

[DISCUSSION DRAFT]117TH CONGRESS
2^D SESSION**H. R.** _____

To improve the Community Development Block Grant Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. CLEAVER introduced the following bill; which was referred to the Committee on _____

A BILL

To improve the Community Development Block Grant Program, 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 “Community Block
5 Grant Program Improvements Act of 2022”.

6 **SEC. 2. COMMUNITY BLOCK GRANTS AUTHORIZATION.**

7 Section 103 of the Housing and Community Develop-
8 ment Act of 1974 (42 U.S.C. 5303) is amended by strik-
9 ing the second sentence and inserting “For purposes of

1 assistance under section 106 of this Act, there is author-
2 ized to be appropriated \$12,000,000,000 for fiscal year
3 2023 and \$12,000,000,000 for fiscal year 2024.”.

4 **SEC. 3. ADMINISTRATIVE FUNDS.**

5 (a) ADMINISTRATIVE CAP.—Section 106(d)(6) of the
6 Housing and Community Development Act of 1974 (42
7 U.S.C. 5306(d)(6)) is amended by striking “3 percent”
8 and inserting “5 percent”.

9 (b) ADMINISTRATIVE MATCH.—Section 106(d)(3)(A)
10 of the Housing and Community Development Act of 1974
11 (42 U.S.C. 5306(d)(3)(A)) is amended—

12 (1) by striking “\$100,000” each place such
13 term occurs and inserting “\$500,000”; and

14 (2) by striking “3 percent” and inserting “5
15 percent”.

16 **SEC. 4. CLARIFICATION OF ELIGIBLE ACTIVITIES.**

17 Section 105(a) of the Housing and Community De-
18 velopment Act of 1974 (42 U.S.C. 5305(a)) is amended—

19 (1) in paragraph (2), by inserting “including li-
20 braries,” after “government),”;

21 (2) in paragraph (8)—

22 (A) by striking “drug abuse” and inserting
23 “substance abuse”; and

24 (B) by inserting “libraries,” after “edu-
25 cation,”;

1 (3) in paragraph (25), by striking “and” at the
2 end;

3 (4) in paragraph (26), by striking the period at
4 the end and inserting a semicolon; and

5 (5) by adding at the end the following new
6 paragraph:

7 “(27) planning and implementation of activities
8 designed to affirmatively further the fair housing
9 purposes of the Fair Housing Act (42 U.S.C. 3601
10 et seq.); and”.

11 **SEC. 5. HOUSING CONSTRUCTION AS ELIGIBLE ACTIVITY.**

12 (a) ELIGIBLE ACTIVITY.—Section 105(a) of the
13 Housing and Community Development Act of 1974 (42
14 U.S.C. 5305(a)), as amended by the preceding provisions
15 of this Act, is further amended by adding at the end the
16 following new paragraph:

17 “(28) the new construction of housing.”.

18 (b) LOW AND MODERATE INCOME REQUIREMENT.—
19 Section 105(e)(3) of the Housing and Community Devel-
20 opment Act of 1974 (42 U.S.C. 5305(e)(3)) is amended
21 by striking “or rehabilitation” and inserting “, rehabilita-
22 tion, or new construction”.

23 **SEC. 6. PUBLIC SERVICES CAP INCREASE.**

24 Section 105(a)(8) of the Housing and Community
25 Development Act of 1974 (42 U.S.C. 5305(a)(8)) is

1 amended by striking “not more than 15 per centum” and
2 all that follows through the semicolon at the end and in-
3 serting the following: “not more than 20 percent of the
4 amount of any assistance to a unit of general local govern-
5 ment (or in the case of nonentitled communities not more
6 than 20 percent Statewide) under this title including pro-
7 gram income may be used for activities under this para-
8 graph; except that, for any unit of general local govern-
9 ment previously provided a maximum limitation on use of
10 grant funds for public services that exceeds 20 percent,
11 such limitation shall continue to apply;”.

12 **SEC. 7. GRAYFIELDS SHOPPING CENTERS REDEVELOP-**
13 **MENT GRANTS.**

14 (a) GRANTS.—Section 108 of the Housing and Com-
15 munity Development Act of 1974 (42 U.S.C. 5308) is
16 amended by adding at the end the following new sub-
17 section:

18 “(s) SHOPPING CENTER REDEVELOPMENT
19 GRANTS.—

20 “(1) AUTHORITY.—In conjunction with notes or
21 other obligations issued by eligible public entities or
22 designated public agencies for the purpose of financ-
23 ing projects that meet the criteria under paragraph
24 (2) and that are guaranteed under this section, the
25 Secretary may make grants to such eligible public

1 entities or designated public agencies in connection
2 with such guarantees for the purpose of enhancing
3 the security of the notes or obligations or improving
4 the viability of projects financed with such notes or
5 obligations.

