

117TH CONGRESS
1ST SESSION

S. 2300

To direct the Secretary of Housing and Urban Development to establish a grant program to help revitalize certain localities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 24, 2021

Mr. PETERS introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To direct the Secretary of Housing and Urban Development to establish a grant program to help revitalize certain localities, 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 “Restoring Commu-
5 nities Left Behind Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) As the United States continues to feel the
9 devastating economic impacts of Coronavirus Dis-
10 ease 2019 (COVID–19), many urban and rural com-

1 communities are still suffering from the effects of under-
2 water mortgages, vacancy, abandoned properties,
3 blight, aging housing stock, properties with deferred
4 maintenance and harmful materials such as lead, as-
5 bestos, and mold, unemployment, and population
6 loss.

7 (2) While some cities and counties struggle with
8 disinvestment and population loss, there are also
9 pockets of economic distress in otherwise prosperous,
10 growing areas.

11 (3) Investments targeted to these communities
12 left behind will be critical to ensure equitable eco-
13 nomic recovery, job creation, and housing and neigh-
14 borhood infrastructure revitalization.

15 (4) The need to revitalize neighborhoods is
16 greater than what can be supported with existing
17 local tax bases.

18 (5) Communities continue to suffer from the
19 impact of governmental policies and private sector
20 practices that forbade or discouraged mortgage lend-
21 ing in neighborhoods having significant minority
22 populations.

23 (6) Many State and local governments, land
24 banks, and nonprofit organizations across the
25 United States have responded to the housing crisis

1 by creating cost-effective strategies to revitalize
2 neighborhoods.

3 (7) 2016 data from the Bureau of the Census
4 shows that non-Hispanic, White households have an
5 average net worth of \$143,600, while Black house-
6 holds have an average net worth of \$12,920 and
7 Hispanic households have an average net worth of
8 \$21,420.

9 (8) Housing equity is a significant portion of
10 Black and Hispanic households' net worth, making
11 up nearly 57 percent of Black households' net worth,
12 66.5 percent of Hispanic households' net worth, and
13 40.8 percent of White households' net worth, accord-
14 ing to the Urban Institute's calculations from the
15 2016 Survey of Consumer Finances.

16 (9) The 2008 recession and the COVID-19 re-
17 cession have exacerbated the racial wealth gap.

18 (10) Funding innovative local neighborhood
19 strategies will allow the United States to close the
20 racial wealth gap, ensure equitable access to housing
21 and economic mobility, and counter the lasting leg-
22 acy of redlining policies.

23 (11) Despite the strong requirement to affirma-
24 tively furthering fair housing under the Fair Hous-
25 ing Act (42 U.S.C. 3601 et seq.), the lack of ac-

1 countability measures implemented by the Depart-
2 ment of Housing and Urban Development to ensure
3 equitable use of housing and community develop-
4 ment dollars in Federal programs has allowed for
5 the perpetuation of the legacy of redlining and
6 neighborhood disinvestment.

7 (12) It is imperative that the Federal Govern-
8 ment make funding available for the best local strat-
9 egies to increase homeownership and preserve home
10 equity in impacted areas, access to safe and afford-
11 able rental housing, economic growth, job creation,
12 and to build on local assets to improve communities
13 in ways that affirmatively further fair housing.

14 **SEC. 3. DEFINITIONS.**

15 In this Act:

16 (1) **ANCHOR INSTITUTION.**—The term “anchor
17 institution” means a school, a library, a healthcare
18 provider, a community college or other institution of
19 higher education, or another community support or-
20 ganization or entity.

21 (2) **APPROPRIATE CONGRESSIONAL COMMIT-**
22 **TEES.**—The term “appropriate congressional com-
23 mittees” means—

1 (A) the Committee on Financial Services
 2 and the Committee on Appropriations of the
 3 House of Representatives.

4 (B) the Committee on Banking, Housing,
 5 and Urban Affairs and the Committee on Ap-
 6 propriations of the Senate.

