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## **Dueling Housing Bills Illustrate Congress' Priorities in Addressing Nation's Housing Crisis; Finding a Legislative Vehicle Will be Key to Passing the Comprehensive Proposals**

*Published by [Peter Lawrence](#) on Monday, January 5, 2026 - 5:33AM*

In the second half of 2025, the House and Senate both advanced housing and community development authorization bills that would address the nation's continuing and growing housing crisis and other key community development needs. These bills propose significant changes that if enacted could reshape how communities address housing affordability and revitalization. Given the strong bipartisan vote in support in both key House and Senate committees and the political salience of how important housing affordability is in the mind of Congress and the administration, the prospect for final enacted legislation appears promising.

### **About The Introduced Bills**

In the Senate, housing and community development stakeholders applauded the advancement of the [Renewing Opportunity in the American Dream \(ROAD\) to Housing Act, S. 2651](#), landmark bipartisan Senate legislation introduced earlier this year and passed July 29 by the Senate Banking, Housing, and Urban Affairs Committee, on an unanimous 24-0 vote. Sponsored by Senate Banking Committee chair Tim Scott, R-South Carolina, and ranking member Elizabeth Warren, D-Massachusetts, the legislation represents one of the most comprehensive housing and community development bills in more than a decade, consisting of [more than 60 provisions](#). At the heart of the legislation are measures designed to expand housing supply, strengthen community investment and improve affordability. The bill was included in must-pass legislation—the [Senate-passed version](#) of the FY 2026 National Defense Authorization Act (NDAA), which it approved Oct. 9, authorizes defense spending for the coming year, included the ROAD to Housing Act

and [a package of community development financial institutions \(CDFI\) legislation](#).

Because the ROAD to Housing Act hadn't been considered in the House when the final version of the NDAA was negotiated between the House and Senate, the housing and community development provisions were stripped from the compromise NDAA that was ultimately signed by the president Dec. 18.

Though negotiations with the House revealed divisions as to how to address the nation's housing issues, the House had its own plan in the works. In a Dec. 7 statement, French Hill, R-Arkansas, chair of the House Financial Services Committee, shared that the [Committee would advance solutions to tackle housing issues and he that looked forward to working with Senators on a housing bill](#) they can send to the president in 2026. On Dec. 11, Hill and House Financial Services Committee Ranking Member Maxine Waters, D-California, and Housing and Insurance Subcommittee chair Mike Flood, R-Nebraska, and ranking member Emanuel Cleaver, D-Missouri, unveiled the [bipartisan Housing for the 21st Century Act](#), H.R. 6644. Though roughly similar to the ROAD to Housing Act when introduced, the bills became more closely aligned after the [Chairman's Mark to the bill](#) that preceded a [mid-December markup](#), included the proposal to increase the public welfare investment (PWI). The PWI cap increase, detailed below, was included in the [Community Investment and Prosperity Act, H.R. 5913](#), introduced Nov. 11 by Reps. Michael Lawler, R-New York, Joyce Beatty, D-Ohio, and Young Kim, R-California, and is a significant provision that could lead to increased banking investment in housing and community development tax credits. H.R. 6644 includes nearly 50 pieces of previously introduced legislation and was advanced by the House Financial Services Committee Dec. 17 with a [vote of 50-1](#). After it had reported, House Majority Leader Steve Scalise mentioned that the [full House planned to consider the bill](#) in early 2026.

### Key Provisions Driving Housing and Community Investment

While all the housing provisions included in both bills are helpful to varying degrees, each contains a handful of key housing proposals that would be particularly impactful.

Among the numerous provisions included in the ROAD to Housing Act, Sections 201, 202, 205 under the section heading *Building More for America* and Sections 501 and 502 under the section heading *Program Reform* stand out. By increasing the public welfare investment (PWI) caps, expanding programs such as the Rental Assistance Demonstration (RAD) program and HOME Investment Partnerships (HOME) Program, the legislation streamlines preservation and construction of affordable housing. Incentives tied to the opportunity zones (OZ) incentive draw private capital into underserved neighborhoods. Efforts surrounding disaster recovery reform and funding processes strengthen housing resilience and rebuilding efforts.

