Title: To reduce regulatory barriers to housing, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Reducing Regulatory Barriers to Housing Act”.

SEC. 2. FINDINGS.

Congress finds the following:

(1) As of 2021 in the United States, there was a housing shortage of 3,890,000 homes. This housing supply shortage has resulted in a record number of cost-burdened households across regions and spanning the large and small cities, towns, and coastal and rural communities of the United States.

(2) Several factors contribute to the undersupply of housing in the United States, particularly workforce housing, including rising costs of construction, a shortage of labor, supply chain disruptions, and a lack of reliable funding sources.

(3) Regulatory barriers at the State and local levels, such as zoning and land use regulations, may also inhibit the creation of new housing to meet local and regional housing needs.

(4) State and local governments are proactively exploring solutions for reforming regulatory barriers, but additional resources, data, and models are needed to adequately address these challenges.

(5) While land use regulation is the responsibility of State and local governments and Federal support for necessary reforms is not a preemption of existing authority, there is a need for the Federal Government to provide support and assistance to State and local governments that wish to undertake necessary reforms in a manner that fits their communities’ needs.

(6) It is the policy of the United States to provide for fair housing throughout the country, and it is in the regional and national interest to have a supply of housing that is fair, affordable, adequate, and near opportunity.

(7) Therefore, zoning ordinances or systems of land use regulation that have the intent or effect of restricting housing opportunities based on economic status or income without substantial, legitimate, nondiscriminatory interests and that outweigh the regional need for housing are contrary to the regional and national interest.

SEC. 3. DEFINITIONS.

In this Act:

(1) Assistant secretary.—The term “Assistant Secretary” means the Assistant Secretary for Policy Development and Research of the Department of Housing and Urban Development.

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

SEC. 4. LAND USE AND PLANNING.

(a) In General.—Section 4 of the Department of Housing and Urban Development Act (42 U.S.C. 3533) is amended by adding at the end the following:

“(i) Land Use and Planning.—

“(1) Definitions.—In this subsection:

“(A) Affordable housing.—The term ‘affordable housing’ means housing for which the monthly payment is less than 30 percent of the monthly income of a household.

“(B) Local zoning framework.—The term ‘local zoning framework’ means the local zoning codes and other ordinances, procedures, and policies governing zoning and land-use at the local level.

“(C) State zoning framework.—The term ‘State zoning framework’ means the State legislation or State agency and department procedures enabling local planning and zoning authorities and establishing and guiding related policies and programs.

“(D) Unit of general local government.—The term ‘unit of general local government’—

“(i) has the meaning given the term in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302); and

“(ii) includes regional planning entities.

“(2) Land use and planning.—The Secretary, acting through the Assistant Secretary, shall—

“(A) provide technical assistance to States and localities on zoning and planning to—

“(i) eliminate discriminatory land use policies and reduce barriers to housing construction, including construction of housing attainable for low-income and moderate-income renters and homeowners; and

“(ii) promote sustainable and resilient land development;

“(B) work across the Department and with the Department of the Treasury, the Department of Justice, the Department of Transportation, the Department of Agriculture, the Department of Health and Human Services, the Environmental Protection Agency, the Department of Energy, the Department of the Interior, and the Council on Environmental Quality to—

“(i) coordinate efforts relating to or impacting housing development; and

“(ii) as relevant, streamline permitting, including by aligning the implementing procedures of those agencies under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) to promote housing production and transit-oriented development;

“(C) conduct, support, and disseminate research on local zoning and planning measures to improve access to affordable housing and increase housing supply across a range of urban, suburban, exurban, and rural communities, including by establishing a research program to perform research, collect data, and evaluate—

“(i) best practices in zoning and planning to expand opportunities for housing affordability and fair housing opportunities;

“(ii) the effects of land-use reform measures on—

“(I) neighborhood, jurisdictional, and regional housing conditions;

“(II) residential stability; and

“(III) access to affordable housing at all incomes levels;

“(iii) methods of community engagement to improve the public engagement process to reform land-use planning and regulatory practices;

“(iv) systems and standards for data collection; and

“(v) other topics related to zoning and planning as determined by the Secretary; and

“(D) develop the necessary expertise and capacity within the Office to carry out this paragraph.