7 (3) COMMUNITY DEVELOPMENT FINANCIAL IN-
 8 STITUTION.—The term “community development fi-
 9 nancial institution” has the meaning given the term
 10 in section 103 of the Community Development
 11 Banking and Financial Institutions Act of 1994 (12
 12 U.S.C. 4702)).

13 (4) COMMUNITY LAND TRUST.—The term
 14 “community land trust” means a nonprofit organi-
 15 zation or a State or local government or instrumen-
 16 tality that—

17 (A) uses a ground lease or deed covenant
 18 with an affordability period of not less than 30
 19 years to—

20 (i) make rental and homeownership
 21 units affordable to households; and

22 (ii) stipulate a preemptive option to
 23 purchase the affordable rentals or home-
 24 ownership units so that the affordability of

1 the units is preserved for successive in-
 2 come-eligible households; and

3 (B) monitor properties to ensure afford-
 4 ability is preserved.

5 (5) ELIGIBLE LOCAL PARTNERSHIP.—The term
 6 “eligible local partnership” means a partnership be-
 7 tween—

8 (A) a national or local nonprofit organiza-
 9 tion with expertise in community planning, en-
 10 gagement, organizing, development, or neigh-
 11 borhood revitalization; and

12 (B)(i) a city or county government;

13 (ii) a land bank;

14 (iii) a fair housing enforcement organiza-
 15 tion;

16 (iv) an anchor institution;

17 (v) a nonprofit organization;

18 (vi) a State housing finance agency or a
 19 related State agency;

20 (vii) a community development financial in-
 21 stitution;

22 (viii) a public housing agency; or

23 (ix) a combination of any entities described
 24 in clauses (i) through (viii).

1 (6) ELIGIBLE LOCALITY.—The term “eligible
2 locality” means one or more geographic areas at the
3 neighborhood or county level that meet not less than
4 four of the following objective criteria of economic
5 distress, with specific thresholds set by the Sec-
6 retary:

7 (A) Dwelling unit sales prices are lower
8 than the cost to acquire and rehabilitate, or
9 build, a new dwelling unit.

10 (B) High proportions of residential and
11 commercial properties are vacant due to fore-
12 closure, eviction, abandonment, or other causes.

13 (C) Low rates of homeownership.

14 (D) Racial disparities in homeownership
15 rates.

16 (E) High rates of poverty.

17 (F) High rates of unemployment and
18 underemployment.

19 (G) Population loss.

20 (H) Lack of private sector lending on fair
21 and competitive terms for individuals to pur-
22 chase homes or start small businesses.

23 (I) Other indicators of economic distress,
24 such as the lack of housing affordability, stem-
25 ming from long-standing government policies

1 and private sector practices that prevented
2 mortgage lending in some communities, such as
3 redlining.

4 (7) FAIR HOUSING ENFORCEMENT ORGANIZA-
5 TION.—The term “fair housing enforcement organi-
6 zation” has the meaning given the term in section
7 561(h) of the Housing and Community Development
8 Act of 1987 (42 U.S.C. 3616a(h)).

9 (8) INSTITUTION OF HIGHER EDUCATION.—The
10 term “institution of higher education” has the
11 meaning given the term in section 101 of the Higher
12 Education Act of 1965 (25 U.S.C. 1001).

13 (9) LAND BANK.—The term “land bank”
14 means a government entity, agency, or program, or
15 a special purpose nonprofit entity formed by one or
16 more units of government in accordance with State
17 or local land bank enabling law, that has been des-
18 ignated by one or more State or local governments
19 to acquire, steward, and dispose of vacant, aban-
20 doned, or other problem properties in accordance
21 with locally-determined priorities and goals.

22 (10) NEIGHBORHOOD REVITALIZATION SUP-
23 PORT ACTIVITY.—The term “neighborhood revital-
24 ization support activity” means an activity described
25 in section 4(b).

