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(Original Signature of Member)

117TH CONGRESS  
1ST SESSION

**H. R.**

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

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IN THE HOUSE OF REPRESENTATIVES

Ms. KAPTUR introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**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:

1           (1) As the Nation continues to feel the dev-  
2           astating economic impacts of Coronavirus Disease  
3           2019 (COVID-19), many urban and rural commu-  
4           nities are still suffering from the effects of under-  
5           water mortgages, vacancy, abandoned properties,  
6           blight, aging housing stock, properties with deferred  
7           maintenance and harmful materials such as lead, as-  
8           bestos, and mold, unemployment, and population  
9           loss.

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

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

18           (4) The need to revitalize neighborhoods is  
19           greater than what can be supported with existing  
20           local tax bases.

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

1           (6) Many State and local governments, land  
2           banks, and nonprofit organizations across the  
3           United States have responded to the housing crisis  
4           by creating cost-effective strategies to revitalize  
5           neighborhoods.

6           (7) 2016 data from the United States Census  
7           Bureau shows that non-Hispanic, White households  
8           have an average net worth of \$143,600, while Black  
9           households have an average net worth of \$12,920,  
10          and Hispanic households have an average net worth  
11          of \$21,420.

12          (8) Housing equity is a significant portion of  
13          Black and Hispanic households' net worth, making  
14          up nearly 57 percent of Black households' net worth,  
15          66.5 percent of Hispanic households' net worth, and  
16          40.8 percent of White households' net worth, accord-  
17          ing to the Urban Institute's calculations from the  
18          2016 Survey of Consumer Finances.

19          (9) The 2008 Great Recession and the COVID-  
20          19 Recession have exacerbated the racial wealth gap.

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

1           (11) Despite the strong requirement to affirma-  
2           tively furthering fair housing under the Fair Hous-  
3           ing Act, the lack of accountability measures imple-  
4           mented by the Department of Housing and Urban  
5           Development to ensure equitable use of housing and  
6           community development dollars in Federal programs  
7           has allowed for the perpetuation of the legacy of red-  
8           lining and neighborhood disinvestment.

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

16 **SEC. 3. COMPETITIVE GRANT PROGRAM.**

17          (a) ESTABLISHMENT.—Not later than the expiration  
18          of the 120-day period beginning on the date of the enact-  
19          ment of this Act, the Secretary of Housing and Urban  
20          Development shall establish a program to award competi-  
21          tive grants to eligible local partnerships to carry out more  
22          than one neighborhood revitalization support activity in an  
23          eligible locality.

24          (b) CRITERIA.—

1           (1) ELIGIBLE LOCAL PARTNERSHIP.—A local  
2 partnership is eligible to receive a grant under the  
3 program established under this section if it meets  
4 the following requirements:

5           (A) The local partnership includes a na-  
6 tional or local nonprofit organization with ex-  
7 pertise in community planning, engagement, or-  
8 ganizing, development, or neighborhood revital-  
9 ization and at least one of the following entities:

10                   (i) A city or county government.

11                   (ii) A land bank.

12                   (iii) A fair housing enforcement orga-  
13 nization (as such term is defined in section  
14 561 of the Housing and Community Devel-  
15 opment Act of 1987 (42 U.S.C. 3616a)).

16                   (iv) An anchor institution.

17                   (v) A nonprofit organization.

18                   (vi) A State housing finance agency  
19 (as such term is defined in section 106(h)  
20 of the Housing and Urban Development  
21 Act of 1968 (12 U.S.C. 1701x(h))).

22                   (vii) A community development finan-  
23 cial institution (as such term is defined in  
24 section 103(5) of the Community Develop-

1                   ment Banking and Financial Institutions  
2                   Act of 1994 (12 U.S.C. 4702(5))).

3                   (viii) A public housing agency (as  
4                   such term is defined in section 3(b) of the  
5                   United States Housing Act of 1937 (42  
6                   U.S.C. 1437a(b)).

7                   (B) Such local partnership will use a grant  
8                   awarded under this section to carry out neigh-  
9                   borhood revitalization support activities in fur-  
10                  therance of a neighborhood revitalization strat-  
11                  egy for eligible localities.