6 “(2) PROJECT REQUIREMENTS.—A project
7 meets the criteria under this paragraph only if the
8 project—

9 “(A) is designed to eliminate blight, includ-
10 ing on a spot basis, through redevelopment and
11 revitalization of facilities that—

12 “(i) were originally developed as shop-
13 ping centers,

14 “(ii) consist of an enclosed facility
15 covering not less than 30 acres,

16 “(iii) contain—

17 “(I) not less than 40 individual
18 storefronts of which less than 30 per-
19 cent are occupied at the time the
20 grant is awarded, or

21 “(II) 2 or more vacant major de-
22 partment stores, grocery stores, or
23 other large chain stores having sub-
24 stantial economic strength and occu-

1 pying substantial square footage of
2 the facility, and

3 “(iv) include a common parking area;
4 except that the Secretary may establish alter-
5 native criteria to the requirements under this
6 subparagraph for eligibility of shopping centers
7 for assistance as the Secretary considers appro-
8 priate; and

9 “(B) meets such requirements as the Sec-
10 retary shall establish to ensure that the project
11 promotes—

12 “(i) transit-oriented development;

13 “(ii) reclaiming and re-use of
14 grayfields;

15 “(iii) development of affordable hous-
16 ing;

17 “(iv) removal of existing grayfield in-
18 frastructure;

19 “(v) such other priorities as the Sec-
20 retary considers appropriate, including
21 with respect to smaller jurisdictions and
22 non-metropolitan areas; or

23 “(vi) any two or more of the priorities
24 specified in or pursuant to this subpara-
25 graph.

1 “(3) AMOUNT.—The amount of a grant pursu-
2 ant to this section may not exceed \$5,000,000.

3 “(4) MATCHING REQUIREMENT.—The Sec-
4 retary shall require each eligible public entity or des-
5 ignated public agency to which a grant is made pur-
6 suant to this subsection to contribute to the project
7 for which the grant is made an amount from sources
8 other than such grant, including local and State tax
9 abatements, in-kind contributions, and Federal tax
10 incentives, that exceeds 50 percent of the amount of
11 such grant.

12 “(5) PREFERENCE.—In making grants pursu-
13 ant to this section, the Secretary shall give pref-
14 erence to eligible public entities and designated pub-
15 lic agencies based on the extent to which—

16 “(A) the amount proposed to be contrib-
17 uted pursuant to paragraph (4) exceeds the
18 minimum amount required by such paragraph
19 to be contributed;

20 “(B) the project reflects the results of ex-
21 tensive community engagement; and

22 “(C) the project would benefit lower-in-
23 come, underserved communities.

24 “(6) TECHNICAL ASSISTANCE.—

1 “(A) HUD.—The Secretary shall, in ac-
2 cordance with section 102 of the Department of
3 Housing and Urban Development Reform Act
4 of 1989 (42 U.S.C. 3545), provide technical
5 guidance and assistance to applicants for grants
6 under this subsection regarding—

7 “(i) how to apply for grants under
8 this subsection; and

9 “(ii) how to avoid conflicts relating to
10 using funding pursuant to this section in
11 conjunction with Federal tax-exempt fi-
12 nancing.

13 “(B) LOCAL.—An eligible public entity or
14 designated public agency receiving a grant
15 under this subsection may use not more than
16 25 percent of such grant amounts to obtain
17 technical assistance from local qualified service
18 providers regarding combining such assistance
19 with other financing with—

20 “(i) other Federal assistance, includ-
21 ing the New Markets Tax Credits program
22 and Low-Income Housing Tax Credit pro-
23 gram; and

1 “(ii) other State assistance, tax cred-
2 its, and incentives, including tax-increment
3 financing and other bonding instruments.

