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.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 9, 2018

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

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.

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 “Housing Innovation Act of 2018”.

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SEC. 2. FINDINGS.

The Congress finds that—

(1) housing should be considered a critical component of our national infrastructure;

(2) existing shortages of affordable housing options in many regions are contributing to long commutes, financial stress, environmental pollution, and public health risk;

(3) new approaches in the planning, design, and construction of housing need to be explored for diversifying housing options available to the workforce; and

(4) greater coordination of existing Federal resources across agencies could significantly expand and diversify the supply of housing.

SEC. 3. OFFICE OF HOUSING INNOVATION; ASSISTANT SECRETARY.

(a) ASSISTANT SECRETARY FOR HOUSING INNOVATION.—Section 4(a) of the Department of Housing and Urban Development Act (42 U.S.C. 3533(a)) is amended:

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

(2) by adding at the end the following new subsection:

“(i) OFFICE OF HOUSING INNOVATION.—
“(1) ASSISTANT SECRETARY.—There shall be in the Department an Assistant Secretary for Housing Innovation, who shall be appointed by the President.

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

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

“(A) accumulating and disseminating information regarding innovative practices and successful case studies of new approaches for increasing and diversifying the supply of housing, especially in urban metropolitan regions and surrounding rural regions that are facing challenges of housing shortages, housing affordability, and traffic congestion;

“(B) carrying out activities, including administering the grant programs under the Housing Innovation Act of 2018, to encourage partnerships in exploring and developing innovative solutions to the challenges to housing supply referred to in subparagraph (A);
“(C) coordinating with other offices within the Department, including the Office of Housing, the Office of Policy Development and Research, and the Office of Community Planning and Development, and other Federal agencies, including the Department of Transportation, to recommend policies that address workforce housing needs; and

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

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

“(A) two detaillees from the Department of Transportation, who shall include—

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

“(ii) one from the Build America Bureau having expertise on the Transportation Infrastructure Finance and Innovation Act (TIFIA) program and the Rail-
road Rehabilitation and Improvement Financing (RRIF) program;

“(B) one detailee from the Environmental Protection Agency having expertise on the public health impacts of housing and community development; and

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

The Secretary shall consult with the heads of the agencies referred to in this paragraph to provide for such details and such details shall be made on a reimbursable basis.”.

(b) Amendments to Title 5, United States Code.—

(1) Positions at Level IV of Executive Schedule.—Section 5315 of title 5, United States Code, is amended in the undesignated item relating to Assistant Secretaries of Housing and Urban Development by striking “(8)” and inserting “(9)”.

(c) Conforming Amendment.—Paragraph (1) of section 4(a) of the Department of Housing and Urban Development Act (42 U.S.C. 3533(a)(1)) is amended by striking “7” and inserting “9”.

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(d) Authorization of Appropriations.—There is authorized to be appropriated for necessary salaries and expenses of the Office of Housing Innovation of the Department of Housing and Urban Development $50,000,000 for fiscal year 2019 and each fiscal year thereafter.

SEC. 4. GRANTS FOR LOCAL PLANNING FOR HOUSING.

(a) Authority.—The Secretary of Housing and Urban Development (in this Act referred to as the “Secretary”), acting through the Assistant Secretary of Housing Innovation, shall carry out a program to make grants under this section to eligible localities for undertaking planning efforts and associated regulatory reforms that address the housing needs of such areas.

(b) Eligible Localities.—For purposes of this section, the term “eligible locality” means a unit of general local government that is located within an urbanized area, as such term is defined by the United States Census Bureau of the Department of Commerce.

(c) Goals.—Local plans developed using amounts from grants under this section shall address all of the following goals:

(1) Increasing the supply of housing units within the jurisdiction of the grantee or within certain defined areas within such jurisdiction, including...
neighborhoods around existing or planned transit facilities and job centers.

(2) Improving the affordability of the housing supply within the jurisdiction of the grantee or within certain defined areas within such jurisdiction, including neighborhoods around existing or planned transit facilities and job centers.