12                  (2) ELIGIBLE LOCALITY.—For the purposes of  
13                  this section, an eligible locality is a geographic area  
14                  or areas at the neighborhood or county level that  
15                  meet at least four of the following objective criteria  
16                  of economic distress:

17                  (A) Dwelling unit sales prices are lower  
18                  than the cost to acquire and rehabilitate, or  
19                  build, a new dwelling unit.

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

23                  (C) Low rates of homeownership.

24                  (D) Racial disparities in homeownership  
25                  rates.

1 (E) High rates of poverty.

2 (F) High rates of unemployment and  
3 underemployment.

4 (G) Population loss.

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

8 (I) Other indicators of economic distress,  
9 such as the lack of housing affordability, stem-  
10 ming from long-standing government policies  
11 and private sector practices that prevented  
12 mortgage lending in some communities, such as  
13 redlining.

14 The Secretary shall establish thresholds for the cri-  
15 teria of economic distress under this paragraph.

16 (3) NEIGHBORHOOD REVITALIZATION SUPPORT  
17 ACTIVITIES.—For purposes of this section, neighbor-  
18 hood revitalization support activities are the fol-  
19 lowing:

20 (A) Providing assistance to existing resi-  
21 dents experiencing economic distress or at risk  
22 of displacement with homeowner rehabilitation  
23 assistance, weatherization, improved housing  
24 accessibility and livability for seniors and per-  
25 sons with disabilities, energy efficiency improve-

1           ments, refinancing, housing counseling certified  
2           by the Secretary, including loss mitigation  
3           counseling, property tax relief, clearing and ob-  
4           taining formal title, addressing outstanding  
5           housing-related expenses, or other activities  
6           that the Secretary determines are appropriate.

7           (B) Purchasing non-performing mortgages  
8           to assist existing homeowners and advance  
9           neighborhood stability.

10          (C) Supporting the purchase and redevelop-  
11          ment of vacant, abandoned, or distressed  
12          properties to create affordable rental housing,  
13          homeownership or shared equity homeownership  
14          opportunities, mixed-use properties, or commer-  
15          cial properties. Properties supported with as-  
16          sistance under this subparagraph may be con-  
17          verted between rental and homeownership, in-  
18          cluding shared equity homeownership, upon ter-  
19          mination of the lease or transfer of the property  
20          during the relevant period of affordability to en-  
21          sure local community needs are met, properties  
22          do not sit vacant, and affordability is preserved.

23          (D) Providing pre-purchase counseling  
24          through housing counselors certified by the Sec-  
25          retary for neighborhood revitalization support



1 activities that provide homeownership opportu-  
2 nities.

3 (E) Providing downpayment assistance to  
4 prospective homebuyers.

5 (F) Establishing and operating community  
6 land trusts to provide affordable rental and  
7 homeownership opportunities, including shared  
8 equity homeownership opportunities.

9 (G) Demolishing abandoned or distressed  
10 structures, but only if such activity is part of a  
11 strategy that incorporates rehabilitation or new  
12 construction and efforts to increase affordable  
13 housing and homeownership, except that not  
14 more than 10 percent of any grant made under  
15 this section may be used for activities under  
16 this subparagraph unless the Secretary deter-  
17 mines that such use is to replace units in an ef-  
18 fort to increase affordable housing or homeown-  
19 ership.

20 (H) Establishing or operating land banks  
21 to maintain acquire, redevelop, or sell properties  
22 that are abandoned or distressed. Preference  
23 among applications proposing activities under  
24 this subparagraph shall be given to applications

1 that promote distribution of properties for af-  
2 fordable housing and small businesses.

3 (I) Improving parks, sidewalks, street  
4 lighting, and other neighborhood improvements  
5 that impact quality of life in the targeted neigh-  
6 borhoods, except that not more than 5 percent  
7 of any grant made under this section may be  
8 used for activities under this subparagraph.

9 (J) In connection with any other eligible  
10 activity under this paragraph, working with  
11 resident leaders and community groups to un-  
12 dertake community planning, outreach, and  
13 neighborhood engagement, consistent with the  
14 goals of increasing homeownership, stabilizing  
15 neighborhoods, reducing vacancy rates, creating  
16 jobs, increasing or stabilizing residential and  
17 commercial property values, and meeting other  
18 neighborhood needs, except that not more than  
19 10 percent of any grant made under this sec-  
20 tion may be used for activities under this sub-  
21 paragraph.

