The 21st Century ROAD to Housing Act

A landmark housing statute that spends almost nothing. What it does, what it does not do, and why the difference is a budget process rather than a law.

ON THE RECORD

Senate **85–5**, 22 June 2026
House **358–32**, 23 June 2026
Law without signature, 11 July

12 titles · 59 sections · ~400 pp., drawn from more than sixty separate bills.

The first bipartisan federal housing package in roughly three decades.

THE DISTINCTION THAT GOVERNS EVERYTHING

Authorized is not appropriated.

Authorization gives a program legal permission to exist and sets a ceiling. Appropriation writes the check. Different committees, different timelines; one does not guarantee the other.

Section 1202 of this law is titled, plainly, *No additional funds authorized*. CBO scored the net budgetary effect as negligible — a reduction of roughly six million dollars in both spending and revenues.

AUTHORIZED — INNOVATION FUND, SEC. 208, FY2027–31 $200,000,000 / YR

APPROPRIATED TO DATE $0

Without an appropriation for new funds, money comes from three places, none of them new: it is **reallocated** (Sec. 213 CDBG bonuses funded directly by 10-percent penalties on lagging jurisdictions), **collected as penalties** from investors who violate the purchase restriction (Sec. 1001), or **unlocked as private capital** as Sec. 203 lifts the bank public-welfare investment cap from 15 to 20 percent of capital, easing a real LIHTC equity constraint at no cost to Treasury. That is arguably the provision with the most immediate financial effect.

No preemption. Conditionality instead.

Secs. 102(f), 107(e) and 208(c) each state the law does not override local zoning; a choice that won the support of the Conference of Mayors and the National League of Cities. Pressure arrives by other means, which is harder to see and harder to contest.

Money for production
Sec. 213 adjusts CDBG allocations on housing growth measured against the national median. Three-year glide path; it does not bite until 2029.

Money for reform
Sec. 208 names the qualifying reforms: by-right duplexes and multifamily, no parking minimums, smaller lots and setbacks, ADUs by right.

States as gatekeeper
Sec. 301 does nothing until a state certifies. NACo's reading of Sec. 107: the guidelines lack force of law but may become a blueprint for state-level preemption.

Adjacent action
Not in the Act: HUD's 6 July notice would fold local land use and permitting into the voucher renewal inflation factor from FY2027.

Sources: Pub. L. 119-101 (GovInfo, enrolled text), Secs. 102, 107, 203, 208, 213, 1001, 1202 · CBO estimate as reported July 2026 · Bipartisan Policy Center, "Inside the Deal," 23 July 2026 · Terner Center, 11 July 2026 · NACo, 13 July and 10 Aug. 2026 · Enterprise Community Partners, July 2026 · NLIHC 2026 August Recess Advocacy Toolkit.

Four things the law actually does

01 · COST AND PROCESS

Faster federal review; wider use of existing dollars

The Act expands what is exempt or categorically excluded from National Environmental Policy Act (NEPA) review: small rehabilitation, infill under five acres, developments of fifteen units or fewer, office-to-residential conversions and tenant-based assistance all move into faster lanes.

It also lets communities spend up to 20 percent of CDBG on new affordable construction, previously prohibited. Sec. 102 directs HUD to publish model code language for single-stair apartment buildings up to six stories, and Sec. 303 lets FHA property-improvement loans finance accessory dwelling units. Secs. 207–209 and 213 pay localities to streamline permitting, adopt pre-approved plans and widen what is allowed by right.

02 · THE PROVISION TO WATCH

Expands utility of manufactured homes

Since 1976 federal law has required a manufactured home to sit on a permanent steel chassis: necessary to transport it, dead cost once sited, and the anchor of decades of exclusionary zoning. Sec. 301 permits HUD-code homes built with or without one. Pew estimates savings of thousands of dollars per home and, more importantly, newly viable duplexes, triplexes and multistory factory-built construction. Manufactured housing is already the country's largest source of unsubsidized affordable housing; this provision subsidizes nothing, it removes a rule that made a cheap product artificially expensive.

03 · RURAL PRESERVATION

Helps keep 400,000 rural renters in place

Sec. 502, the Rural Housing Service Reform Act, decouples USDA rental assistance from maturing Sec. 515 mortgages; without it, assistance simply expires as loans mature. NACo puts this at more than **400,000 rural renters,** a preservation win rather than a production one. Sec. 502 also makes the Housing Preservation and Revitalization program permanent and doubles the repair loan limit to $15,000. Finally it strengthens community banks who provide small-dollar mortgages in these markets.

04 · HOMELESSNESS AND THE ENTITLEMENT CITY

Administrative gains, new tools, new obligations

Sec. 405 makes units inspected within the past year under LIHTC, HOME or USDA programs automatically satisfy voucher inspection requirements, and lets new landlords request advance inspections. **Sec. 602** excludes veterans' disability benefits from HUD-VASH income, and **Sec. 212** lifts the RAD cap by 100,000 units and makes it permanent. Entitlement cities gain the RESIDE pilot converting vacant commercial buildings to housing but take on two obligations: every CDBG grantee must maintain a public, searchable database of the undeveloped land it owns and future CDBG funds are tied to production performance.

