COSCDA
Council of State Community Development Agencies

21st Century ROAD to Housing Act

Title II, Section 210

Revitalizing Empty Structures into Desirable Environments (RESIDE) Act

Link to Section 210 Text

SUMMARY

Section 210 authorizes the *RESIDE* program, which would function as a sub-grant of the HOME Investment Partnerships Program (HOME). State Participating Jurisdictions (PJs) would be eligible to apply for *RESIDE* funding to convert vacant and abandoned buildings into affordable housing. The program cannot begin until Congress appropriates funding.

IMPLEMENTATION TIMELINE AND RESPONSIBILITIES

HUD will only establish this pilot program if Congress appropriates funding. There is a suggested amount of $100,000,000 annually for the pilot. The pilot is only authorized to operate for five fiscal years (FY27 – FY31).

Within 6 month's of the pilot's termination (most likely FY31), HUD must submit a report to Congress with specific details on the program's impact.

STATUTORY AND REGUALTORY CHANGES

Subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act
42 U.S.C. 12741 et seq. – Investment in Affordable Housing

Sec. 227. Revitalizing Empty Structures into Desirable Environments

(a) Definitions – In this section:

(1) Attainable Housing – The term "attainable housing" means housing that serves households earning not more than 120 percent of the area median income, if the majority of the housing units are affordable to households earning not more than 60 percent of the area median income.

(2) Converted Housing Unit – The term "converted housing unit" means a housing unit that is created using a covered grant.

(3) Covered Grant – The term "covered grant" means a grant awarded under the Pilot Program.

(4) Eligible Entity – The term "eligible entity" means a participating jurisdiction.

(5) Pilot Program – The term "Pilot Program" means the pilot program established under subsection (b).

(6) Vacant and Abandoned Building – The term "vacant and abandoned building" means a property –

(A) that was constructed for use as a warehouse, factory, mall, strip mall, or hotel, or for another industrial or commercial use; and

(B)(i) with respect to which –

(I) a code enforcement inspection has determined that the property is not safe; and

(II) not less than 90 days have elapsed since the owner was notified of the deficiencies in the property and the owner has taken no corrective action; or

(B)(ii) that is subject to a court-ordered receivership or nuisance abatement related to abandonment pursuant to State or local law or otherwise meets the definition of an abandoned property under State law.

(b) Purpose of Grant Program – Subject to the availability of funds appropriated for this subsection, the Secretary is authorized to establish a pilot program, spanning from fiscal years 2027 through 2031, which shall have the purpose of awarding grants on a competitive basis to eligible entities to convert vacant and abandoned buildings into attainable housing.

(c) Amount of Grant –

(1) In General – For any fiscal year for which not less than $100,000,000 is made available to carry out the Pilot Program, the amount of a covered grant shall not be less than $1,000,000 and not more than $10,000,000.

(2) Fiscal Years with Lower Funding – For any fiscal year for which less than $100,000,000 is made available to carry out the Pilot Program pursuant to subsection (b), the Secretary shall seek to maximize the number of covered grants awarded.

(d) Relation to Formula Allocation – A covered grant awarded to an eligible entity shall be in addition to, and shall not effect, the formula allocation for the eligible entity under section 217.

(e) Priority – In awarding covered grants, the Secretary shall give priority to an eligible entity that –

(1) will use the covered grant in a community that is experiencing economic distress;

(2) will use the covered grant in a qualified opportunity zone (as defined in section 1400Z-1(a) of the Internal Revenue Code of 1986);

(3) will use the covered grant to construct housing that will serve a need identified in the comprehensive housing affordability strategy and community development plan of the eligible entity under part 91 of title 24, Code of Federal Regulations, or any successor regulation (commonly referred to as a "consolidated plan"); or

(4) has enacted ordinances to reduce regulatory barriers to conversion of vacant and abandoned buildings to housing, which shall not include any alteration of an ordinance that governs safety and habitability.

(f) Use of Funds – An eligible entity may use a covered grant for –

(1) property acquisition;

(2) demolition;

(3) health hazard remediation;

(4) site preparation;

(5) construction, renovation, or rehabilitation; or

(6) the establishment, maintenance, or expansion of community land trusts or housing cooperatives.

(g) Waiver Authority – In administering covered grants, the Secretary may waive, or specify alternative requirements for, any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by eligible entities of covered grant funds (except for requirements related to fair housing, nondiscrimination, labor standards, or the environment) if the Secretary makes a public finding that good cause exists for the waiver or alternative requirement.

(h) Study; Report – Not later than 180 days after the termination of the Pilot Program, the Secretary shall study and submit to Congress a report on the impact of the Pilot Program on –

(1) improving the tax base of local communities;

(2) increasing access to affordable housing, especially for elderly individuals, disabled individuals, and veterans;

(3) increasing home-ownership; and

(4) removing blight.