119TH CONGRESS
1ST SESSION

S. _____

To provide for adjustments to community development block grant allocations based on improvements in housing growth rates.

IN THE SENATE OF THE UNITED STATES

Mr. KENNEDY (for himself and Ms. WARREN) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To provide for adjustments to community development block grant allocations based on improvements in housing growth rates.

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 ''Build Now Act of 2025''.

SEC. 2. DEFINITIONS.

In this Act:

(1) COVERED RECIPIENT.—The term ''covered recipient'' means a metropolitan city or urban coun-

ty, as those terms are defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302), that receives funds under section 106.

(2) CURRENT ANNUAL GROWTH RATE.—The term ''current annual growth rate'', with respect to an eligible recipient and a fiscal year, means the average annual percentage increase in the number of housing units in the jurisdiction of the eligible recipient, as calculated by the Secretary, during the period—

(A) beginning with the third quarter of the sixth preceding fiscal year; and

(B) ending with the third quarter of the preceding fiscal year.

(3) ELIGIBLE RECIPIENT.—The term ''eligible recipient'' means any covered recipient unless—

(A)(i) the median Small Area Fair Market Rent in the jurisdiction of the covered recipient is at or below the 60th percentile of median Small Area Fair Market Rents in the jurisdictions of all covered recipients; and

(ii) the median home value in the jurisdiction of the covered recipient is below the median home value for the United States;

(B) the annual natural rental vacancy rate in the jurisdiction of the covered recipient is greater than the national annual natural rental vacancy rate for the most recent year available, as published by the Bureau of the Census;

(C) during the 1-year period preceding the date on which the Secretary allocates funds under section 106, the jurisdiction of the covered recipient has been the subject of a major disaster or emergency declaration under section 401 or 501, respectively, of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170, 5191); or

(D) the covered recipient lacks the legal authority to enact or update zoning and permitting ordinances.

(4) EXTREMELY HIGH-GROWTH RECIPIENT.—The term ''extremely high-growth recipient'' means an eligible recipient for which the current annual growth rate is at or above 4 percent.

(5) HOUSING GROWTH IMPROVEMENT RATE.—The term ''housing growth improvement rate'', with respect to an eligible recipient and a fiscal year, means the quotient of—

(A)(i) the current annual growth rate of the eligible recipient, minus

(ii) the prior annual growth rate of the eligible recipient; and

(B) the sum obtained by adding the absolute values of the current annual growth rate and the prior annual growth rate of the eligible recipient.

(6) PRIOR ANNUAL GROWTH RATE.—The term ''prior annual growth rate'', with respect to an eligible recipient and a fiscal year, means the average annual percentage increase in the number of housing units in the jurisdiction of the eligible recipient, as calculated by the Secretary, during the period—

(A) beginning with the third quarter of the 11th preceding fiscal year; and

(B) ending with the third quarter of the sixth preceding fiscal year.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(8) SECTION 106.—The term ''section 106'' means section 106 of the Housing and Community Development Act of 1974 (42 U.S.C. 5306).

SEC. 3. ADJUSTMENTS TO COMMUNITY DEVELOPMENT BLOCK GRANT ALLOCATIONS.

(a) IN GENERAL.—In allocating amounts to an eligible recipient under section 106 for a fiscal year, the Secretary shall adjust the allocation based on the housing growth improvement rate of the eligible recipient, in accordance with subsection (b) of this section.

(b) ADJUSTMENTS.—

(1) HOUSING GROWTH IMPROVEMENT RATE AT OR ABOVE MEDIAN; EXTREMELY HIGH-GROWTH RECIPIENTS.—

(A) IN GENERAL.—If, with respect to a fiscal year for which the allocation under section 106 is being determined, the housing growth improvement rate for an eligible recipient is at or above the median housing growth improvement rate for all eligible recipients other than extremely high-growth recipients, or if an eligible recipient is an extremely high-growth recipient, the Secretary shall allocate to the eligible recipient for that fiscal year, in addition to the amount that would otherwise be allocated to the eligible recipient under section 106, a bonus amount, as determined under subparagraph (B) of this paragraph.

(B) BONUS AMOUNT.—For purposes of subparagraph (A), the bonus amount for an eligible recipient for a fiscal year shall be equal to the product of—

(i) the aggregate amount by which allocations to eligible recipients are decreased under paragraph (2) for that fiscal year; and

(ii) the quotient of—

(I) the number of housing units, as of the third quarter of the preceding fiscal year, in the jurisdiction of the eligible recipient, as calculated by the Secretary; and

(II) the number of housing units, as of the third quarter of the preceding fiscal year, in the jurisdictions of all eligible recipients that receive a bonus amount under this paragraph, as calculated by the Secretary.

(2) HOUSING GROWTH IMPROVEMENT RATE BELOW MEDIAN.—If, with respect to a fiscal year for which the allocation under section 106 is being determined, the housing growth improvement rate for an eligible recipient is below the median housing

growth improvement rate for all eligible recipients other than high-growth outliers, the Secretary shall decrease the amount that would otherwise be allocated to the eligible recipient under section 106 for that fiscal year by 10 percent.

SEC. 4. CALCULATION OF HOUSING UNITS.

(a) HUD REQUIREMENTS.—In calculating the number of housing units in the jurisdiction of an eligible recipient under any provision of this Act, the Secretary shall—

(1) use the Current Address Count Listing Files and other data products, as needed, of the Bureau of the Census tabulated from the Master Address File; and

(2) make calculations at the block level, using boundaries that reflect the most current boundaries.

(b) CENSUS BUREAU AND POSTAL SERVICE REQUIREMENTS.—The Bureau of the Census and the United States Postal Service shall provide any relevant data to the Secretary upon request to assist the Secretary in making a calculation described in subsection (a).

(c) ADJUSTMENT OF CALCULATION PERIODS.—The Secretary may adjust the calculation periods under subparagraphs (A) and (B) of section 2(2), subparagraphs (A) and (B) of section 2(6), and subclauses (I) and (II) of section 3(b)(1)(B)(ii) by not more than 2 months to

achieve alignment with the data provided by the Bureau of the Census.

SEC. 5. ANNUAL REPORT ON HOUSING GROWTH IMPROVEMENT RATE.

Before allocating funds under section 106 for a fiscal year, the Secretary shall publish a report that—

(1) includes the housing growth improvement rate for each eligible recipient; and

(2) lists, for the most recent fiscal year for which allocations were made under section 106—

(A) the eligible recipients that received a bonus amount under section 3(b)(1); and

(B) the eligible recipients for which the allocation under section 106 was decreased under section 3(b)(2) of this Act.

SEC. 6. NOTIFICATION; IMPLEMENTATION DATES.

(a) NOTIFICATION.—

(1) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Secretary shall notify each eligible recipient of the recipient's housing growth improvement rate and whether that housing growth improvement rate is above, at, or below the median housing growth improvement rate for all eligible recipients other than extremely high-growth recipients.

(2) GUIDANCE.—As part of the notification under paragraph (1), the Secretary shall share guidance, including resources developed by the Department of Housing and Urban Development, on best practices and recommendations on policies to reduce regulatory barriers to housing and increase housing supply.

(b) IMPLEMENTATION DATES.—Section 3 shall take effect beginning with the third full fiscal year after the date of enactment of this Act and remain in effect through fiscal year 2043.