And for whom?

The law defines "attainable housing" as serving households up to 120 percent of area median income, provided a majority of units are affordable at or below 60 percent. That is mixed-income housing which is useful, but not the needed deeply affordable housing that Forsyth County is missing.

0–30% AMI

Where the local deficit is. Served by rental assistance and project-based subsidy, neither of which this law adds. **We need local solutions and local dollars to fund this work.**

60%

The floor of "attainable." A majority of units in a funded project must be affordable at or below 60 percent of AMI.

80% → 100%

Subsidy moves up. Sec. 501 raises HOME homeownership eligibility from 80 to 100 percent of AMI, and the home-value cap to 110 percent.

120% AMI

The ceiling. The outer edge of what the authors call attainable, or workforce, housing.

Sources: Pub. L. 119-101 Secs. 102–104, 204–213, 227, 301, 303, 405, 501–503, 602, 703, 801–802, Title IX · Pew Charitable Trusts, 4 Aug. 2026 · Terner Center, 11 July 2026 · NACo, 13 July 2026 · Habitat for Humanity International fact sheet, June 2026 · UNC School of Government, manufactured housing and zoning · N.C. Session Law 2026-59 (SB 445), Sec. 5; G.S. 160D-910.

What is not in it, & what advocates fought

A consensus bill is not a bill everyone wanted. Three NLIHC priorities appeared in earlier versions and were dropped; two surviving provisions were actively opposed.

Dropped in conference
The Reducing Homelessness Through Program Reform Act was low-cost, bipartisan, a permanent two-year CoC competition cycle and the ESG administrative cap raised from 7.5 to 10 percent. Its loss is the most consequential omission for homelessness systems. Also lost: the Build More Housing Near Transit Act; and the Housing Supply Frameworks Act, surviving only as advisory Sec. 107.

Assistance
No new Housing Choice Vouchers and no move toward making rental assistance an entitlement so roughly three in four eligible households receive nothing. No National Housing Trust Fund expansion, and no new deeply affordable subsidy of any kind. No exemption of HOME from Build America, Buy America requirements, which was in the House version; the law substitutes a study.

Tenant protection
No federal source-of-income protection, so landlords in most jurisdictions may still refuse vouchers outright. No right to counsel in eviction proceedings and no new eviction-prevention funding. No renter protections attached to the tax credit and subsidy programs the law expands.

OPPOSED AND ENACTED ANYWAY · SEC. 212

RAD expansion

RAD converts public housing to project-based Section 8, letting authorities take on private debt and tax-credit equity to rehabilitate aging properties. NLIHC has long opposed expansion and questioned whether tenant protections at converted properties are actually enforced. The final law adds monitoring and enforcement tools and a mandatory tenant lease addendum, which NLIHC acknowledged as a step in the right direction.

OPPOSED AND ENACTED ANYWAY · SEC. 505

Moving to Work expansion

MTW lets participating authorities waive standard rules and test alternatives, historically including work requirements, time limits and rents above 30 percent of adjusted income. The new cohort is expressly barred from all three. NLIHC opposed further expansion regardless, until the existing hundred-agency cohort has been evaluated. The underlying disagreement is a real one about evidence and sequencing: whether to scale a demonstration before you have evaluated the demonstration.

THE HOUSING JUSTICE CRITIQUE

A market crisis is not solved by market mechanisms

Supply alone does not reach the bottom: where deregulation accelerates construction, new units skew to higher incomes, and filtering is slow, unreliable, and stalls entirely in compressed markets. Subsidy without permanence buys a leasehold on affordability rather than an asset. And financialization goes unaddressed: landlords carrying large acquisition debt must raise rents and defer maintenance to service it, and tenants absorb that risk.

The investor provision is narrow and only reaches entities owning 350 or more single-family homes, exempts build-to-rent, renovate-to-rent, senior housing and investor-to-investor sales, and never touches multifamily consolidation, where rent-setting power is most concentrated.

THE STRONGEST REPLY

Regulatory barriers are real; preservation is not commodification

Pew's analysis of Austin finds roughly 120,000 homes added between 2015 and 2024 following zoning and permitting reform, with median rent falling from $1,546 in 2021 to $1,296 by 2026 even as population grew. New Rochelle, New York added housing at more than double the national rate from 2017 to 2021 and saw inflation-adjusted rents fall 13 percent from 2017 to 2023.

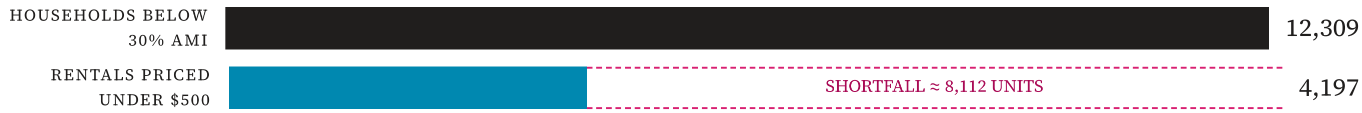
Preservation is not commodification: decoupling USDA rental assistance from maturing mortgages protects more than 400,000 existing rural renters, and reauthorized PRICE grants preserve manufactured-home communities. Both are anti-displacement measures. The chassis reform is decommodifying in effect if not in framing as it lowers the cost of the least expensive housing product in the country with no subsidy at all.

