

119TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To promote shared equity models of homeownership, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Ms. BLUNT ROCHESTER introduced the following bill; which was read twice  
and referred to the Committee on \_\_\_\_\_

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**A BILL**

To promote shared equity models of homeownership, 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 “Permanent Housing  
5 Affordability Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) COMMUNITY DEVELOPMENT FINANCIAL IN-  
9 STITUTION.—The term “community development fi-  
10 nancial institution” has the meaning given the term  
11 in section 103 of the Community Development

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

3 (2) COMMUNITY LAND TRUST.—The term  
4 “community land trust” means a nonprofit entity, a  
5 State, a unit of local government, or an instrumen-  
6 tality of a State or unit of local government—

7 (A) that is not managed by, or an affiliate  
8 of, a for-profit organization;

9 (B) the primary purpose of which is ac-  
10 quiring, developing, or holding land to provide  
11 housing that is permanently affordable to low-  
12 and moderate-income persons;

13 (C) that monitors properties to ensure af-  
14 fordability is preserved;

15 (D) that provides housing that is perma-  
16 nently affordable to low- and moderate-income  
17 persons using a ground lease, deed covenant, or  
18 other similar legally enforceable measure, deter-  
19 mined acceptable by the Secretary, that—

20 (i) keeps the housing affordable to  
21 low- and moderate-income persons for not  
22 less than—

23 (I) 99 years; or

24 (II) the greatest minimum af-  
25 fordability period permitted by appli-

1 cable State law, if that law restricts  
2 minimum affordability periods to a  
3 number of years that is less than 99;  
4 and

5 (ii) enables low- and moderate-income  
6 persons to rent or purchase the housing for  
7 homeownership; and

8 (E) that maintains preemptive purchase  
9 options to purchase the property, if such pur-  
10 chase would allow the housing to remain afford-  
11 able to low-and moderate-income persons.

12 (3) ELIGIBLE ENTITY.—The term “eligible enti-  
13 ty” means a unit of local government, an instrumen-  
14 tality of a State or unit of local government, or a  
15 nonprofit organization, including a community land  
16 trust, that manages a shared equity homeownership  
17 model program.

18 (4) ELIGIBLE GRANTEE.—The term “eligible  
19 grantee” means—

20 (A) any agency of a State;

21 (B) any authority chartered by a State to  
22 help meet affordable housing needs of the resi-  
23 dents of the State; and

1 (C) a community development financial in-  
2 stitution that is certified by the Secretary of the  
3 Treasury.

4 (5) QUALIFIED HOMEBUYER.—The term  
5 “qualified homebuyer” means a homebuyer with a  
6 household income that is not more than 120 percent  
7 of the area median income.

8 (6) RESALE FORMULA.—The term “resale for-  
9 mula” means a permissible method of determining  
10 fair return and resale price under section  
11 92.254(a)(5)(i)(A) of title 24, Code of Federal Reg-  
12 ulations, as in effect on March 28, 2025.

13 (7) SHARED EQUITY HOMEOWNERSHIP  
14 MODEL.—The term “shared equity homeownership  
15 model” means a model of resale-restricted, owner-oc-  
16 cupied housing the primary purpose of which is to  
17 create and preserve a supply of owner-occupied units  
18 affordable to low and moderate income households  
19 that—

20 (A) carry terms of affordability that are  
21 not less than—

22 (i) 99 years; or

23 (ii) the greatest minimum afford-  
24 ability period permitted by applicable State  
25 law, if that law restricts minimum afford-

1 ability periods to a number of years that is  
2 less than 99; and

3 (B) restrict the resale value of properties  
4 in the program according to a resale formula  
5 described in a ground lease, deed restriction, or  
6 similar legal mechanism.

7 **SEC. 3. LASTING HOME AFFORDABILITY FUND.**

8 (a) IN GENERAL.—Not later than 90 days after the  
9 date of enactment of this Act, the Secretary of the Treas-  
10 ury (in this section referred to as the “Secretary”) shall  
11 establish a program to provide grants to eligible grantees  
12 to use for the purpose of providing low-interest construc-  
13 tion loans to eligible entities.