The Housing for the 21<sup>st</sup> Century Act proposes a similar increase to the PWI cap in Section 303; the importance of this proposed increase is detailed below. Additionally, HOME reform is detailed in Section 201 and includes an exemption for HOME from Build American, Buy American (BABA) requirements (Section 291). Other proposals include Section 202, which amends the Community Development Block Grant (CDBG) program. The Housing for the 21<sup>st</sup> Century Act would also reform and modernize HOME.

The table below details key selected provisions of both the ROAD to Housing and Housing for the 21<sup>st</sup> Century acts, highlighting the similarities and differences among both, and is not intended to be all-encompassing. Section-by-section of both the [Senate](#) and [House](#) bills are available online. A more detailed comparison list can be found on the [Bipartisan Policy Center website](#).

## Comparing Key Senate and House Policy Proposals

Policy	21st Century Act	ROAD to Housing Act	Key Proposals
Raise the Cap on Bank Public Welfare Investments (PWI) - Community Investment and Prosperity Act	<b>Sec. 303</b> 21st Century Act	<b>Sec. 205</b> ROAD to Housing Act	As proposed in the Community Investment and Prosperity Act (H.R. 5913/S. 2464), the PWI cap for the Office of the Comptroller of the Currency and the Federal Reserve would be increased from 15% to 20%, which will enhance banks' capacity to make investments in affordable housing and community development.
Reform the HOME Program - HOME Investment Partnerships Reauthorization and Improvement Act; HOME Reform Act	<b>Sec. 201</b> 21st Century Act	<b>Sec. 502</b> ROAD to Housing Act	The Senate bill incorporates the HOME Investment Partnerships Reauthorization and Improvement Act (S. 948), reauthorizing and streamlining the HOME Program to accelerate affordable housing production. The House bill also reforms and modernizes HOME, incorporating a number of proposals from the HOME Reform Act (H.R. 5878), detailed further below.
Create a Housing Conversion Pilot Program - Revitalizing Empty Structures into Desirable Environments (RESIDE) Act	<b>X</b> 21st Century Act	<b>Sec. 212</b> ROAD to Housing Act	The RESIDE Act (S. 2460, detailed below) would create a competitive pilot discretionary program within the HOME program if the annual appropriation exceeds \$1.35 billion to convert vacant and abandoned buildings into attainable housing. There is a similar bill in the House (H.R. 5591) though it was not included in the 21st Century Act.
Improve USDA Rural Housing Services Programs - Rural Housing Service Reform Act	<b>Sec. 204</b> 21st Century Act	<b>Sec. 503</b> ROAD to Housing Act	Both include provisions of their respective Rural Housing Service Reform Acts (H.R. 4957/S. 1260). The Senate bill includes a provision to decouple rental assistance from maturing mortgages to preserve affordable housing in rural areas. The House bill includes no such provision.
Expand the Rental Assistance Demonstration (RAD) Program	<b>X</b> 21st Century Act	<b>Sec. 201</b> ROAD to Housing Act	The Senate bill lifts cap on the RAD program and codifies tenant protections.
Incentivize Housing in Opportunity Zones	<b>X</b> 21st Century Act	<b>Sec. 202</b> ROAD to Housing Act	To increase housing in OZs, the Senate bill prioritizes U.S. Housing and Urban Development (HUD) grants for projects in OZs, aligning affordable housing with support to preservation and construction efforts.
Pilot Program to Provide Funds for Home Repairs and Health Hazards - Whole Home Repairs Act	<b>X</b> 21st Century Act	<b>Sec. 204</b> ROAD to Housing Act	The Whole Home Repairs Act (S. 127) would establish a 5-year pilot program at HUD to offer grants and forgivable loans to low and moderate-income homeowners and qualifying small landlords to holistically address home repair needs and health hazards. This will stabilize aging housing stock, preserve affordable units, and support neighborhood revitalization without creating new long-term federal entitlements. There is a similar bill in the House (H.R. 5990) though it was not included in the 21st Century Act.
Permanently Authorize CDBG-DR Program - Reforming Disaster Recovery Act	<b>X</b> 21st Century Act	<b>Sec. 501</b> ROAD to Housing Act	The Reforming Disaster Recovery Act (118th Congress, S.1686), permanently authorizes the Community Development Block Grant-Disaster Recovery (CDBG-DR) and creates the Office of Disaster Management and Resiliency within HUD to administer the program.
Federal Housing Agency Application of Environmental Reviews - Streamlining Rural Housing Act	<b>Sec. 105</b> 21st Century Act	<b>X</b> ROAD to Housing Act	The Streamlining Rural Housing Act (H.R. 4989) would synchronize the housing standards between the HUD and the USDA regarding National Environmental Policy Act (NEPA) categorical exclusions, designate a lead agency to streamline the adoption of environmental impact statements and environmental assessments, and evaluate the feasibility of a joint physical inspection process for housing projects.
"Increase FHA Multifamily Loans Limits - Housing Affordability Act	<b>Sec. 106</b> 21st Century Act	<b>Sec. 213</b> ROAD to Housing Act	The House bill incorporates the Housing Affordability Act (H.R. 6132) which updates the statutory maximum loan limits for Federal Housing Administration (FHA) mortgage insurance for residential multifamily construction to reflect current costs, as well as provides for the use of an inflation adjustment formula more appropriate to housing construction costs for setting those limits going forward. The Senate version of the bill (S. 1527) requires FHA to review multifamily loan limits and allows HUD to adjust those limits to better match housing market costs and enhance affordability.
Require Communities Receiving CDBG to Identify Regulatory Barriers	<b>Sec. 202</b> 21st Century Act	<b>X</b> ROAD to Housing Act	The House bill does not address the CDBG-DR but would amend the CDBG program to identify overly burdensome land-use policies, allow for funds to be used for affordable housing production and create a publicly accessible, searchable database identifying undeveloped land owned by the jurisdiction.
Land Use and Zoning Best Practices - Housing Supply Frameworks Act	<b>Sec. 101</b> 21st Century Act	<b>Sec. 203</b> ROAD to Housing Act	Both bills incorporate the Housing Supply Frameworks Act (H.R. 2840/S. 1299), which directs HUD to develop best practice frameworks for zoning and land-use policies, helping communities identify and overcome barriers to housing development.