“(3) Guidelines on state zoning frameworks.—

“(A) Establishment.—Not later than 3 years after the date of enactment of this subsection, the Assistant Secretary shall publish a document outlining guidelines and best practices for State zoning frameworks to support production of adequate housing to meet the needs of communities and provide housing opportunities for individuals at every income level across communities.

“(B) Consultation; public comment.—[During the 1-year period beginning on the date of enactment of this subsection], in developing the guidelines and best practices required under subparagraph (A), the Assistant Secretary shall—

“(i) publish draft guidelines in the Federal Register for public comment; and

“(ii) establish a task force for the purpose of providing consultation with the Department of the draft guidelines published under clause (i), the members of which shall include—

“(I) planners and architects;

“(II) community engagement experts;

“(III) advocates with experience in affordable housing and community development efforts;

“(IV) fair housing advocates;

“(V) housing developers, including affordable housing developers;

“(VI) public housing authorities and transit authorities;

“(VII) members of local zoning and planning boards amd local and regional transportation planning organizations;

“(VIII) State officials responsible for housing or land use, including members of State zoning boards of appeals;

“(IX) academic researchers; and

“(X) community members impacted by zoning decisions.

“(C) Contents.—The guidelines and best practices required under subparagraph (A) shall—

“(i) outline potential models for updated State enabling legislation or State agency and department procedures;

“(ii) include recommendations regarding—

“(I) the reduction or elimination of parking minimums;

“(II) the increase in maximum floor area ratio requirements and maximum building heights and the reduction in minimum lot size and setback requirements;

“(III) the elimination of restrictions against accessory dwelling units;

“(IV) increasing by-right uses, including duplex, triplex, or quadplex buildings, across cities or metropolitan areas, including mechanisms, such as proximity to transit, to determine the jurisdictional level for rezoning that ensures equitable development and that does not disproportionately burden residents of economically distressed areas;

“(V) provisions regarding review of by-right development proposals to streamline review and reduce uncertainty, including non-discretionary, ministerial review;

“(VI) the reduction of obstacles to a range of housing types, including manufactured and modular housing;

“(VII) State model codes for directing local reforms, including mechanisms to encourage adoption;

“(VIII) provisions to encourage transit-oriented development, including but not limited to, increased permissible units per structure and reduced minimum lot sizes near existing or planned public transit stations;

“(IX) reforms to the public engagement processes, including—

“(aa) meaningful access for limited English proficient persons and effective communication improvements for persons with disabilities;

“(bb) leveraging of virtual meeting technologies; and

“(cc) proactive outreach in communities;

“(X) the elimination of or reforms to protest petition statutes;

“(XI) the standardization, reduction, or elimination of impact fees;

“(XII) the standardization of building codes;

“(XIII) models for community benefit agreements;

“(XIV) mechanisms to preserve affordability, limit disruption of low-income communities, and prevent displacement of existing residents;

“(XV) a model for a State zoning appeals process, which would—

“(aa) create a process for developers or builders requesting a variance, conditional use, or zoning district change or otherwise petitioning a local zoning or planning board for a project including a State-defined amount of affordable housing to appeal a rejection to a State body or regional body empowered by the State;

“(bb) establish qualifications for communities to be exempted from the appeals process based on their available stock of affordable housing; and

“(cc) establish a State zoning appeals board to consider appeals to a variance rejection and objectively evaluate petitions based on the potential for environmental damage and infrastructural capacity;

“(XVI) best practices on the disposition of land owned by State governments for affordable housing development; and

“(XVII) other land use measures that promote access to new housing opportunities identified by the Secretary; and

“(iii) consider—

“(I) local housing needs, including ways to set and measure housing goals and targets;

“(II) a range of affordability for rental units, with a prioritization of units attainable to extremely low-income, low-income, and moderate-income residents;

“(III) a range of affordability for homeownership units attainable to low-income and moderate-income residents;

“(IV) distinctions between States providing constitutional or statutory home rule authority to municipalities and States operating under the Dillon rule, as articulated in Hunter v. Pittsburgh, 207 U.S. 161 (1907);