4 “(7) REPORTS.—

5 “(A) HUD.—For each fiscal year for
6 which grants are made under this subsection,
7 the Secretary shall submit a report to the Con-
8 gress, not later than 90 days after the end of
9 such fiscal year, that identifies—

10 “(i) each project assisted with such
11 grant amounts;

12 “(ii) the amount of non-Federal funds
13 contributed to the project; and

14 “(iii) how the grant amounts were
15 used.

16 “(B) GAO.—Not later than 2 years after
17 the date of the enactment of this subsection,
18 the Comptroller General shall submit a report
19 to the Congress analyzing the effectiveness of
20 the program for grants under this section and
21 making recommendations to improve future
22 outcomes among shopping mall redevelopment
23 and revitalization projects and similar subsidy
24 programs administered in conjunction with
25 Federal loan guarantees.

1 “(8) DEFINITIONS.—For purposes of this sub-
2 section, the following definitions shall apply:

3 “(A) TRANSIT-ORIENTED DEVELOP-
4 MENT.—The term ‘transit-oriented develop-
5 ment’ means a project that—

6 “(i) enhances economic development
7 and achieve other goals established during
8 the project development and engineering
9 processes;

10 “(ii) facilitates multi-modal transpor-
11 tation connectivity and accessibility;

12 “(iii) increases access to transit hubs
13 for pedestrian and bicycle traffic;

14 “(iv) enables mixed-use development;

15 “(v) identifies infrastructure needs as-
16 sociated with the project; and

17 “(vi) includes private sector participa-
18 tion.

19 “(B) GRAYFIELD.—The term ‘grayfield’
20 means an economically obsolescent, outdated,
21 failing, moribund, or underused real estate
22 asset.

23 “(9) FUNDING.—There is authorized to be ap-
24 propriated for grants under this subsection
25 \$50,000,000 for each of fiscal years 2023 and 2024,

1 which amounts shall remain available until ex-
2 pended.”.

3 (b) CDBG LOAN GUARANTEE CAP.—Subject to sec-
4 tion 502 of the Congressional Budget Act of 1974 (2
5 U.S.C. 661a), during each of fiscal years 2023 and 2024,
6 commitments to guarantee loans under section 108 of the
7 Housing and Community Development Act of 1974 (42
8 U.S.C. 5308), any part of which is guaranteed, shall not
9 exceed a total principal amount of \$500,000,000, notwith-
10 standing any aggregate limitation on outstanding obliga-
11 tions guaranteed in subsection (k) of such section 108.

12 **SEC. 8. LAND USE PLAN.**

13 (a) PURPOSE.—The purpose of this section is to fur-
14 ther the primary objective of the Community Development
15 Block Grant (CDBG) program under title I of the Hous-
16 ing and Community Development Act of 1974 (42 U.S.C.
17 5301 et seq.) and other programs to develop viable com-
18 munities by providing decent housing and a suitable living
19 environment and expanding economic opportunities espe-
20 cially for persons with low and moderate incomes by re-
21 quiring grantees to track and report land use policies and
22 practices that restrict the amount or location of affordable
23 single-family and multifamily housing throughout their
24 communities.

1 (b) IN GENERAL.—Section 104 of the Housing and
2 Community Development Act of 1974 (42 U.S.C. 5304)
3 is amended by adding at the end the following:

4 “(n) PLAN TO TRACK DISCRIMINATORY LAND USE
5 POLICIES.—

6 “(1) IN GENERAL.—Prior to receipt in any fis-
7 cal year of a grant under section 106(b) by a metro-
8 politan city or urban county or under section
9 106(d)(2)(B) by a unit of general local government,
10 each such recipient shall have prepared and sub-
11 mitted, not less frequently than once during the pre-
12 ceding 5-year period, in accordance with this sub-
13 section and in such standardized form as the Sec-
14 retary shall, by regulation, prescribe, with respect to
15 each land use policy described in paragraph (2) that
16 is applicable to the jurisdiction served by the recipi-
17 ent, a description of—

18 “(A) whether the recipient has already
19 adopted the policy in the jurisdiction served by
20 the recipient;

21 “(B) the plan of the recipient to implement
22 the policy in that jurisdiction; or

23 “(C) the ways in which adopting the policy
24 will benefit the jurisdiction.

1 “(2) LAND USE POLICIES.—The policies de-
2 scribed in this paragraph are as follows:

3 “(A) Enacting or expanding high-density
4 single-family and multifamily zoning throughout
5 the jurisdiction.

6 “(B) Expanding by-right multifamily zoned
7 areas.

