NCSHA National Council of State Housing Agencies

Unpacking the 21st Century ROAD to Housing Act

Authorization of Competitive Grants and Other Pilot Programs

The 21st Century ROAD to Housing Act (the Act) authorizes numerous pilot programs to test out new mechanisms for increasing the supply of affordable housing and assisting households living in such housing. This paper summarizes the various pilot programs established by the Act and the opportunities for HFAs.

Pilot Program for Projects That Evaluate Point-Access Block Residential Buildings (Section 102): In addition to requiring the U.S. Department of Housing and Urban Development (HUD) to issue guidelines to facilitate the permitting of point-access block residential buildings, this provision allows HUD to award competitive grants for pilot programs to assess the feasibility of point-access block buildings. Point-access block buildings are generally single-staircase apartment buildings with three or more stories.

- ***Eligible Grantees***: States, local governments, tribal governments, public housing agencies (PHAs), nonprofit housing organizations, community development organizations, developers, construction firms, qualified design firms, engineering firms, academic institutions, research institutions, or any partnership or consortium composed of two or more such types
- ***Program Timeframe***: Program to terminate seven years after enactment
- ***Funding***: The Act does not authorize a specific dollar amount for the pilot program. Appropriators would need to provide funding to facilitate competitive grants for this purpose.

> ➢ ***Opportunity for HFAs****:* States are eligible grantees.

FHA Small-Dollar Mortgage Pilot Program (Section 105): Authorizes a HUD pilot program to increase access to small-dollar mortgages with original principal balances of $100,000 or less. This can include providing down payment assistance or other closing costs assistance to home buyers with small mortgages; direct payments to lenders to incentivize the origination of small-dollar mortgages; adjustments to terms and costs imposed by the Federal Housing Administration (FHA); outreach to potential mortgagors about the availability of such mortgages; and technical assistance for mortgagees that originate small-dollar mortgages.

- ***Program Timeframe***: Program will terminate four years after the date it is established.
- ***Funding***: The Act does not authorize a specific dollar amount for the pilot program. Appropriators would need to provide funding to facilitate payments associated with this program.

> ➢ ***Opportunity for HFAs****:* No direct opportunity but could conceivably fund loans assisted through the pilot.

Temperature Sensor Pilot Program (Section 106): Establishes a HUD pilot program to award grants to public housing agencies (PHAs) and owners of federally assisted rental housing to install temperature sensors in dwelling units, with the written permission of tenants, to ensure compliance with temperature-related housing quality standards.

- ***Eligible Grantees***: PHAs and owners of federally assisted housing, which includes public housing, Project-Based Rental Assistance (PBRA), Section 202, and Section 811
- ***Program Timeframe***: HUD must establish eligibility criteria within 180 days of enactment. Program to sunset three years after the enactment.
- ***Funding***: The Act does not authorize a specific dollar amount for the pilot program. Appropriators would need to provide funding for grants associated with this program.

> ➢ ***Opportunity for HFAs****:* HFAs operating public housing can participate by virtue of their status as PHAs.

Whole Home Repair Pilot Program (Section 202): Authorizes a pilot program to offer grants and forgivable loans to address home repair needs and health hazards to stabilize aging housing stock. The pilot program is available for both homeownership and rental properties. Repairs may address physical and sensory accessibility, habitability and safety concerns, energy/water efficiency, resilience, and weatherization. Assistance would be in the form of grants for homebuyers and loans, which may be forgivable, for renters. Each year, grants may be made to at least two but not more than 10 organizations and not more than one organization per state.

- ***Rental Property Eligibility***: Small landlords of fewer than 10 eligible rental properties with a majority of affordable units and no more than 25 units total. Affordable units are those for which the monthly rental payment is no more than 30 percent of the gross income of an individual at or below 80 percent of area median income (AMI). Landlords must agree to cap annual rent increases at the lesser of five percent of base rate or at the rate of inflation for at least three years after the completion of repairs.
- ***Homeowner Eligibility***: No more than 80 percent of AMI or meets eligibility of a specified program (Medicaid, S-CHIP, SSI, SNAP, or TANF)
- ***Eligible Grantees***: States or local governments. Grantees may administer the program through an agency, department, or other entity of the state or local government or through an agreement with local governments, tribes, municipal authorities, other governmental authorities, tribally designated housing entities, or qualified nonprofits.
- ***Program Timeframe***: Terminates on October 1, 2031
- ***Funding***: The Act does not authorize a specific dollar amount for the pilot program. Appropriators would need to provide funding for grants associated with this program.