1 (11) NON-PERFORMING MORTGAGE.—The term
2 “non-performing mortgage” means a residential
3 mortgage loan that is delinquent for a period of not
4 less than 90 days.

5 (12) NONPROFIT ORGANIZATION.—The term
6 “nonprofit organization” means an organization that
7 is described in section 501(c)(3) of the Internal Rev-
8 enue Code of 1986 and is exempt from taxation
9 under section 501(a) of such Code.

10 (13) PUBLIC HOUSING AGENCY.—The term
11 “public housing agency” has the meaning given the
12 term in section 3(b) of the United States Housing
13 Act of 1937 (42 U.S.C. 1437a(b)).

14 (14) SECRETARY.—The term “Secretary”
15 means the Secretary of Housing and Urban Develop-
16 ment.

17 (15) SHARED EQUITY HOMEOWNERSHIP PRO-
18 GRAM.—The term “shared equity homeownership
19 program” means affordable homeownership preser-
20 vation through a resale restriction program adminis-
21 tered by a community land trust, other nonprofit or-
22 ganization, or a State or local government or instru-
23 mentality that—

24 (A) provides affordable homeownership op-
25 portunities to households; and

(B) utilizes a ground lease, deed restriction, subordinate loan, or similar legal mechanism that includes provisions ensuring that the program shall—

(i) maintain the home as affordable for subsequent very low-, low-, or moderate-income families for an affordability term of not less than 30 years after recordation;

(ii) apply a resale formula that limits the proceeds of the homeowner upon resale; and

(iii) provide the program administrator or an assignee thereof a preemptive option to purchase the homeownership unit from the homeowner at resale.

(16) STATE HOUSING FINANCE AGENCY.—The term “State housing finance agency” has the meaning given the term in section 106(h) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(h)).

SEC. 4. COMPETITIVE GRANT PROGRAM.

(a) ESTABLISHMENT.—Not later than the 120 days after the date of enactment of this Act, the Secretary shall establish a program to award competitive grants to eligible

1 local partnerships to carry out neighborhood revitalization
2 support activities described in subsection (b) in further-
3 ance of a neighborhood revitalization strategy in an eligi-
4 ble locality.

5 (b) USE OF FUNDS.—The neighborhood revitaliza-
6 tion support activities described in this subsection are—

7 (1) providing assistance to existing residents ex-
8 perienicing economic distress or at risk of displace-
9 ment with homeowner rehabilitation assistance,
10 weatherization, improved housing accessibility and
11 livability for seniors and persons with disabilities,
12 energy efficiency improvements, refinancing, housing
13 counseling certified by the Secretary, including loss
14 mitigation counseling, property tax relief, clearing
15 and obtaining formal title, addressing outstanding
16 housing-related expenses, or other activities that the
17 Secretary determines are appropriate;

18 (2) purchasing non-performing mortgages to as-
19 sist existing homeowners and advance neighborhood
20 stability;

21 (3) supporting the purchase and redevelopment
22 of vacant, abandoned, or distressed properties to cre-
23 ate affordable rental housing, homeownership or
24 shared equity homeownership opportunities, mixed-
25 use properties, or commercial properties, which

1 properties may be converted between rental and
2 homeownership, including shared equity homeowner-
3 ship, upon termination of the lease or transfer of the
4 property during the relevant period of affordability
5 to ensure local community needs are met, properties
6 do not sit vacant, and affordability is preserved;

7 (4) providing pre-purchase counseling through
8 housing counselors certified by the Secretary for
9 neighborhood revitalization support activities that
10 provide homeownership opportunities;

11 (5) providing down payment assistance to pro-
12 spective homebuyers;

13 (6) establishing and operating community land
14 trusts to provide affordable rental and homeowner-
15 ship opportunities, including shared equity home-
16 ownership opportunities;