“(V) accountability measures;

“(VI) the long-term cost to residents and businesses if more housing is not constructed;

“(VII) barriers to individuals seeking to access affordable housing in growing communities and communities with economic opportunity;

“(VIII) consistency with respect to fair housing and civil rights requirements;

“(IX) coordination between infrastructure investments and housing planning;

“(X) statewide mechanisms to preserve existing affordability over the long term, including support for land banks and community land trusts;

“(XI) guidance to States on collecting and maintaining proactive data on the current rental housing market and rental registries; and

“(XII) other considerations, as identified by the Secretary.

“(4) State zoning frameworks.—

“(A) In general.—Not later than 180 days after the date on which the Assistant Secretary receives a request from a State for technical assistance, the Assistant Secretary shall provide technical assistance to States that seek to adopt a State zoning framework that incorporates, in whole or in part, the guidelines and best practices described in paragraph (4).

“(B) [Sense of Congress].—[It is the sense of Congress that], in adopting a State zoning framework under subparagraph (A), a State [should not] include measures the net effect of which would promote exclusionary zoning practices, restrict production, or otherwise increase barriers to housing construction.

“(5) Guidelines on local zoning frameworks.—

“(A) Establishment.—Not later than 3 years after the date of enactment of this subsection, the Assistant Secretary shall publish best practices for local zoning frameworks using the same public comment and consultation process described in paragraph (3)(B) with respect to State zoning frameworks.

“(B) Contents.—The best practices required under subparagraph (A) shall—

“(i) include recommendations regarding—

“(I) the simplification and standardization of existing zoning codes;

“(II) the reduction or elimination of parking minimums;

“(III) the increase in maximum floor area ratio requirements and maximum building heights and the reduction in minimum lot size and setback requirements;

“(IV) the elimination of restrictions against accessory dwelling units;

“(V) increasing by-right uses, including duplex, triplex, or quadplex buildings;

“(VI) the reduction of obstacles to a range of housing types, including manufactured and modular housing;

“(VII) provisions to encourage transit-oriented development, including increased permissible units per structure and reduced minimum lot sizes near existing or planned public transit stations;

“(VIII) reforms to the public engagement processes, including—

“(aa) meaningful access for limited English proficient persons and effective communication improvements for persons with disabilities;

“(bb) leveraging of virtual meeting technologies; and

“(cc) proactive outreach in communities;

“(IX) provisions regarding review of by-right development proposals to streamline review and reduce uncertainty, including non-discretionary, ministerial review;

“(X) recommendations regarding maximum review timelines;

“(XI) models for standardized community benefit agreements;

“(XII) best practices on the disposition of land owned by local governments and transit authorities for affordable housing development;

“(XIII) mechanisms and incentives to preserve affordability, limit disruption of low-income communities, and prevent or reduce displacement of existing residents;

“(XIV) other regulatory reforms to increase housing construction and reduce housing costs; and

“(XV) other land use measures that promote access to new housing opportunities identified by the Secretary; and

“(ii) consider—

“(I) local housing needs;

“(II) a range of affordability for rental units, with a prioritization of units attainable to extremely low-income, low-income, and moderate-income residents;

“(III) a range of affordability for homeownership units attainable to low- and moderate-income residents;

“(IV) the long-term cost to residents and businesses if more housing is not constructed;

“(V) barriers to accessing affordable housing in growing communities and communities with economic opportunities; and

“(VI) other policies or methods, as identified by the Secretary.

“(C) Technical assistance.—Not later than 180 days after the date on which the Assistant Secretary receives a request for technical assistance from a local government, regional planning entity, or [MPO-what is an MPO?], the Assistant Secretary shall provide technical assistance to those entities seeking to rehaul, reform, or otherwise update local zoning frameworks in line with the guidelines described in paragraph (3), including assisting in hosting community engagement sessions.