8 “(C) Allowing duplexes, triplexes, or
9 fourplexes in areas zoned primarily for single-
10 family residential homes.

11 “(D) Allowing manufactured homes in
12 areas zoned primarily for single-family residen-
13 tial homes.

14 “(E) Allowing multifamily development in
15 retail, office, and light manufacturing zones.

16 “(F) Allowing single-room occupancy de-
17 velopment wherever multifamily housing is al-
18 lowed.

19 “(G) Reducing minimum lot size.

20 “(H) Ensuring historic preservation re-
21 quirements and other land use policies or re-
22 quirements are coordinated to encourage cre-
23 ation of housing in historic buildings and his-
24 toric districts.

1 “(I) Increasing the allowable floor area
2 ratio in multifamily housing areas.

3 “(J) Creating transit-oriented development
4 zones.

5 “(K) Streamlining or shortening permit-
6 ting processes and timelines, including through
7 one-stop and parallel-process permitting.

8 “(L) Eliminating or reducing off-street
9 parking requirements.

10 “(M) Ensuring impact and utility invest-
11 ment fees accurately reflect required infrastruc-
12 ture costs and related impacts on housing af-
13 fordability are otherwise mitigated.

14 “(N) Allowing prefabricated construction.

15 “(O) Reducing or eliminating minimum
16 unit square footage requirements.

17 “(P) Allowing the conversion of commer-
18 cial office units to apartments.

19 “(Q) Allowing the subdivision of single-
20 family homes into duplexes.

21 “(R) Allowing accessory dwelling units, in-
22 cluding detached accessory dwelling units, on all
23 lots with single-family homes.

24 “(S) Establishing density bonuses.

1 “(T) Eliminating or relaxing residential
2 property height limitations.

3 “(U) Using property tax abatements to en-
4 able higher density and mixed-income commu-
5 nities.

6 “(V) Donating surplus vacant land for af-
7 fordable housing development.

8 “(W) Any other policy the effect of which
9 is to increase the amount or improve the loca-
10 tion of affordable housing within the recipient’s
11 jurisdiction.

12 “(3) EFFECT OF SUBMISSION.—A submission
13 under this subsection shall not be binding with re-
14 spect to the use or distribution of amounts received
15 under section 106.

16 “(4) ACCEPTANCE OR NONACCEPTANCE OF
17 PLAN.—The acceptance or nonacceptance of any
18 plan submitted under this subsection in which the
19 information required under this subsection is pro-
20 vided is not an endorsement or approval of the plan,
21 policies, or methodologies, or lack thereof.”.

22 “(c) EFFECTIVE DATE.—The requirements under sub-
23 section (n) of section 104 of the Housing and Community
24 Development Act of 1974 (42 U.S.C. 5304), as added by
25 subsection (b), shall—

1 (1) take effect on the date that is 1 year after
2 the date of enactment of this Act; and

3 (2) apply to recipients of a grant under sub-
4 section (b) of section 106 of the Housing and Com-
5 munity Development Act of 1974 (42 U.S.C. 5306)
6 before, on, and after such date.

7 **SEC. 9. HUD REPORTS ON LOCAL ZONING LAWS.**

8 (a) **IN GENERAL.**—The Secretary of Housing and
9 Urban Development, acting through the Office of Policy
10 Development and Research, shall submit a report to the
11 Congress annually assessing then-current circumstances of
12 local land use policies and their effects on housing develop-
13 ment.

14 (b) **SOURCES OF INFORMATION.**—In preparing the
15 reports required by this section, the Secretary shall utilize
16 available information compiled by the Department of
17 Housing and Urban Development, including information
18 acquired from recipients under the community develop-
19 ment block grant program under title I of the Housing
20 and Community Development Act of 1974 (42 U.S.C.
21 5301 et seq.), and from other sources, including informa-
22 tion obtained directly from units of local government.

23 (c) **CONTENTS.**—The report shall include information
24 obtained from such recipients and local governments re-
25 garding—

- 1 (1) which land use practices pose obstacles to,
- 2 or best accommodate, building and preserving hous-
- 3 ing units;
- 4 (2) policies that restrict residential develop-
- 5 ment;
- 6 (3) ongoing activities and efforts to address
- 7 such longstanding barriers; and
- 8 (4) current and immediate activities being
- 9 taken by local governments on land-use policy revi-
- 10 sions and related updates to local ordinances.