> ➢ ***Opportunity for HFAs****:* States are eligible grantees but cannot administer the program in any jurisdiction where another grantee is operating.

Affordable Housing Planning and Implementation Grants (Section 207): Authorizes a pilot program to offer competitive grants for regional housing planning and community development activities. Grants may not be used for construction, alteration, or repair work.

- ***Eligible Grantees***: States, local governments, regional planning agencies, and consortia
- ***Program Timeframe***: HUD must establish the program within one year of the enactment date of the Act. Terminates five years after enactment.
- ***Funding***: The Act does not authorize a specific dollar amount for the pilot program. Appropriators would need to provide funding for grants associated with this program.

➢ ***Opportunity for HFAs****:* States are eligible grantees.

Innovation Fund (Section 208): Authorizes a program to offer flexible funding for local communities to improve community infrastructure and build housing. HUD must provide at least 25 grants annually unless appropriations are insufficient. Grants must be no more than $10 million and no less than $250,000.

- ***Eligibility***: Housing must serve households earning no more than 120 percent of AMI, and the majority of the housing units must be affordable to households earning no more than 60 percent of AMI.
- ***Eligible Grantees***: Metropolitan cities, urban counties, and other local governments or tribes that demonstrate an objective improvement in housing supply growth. HUD is tasked with making a list of eligible entities publicly available on its website.
- ***Program Timeframe***: HUD must establish the program within one year of the Act's enactment. Terminates seven years after enactment of the Act.
- ***Funding***: The Act authorizes $200 million each year for FY 2027 – 2031. Appropriators would need to provide funding for grants associated with this program.

➢ ***Opportunity for HFAs****:* No direct opportunity.

Accelerating Home Building (Section 209): Authorizes a HUD grant program to help communities establish pre-approved housing designs or pattern books to streamline and expedite local construction processes. The total monthly housing payment must not be more than 30 percent of the monthly household income for a household earning no more than 80 percent of AMI.

- ***Eligible Grantees***: Local governments, municipal membership organizations, and tribes
- ***Program Timeframe***: Not specified in statute
- ***Funding***: The Act does not authorize a specific dollar amount for the pilot program. Appropriators would need to provide funding for grants associated with this program.

➢ ***Opportunity for HFAs****:* No direct opportunity.

Revitalizing Empty Structures into Desirable Environments (RESIDE) Program (Section 210): Authorizes a competitive pilot program within the HOME Investment Partnerships Program (HOME) to convert vacant and abandoned buildings into housing. While adaptive reuse projects are already eligible under HOME, projects funded under this set-aside have more income eligibility flexibility. Unlike other HOME funds, which are distributed by formula, these funds would be distributed through a competition. For more information, see NCSHA's white paper on the reforms to the HOME program in the 21st Century ROAD to Housing Act.

- ***Eligibility***: Housing must serve households earning no more than 120 percent of AMI, and the majority of such housing must serve households earning no more than 60 percent of AMI.
- ***Eligible Grantees***: HOME participating jurisdictions (PJs)
- ***Program Timeframe***: Authorized for FY 2027 – 2031
- ***Funding***: This pilot program would be funded as a set-aside within the HOME program. Appropriators would need to provide funding within the HOME account for grants associated with this program.

> ➢ ***Opportunity for HFAs***: HFAs that are their state's PJ are eligible for the funds. NCSHA generally opposes set-asides within existing programs, particularly when the eligible activities of the set-aside are already eligible under the program broadly.

Build Now Act (Section 213): Creates a pilot program to incentivize housing development of all types in certain Community Development Block Grant (CDBG) entitlement jurisdictions. While characterized as a pilot program, this is really a policy change to adjust localities' CDBG grant amounts up or down based on their "housing growth improvement rate" as a mechanism for incentivizing certain policy actions.

- ***Eligible Grantees***: Localities administering CDBG (does not apply to state agencies administering CDBG)
- ***Program Timeframe***: Implementation takes effect at the third full fiscal year after the date of enactment and remains in effect through FY 2043.
- ***Funding***: This is a policy change impacting formula allocations to grantees but does not require additional appropriations for implementation.

> ➢ ***Opportunity for HFAs***: No direct opportunity.