Source: Novogradac, House Financial Services Committee; Senate Banking, Housing & Urban Affairs Committee

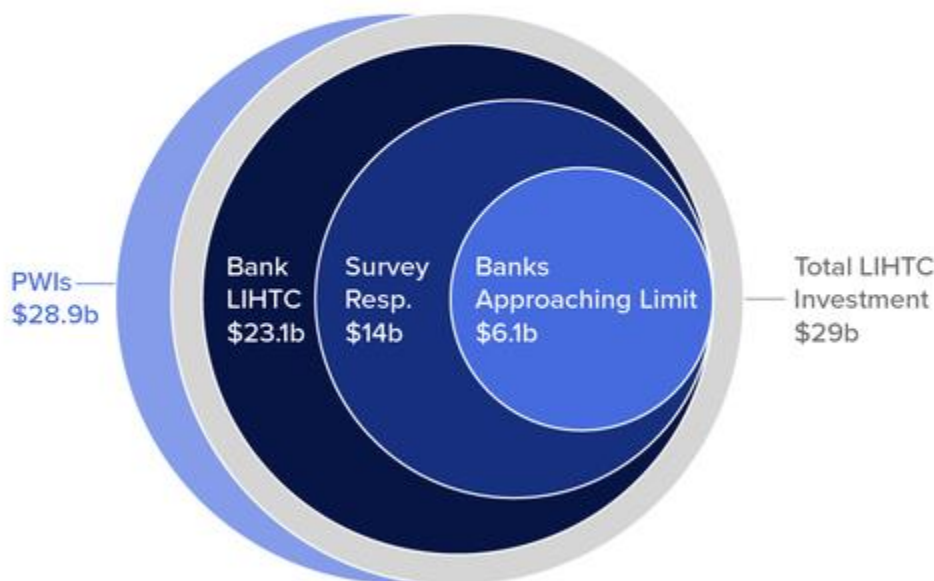


Increasing the PWI cap would profoundly affect tax credit investment

The proposed increase in the statutory cap limiting banks' PWI authority from 15% to 20% of risk-adjusted capital would further support investments in incentives such as the low-income housing tax credit (LIHTC) and new markets tax credit (NMTC). The increase is critical because the current cap limits banks at or approaching the 15% cap of their risk-adjusted capital. As banks with PWI authority are nearing this threshold, their ability to provide equity to affordable housing and economic revitalization projects becomes constrained. According to the [Affordable Housing Tax Credit Coalition's \(AHTCC's\) recent survey](#) that captures 22 banks and two-thirds of all bank investment in the LIHTC, more than 42% of LIHTC investment in 2024 came from banks that are nearing the current 15% cap. A [fact sheet](#) released by AHTCC provided additional details, noting that notes that the last increase—from 10% to 15% in 2006—resulted in significant growth in PWI activities, from \$3 billion in 2005 to \$27.9 billion by 2024.