17 (7) demolishing abandoned or distressed struc-
18 tures, but only if such activity is part of a strategy
19 that incorporates rehabilitation or new construction
20 and efforts to increase affordable housing and home-
21 ownership, except that not more than 10 percent of
22 any grant made under this section may be used for
23 activities under this paragraph unless the Secretary
24 determines that such use is to replace units in an ef-

1 fort to increase affordable housing or homeowner-
2 ship;

3 (8) establishing or operating land banks to
4 maintain acquire, redevelop, or sell properties that
5 are abandoned or distressed, with preference among
6 applications proposing activities under this para-
7 graph to be given to applications that promote dis-
8 tribution of properties for affordable housing and
9 small businesses;

10 (9) improving parks, sidewalks, street lighting,
11 and other neighborhood improvements that impact
12 quality of life in the targeted neighborhoods, except
13 that not more than 5 percent of any grant made
14 under this section may be used for activities under
15 this paragraph; and

16 (10) in connection with any other eligible activ-
17 ity under this subsection, working with resident
18 leaders and community groups to undertake commu-
19 nity planning, outreach, and neighborhood engage-
20 ment, consistent with the goals of increasing home-
21 ownership, stabilizing neighborhoods, reducing va-
22 cancy rates, creating jobs, increasing or stabilizing
23 residential and commercial property values, and
24 meeting other neighborhood needs, except that not
25 more than 10 percent of any grant made under this

1 section may be used for activities under this para-
2 graph.

3 (c) AFFORDABILITY TERMS.—

4 (1) RENTAL UNITS.—In the case of property
5 assisted pursuant to subsection (b)(3) containing
6 any dwelling units that are made available for rent-
7 al—

8 (A) such units shall be available for rental
9 only by a household having an income that does
10 not exceed 60 percent of the median income for
11 the area in which such unit is located;

12 (B) such units shall remain affordable for
13 not less than 30 years;

14 (C) such property may be a mixed-use
15 property; and

16 (D) such unit shall be maintained in habit-
17 able condition, as defined by the locality in
18 which the property is located.

19 (2) HOMEOWNERSHIP UNITS.—In the case of
20 property assisted pursuant to subsection (b)(3) con-
21 sisting of a dwelling unit, or containing any dwelling
22 units, made available for homeownership, such unit
23 or units—

24 (A) shall be available for purchase only to
25 by a household having an income that does not

1 exceed 120 percent of the median income for
 2 the area in which such unit is located;

3 (B) if made available through a shared eq-
 4 uity homeownership program, shall remain af-
 5 fordable for not less than 30 years; and

6 (C) if not made available through a shared
 7 equity homeownership program—

8 (i) shall remain affordable for a pe-
 9 riod of years as determined by the partner-
 10 ship, which shall not be shorter than 5
 11 years from the sale of the unit; and

12 (ii) shall be subject to resale or recap-
 13 ture provisions that—

14 (I) are established by the part-
 15 nership to ensure that the afford-
 16 ability term may be met or funds may
 17 be redeployed for neighborhood revi-
 18 talization support activities;

19 (II) may be waived in cases of
 20 hardship or market depreciation; and

21 (III) provide that, in the case of
 22 a resale, the partnership may main-
 23 tain preemptive purchase options in
 24 order to sell the property to another
 25 income qualified purchaser.

1 (3) NEW TERMS.—If a property described in
 2 this subsection converts between rental and home-
 3 ownership or shared equity homeownership, the af-
 4 fordability terms of the new tenure type shall be uti-
 5 lized upon occupancy.

6 (d) APPLICATIONS.—

7 (1) IN GENERAL.—To apply to receive a grant
 8 under this section, an eligible local partnership shall
 9 submit to the Secretary an application at such time,
 10 in such manner, and containing such information as
 11 the Secretary may require.

12 (2) GRANT RECIPIENT PRIORITY SELECTION
 13 CRITERIA.—The Secretary shall prioritize awarding
 14 grants based on the following criteria:

15 (A) The severity of the indicators of dis-
 16 tress of the eligible locality described in section
 17 3(6).