“(D) Prohibition.—In adopting a local zoning framework in accordance with guidance issued under subparagraph (A), [a locality-a unit of general local government?] [may not? ‘should not’ would be a sense of Congress, not a prohibition, please clarify intent.] include measures the net effect of which would promote exclusionary zoning practices, [net-strike?] restrict [housing?] production, or otherwise increase barriers to housing construction.

“(6) Reporting.—Not later than 2 years after the date on which the Assistant Secretary publishes the guidelines and best practices described in paragraphs (3) and (5), the Assistant Secretary shall submit to Congress a report describing—

“(A) the States that have adopted a version of the guidelines and best practices, including those that developed and adopted a State zoning framework;

“(B) the localities that have adopted a version of the guidelines;

“(C) a summary of the modifications that each such State made in their State zoning framework; and

“(D) a general summary of the types of updates localities have made to their local zoning framework.”.

“(7) Authorization of appropriations.—There are authorized to be appropriated to carry out this subsection [$\_\_\_] for each of fiscal years 2025 through 2029.”.

(b) Abolishment of Regulatory Barriers Clearinghouse.—

(1) In general.—The Regulatory Barriers Clearinghouse established pursuant to section 1205 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705d) is abolished.

(2) Repeal.—Section 1205 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705d) is repealed.

SEC. 5. QUALIFIED ALLOCATION PLANS.

The selection criteria under a qualified allocation plan under section 42 of the Internal Revenue Code of 1986) shall not include consideration of—

(1) any support or opposition with respect to the project from local or elected officials; or

(2) any local government contribution to the project, except to the extent such contribution is taken into account as part of a broader consideration of the project’s ability to leverage outside funding sources, and is not prioritized over any other source of outside funding.

SEC. 6. NATIONAL ZONING MAPPING.

(a) In General.—The Secretary shall establish a grant program under which the Secretary provides funding to academic institutions, research collaboratives, nonprofit organizations, or other entities to conduct zoning-district-level digitization of zoning codes.

(b) Priority.—In awarding grants under this section, the Secretary shall prioritize projects that will—

(1) create a plan to maintain the database for such information;

(2) establish a portal for State entities and local governments to input zoning-related information;

(3) prioritize mapping areas whose zoning has not previously been digitized;

(4) coordinate with State or local government entities, provide a plan for long-term maintenance of the database, and establish a protocol for data sharing; and

(5) develop tools to test the impact of various zoning and land use regulation reforms on the overall supply of new housing.

(c) Authorization of Appropriations.—There are authorized to be appropriated to the Secretary to carry out this section $3,500,000 [for fiscal year 2025?].

SEC. 7. GRANTS FOR ESTABLISHING PRE-APPROVED DESIGNS FOR AFFORDABLE HOUSING.

(a) Definitions.—In this section:

(1) Covered structure.—The term “covered structure” means—

(A) a low-rise or mid-rise structure with between 2 and 8 dwelling units; and

(B) includes—

(i) an accessory dwelling unit;

(ii) a duplex;

(iii) a triplex;

(iv) a fourplex;

(v) a cottage court;

(vi) a courtyard building; and

(vii) any other structure the Secretary considers appropriate.

(2) Eligible entity.—The term “eligible entity” means a unit of general local government.

(b) Authority.— The Secretary may award grants to eligible entities to establish and implement designs for use of covered structures in the jurisdiction of the eligible entity that the eligible entity preapproves as affordable housing.

(c) Set-aside for Smaller or Rural Areas.—Of the amount made available in each fiscal year for grants under this section, the Secretary shall ensure that not less than 10 percent shall be used for grants to eligible entities that are smaller eligible entities or are located in rural areas.

(d) Reports.—The Secretary shall require eligible entities receiving grants under this section to report on—

(1) the impacts of the activities carried out using such grant amounts in improving the production and supply of affordable housing;

(2) the pre-approved designs established and implemented using such grant amounts in their communities; and

(3) the impact of the activities funded with grant amounts.

(e) Availability of Information.—The Secretary shall—

(1) make publicly available information on the pre-approved designs submitted by eligible entities receiving grants under this section, including information on the benefits of use of such designs; and

(2) collect, identify, and disseminate best practices regarding such designs to interested localities and parties.

(f) Authorization of Appropriations.—[To be supplied].