Overall this law moves subsidy up-market, and the households furthest from stability are the least touched.

Sources: NLIHC Explainer, April 2026, and 2026 August Recess Advocacy Toolkit · S. 2234 (119th Cong.) · Institute for Policy Studies, 25 Aug. 2026 (Decker and Sayed) · Pew Charitable Trusts, 4 Aug. 2026 · Terner Center, 11 July 2026 · Enterprise Community Partners, July 2026 · National Fair Housing Alliance, 23 June 2026 · NLIHC, *The Gap* · Pub. L. 119-101 Secs. 208, 212, 501, 505, 1001.

The law lands in a market whose deficit is at the bottom.

The sharpest local shortfall is not housing in general. It is rental housing priced for households below 30 percent of area median income, precisely the group this law leaves out with no new subsidy or rental assistance.



Where it meets work already underway

Six direct connections between statutory text and this network's existing working groups.

Sec. 202 · No Wrong Door
Whole-Home Repairs requires applicants to show how they will coordinate repair programs, and directs HUD to recognize other programs' recent eligibility determinations — almost verbatim the screener and warm-referral system the Housing Repair and Weatherization group has been building.

Secs. 210, 501 · Twin City Housing Collective
RESIDE explicitly lists establishing or expanding community land trusts and housing cooperatives as an eligible use, and Sec. 501 makes CLTs eligible for HOME. For an initiative standing up a CLT, this is the most directly relevant part of the law.

Sec. 301 · Gentle Density Infill
The practical question: what in the Unified Development Ordinance would still stop a chassis-free, HUD-code, factory-built duplex on an East Winston infill lot?

Sec. 804 · Heirs property
Directs GAO to establish a comprehensive definition of residential heirs property, raise awareness of available tools, and recommend how to assist owners — a federal research agenda intersecting a working group still unsettled about its own scope.

Sec. 104 · Public land database
Required of Winston-Salem as a CDBG entitlement grantee from 1 October 2026. The resulting parcel inventory is also a direct input for the Gentle Density Infill and Neighborhood Leadership groups.

Sec. 213 · The CDBG penalty
Forsyth's median sale price (~$325,000, Aug. 2025) sits well below the national median, so the exemption looks likely to apply. Note the implication: exemption from the penalty is not eligibility for the bonus.

Six things in the next twelve months

Ordered by time sensitivity.

1. **Track FY2027 appropriations.** Nothing here reaches Forsyth County without them. That fight matters more than the statute.
2. **Comment in HUD rulemaking.** Sec. 202 criteria within 180 days, Sec. 102 guidelines within 18 months, Sec. 107 within three years. Comment is open to anyone.
3. **Meet the 1 October Sec. 104 deadline well.** Done minimally it is a compliance chore; done well it is a development pipeline tool.
4. **Audit the UDO against Sec. 301.** Appearance, dimensional, lot-size and foundation criteria are where exclusion still operates.
5. **Decide on the Whole-Home Repairs slot.** One implementing organization per state. Coordinate before the NOFO publishes, not after.
6. **Bring residents in at the front.** Residents should intentional help to shape this network's policy position from the start, not be briefed on positions already taken.

WHAT WE SHOULD BE HONEST ABOUT NOT KNOWING

Whether the money appears. Authorizations without appropriations are promises, not programs.

Whether HUD can implement it. Roughly 30 percent of the workforce gone; dozens of new deliverables.

Whether supply-side reform reaches the bottom. Genuinely open. Austin and New Rochelle are two cases, both high-growth.

Whether the investor restriction matters here. The 350-home threshold sits far above the local definition used by Zainulbhai and Blizard, who found large investors took nearly 28 percent of the lowest-price tier and 17 percent of purchases near East Winston. It may reach very few of the actors reshaping those patterns.

Sources: Forsyth County Affordable & Workforce Housing Study · HHN Action Planning Framework and Meta Analysis · Winston-Salem/Forsyth Housing Consortium 2026-27 Annual Plan · W-S/Forsyth CoC 2025 Point-In-Time Count · NC Housing Coalition Executive Director's Report, 1 July 2026 · Zainulbhai and Blizard, New America, 2022 · NACo, 13 July 2026 · NLIHC 2026 August Recess Toolkit · Pub. L. 119-101 Secs. 104, 202, 210, 213, 301, 501, 804 · Census Bureau and NAR median price series, 2026. Items still to verify: Forsyth's Opportunity Zone status under Sec. 201; whether N.C.'s incorporation by reference satisfies the Sec. 301 certification; the FY2026 CoC competition status after the 7 August ruling.

Stephen J. Sills, PhD · Innovative Research Insights, LLC