14 (b) APPLICATION BY ELIGIBLE GRANTEES.—To be  
15 eligible to receive amounts under this section, an eligible  
16 grantee shall submit an application at such time and in  
17 such manner as the Secretary may reasonably require, in-  
18 cluding a detailed description of—

19 (1) how the eligible grantee intends to use any  
20 amounts provided under this section; and

21 (2) the qualifications such eligible grantee has  
22 that will allow such eligible grantee to successfully  
23 administer a grant under this section.

24 (c) USE OF AMOUNTS BY ELIGIBLE GRANTEES.—

1           (1) IN GENERAL.—Any eligible grantee that re-  
2           ceives amounts under this section shall use such  
3           amounts and related proceeds to establish a revolv-  
4           ing fund and provide low-interest construction loans  
5           to 1 or more eligible entities, which amounts may be  
6           awarded to eligible entities on a rolling basis.

7           (2) LOAN REQUIREMENTS.—

8           (A) IN GENERAL.—Loans provided by an  
9           eligible grantee to an eligible entity using  
10          amounts provided under this section shall—

11                   (i) have an interest rate of not more  
12                   than 3 percent; and

13                   (ii) have an origination fee of not  
14                   more than 1 percent of the amount of the  
15                   loan.

16          (B) LIQUIDITY REQUIREMENTS.—An eligi-  
17          ble grantee may not require, as a condition of  
18          receiving a loan under this section, that an eli-  
19          gible entity has more than 10 percent of the  
20          amount to be loaned in liquid assets at the time  
21          of the loan.

22          (3) LIMITATION.—An eligible entity that re-  
23          ceives amounts under this section may not be the  
24          same entity as the eligible grantee that provides  
25          those amounts.

1           (4) PRIORITY.—An eligible grantee shall  
2           prioritize loans to eligible entities that plan to use  
3           amounts loaned under this section to construct or  
4           rehabilitate properties—

5                   (A) located in areas with high cost burden,  
6                   as determined by the Secretary, individuals at  
7                   risk of displacement due to rising housing costs,  
8                   or redlining; or

9                   (B) that are required to be affordable as  
10                  described in subsection (e) for terms that are  
11                  more than 99 years.

12          (d) USE OF AMOUNTS BY ELIGIBLE ENTITIES.—An  
13          eligible entity may use amounts loaned by an eligible  
14          grantee for costs associated with the construction or reha-  
15          bilitation of housing intended to be sold to a homebuyer,  
16          a member of a limited equity cooperative, or a community  
17          land trust and used as a primary residence, including ma-  
18          terials, labor (including contractor fees), land development  
19          (including demolition and grading), permit and developer  
20          fees, insurance costs, on-site infrastructure costs (includ-  
21          ing the installation of roads, water, electrical, sewer, storm  
22          drainage, and sidewalks), and predevelopment (including  
23          architectural costs and engineering costs).

1 (e) AFFORDABILITY REQUIREMENT.—An eligible en-  
2 tity that uses amounts loaned under this section to con-  
3 struct or rehabilitate a property—

4 (1) may only sell or facilitate the sale of such  
5 property to qualified homebuyers; and

6 (2) shall ensure any subsequent sales are to  
7 qualified homebuyers at a below-market value that is  
8 determined by a resale formula described in a  
9 ground lease, deed restriction, or other similar mech-  
10 anism.

11 (f) AREAS OF SERVICE.—The Secretary shall seek to  
12 provide grants to eligible grantees that will fund activities  
13 in geographically diverse areas, including areas of per-  
14 sistent poverty, underserved areas, and rural areas.

15 (g) RULEMAKING.—The Secretary may issue rules to  
16 carry out this section.