## PWI Cap Survey Details

22 banks responded to the survey representing an investment of over \$14 billion - nearly 2/3 of all bank investment in the LIHTC in 2024



Source: Affordable Housing Tax Credit Coalition; Novogradac



Increasing the cap would unlock additional private investment, expand deal flow and create new opportunities to pair existing housing tools such as the LIHTC and NMTC with revitalization initiatives. Industry professionals have taken action to advocate for this

change. The [ACTION Campaign](#), a coalition of more than 2,400 organizations supporting affordable housing, and the [AHTCC, along with partner organizations](#), sent letters Oct. 30 in support of increasing the PWI cap to 20%. Both letters stress the importance of the LIHTC and that banks play a critical role as equity investors. Taking a look at the community development aspects of raising the PWI cap, Novogradac's [NMTC Working Group](#) and the [NMTC Coalition](#) both submitted comment letters Nov. 21 to members of Financial Services Committee underscoring that lifting the cap would further strengthen NMTC efforts and ensure communities fully benefit from the permanent authorization of NMTC. These letters warn that the current 15% cap is constraining participation in new projects and increasing the cap would mobilize billions in private capital for affordable housing and community development. The broad support from the affordable housing and community development industries highlights the need to strengthen federal tools that channel capital into low-income communities

#### The HOME Program Plays a Vital Role and its Reauthorization Enhances the Housing Toolkit

For more than three decades, the HOME Program has been one of the federal government's most flexible and effective tools for creating affordable housing. Established under the Cranston-Gonzalez National Affordable Housing Act of 1990, HOME provides formula grants to states and localities to fund a wide range of activities, including building and rehabilitating rental housing, supporting homeownership and offering tenant-based rental assistance.

Despite its proven success, [funding for HOME has been cut precipitously since FY 2010](#). Earlier this year, the House Appropriations Committee approved its FY 2026 Transportation, HUD spending bill which would provide [\\$67.751 billion for HUD in FY 2026](#), which is \$939 million below the FY 2025 enacted level, and zero out funding for HOME. The Senate, on the other hand, [included \\$1.25 billion for the HOME program in its FY 2026 THUD bill](#), which is equal to the FY 2025 funding. The ROAD to Housing Act seeks to address the long-term decline in funding by [incorporating key provisions of the HOME Investment Partnerships Reauthorization and Improvement Act of 2025, S. 948/H.R.2031](#), sponsored by Sen. Catherine Cortez Masto, D-Nevada, and Rep. Joyce Beatty, D-Ohio. The original legislation reauthorizes HOME and introduces several reforms to strengthen program administration. The key provisions of the bill include:

- Authorizing \$5 billion in HOME funding for FY 2025, a sizable increase from the \$2.1 billion level set in 1994, with annual funding growth of 5% through 2029.
- Eliminating the outdated 24-month commitment deadline for HOME funds.
- Streamlining property inspections for HOME-assisted properties.

- Expanding flexibility by amending Community Housing Development Organization (CHDO) requirements, enabling additional nonprofit organizations to qualify as eligible partners.
- Establishing protections for active-duty service members to sell their homes in the event of deployment or permanent change of station.

The related proposal in the Housing for the 21<sup>st</sup> Century Act is the HOME Reform Act of 2025 ([H.R. 5878](#)), sponsored by House Financial Services Subcommittee on Housing and Insurance Chair Mike Flood, R-Nebraska, and Ranking Member Emanuel Cleaver, D-Missouri. This bill seeks to modernize the HOME program by reducing regulatory barriers and enhancing program flexibility. H.R. 5878 originally proposed an increase of the Davis-Bacon threshold from 12 HOME-funded units to 50 units, which was later dropped to 24 units, but this increase was ultimately stripped from the [most recent version of the bill](#). Davis-Bacon requires contractors to pay prevailing wages for construction labor on projects exceeding \$2,000 in cost to the federal government. While not part of the ROAD to Housing Act, the Housing in the 21<sup>st</sup> Century Act incorporated a number of provisions of H.R. 5878, including exempting HOME from Build America, Buy America requirements, streamlining environmental reviews, and adjusting Section 3 compliance to reduce red tape. The House bill also seeks to make HOME more effective for affordable homeownership and small rental properties, along with other programmatic changes designed to improve outcomes.

