).

12 (b) **OBJECTIVES.**—The Code to be developed under
13 subsection (a) shall do the following:

14 (1) Streamline the building approval process to
15 reduce delays and costs associated with housing con-
16 struction.

17 (2) Promote the use of modern construction
18 techniques and materials that enhance affordability,
19 durability, and energy efficiency.

20 (3) Standardize building codes across States to
21 minimize regulatory discrepancies and facilitate
22 interstate housing development.

23 (4) Ensure that the building code supports the
24 development of a diverse range of housing types, in-

1 including single-family housing, multi-family units,
2 and manufactured housing.

3 (c) STAKEHOLDER INPUT.—The Secretary shall,
4 when developing the code under subsection (a), solicit
5 feedback from stakeholders, including—

6 (1) State, local, and Tribal government offi-
7 cials;

8 (2) private-sector stakeholders, such as devel-
9 opers, homebuilders, creditors, real estate profes-
10 sionals, manufacturers, and academic researchers;
11 and

12 (3) renters, advocates, and homeowners.

13 **SEC. 2. GRANT PROGRAM IMPLEMENTATION.**

14 (a) IN GENERAL.—The Secretary shall, on the date
15 that the Code is developed under section 1, establish a
16 grant program to incentivize the adoption of the Code by
17 units of State and local government.

18 (b) AUTHORIZATION OF APPROPRIATIONS.—

19 (1) IN GENERAL.—There is authorized to be
20 appropriated to the Secretary \$10,000,000,000 for
21 grants under this section.

22 (2) AVAILABILITY OF AMOUNTS.—Any amounts
23 appropriated pursuant to this subsection shall re-
24 main available for a period of 10 years.

1 **SEC. 3. REPORTING AND EVALUATION.**

2 (a) ANNUAL REPORT.—The Secretary shall submit
3 an annual report to Congress on the implementation and
4 impact of the Code, including—

5 (1) the number of States and localities that
6 have adopted the code;

7 (2) the impact of the Code on housing afford-
8 ability and supply; and

9 (3) recommendations for further improvements
10 to the Code.

11 (b) EVALUATION.—Not later than 5 years after the
12 date of the enactment of this Act, the Comptroller General
13 of the United States shall submit a report to Congress
14 on the effectiveness of the Code in reducing housing costs
15 and increasing housing supply.

16 **TITLE IV—OTHER MATTERS**

17 **SEC. 101. EFFECTIVE DATES.**

18 (a) TITLE I.—Title I shall take effect on the date
19 of the enactment of this Act.

20 (b) TITLE II.—Title II shall take effect 90 days after
21 the date of the enactment of this Act.

22 (c) TITLE III.—Title III shall take effect on the date
23 of the enactment of this Act.

24 **SEC. 102. COMPLIANCE WITH THE DAVIS-BACON ACT.**

25 All laborers and mechanics employed by contractors
26 and subcontractors in the performance of construction

1 work financed in whole or in part by amounts provided
2 under this Act shall be paid wages at rates not less than
3 those prevailing on projects of a character similar in the
4 locality as determined by the Secretary of Labor in accord-
5 ance with subchapter IV of chapter 31 of title 40, United
6 States Code.

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