

117TH CONGRESS
1ST SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

Mrs. FEINSTEIN introduced the following bill; which was read twice and referred to the Committee on _____

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; and

23 (6) helping States, local governments, and non-
24 profit organizations acquire blighted, abandoned, va-
25 cant, foreclosed, or surplus properties and convert

1 them into affordable housing will allow for the rapid
2 development of new affordable units, while stimu-
3 lating local economies and creating jobs.

4 **SEC. 3. DEFINITIONS.**

5 In this Act:

6 (1) **ELIGIBLE ENTITY.**—The term “eligible enti-
7 ty” means—

8 (A) a city, county, city-county collabo-
9 rative, public housing authority, or redevelop-
10 ment agency; or

11 (B) any nonprofit entity or consortium of
12 nonprofit entities, which may submit an appli-
13 cation for a grant under this section in partner-
14 ship with a for-profit entity.

15 (2) **SECRETARY.**—The term “Secretary” means
16 the Secretary of Housing and Urban Development.

17 **SEC. 4. REAUTHORIZATION OF NEIGHBORHOOD STABILIZA-**
18 **TION PROGRAM.**

19 (a) **AUTHORIZATION OF FUNDS.**—

20 (1) **IN GENERAL.**—There is authorized to be
21 appropriated to the Secretary \$1,500,000,000 for
22 fiscal year 2021, to remain available until expended,
23 for the provision of emergency assistance for the re-
24 development of abandoned and foreclosed homes, as
25 authorized under title III of division B of the Hous-

1 ing and Economic Recovery Act of 2008 (42 U.S.C.
2 5301 note; Public Law 110–289).

3 (2) APPLICABILITY OF PROVISIONS.—

4 (A) IN GENERAL.—Except as otherwise
5 provided in this section, the provisions under
6 the second undesignated paragraph under the
7 heading “COMMUNITY DEVELOPMENT FUND”
8 under the heading “COMMUNITY PLANNING
9 AND DEVELOPMENT” under the heading “DE-
10 PARTMENT OF HOUSING AND URBAN
11 DEVELOPMENT” in title XII of division A of
12 the American Recovery and Reinvestment Act
13 of 2009 (Public Law 111–5) relating to assist-
14 ance authorized under title III of division B of
15 the Housing and Economic Recovery Act of
16 2008 (42 U.S.C. 5301 note; Public Law 110–
17 289) shall apply with respect to the emergency
18 assistance authorized under paragraph (1).

19 (B) CERTAIN CRITERIA NOT APPLICA-
20 BLE.—The fourth proviso in the second undes-
21 ignated paragraph described in subparagraph
22 (A) of this paragraph (relating to grantees in
23 areas with foreclosures and the ability to ex-
24 pend funding within a certain period) shall not
25 apply with respect to the emergency assistance

1 authorized under paragraph (1) of this sub-
2 section.

3 (b) GRANTS; APPLICATION.—

4 (1) IN GENERAL.—The Secretary shall award
5 grants under this section to eligible entities through
6 a competitive process.

7 (2) CRITERIA.—Not later than 75 days after
8 the date of enactment of this Act, the Secretary
9 shall publish the criteria for awarding grants under
10 this section.

11 (3) APPLICATION.—An eligible entity desiring a
12 grant under this section shall submit to the Sec-
13 retary an application—

14 (A) in such manner and containing such
15 information as the Secretary may require;

16 (B) that demonstrates a capacity to exe-
17 cute projects and leverage potential, and any
18 other additional factors as determined by the
19 Secretary; and

20 (C) not later than 200 days after the date
21 of enactment of this Act.

22 (4) PREFERENCE.—The Secretary shall award
23 preference to an application for a grant under this
24 section to applicants that submit proposals—

1 (A) to provide assistance in areas with
2 high levels of cost-burdened households;

3 (B) to provide assistance in rural areas;

4 (C) to provide assistance in communities
5 that have adopted changes to local land-use
6 policies, building codes, or related regulations
7 that favor greater housing production, such
8 as—

9 (i) allowing greater density near pub-
10 lic transportation lines;

11 (ii) establishing by-right development;

12 (iii) eliminating off-street parking re-
13 quirements;

14 (iv) granting density bonuses;

15 (v) enacting high-density and multi-
16 family zoning;

17 (vi) employing inclusionary zoning;

18 (vii) relaxing minimum lot sizes; or

19 (viii) authorizing conversion of com-
20 mercial properties into mixed-use residen-
21 tial properties;

22 (D) to provide assistance in areas that are
23 in close proximity to high-frequency public
24 transportation; or

1 (E) that have a higher proportion of af-
2 fordable units for households with incomes that
3 are less than 50 percent of the area median in-
4 come.