18 (B) The extent to which the activities pro-
 19 posed will—

20 (i) in the case of rental housing, ben-
 21 efit households having incomes not exceed-
 22 ing 30 percent of the median income for
 23 the area; and

24 (ii) in the case of homeownership
 25 housing, including shared equity homeown-

1 ership, benefit households having incomes
2 not exceeding 80 percent of the median in-
3 come for the area.

4 (C) Whether the activities proposed will
5 promote affordable homeownership and the ex-
6 tent to which those affordability terms will be
7 preserved.

8 (D) The extent to which an eligible local
9 partnership that includes a public housing
10 agency will use housing choice vouchers to sup-
11 port homeownership for households at or below
12 60 percent of area median income.

13 (E) The demonstrated capacity of an eligi-
14 ble local partnership to execute the proposed el-
15 igible neighborhood revitalization support activi-
16 ties.

17 (F) The demonstrated community plan-
18 ning, outreach, and engagement practices of an
19 eligible local partnership.

20 (G) The depth and breadth of the commu-
21 nity partnership supporting the application.

22 (H) The extent to which existing residents
23 are assisted to prevent displacement.

24 (I) The extent to which the proposed
25 neighborhood revitalization support activities

1 would help close the racial wealth gap by in-
2 creasing minority homeownership, ensuring eq-
3 uitable access to housing and economic oppor-
4 tunity, and countering the ongoing legacy of
5 redlining policies.

6 (J) The extent to which development of
7 new units are water and energy efficient.

8 (K) The feasibility of the proposed neigh-
9 borhood revitalization support activities consid-
10 ering local market conditions.

11 (L) The extent to which an application
12 demonstrates comprehensive community plan-
13 ning efforts and additional funds in hand or
14 committed for activities in the geographic area
15 that are not directly related to the provision of
16 affordable housing, such as support for small,
17 minority, and women-owned business activity in
18 commercial zones in the targeted neighbor-
19 hoods.

20 (3) GEOGRAPHICAL DIVERSITY.—The Secretary
21 shall seek to make grants under this section for eli-
22 gible local partnerships serving geographically di-
23 verse areas of economic distress, as described in sec-
24 tion 3(6), including metropolitan and underserved
25 rural areas.

1 (e) OPERATION COSTS.—Not more than 15 percent
 2 of the amount of each grant under this section may be
 3 used by the recipient for administrative and organizational
 4 support costs.

5 (f) TECHNICAL ASSISTANCE AND CAPACITY BUILD-
 6 ING.—The Secretary may reserve up to 1 percent of any
 7 funds appropriated to carry out this section for technical
 8 assistance activities which support grantees under this
 9 program and 1 percent of funds from each grant awarded
 10 shall be used to develop grantee capacity to meet the re-
 11 quirements under paragraphs (1) and (2) of subsection
 12 (h).

13 (g) FAIR HOUSING PROTECTIONS.—Funds provided
 14 under the program under this section may not be used
 15 to deny housing opportunities based on the criminal or
 16 eviction history, source of income, or veteran status of any
 17 member of a household.

18 (h) ACCOUNTABILITY OF RECIPIENTS.—

19 (1) REQUIREMENTS.—The Secretary shall—

20 (A) require each grantee under this section
 21 to develop and maintain a system to ensure
 22 that each recipient of assistance uses those
 23 amounts in accordance with this section, the
 24 regulations issued under this section, and any

1 requirements or conditions under which such
2 amounts were provided; and

3 (B) establish minimum requirements for
4 agreements between the grantee and the Sec-
5 retary, regarding assistance from grants under
6 this section, which shall include—

7 (i) appropriate periodic financial and
8 project reporting, record retention, and
9 audit requirements for the duration of the
10 grant to the recipient to ensure compliance
11 with the limitations and requirements of
12 this section and the regulations under this
13 section; and

14 (ii) any other requirements that the
15 Secretary determines are necessary to en-
16 sure appropriate grant administration and
17 compliance.