In addition to reauthorizing HOME, the [ROAD to Housing Act incorporates the Revitalizing Empty Structures into Desirable Environments \(RESIDE\) Act](#), which creates a new program under HOME. Through a competitive pilot discretionary program within HOME, RESIDE provides \$1.35 billion in block grants to state and local governments to convert abandoned commercial buildings—such as malls, offices and hotels—into attainable housing. Eligible properties must be zoned for commercial use and deemed unsafe by an inspector or subject to court-ordered receivership or nuisance abatement. The new program offers broad flexibility, covering acquisitions, demolitions, and construction without percentage limits on project costs.

The Senate Aimed to Pass Community Development Proposals in Addition to Housing

In addition to the ROAD to Housing Act, the [Senate version of the NDAA](#), S. 2296, which passed Oct. 9, also included amendment 3232, a [package of community development financial institutions \(CDFI\) proposals](#). Not only did the [final NDAA not include the ROAD to Housing Act](#), it was also stripped of the CDFI proposals, which included:



- **Requirement to testify:** It would mandate that the Secretary of the Treasury testify annually before the Senate Banking and House Financial Services Committees on the operations of the CDFI Fund, to provide greater transparency and oversight.
- **CDFI Bond Guarantee Program Improvement Act of 2025:** Would extend the CDFI Bond Guarantee Program for four years, lowering the minimum loan size from \$100 million to \$25 million, and removing the annual limit on guarantees to make the program more accessible to smaller CDFIs.
- **Native CDFI Relending Program:** Would expand the U.S. Department of Agriculture's Section 502 Relending Demonstration program for Native CDFIs to provide homeownership opportunities for borrowers whose primary residents are in native lands, including tribal, Alaska Native and Hawaiian Homelands.
- **Capitalization Assistance to Enhance Liquidity:** Would authorize the Secretary of the Treasury to use dividends collected from the Emergency Capital Investment Program to fund Section 113 of the Riegle Act in order help CDFIs access secondary markets and expand lending in rural and urban communities.

With the NDAA Off the Table, How Might Congress Advance Housing and Community Development Legislation?

Going into 2026, the House and Senate will explore alternative legislative vehicles to advance their respective housing and community development proposals. While the NDAA was the most strategic option due to its must-pass nature, other possibilities continue to be considered. The strong bipartisan support for the ROAD to Housing Act and CDFI provisions in the Senate signals members will continue looking for a legislative vehicle. Similarly, the support shown for the Housing in the 21<sup>st</sup> Century Act thus far means representatives will seek a path for its passage.

Potential paths include a single fiscal year 2026 spending bill (e.g., Transportation-HUD), a package of spending bills or a continuing resolution (CR) early next year. The current CR—which brought to an end the longest federal government shutdown in history—provides funding through Jan. 30, 2026. Any subsequent CR or spending bill could provide an opportunity to incorporate housing measures, especially if negotiations are broadened to include other priorities. There is always, of course, a slight possibility that Congress could consider the ROAD to Housing Act or Housing in the 21<sup>st</sup> Century as standalone legislation. Should the full House pass its bill, a compromise would then have to be negotiated with the Senate.

Although these alternatives are less certain than inclusion in a bill like the NDAA, they represent viable routes for advancing key housing and community development provisions,



including increasing the PWI cap and strengthening affordable housing programs before the start of the next fiscal cycle.

### Stay Engaged—Your Voice Matters

Housing and community development advocates and practitioners can join the conversation and help shape the future of housing policy. Consider reaching out to your congressional representatives and policymakers to highlight the importance of ROAD to Housing Act and the Housing in the 21<sup>st</sup> Century Act in strengthening affordable housing and community development.

For those wanting to participate more directly, Novogradac offers its [LIHTC Working Group](#) and [NMTC Working Group](#), where members collaborate on technical, regulatory and administrative program issues and share recommendations to improve delivery of benefits to low-income communities.

Additionally, [Novogradac 2026 Affordable Housing Developers Conference](#) will take place Jan. 15-16 in Fort Lauderdale, and the 2026 [New Markets Tax Credit Conference](#) will take place Jan. 22-23 in San Diego. Register to gain insights on program permanence, the future outlook and to connect with industry professionals driving community development forward.