5 (5) DIVERSITY.—In awarding grants under this
6 section, the Secretary shall ensure a geographic di-
7 versity of grantees from across the United States.

8 (c) USE OF FUNDS.—

9 (1) IN GENERAL.—A recipient of a grant under
10 this section—

11 (A) shall use grant funds to purchase
12 blighted, abandoned, vacant, foreclosed, or sur-
13 plus property and convert the property into af-
14 fordable housing, which shall serve individuals
15 and families with a household income that does
16 not exceed 120 percent of the area median in-
17 come;

18 (B) may use grant funds for mixed-use de-
19 velopment projects, conversion of non-residen-
20 tial office and retail properties, and other rede-
21 velopment requiring changes to land use restric-
22 tions; and

23 (C) shall, to the maximum extent fea-
24 sible—

1 (i) provide for the hiring of employees
2 who reside in the vicinity, as such term is
3 defined by the Secretary, of projects fund-
4 ed under this section; or

5 (ii) contract with small business con-
6 cerns owned and controlled by socially and
7 economically disadvantaged individuals (as
8 defined in section 8(d)(3)(C) of the Small
9 Business Act (15 U.S.C. 637(d)(3)(C)) re-
10 siding in the vicinity of projects funded
11 under this section.

12 (2) SET ASIDE FOR EXTREMELY LOW-INCOME
13 AND VERY LOW-INCOME FAMILIES.—Not less than
14 25 percent of the affordable housing described in
15 paragraph (1) shall service individuals and families
16 with a household income that does not exceed 50
17 percent of the area median income.

18 (3) AFFORDABILITY PERIODS.—

19 (A) IN GENERAL.—The affordability period
20 for housing assisted under this section—

21 (i) with respect to rental housing or
22 housing with resale restrictions, shall be
23 not less than 30 years, beginning on
24 project completion; and

1 (ii) with respect to housing with re-
2 capture restrictions, shall be not less than
3 10, 20, or 30 years in accordance with the
4 affordability period requirements under
5 section 93.305 of title 24, Code of Federal
6 Regulations, or any successor regulation.

7 (B) LONGER PERIODS PERMITTED.—Noth-
8 ing in subparagraph (A) shall be construed to
9 prohibit a recipient of a grant under this sec-
10 tion from establishing a longer affordability pe-
11 riod than is required under that subparagraph.

12 (4) DEADLINE FOR EXPENDING FUNDS.—A re-
13 cipient of a grant under this section shall expend—

14 (A) not less than 50 percent of allocated
15 funds under this section not later than 3 years
16 after the date on which the funds become avail-
17 able to the grantee for obligation; and

18 (B) 100 percent of allocated funds under
19 this section not later than 6 years after the
20 date on which the funds become available to the
21 grantee for obligation.

22 (d) TECHNICAL ASSISTANCE.—The Secretary may
23 use not more than 2 percent of the funds made available
24 under this section to provide technical assistance to grant-
25 ees under this section.

1 (e) DEADLINE FOR AWARDING FUNDS.—The Sec-
2 retary shall award all grant funds authorized under this
3 section not later than 1 year after the date of enactment
4 of this Act.

5 (f) EXISTING REGULATIONS.—Except to the extent
6 that a regulation is in conflict with the provisions of this
7 Act, the regulations applicable to the provision of emer-
8 gency assistance for the redevelopment of abandoned and
9 foreclosed homes, as authorized under title III of division
10 B of the Housing and Economic Recovery Act of 2008
11 (42 U.S.C. 5301 note; Public Law 110–289) and subse-
12 quent Acts, as in effect on the day before the date of en-
13 actment of this Act, shall apply to the provision of assist-
14 ance under this Act.