PRICE Act (Section 304): Temporarily authorizes HUD's Preservation and Reinvestment Initiative for Community Enhancement (PRICE) Program to provide grants to communities to maintain, protect, and stabilize manufactured housing and manufactured housing communities. The PRICE Program was initially established and funded in the FY 2023 omnibus appropriations bill (and received supplementary funding in FY 2024) but had not been previously authorized. Eligible uses of funds include the financing of community infrastructure, facilities, utilities, and other land improvements; reconstruction/repair of existing manufactured housing; replacement of homes; planning; resident health and safety activities; land and site acquisition for expansion of a manufactured housing community; resident and community services; and other activities approved by the Secretary.

- ***Eligible Grantees:*** States, eligible manufactured housing communities, units of local government, PHAs, resident-owned communities, resident-owned cooperatives, nonprofits, Community Development Financial Institutions, tribes, tribally designated housing entities, the Department of Hawaiian Home Lands, and any entity that is an owner-operator of manufactured housing and works with an eligible manufactured housing community
- ***Program Timeframe:*** Program terminates seven years after the date of enactment.
- ***Funding:*** The Act does not authorize a specific dollar amount for the pilot program. Appropriators would need to provide funding for grants associated with this program.

> ➢ ***Opportunity for HFAs:*** States are eligible grantees.

Helping More Families Save Act (Section 404): Authorizes a pilot program under HUD's Family Self-Sufficiency (FSS) initiative to promote economic mobility and homeownership by enabling more families to grow their household savings. Families are eligible if they receive assistance under Sections 8 or 9. HUD may award grants to no more than 25 eligible entities, which may be used to assist up to 5,000 families. More information is available in the July 13, 2026, blog post detailing changes to existing housing programs.

- ***Eligible Grantees***: PHAs and owners of multifamily housing that receive PBRA
- ***Program Timeframe***: HUD must select eligible grantees within one year of establishing the pilot program. The program terminates 10 years after enactment.
- ***Funding***: The Act does not authorize a specific dollar amount for the pilot program. Appropriators would need to provide funding for grants associated with this program.

> ➢ ***Opportunity for HFAs:*** States that act as PHAs are eligible grantees.

Rural Community Development Initiative (Section 502): Authorizes the Rural Community Development Initiative at the U.S. Department of Agriculture, designed to provide grants to eligible intermediaries to provide financial and technical assistance to eligible entities to develop the capacity to carry out projects to improve housing, community facilities, and community and economic development projects in rural areas.

- ***Eligible Entities***: Private nonprofit housing or community development organizations, rural communities, and tribes
- ***Eligible Intermediaries***: Private nonprofit or public organizations
- ***Program Timeframe***: The initiative is permanent, and the Act does not specify the time by which the Secretary must create the program.
- ***Funding***: The Act does not authorize a specific dollar amount for the initiative and would be subject to appropriations. Maximum individual grants would be capped at $500,000, and intermediaries receiving grants would be required to provide matching funds.

> ➢ ***Opportunity for HFAs:*** HFAs are eligible intermediaries.

Community Development Block Grant – Disaster Recovery Program (Section 504): Temporarily authorizes the Community Development Block Grant – Disaster Recovery (CDBG-DR) Program and establishes the Office of Disaster Management and Resiliency within HUD to administer the program.

- ***Eligible Grantees***: States, units of local government, and tribes
- ***Program Timeframe***: HUD must issue a final rule within one year of the Act's enactment. The program will terminate three years after the date of enactment.
- ***Funding***: The Act does not authorize a specific dollar amount for the pilot program. Presumably, funding would be provided as needed in response to natural disasters.

➢ ***Opportunity for HFAs****:* States awarded CDBG-DR funds are eligible grantees.

About This Series

Unpacking the 21*st* Century ROAD to Housing Act

The 21st Century ROAD to Housing Act is the most comprehensive overhaul of America's affordable housing programs in decades, ushering in policy changes to existing affordable housing programs, establishing new temporary pilot programs and policies, and mandating new research and reporting to better inform housing policy in the future. This white paper is one in a series of policy briefs published by NCSHA in July 2026 analyzing the housing reforms enacted by the legislation.

About NCSHA

For more than 50 years, state Housing Finance Agencies (HFAs) have played a central role in the nation's affordable housing system, delivering financing to make possible the purchase, development, and rehabilitation of affordable homes and rental apartments for low- and middle-income households.

The National Council of State Housing Agencies (NCSHA) is a nonprofit, nonpartisan organization created to advance, through advocacy and education, the efforts of the nation's state HFAs and their partners to provide affordable housing to those who need it.

Learn more at ncsha.org.