18 (2) PUBLICLY AVAILABLE INFORMATION.—The
19 Secretary shall make information regarding the re-
20 sults of assistance provided with amounts from
21 grants under this section publicly available, which
22 shall include at least the following information:

23 (A) A list of recipients of grants awarded
24 under this section and the amount of each such
25 grant.

1 (B) A description of each neighborhood re-
2 vitalization support activity carried out by each
3 such recipient and the impacts associated with
4 each such activity, including the change in the
5 rate of minority and first-time homeownership.

6 (C) The total number of housing units ac-
7 quired, redeveloped, or produced using grant
8 amounts under this section.

9 (D) The total number of housing units for
10 rent, ownership, and shared equity homeown-
11 ship assisted with grant amounts under this
12 section and the number of bedrooms in each
13 such unit.

14 (E) The percentage of housing units as-
15 sisted with grant amounts under this section
16 that are affordable to low-, very low-, and ex-
17 tremely low-income households.

18 (F) The number of such housing units lo-
19 cated in areas where the percentage of house-
20 holds in a racial or ethnic minority group—

21 (i) is not less than 20 percentage
22 points higher than the percentage of the
23 population of that minority group for the
24 metropolitan statistical area;

1 (ii) is not less than 20 percentage
2 points higher than the percentage of the
3 population of all minorities for the metro-
4 politan statistical area; and

5 (iii) exceeds 50 percent of the popu-
6 lation.

7 (G) Any other information that the Sec-
8 retary determines necessary to ensure that
9 housing outcomes and grant administration and
10 compliance align with the purposes of this Act.

11 (i) REPORT.—Not later than 2 years after grants
12 under this section are first awarded and 3 years there-
13 after, the Secretary shall submit to the appropriate con-
14 gressional committees, and make publicly available online,
15 a report that—

16 (1) evaluates the impact of the program estab-
17 lished under this section;

18 (2) describes demographic changes in the eligi-
19 ble localities served by grantees of grants under this
20 section, including changes in income, race, and eth-
21 nicity, property values, and unemployment rates;

22 (3) identifies the number of housing units as-
23 sisted with grant amounts under this section located
24 in high- and low-poverty census tracts;

1 (4) identifies the number of accessible units cre-
 2 ated and modified with grant amounts under this
 3 section and where such units are located using the
 4 most granular location measurement that is feasible
 5 such as at the Census block group level; and

6 (5) identifies where housing units assisted with
 7 grant amounts are located in relation to community
 8 assets, including high performing schools and public
 9 transportation options.

10 (j) AUTHORIZATION OF APPROPRIATIONS.—

11 (1) IN GENERAL.—There is authorized to be
 12 appropriated to carry out this section
 13 \$5,000,000,000 for each of fiscal years 2021
 14 through 2031.

15 (2) SET ASIDE.—

16 (A) IN GENERAL.—The Secretary shall
 17 award not less than \$500,000,000 of any
 18 amounts appropriated pursuant to this sub-
 19 section to eligible local partnerships that will
 20 provide neighborhood revitalization support ac-
 21 tivities to localities outside of a Metropolitan
 22 Statistical Area, as designated by the Office of
 23 Management and Budget.

24 (B) EXCEPTION.—The priority under sub-
 25 section (d)(2)(L) (relating to matching funds)

1 shall not apply to amounts awarded under this
2 paragraph.

3 (3) NOFA.—Not later than 180 days after the
4 date of enactment of this Act, the Secretary shall
5 issue a Notice of Funding Availability for grants
6 under this section.

7 **SEC. 5. SELF-HELP HOMEOWNERSHIP OPPORTUNITY PRO-**
8 **GRAM.**

9 There is authorized to be appropriated for grants
10 under section 11 of the Housing Opportunity Program
11 Extension Act of 1996 (42 U.S.C. 12805 note)
12 \$250,000,000 for fiscal year 2021, which shall remain
13 available until September 30, 2031.

○