(3) Diversifying the housing supply within the jurisdiction of the grantee or within certain defined areas within such jurisdiction to include more multifamily housing options or newer and less common forms of housing, such as multifamily housing focused on smaller private spaces and more shared amenities, micro-unit housing, housing developments that incorporate co-working spaces, and housing for students.

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

(d) Use.—The Secretary shall ensure that amounts from a grant under this section shall be used only for costs associated with a housing planning process that addresses the goals in subsection (c), including public outreach, community meetings, preparation of planning documents, and research and studies in support of such planning efforts.
(e) SELECTION.—The Secretary shall award grants to eligible localities submitting applications under subsection (g) that are selected to receive grants under a competition based on criteria established by the Secretary, which shall include the following criteria:

(1) The extent to which the eligible locality outlines a planning process that will facilitate progress toward the goals under subsection (c), including the potential changes or updates to local policies and regulations (such as zoning ordinances, parking requirements, general plans, and specific plans) that such a planning process will aim to affect.

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

(3) The extent to which the eligible locality provides details of the planning actions it intends to take, including public outreach activities and actions for consideration for formal policy adoption of planning elements and recommendations.

(4) The extent to which the eligible locality specifies a timeline for completion of its planning process, including potential dates for consideration
for formal policy adoption by the local governing

body.

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

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

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

SEC. 5. GRANTS FOR RESEARCH AND PILOT PROJECTS.

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

(b) ELIGIBLE PARTNERSHIPS.—For purposes of this
section, the term “eligible partnership” means a partner-
ship of entities and institutions that includes at least one of the following entities:

(1) A unit of local government.

(2) A college, university, or other research institution.

(3) A nonprofit organization.

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

(1) measures to improve the commuting experience between transit stations and homes (commonly referred to as the “last mile”);

(2) programs for accommodating higher education students within the community;

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

(4) plans and measures for integrating business and commercial activity with residential neighborhoods;

(5) plans and measures for increasing transportation options improving mobility within residential neighborhoods;
(6) programs for learning and disseminating information about modular building techniques and other approaches to reducing housing construction costs;

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

(8) measures to evaluate the impact of housing development in the community on the long-term social mobility and economic prospects of residents; and

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

(d) LIMITATIONS ON AMOUNT.—A grant under this section for an eligible partnership may not exceed the lesser of—

(1) $500,000; or

(2) in the case only of an eligible partnership that has previously received a grant under this section, the amount that the eligible partnership certifies, as the Secretary shall require, that the partnership will contribute from non-Federal sources for
activities described in subsection (c) that are assisted with such grant amounts.

SEC. 6. GRANTS FOR EDUCATION ACTIVITIES.

(a) IN GENERAL.—The Secretary, acting through the Assistant Secretary of Housing Innovation, shall carry out a program under this section to make grants to partnerships that include at least one academic institution for providing support for educational and community outreach programs that are focused on issues related to housing, community development, and regional planning.

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

(1) $200,000; or

(2) in the case only of a partnership that has previously received a grant under this section, the amount that the partnership certifies, as the Secretary shall require, that the partnership will contribute from non-Federal sources for educational and community outreach programs described in subsection (a) that are assisted with such grant amounts.

SEC. 7. GAO REVIEW.

Not later than the expiration of the 3-year period beginning on the date of the enactment of this Act, the Comptroller General of the United States shall conduct
a review of grant programs under sections 4, 5, and 6 of this Act to analyze the effectiveness of such programs and shall submit a report containing the results of such review and any conclusions resulting from such review to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

SEC. 8. REGULATIONS.

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

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

(a) FUNDING.—There are authorized to be appropriated to the Secretary of Housing and Urban Development to carry out this Act $100,000,000 for each of fiscal years 2019 through 2025 of which, in each fiscal year—

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

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

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

(b) SOURCE OF FUNDING.—It is the sense of the Congress that the funding to carry out this Act provided pursuant to subsection (a) should not result in a reduction
1 of Federal funding for any existing affordable housing
2 program or programs.