

115TH CONGRESS  
2D SESSION

# H. R. 7054

To establish an Office of Housing Innovation in the Department of Housing and Urban Development to assist in exploring and developing new approaches for increasing and diversifying the supply of housing and for meeting the challenges of housing shortages, housing affordability, and traffic congestion, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 9, 2018

Mr. DESAULNIER introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To establish an Office of Housing Innovation in the Department of Housing and Urban Development to assist in exploring and developing new approaches for increasing and diversifying the supply of housing and for meeting the challenges of housing shortages, housing affordability, and traffic congestion, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Housing Innovation  
5 Act of 2018”.

1 **SEC. 2. FINDINGS.**

2 The Congress finds that—

3 (1) housing should be considered a critical com-  
4 ponent of our national infrastructure;

5 (2) existing shortages of affordable housing op-  
6 tions in many regions are contributing to long com-  
7 mutes, financial stress, environmental pollution, and  
8 public health risk;

9 (3) new approaches in the planning, design, and  
10 construction of housing need to be explored for di-  
11 versifying housing options available to the workforce;  
12 and

13 (4) greater coordination of existing Federal re-  
14 sources across agencies could significantly expand  
15 and diversify the supply of housing.

16 **SEC. 3. OFFICE OF HOUSING INNOVATION; ASSISTANT SEC-**  
17 **RETARY.**

18 (a) ASSISTANT SECRETARY FOR HOUSING INNOVA-  
19 TION.—Section 4(a) of the Department of Housing and  
20 Urban Development Act (42 U.S.C. 3533(a)) is amended:

21 (1) in paragraph (1), by striking “7 Assistant  
22 Secretaries” and inserting “9 Assistant Secretaries”;  
23 and

24 (2) by adding at the end the following new sub-  
25 section:

26 “(i) OFFICE OF HOUSING INNOVATION.—

1           “(1) ASSISTANT SECRETARY.—There shall be in  
2 the Department an Assistant Secretary for Housing  
3 Innovation, who shall be appointed by the President.

4           “(2) ESTABLISHMENT.—There is established in  
5 the Department the Office of Housing Innovation,  
6 which shall be headed by the Assistant Secretary for  
7 Housing Innovation.

8           “(3) FUNCTIONS.—The Assistant Secretary of  
9 Housing Innovation shall have primary responsibility  
10 within the Department for—

11           “(A) accumulating and disseminating in-  
12 formation regarding innovative practices and  
13 successful case studies of new approaches for  
14 increasing and diversifying the supply of hous-  
15 ing, especially in urban metropolitan regions  
16 and surrounding rural regions that are facing  
17 challenges of housing shortages, housing afford-  
18 ability, and traffic congestion;

19           “(B) carrying out activities, including ad-  
20 ministering the grant programs under the  
21 Housing Innovation Act of 2018, to encourage  
22 partnerships in exploring and developing inno-  
23 vative solutions to the challenges to housing  
24 supply referred to in subparagraph (A);

1           “(C) coordinating with other offices within  
2           the Department, including the Office of Hous-  
3           ing, the Office of Policy Development and Re-  
4           search, and the Office of Community Planning  
5           and Development, and other Federal agencies,  
6           including the Department of Transportation, to  
7           recommend policies that address workforce  
8           housing needs; and

9           “(D) providing technical assistance to local  
10           governments in undertaking or preparing for  
11           planning and policy reforms to increase housing  
12           units and housing supply diversity.

13           “(4) DETAILEES.—The Secretary shall ensure  
14           that the staff of the Office of Housing Innovation  
15           includes, at all times—

16           “(A) two detailees from the Department of  
17           Transportation, who shall include—

18           “(i) one having expertise in transit  
19           issues or active transportation issues, or  
20           both; and

21           “(ii) one from the Build America Bu-  
22           reau having expertise on the Transpor-  
23           tation Infrastructure Finance and Innova-  
24           tion Act (TIFIA) program and the Rail-

1 road Rehabilitation and Improvement Fi-  
2 nancing (RRIF) program;

3 “(B) one detailee from the Environmental  
4 Protection Agency having expertise on the pub-  
5 lic health impacts of housing and community  
6 development; and

7 “(C) one detailee from the Department of  
8 Energy having expertise on renewable energy  
9 and energy efficiency upgrades for low- and  
10 moderate-income communities.

11 The Secretary shall consult with the heads of the  
12 agencies referred to in this paragraph to provide for  
13 such details and such details shall be made on a re-  
14 imburseable basis.”.

15 (b) AMENDMENTS TO TITLE 5, UNITED STATES  
16 CODE.—

17 (1) POSITIONS AT LEVEL IV OF EXECUTIVE  
18 SCHEDULE.—Section 5315 of title 5, United States  
19 Code, is amended in the undesignated item relating  
20 to Assistant Secretaries of Housing and Urban De-  
21 velopment by striking “(8)” and inserting “(9)”.