22 (4) AFFORDABILITY TERMS.—

23 (A) RENTAL UNITS.—In the case of prop-  
24 erty assisted pursuant to paragraph (3) con-

1           taining any dwelling units that are made avail-  
2           able for rental—

3                   (i) such units shall be available for  
4                   rental only by a household having an in-  
5                   come that does not exceed 60 percent of  
6                   the median income for the area in which  
7                   such unit is located;

8                   (ii) such units shall remain affordable  
9                   for at least 30 years;

10                  (iii) such property may be a mixed-use  
11                  property; and

12                  (iv) such unit shall be maintained in  
13                  habitable condition, as defined by the local-  
14                  ity in which the property is located.

15                  (B) HOMEOWNERSHIP UNITS.—In the case  
16                  of property assisted pursuant to paragraph (3)  
17                  consisting of a dwelling unit, or containing any  
18                  dwelling units, made available for homeowner-  
19                  ship, such unit or units—

20                   (i) shall be available for purchase only  
21                   to by a household having an income that  
22                   does not exceed 120 percent of the median  
23                   income for the area in which such unit is  
24                   located;

1 (ii) if made available through a shared  
2 equity homeownership program, shall re-  
3 main affordable for at least 30 years; and

4 (iii) if not made available through a  
5 shared equity homeownership program—

6 (I) shall remain affordable for a  
7 period of years as determined by the  
8 partnership, which shall not be short-  
9 er than 5 years from the sale of the  
10 unit; and

11 (II) shall be subject to resale or  
12 recapture provisions that—

13 (aa) are established by the  
14 partnership to ensure that the af-  
15 fordability term may be met or  
16 funds may be redeployed for  
17 neighborhood revitalization sup-  
18 port activities;

19 (bb) may be waived in cases  
20 of hardship or market deprecia-  
21 tion; and

22 (cc) provide that, in the case  
23 of a resale, the partnership may  
24 maintain preemptive purchase  
25 options in order to sell the prop-

1   erty to another income qualified  
2   purchaser.

3           If a property converts between rental and homeown-  
4           ership or shared equity homeownership, the afford-  
5           ability terms of the new tenure type shall be utilized  
6           upon occupancy.

7           (c) APPLICATIONS.—

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

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

16                           (A) The severity of the locality's indicators  
17                           of distress under subsection (b)(2).

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 such affordability terms will be  
7                   preserved.

8                   (D) The extent to which an eligible part-  
9                   nership that includes a public housing agency  
10                  will use housing choice vouchers to support  
11                  homeownership for households at or below 60  
12                  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 local  
22 partnerships serving geographically diverse areas of  
23 economic distress as defined in subsection (b)(2), in-  
24 cluding metropolitan and underserved rural areas.

1 (d) OPERATION COSTS.—Up to 15 percent of the  
2 amount of each grant under this section may be used by  
3 the recipient for administrative and organizational support  
4 costs.

5 (e) 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 (g).

13 (f) 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 (g) 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 such  
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 er-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 at least 20 percentage points  
22 higher than the percentage of the popu-  
23 lation of that minority group for the Met-  
24 ropolitan Statistical Area;

1 (ii) is at least 20 percentage points  
2 higher than the percentage of the popu-  
3 lation of all minorities for the Metropolitan  
4 Statistical Area; and

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

7 (G) Any other information that the Sec-  
8 retary of Housing and Urban Development de-  
9 termines necessary to ensure that housing out-  
10 comes and grant administration and compliance  
11 align with the purposes of this Act.

12 (h) IN GENERAL.—Not later than 2 years after  
13 grants under this section are first awarded and again 3  
14 years thereafter, the Secretary shall submit to the appro-  
15 priate Congressional Committees, and make publicly avail-  
16 able online, a report that—

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

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

23 (3) identifies the number of housing units as-  
24 sisted with grant amounts under this section located  
25 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          (i) DEFINITIONS.—In this section:

11           (1) ANCHOR INSTITUTION.—The term “anchor  
12           institution” means a school, a library, a healthcare  
13           provider, a community college or other institution of  
14           higher education, or another community support or-  
15           ganization or entity.

