

1 ~~Urban Development Act, as added by subsection (a),~~  
2 ~~shall not apply to that assistance.~~

3 **SEC. 206. UNLOCKING HOUSING SUPPLY THROUGH**  
4 **STREAMLINED AND MODERNIZED REVIEWS**  
5 **ACT.**

6 (a) DEFINITIONS.—In this section:

7 (1) INFILL PROJECT.—The term “infill project”  
8 means a project that—

9 (A) occurs within the geographic limits of  
10 a municipality;

11 (B) is adequately served by existing utili-  
12 ties and public services as required under appli-  
13 cable law;

14 (C) is located on a site of previously dis-  
15 turbed land of not more than 5 acres and sub-  
16 stantially surrounded by residential or commer-  
17 cial development;

18 (D) will repurpose a vacant or underuti-  
19 lized parcel of land, or a dilapidated or aban-  
20 doned structure; and

21 (E) will serve a residential or commercial  
22 purpose.

23 (2) SECRETARY.—The term “Secretary” means  
24 the Secretary of Housing and Urban Development.

1 (b) NEPA STREAMLINING FOR HUD HOUSING-RE-  
2 LATED ACTIVITIES.—

3 (1) IN GENERAL.—The Secretary shall, in ac-  
4 cordance with section 553 of title 5, United States  
5 Code, and section 103 of the National Environ-  
6 mental Policy Act of 1969 (42 U.S.C. 4333), expand  
7 and reclassify housing-related activities under the  
8 necessary administrative regulations as follows:

9 (A) The following housing-related activities  
10 shall be subject to regulations equivalent or  
11 substantially similar to the regulations entitled  
12 “exempt activities” as set forth in section 58.34  
13 of title 24, Code of Federal Regulations, as in  
14 effect on January 1, 2025:

15 (i) Tenant-based rental assistance.

16 (ii) Supportive services, including  
17 health care, housing services, permanent  
18 housing placement, day care, nutritional  
19 services, short-term payments for rent,  
20 mortgage, or utility costs, and assistance  
21 in gaining access to Federal Government  
22 and State and local government benefits  
23 and services.

24 (iii) Operating costs, including main-  
25 tenance, security, operation, utilities, fur-

1 nishings, equipment, supplies, staff train-  
2 ing, and recruitment and other incidental  
3 costs.

4 (iv) Economic development activities,  
5 including equipment purchases, inventory  
6 financing, interest subsidies, operating ex-  
7 penses, and similar costs not associated  
8 with construction or expansion of existing  
9 operations.

10 (v) Activities to assist home-buyers in  
11 the purchase of existing dwelling units or  
12 dwelling units under construction, includ-  
13 ing closing costs and down payment assist-  
14 ance, interest rate buydowns, and similar  
15 activities that result in the transfer of title.

16 (vi) Affordable housing  
17 predevelopment costs related to obtaining  
18 site options, project financing, administra-  
19 tive costs and fees for loan commitment,  
20 zoning approvals, and other related activi-  
21 ties that do not have a physical impact.

22 (vii) Approval of supplemental assist-  
23 ance, including insurance or guarantee, to  
24 a project previously approved by the Sec-  
25 retary.

1 (viii) Emergency home-owner or  
2 renter assistance for the repair or replace-  
3 ment of HVAC, hot water heaters, and  
4 other necessary existing utilities required  
5 under applicable law.

6 (B) The following housing-related activities  
7 shall be subject to regulations equivalent or  
8 substantially similar to the regulations entitled,  
9 (i) “categorical exclusions not subject to section  
10 58.5” and (ii) “categorical exclusions not sub-  
11 ject to the Federal laws and authorities cited in  
12 section 50.4” in section 58.35(b) and section  
13 50.19, respectively of title 24, Code of Federal  
14 Regulations, as in effect on January 1, 2025, if  
15 such activities do not materially alter environ-  
16 mental conditions and do not materially exceed  
17 the original scope of the project:

18 (i) Acquisition, repair, improvement,  
19 reconstruction, or rehabilitation of public  
20 facilities and improvements (other than  
21 buildings) if the facilities and improve-  
22 ments are in place and will be retained in  
23 the same use without change in size or ca-  
24 pacity of more than 20 percent, including  
25 replacement of water or sewer lines, recon-

1 construction of curbs and sidewalks, and re-  
2 paving of streets.

3 (ii) Rehabilitation of 1-to-4 unit resi-  
4 dential buildings, and existing housing-re-  
5 lated infrastructure, such as repairs or re-  
6 habilitation of existing wells, septic, or  
7 utility lines that connect to that housing.

8 (iii) New construction, development,  
9 demolition, acquisition, or disposition of up  
10 to 4 scattered site existing dwelling units  
11 where there is a maximum of 4 units on  
12 any 1 site.