22 (c) CONFORMING AMENDMENT.—Paragraph (1) of  
23 section 4(a) of the Department of Housing and Urban De-  
24 velopment Act (42 U.S.C. 3533(a)(1)) is amended by  
25 striking “7” and inserting “9”.

1 (d) AUTHORIZATION OF APPROPRIATIONS.—There is  
2 authorized to be appropriated for necessary salaries and  
3 expenses of the Office of Housing Innovation of the De-  
4 partment of Housing and Urban Development  
5 \$50,000,000 for fiscal year 2019 and each fiscal year  
6 thereafter.

7 **SEC. 4. GRANTS FOR LOCAL PLANNING FOR HOUSING.**

8 (a) AUTHORITY.—The Secretary of Housing and  
9 Urban Development (in this Act referred to as the “Sec-  
10 retary”), acting through the Assistant Secretary of Hous-  
11 ing Innovation, shall carry out a program to make grants  
12 under this section to eligible localities for undertaking  
13 planning efforts and associated regulatory reforms that  
14 address the housing needs of such areas.

15 (b) ELIGIBLE LOCALITIES.—For purposes of this  
16 section, the term “eligible locality” means a unit of gen-  
17 eral local government that is located within an urbanized  
18 area, as such term is defined by the United States Census  
19 Bureau of the Department of Commerce.

20 (c) GOALS.—Local plans developed using amounts  
21 from grants under this section shall address all of the fol-  
22 lowing goals:

23 (1) Increasing the supply of housing units with-  
24 in the jurisdiction of the grantee or within certain  
25 defined areas within such jurisdiction, including

1 neighborhoods around existing or planned transit fa-  
2 cilities and job centers.

3 (2) Improving the affordability of the housing  
4 supply within the jurisdiction of the grantee or with-  
5 in certain defined areas within such jurisdiction, in-  
6 cluding neighborhoods around existing or planned  
7 transit facilities and job centers.

8 (3) Diversifying the housing supply within the  
9 jurisdiction of the grantee or within certain defined  
10 areas within such jurisdiction to include more multi-  
11 family housing options or newer and less common  
12 forms of housing, such as multifamily housing fo-  
13 cused on smaller private spaces and more shared  
14 amenities, micro-unit housing, housing developments  
15 that incorporate co-working spaces, and housing for  
16 students.

17 (4) Improving commute times to job sites, re-  
18 ducing congestion, or reducing vehicle miles traveled  
19 within the region in which the locality is located.

20 (d) USE.—The Secretary shall ensure that amounts  
21 from a grant under this section shall be used only for costs  
22 associated with a housing planning process that addresses  
23 the goals in subsection (c), including public outreach, com-  
24 munity meetings, preparation of planning documents, and  
25 research and studies in support of such planning efforts.

1           (e) SELECTION.—The Secretary shall award grants  
2 to eligible localities submitting applications under sub-  
3 section (g) that are selected to receive grants under a com-  
4 petition based on criteria established by the Secretary,  
5 which shall include the following criteria:

6           (1) The extent to which the eligible locality out-  
7 lines a planning process that will facilitate progress  
8 toward the goals under subsection (c), including the  
9 potential changes or updates to local policies and  
10 regulations (such as zoning ordinances, parking re-  
11 quirements, general plans, and specific plans) that  
12 such a planning process will aim to affect.

13           (2) The extent to which the eligible locality  
14 demonstrates how the planning process will address  
15 the needs of the metropolitan region within which  
16 the eligible locality is located by providing housing  
17 for the existing and projected workforce demand.

18           (3) The extent to which the eligible locality pro-  
19 vides details of the planning actions it intends to  
20 take, including public outreach activities and actions  
21 for consideration for formal policy adoption of plan-  
22 ning elements and recommendations.

23           (4) The extent to which the eligible locality  
24 specifies a timeline for completion of its planning  
25 process, including potential dates for consideration



1 for formal policy adoption by the local governing  
2 body.

3 (5) The extent to which the eligible locality  
4 demonstrates collaboration with regional planning  
5 efforts and coordination with the relevant metropoli-  
6 tan planning organization that manages regional  
7 planning for the area within which the locality is lo-  
8 cated.

9 (f) LIMITATION ON AMOUNT.—A grant under this  
10 section for an eligible locality may not exceed \$2,000,000.

11 (g) APPLICATIONS.—The Secretary shall provide for  
12 eligible localities to submit applications to the Secretary  
13 for grants under this section, which shall contain such in-  
14 formation as the Secretary may require.