16           (2) APPROPRIATE CONGRESSIONAL COMMIT-  
17           TEES.—The term “appropriate Congressional Com-  
18           mittees” means the following:

19           (A) The Committees on Financial Services  
20           and Appropriations of the House of Representa-  
21           tives.

22           (B) The Committees on Banking, Housing,  
23           and Urban Affairs and Appropriations of the  
24           Senate.

1           (3) COMMUNITY LAND TRUST.—The term  
2           “community land trust” means a nonprofit organi-  
3           zation or State or local governments or instrumen-  
4           talities that—

5                   (A) use a ground lease or deed covenant  
6                   with an affordability period of at least 30 years  
7                   or more to—

8                           (i) make rental and homeownership  
9                           units affordable to households; and

10                           (ii) stipulate a preemptive option to  
11                           purchase the affordable rentals or home-  
12                           ownership units so that the affordability of  
13                           the units is preserved for successive in-  
14                           come-eligible households; and

15                   (B) monitor properties to ensure afford-  
16                   ability is preserved.

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

1           (5) NEIGHBORHOOD REVITALIZATION SUPPORT  
2           ACTIVITY.—The term “neighborhood revitalization  
3           support activity” means an activity described in sub-  
4           section (b)(3).

5           (6) NON-PERFORMING MORTGAGE.—The term  
6           “non-performing” mortgage means a residential  
7           mortgage loan that is 90 days or more delinquent.

8           (7) NONPROFIT ORGANIZATION.—The term  
9           “nonprofit organization” means an organization that  
10          is described in section 501(c)(3) of the Internal Rev-  
11          enue Code of 1986 (26 U.S.C. 501(c)(3)) and is ex-  
12          empt from taxation under section 501(a) of such  
13          Code.

14          (8) SHARED EQUITY HOMEOWNERSHIP PRO-  
15          GRAM.—

16                (A) IN GENERAL.—The term “shared eq-  
17                uity homeownership program” means affordable  
18                homeownership preservation through a resale  
19                restriction program administered by a commu-  
20                nity land trust, other nonprofit organization, or  
21                State or local government or instrumentalities.

22                (B) AFFORDABILITY REQUIREMENTS.—  
23                Any such program under subparagraph (A)  
24                shall—

1 (i) provide affordable homeownership  
2 opportunities to households; and

3 (ii) utilize a ground lease, deed re-  
4 striction, subordinate loan, or similar legal  
5 mechanism that includes provisions ensur-  
6 ing that the program shall—

7 (I) maintain the home as afford-  
8 able for subsequent very low-, low-, or  
9 moderate-income families for an af-  
10 fordability term of at least 30 years  
11 after recordation;

12 (II) apply a resale formula that  
13 limits the homeowner's proceeds upon  
14 resale; and

15 (III) provide the program admin-  
16 istrator or such administrator's as-  
17 signee a preemptive option to pur-  
18 chase the homeownership unit from  
19 the homeowner at resale.

20 (j) AUTHORIZATION OF APPROPRIATIONS.—

21 (1) IN GENERAL.—There is authorized to be  
22 appropriated to carry out this section  
23 \$5,000,000,000 for each of fiscal years 2021  
24 through 2031.

1           (2) SET ASIDE.—The Secretary shall award at  
2           least \$500,000,000 of any amounts appropriated  
3           pursuant to this subsection to eligible local partner-  
4           ships that will provide neighborhood revitalization  
5           support activities to localities outside of a Metropoli-  
6           tan Statistical Area, as designated by the Office of  
7           Management and Budget. The priority under sub-  
8           section (c)(2)(I) (relating to matching funds) shall  
9           not apply to amounts awarded under this paragraph.

10          (3) NOFA.—The Secretary shall issue a Notice  
11          of Funding Availability for grants under this section  
12          not later than the expiration of the 180-day period  
13          beginning upon the date of the enactment of this  
14          Act.

15   **SEC. 4. SELF-HELP HOMEOWNERSHIP OPPORTUNITY PRO-**  
16                                   **GRAM.**

17          There is authorized to be appropriated for grants  
18          under section 11 of the Housing Opportunity Program  
19          Extension Act of 1996 (42 U.S.C. 12805 note)  
20          \$250,000,000 for fiscal year 2021, which shall remain  
21          available until September 30, 2031.