*Karen Destorel contributed to this post.*

--- [MHProNews notes that per the Q&A with Google's Gemini on Novogradac](#) is the following ---

Based on an analysis of Novogradac's public advocacy, research, and publications, there is a clear distinction between their focus and the priorities of organizations like the **Manufactured Housing Association for Regulatory Reform (MHARR)**.

Novogradac's expertise and advocacy are primarily centered on the **Low-Income Housing Tax Credit (LIHTC)** and other federal tax incentive programs, rather than the regulatory and organic growth issues specific to the HUD Code manufactured housing industry.

### 1. Advocacy on the Manufactured Housing Improvement Act of 2000

There is no significant evidence that Novogradac actively advocates for the enforcement of the **Manufactured Housing Improvement Act of 2000**, specifically regarding its "enhanced preemption" provision.

- **MHARR Focus:** MHARR consistently pushes for the "broad and liberal" construction of federal preemption to override local zoning barriers that restrict HUD Code homes.<sup>1</sup>

- **Novogradac Focus:** Novogradac's legislative advocacy (often through its "LIHTC Working Group") focuses on the **Affordable Housing Credit Improvement Act (AHCIA)** and expanding the reach of the 4% and 9% tax credits. Their manufactured housing coverage typically treats the homes as a component of larger, subsidized rental or community projects rather than as a standalone solution for organic, single-family homeownership growth.

## 2. Duty to Serve (DTS) and Single-Family Financing

While Novogradac comments on the **Duty to Serve (DTS)**, their perspective often leans toward how DTS can support LIHTC and rental preservation rather than the "chattel" (personal property) loans that MHARR argues are essential for industry growth.

- **LIHTC Over DTS:** In formal comments to the FHFA, the Novogradac LIHTC Working Group has recommended that Fannie Mae and Freddie Mac be allowed to **re-enter the LIHTC market** and receive DTS credit for LIHTC equity investments.
- **Organic Growth Disconnect:** MHARR and other industry advocates argue that the 2008 HERA mandate requires the GSEs to support the *entire* manufactured home market, including the approximately 80% of homes financed as personal property.<sup>2</sup> Novogradac's focus on "affordable housing preservation" and "rental housing" often aligns with the GSEs' preference for real property or multi-family transactions, which some argue ignores the "organic" market of individual home buyers.
- **Reference:** [Novogradac LIHTC Working Group - FHFA DTS Comment Letter](#)

## 3. Alignment with Mainstream Housing Groups

Novogradac frequently signs onto letters and supports initiatives with mainstream groups like the **Action Campaign** and the **Affordable Housing Tax Credit Coalition (AHTCC)**.

- **Conflicts of Interest:** These groups prioritize the expansion of subsidized rental housing.<sup>3</sup> Critics in the manufactured housing space, such as those cited in your provided link (referencing Thomas Sowell's principles), argue that these "Big Government" programs often favor special interests and developers over the cost-efficient, market-driven growth of the HUD Code industry.
- **Resource Focus:** Novogradac's "Tax Credit Tuesday" and various handbooks (e.g., *Tax-Exempt Bond Handbook*, *LIHTC Year 15 Handbook*) demonstrate a business model built on the complexity of government-subsidized programs, which is fundamentally different from the "organic growth" model focused on deregulation and private-market financing.

**Summary Table: Advocacy Comparison**

<b>Feature</b>	<b>Novogradac Focus</b>	<b>MHARR / Organic Growth Focus</b>
<b>Primary Tool</b>	LIHTC / Tax-Exempt Bonds	HUD Code / Private Financing
<b>Preemption</b>	Minimal to no visible advocacy	Central pillar of advocacy
<b>DTS Priority</b>	LIHTC equity credit / Preservation	Chattel loan support / Single-family
<b>Housing Model</b>	Subsidized Rental / Multi-family	Affordable Homeownership
<b>Growth Driver</b>	Government Incentives	Regulatory Reform (Removing Bottlenecks)

Would you like me to draft a comparison section for your article that highlights the specific differences in how these two entities define "affordable housing success"?

--- MHPProNews notes that the [screen capture](#) documenting the accuracy of the above from Gemini is found at this link here. <https://www.manufacturedhomepronews.com/wp-content/uploads/2026/01/GeminiOnNovogradacAndManufacturedHousing1.7.2026MHPProNews-scaled.png> ---