15 **SEC. 5. GRANTS FOR RESEARCH AND PILOT PROJECTS.**

16 (a) AUTHORITY.—The Secretary, acting through the  
17 Assistant Secretary of Housing Innovation, shall carry out  
18 a program to make grants under this section to eligible  
19 partnerships for the purposes of carrying out research and  
20 pilot studies to support, inform, and advise local govern-  
21 ments on their plans for new housing and community de-  
22 velopment

23 (b) ELIGIBLE PARTNERSHIPS.—For purposes of this  
24 section, the term “eligible partnership” means a partner-

1 ship of entities and institutions that includes at least one  
2 of the following entities:

3 (1) A unit of local government.

4 (2) A college, university, or other research insti-  
5 tution.

6 (3) A nonprofit organization.

7 (c) USE.—Amounts from a grant under this section  
8 may only be used for research and pilot studies that are  
9 designed to study and investigate activities and measures  
10 for improving housing and commuting for the workforce  
11 in a community, including—

12 (1) measures to improve the commuting experi-  
13 ence between transit stations and homes (commonly  
14 referred to as the “last mile”);

15 (2) programs for accommodating higher edu-  
16 cation students within the community;

17 (3) programs for facilitating home-sharing for  
18 elderly residents;

19 (4) plans and measures for integrating business  
20 and commercial activity with residential neighbor-  
21 hoods;

22 (5) plans and measures for increasing transpor-  
23 tation options improving mobility within residential  
24 neighborhoods;

1           (6) programs for learning and disseminating in-  
2           formation about modular building techniques and  
3           other approaches to reducing housing construction  
4           costs;

5           (7) plans or programs for improving public  
6           health through changes in the built environment,  
7           such as safer streets that are more conducive and  
8           welcoming to pedestrian activity;

9           (8) measures to evaluate the impact of housing  
10          development in the community on the long-term so-  
11          cial mobility and economic prospects of residents;  
12          and

13          (9) such other measures, plans, and activities  
14          as applicants may propose, but only if the Secretary  
15          approves such proposals as consistent with the goals  
16          under section 4(c).

17          (d) LIMITATIONS ON AMOUNT.—A grant under this  
18          section for an eligible partnership may not exceed the less-  
19          er of—

20                 (1) \$500,000; or

21                 (2) in the case only of an eligible partnership  
22          that has previously received a grant under this sec-  
23          tion, the amount that the eligible partnership cer-  
24          tifies, as the Secretary shall require, that the part-  
25          nership will contribute from non-Federal sources for

1 activities described in subsection (c) that are as-  
2 sisted with such grant amounts.

3 **SEC. 6. GRANTS FOR EDUCATION ACTIVITIES.**

4 (a) IN GENERAL.—The Secretary, acting through the  
5 Assistant Secretary of Housing Innovation, shall carry out  
6 a program under this section to make grants to partner-  
7 ships that include at least one academic institution for  
8 providing support for educational and community out-  
9 reach programs that are focused on issues related to hous-  
10 ing, community development, and regional planning.

11 (b) LIMITATIONS ON AMOUNT.—A grant under this  
12 section for a partnership may not exceed the lesser of—

13 (1) \$200,000; or

14 (2) in the case only of a partnership that has  
15 previously received a grant under this section, the  
16 amount that the partnership certifies, as the Sec-  
17 retary shall require, that the partnership will con-  
18 tribute from non-Federal sources for educational  
19 and community outreach programs described in sub-  
20 section (a) that are assisted with such grant  
21 amounts.

22 **SEC. 7. GAO REVIEW.**

23 Not later than the expiration of the 3-year period be-  
24 ginning on the date of the enactment of this Act, the  
25 Comptroller General of the United States shall conduct

1 a review of grant programs under sections 4, 5, and 6  
2 of this Act to analyze the effectiveness of such programs  
3 and shall submit a report containing the results of such  
4 review and any conclusions resulting from such review to  
5 the Committee on Financial Services of the House of Rep-  
6 resentatives and the Committee on Banking, Housing, and  
7 Urban Affairs of the Senate.

8 **SEC. 8. REGULATIONS.**

9 The Secretary may issue any regulations necessary  
10 to carry out this Act.

11 **SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

12 (a) **FUNDING.**—There are authorized to be appro-  
13 priated to the Secretary of Housing and Urban Develop-  
14 ment to carry out this Act \$100,000,000 for each of fiscal  
15 years 2019 through 2025 of which, in each fiscal year—

16 (1) 90 percent shall be available only for grants  
17 under section 4;

18 (2) 5 percent shall be available only for grants  
19 under section 5; and

20 (3) 5 percent shall be available only for grants  
21 under section 6.

22 (b) **SOURCE OF FUNDING.**—It is the sense of the  
23 Congress that the funding to carry out this Act provided  
24 pursuant to subsection (a) should not result in a reduction

1 of Federal funding for any existing affordable housing  
2 program or programs.

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