17 (h) REPORTING.—

18 (1) GRANTEE REPORTS.—The Secretary shall  
19 require each grantee receiving grant amounts in any  
20 given year under this section to submit a report, for  
21 such year and each year that loans are made using  
22 grant funds, to the Secretary that includes—

23 (A) the number of qualifying loans made;

24 (B) the organizations receiving loans;

1 (C) the number of outstanding loans on  
2 September 30th of the report year;

3 (D) the percentage of organizations be-  
4 longing to each type of eligible grantee as de-  
5 scribed in subparagraphs (A) through (C) of  
6 section 2(4);

7 (E) the projected number of units con-  
8 structed or rehabilitated by each loan;

9 (F) the average interest rate on qualifying  
10 loans;

11 (G) the average origination fee on quali-  
12 fying loans;

13 (H) the median purchase price of the  
14 homes constructed or rehabilitated by each loan  
15 compared to the median market rate price in  
16 the area;

17 (I) the zip codes where the homes con-  
18 structed or rehabilitated by each loan are lo-  
19 cated;

20 (J) the area median income level of house-  
21 holds assisted;

22 (K) the percentage and number of loans  
23 made for the purpose of construction;

24 (L) the percentage and number of loans  
25 make for the purpose of rehabilitation;

1 (M) a description of any mechanism used  
2 to ensure permanent affordability by each  
3 grantee, such as ground leases, deed restric-  
4 tions, covenants, or other mechanisms;

5 (N) the resale formula used by each eligi-  
6 ble entity that receives a loan from the grantee;  
7 and

8 (O) where applicable, for each loan made,  
9 the percentage of total project cost expected to  
10 be covered by the loan.

11 (2) REPORT TO CONGRESS.—Not later than 90  
12 days after the conclusion of each fiscal year in which  
13 assistance under this section is made available, the  
14 Secretary shall submit to the Committee on Bank-  
15 ing, Housing, and Urban Affairs of the Senate and  
16 the Committee on Financial Services of the House of  
17 Representatives a report on amounts provided under  
18 this section that contains, with aggregates, averages,  
19 and summaries, as appropriate, information provided  
20 by grantees under paragraph (1).

21 (i) AUTHORIZATION OF APPROPRIATIONS.—There is  
22 authorized to be appropriated to the Secretary  
23 \$100,000,000 for fiscal year 2027 to carry out this sec-  
24 tion, to remain available until expended.

1 **SEC. 4. LASTING AFFORDABILITY HOMEOWNERSHIP**  
2 **GRANT PILOT PROGRAM.**

3 (a) IN GENERAL.—The Secretary of Housing and  
4 Urban Development (in this section referred to as the  
5 “Secretary”) shall establish a pilot program to provide  
6 grants to eligible entities.

7 (b) USE OF AMOUNTS.—Each eligible entity that re-  
8 ceives amounts under this section shall use such amounts  
9 to—

10 (1) purchase vacant land to develop housing  
11 and sell that housing to homebuyers or members of  
12 a limited equity cooperative; and

13 (2) purchase existing properties or predeveloped  
14 land on which properties will be developed that will  
15 be sold to homebuyers or members of a limited eq-  
16 uity cooperative.

17 (c) PRIORITY.—The Secretary shall prioritize the  
18 award of grants to eligible entities that will maintain af-  
19 fordability for the homes sold by the eligible entity for the  
20 longest term.

21 (d) REQUIREMENTS.—

22 (1) VACANT LAND.—In the case of vacant land  
23 purchased by an eligible entity under this section,  
24 the housing shall be built and marketed for sale not  
25 later than 3 years after the date of the purchase,  
26 which period may be extended at the discretion of

1 the Secretary for extenuating circumstances, such as  
2 delays in the development process, provided that the  
3 Secretary makes public a list of localities where such  
4 extenuating circumstances are occurring.

5 (2) EXISTING LAND OR PROPERTIES.—In the  
6 case of existing properties or predeveloped land pur-  
7 chased by an eligible entity under this section, the  
8 homes shall be ready for sale to homebuyers not  
9 later than 3 years after the date of the purchase,  
10 which period may be extended at the discretion of  
11 the Secretary for extenuating circumstances.