13 (iv) Acquisitions (including leasing)  
14 of, disposition of, or equity loans on an ex-  
15 isting structure, or acquisition (including  
16 leasing) of vacant land if the structure or  
17 land acquired, financed, or disposed of will  
18 be retained for the same use.

19 (C) The following housing-related activities  
20 shall be subject to regulations equivalent or  
21 substantially similar to the regulations entitled,  
22 (i) “categorical exclusions subject to section  
23 58.5” and (ii) “categorical exclusions subject to  
24 the Federal laws and authorities cited in section  
25 50.4” in section 58.35(a) and section 50.20, re-

1           spectively, of title 24, Code of Federal Regula-  
2           tions, as in effect on January 1, 2025, if such  
3           activities do not materially alter environmental  
4           conditions and do not materially exceed the  
5           original scope of the project:

6                   (i) Acquisitions of open space or resi-  
7                   dential property, where such property will  
8                   be retained for the same use or will be con-  
9                   verted to open space to help residents relo-  
10                  cate out of an area designated as a high-  
11                  risk area by the Secretary.

12                  (ii) Conversion of existing office build-  
13                  ings into residential development, subject  
14                  to—

15                           (I) a maximum number of units  
16                           to be determined by the Secretary;  
17                           and

18                           (II) a limitation on the change in  
19                           building size of not more than 20 per-  
20                           cent.

21                   (iii) New construction, development,  
22                   demolition, acquisition, or disposition of 5  
23                   to 15 dwelling units where there is a max-  
24                   imum of 15 units on any 1 site. The units

1 can be 15 1-unit buildings or 1 15-unit  
2 building, or any combination in between.

3 (iv) New construction, development,  
4 demolition, acquisition, or disposition of 15  
5 or more housing units developed on scat-  
6 tered sites when there are not more than  
7 15 housing units on any 1 site, and the  
8 sites are more than a set number of feet  
9 apart as determined by the Secretary.

10 (v) Rehabilitation of buildings and im-  
11 provements in the case of a building for  
12 residential use with 5 to 15 units, if the  
13 density is not increased beyond 15 units  
14 and the land use is not changed.

15 (vi) Infill projects consisting of new  
16 construction, rehabilitation, or development  
17 of residential housing units.

18 (vii) The voluntary acquisition of  
19 properties—

20 (I) located in—

21 (aa) a floodway;

22 (bb) a floodplain; or

23 (cc) any other area, clearly  
24 delineated by the grantee; and

1 (II) that have been impacted by a  
2 predictable environmental threat to  
3 the safety and well-being of program  
4 beneficiaries caused or exacerbated by  
5 a federally declared disaster.

6 (c) IMPLEMENTATION.—For purposes of imple-  
7 menting the streamlining of environmental review for  
8 housing-related activities under subsection (b), the agency  
9 actions carried out under that subsection—

10 (1) shall only apply with respect to funds ap-  
11 propriated after the effective date of those actions;  
12 and

13 (2) shall not apply with respect to a grantee  
14 that combines funds appropriated before and after  
15 the effective date of those actions to carry out a  
16 project.

17 (d) REPORT.—The Secretary shall submit to the  
18 Committee on Banking, Housing, and Urban Affairs of  
19 the Senate and the Committee on Financial Services of  
20 the House of Representatives an annual report during the  
21 5-year period beginning on the date that is 2 years after  
22 the date of enactment of this Act that provides a summary  
23 of findings of reductions in review times and administra-  
24 tive cost reduction, with a particular focus on the afford-  
25 able housing sector, as a result of the actions set forth

1 in this section, and any recommendations of the Secretary  
2 for future congressional action with respect to revising  
3 categorical exclusions or exemptions under title 24, Code  
4 of Federal Regulations.

5 ~~SEC. 207. GRANTS FOR PLANNING AND IMPLEMENTATION~~  
6 ~~ASSOCIATED WITH AFFORDABLE HOUSING.~~

7 (a) ~~DEFINITIONS.~~—In this section:

8 (1) ~~ELIGIBLE ENTITY.~~—The term “eligible enti-  
9 ty” means—

10 (A) a State, insular area, metropolitan  
11 city, or urban county, as those terms are de-  
12 fined in section 102 of the Housing and Com-  
13 munity Development Act of 1974 (42 U.S.C.  
14 5302); or

15 (B) a regional planning agency or con-  
16 sortia of regional planning agencies.

17 (2) ~~HOUSING PLAN.~~—The term “housing plan”  
18 means a plan to, with respect to an area within the  
19 jurisdiction of an eligible entity—

20 (A) increase the amount of available hous-  
21 ing to meet the demand for such housing and  
22 any projected increase in the demand for such  
23 housing;

24 (B) increase the affordability of housing;