12 (3) ALL PROPERTIES.—Each home developed  
13 with amounts provided under this section shall be  
14 sold to households—

15 (A) with an income that is less than or  
16 equal to—

17 (i) 80 percent of the area median in-  
18 come; or

19 (ii) 120 percent of the area median  
20 income, if the home is located in a rural  
21 area;

22 (B) with ground leases, deed restrictions,  
23 covenants, or other mechanisms to ensure per-  
24 manent affordability; and

1 (C) according to a resale formula deter-  
2 mined by the eligible entity.

3 (e) REPORTING.—

4 (1) ELIGIBLE ENTITY REPORTS.—Not later  
5 than 2 years after receiving a grant under this sec-  
6 tion, and biennially for 6 years thereafter, an eligible  
7 entity shall submit to the Secretary a streamlined  
8 report that includes—

9 (A) as applicable, the number of acres pur-  
10 chased;

11 (B) as applicable, the number of units pur-  
12 chased;

13 (C) as applicable, the number of buildings  
14 and units developed;

15 (D) as applicable, the number of buildings  
16 and units renovated;

17 (E) a description of the ground leases,  
18 deed restrictions, covenants, or other mecha-  
19 nisms used to ensure permanent affordability;

20 (F) a description of the resale formula  
21 used;

22 (G) the number of households served;

23 (H) the average size of units;

24 (I) the median purchase price;

1           (J) to the extent possible, the average  
2           amount of the down payment paid by house-  
3           holds;

4           (K) the average tenure of residents;

5           (L) to the extent possible, the average  
6           credit score of purchasers;

7           (M) the average delinquency and fore-  
8           closure rate; and

9           (N) the average annual resident fees.

10           (2) REPORT TO CONGRESS.—Not later than 90  
11           days after the conclusion of each fiscal year in which  
12           assistance under this section is made available, the  
13           Secretary shall submit to the Committee on Bank-  
14           ing, Housing, and Urban Affairs of the Senate and  
15           the Committee on Financial Services of the House of  
16           Representatives a report on this section that con-  
17           tains, with aggregates, averages, and summaries, as  
18           appropriate, information provided by eligible entities  
19           under paragraph (1).

20           (f) AUTHORIZATION OF APPROPRIATIONS.—

21           (1) IN GENERAL.—There is authorized to be  
22           appropriated to the Secretary \$100,000,000 for each  
23           of fiscal years 2027 through 2031 to carry out this  
24           section.



1 homeownership models through technical assistance  
2 and capacity building.

3 (3) AUTHORIZATION OF APPROPRIATIONS.—

4 There is authorized to be appropriated to the Sec-  
5 retary such sums as may be necessary to carry out  
6 this subsection.

7 (b) PUBLIC AWARENESS.—

8 (1) IN GENERAL.—Not later than 1 year after  
9 the date of enactment of this Act, the Secretary  
10 shall conduct a public awareness campaign to edu-  
11 cate the public and the financial sector about the  
12 benefits and responsibilities of shared equity home-  
13 ownership models, including community land trusts,  
14 which may include—

15 (A) creating a webpage to publicize shared  
16 equity homeownership models;

17 (B) disseminating information to housing  
18 counseling agencies or other entities to provide  
19 information to potential homebuyers;

20 (C) providing information to lenders about  
21 the shared equity homeownership model, includ-  
22 ing standard ground leases and appraisal guid-  
23 ance developed by the Federal National Mort-  
24 gage Association and the Federal Home Loan  
25 Mortgage Corporation; and

1 (D) to the extent possible, work with  
2 States, local governments, Tribal governments,  
3 and entities managing shared equity homeown-  
4 ership models, including nonprofit organiza-  
5 tions, to advance public awareness.

6 (2) AUTHORIZATION OF APPROPRIATIONS.—

7 There is authorized to be appropriated to the Sec-  
8 retary \$3,000,000 for each of fiscal years 2027  
9 through 2029 to carry out this subsection.

10 (c) OUTREACH.—

11 (1) IN GENERAL.—The Secretary, in consulta-  
12 tion and coordination with other appropriate enti-  
13 ties, including the Federal Housing Finance Agency,  
14 shall carry out an education and outreach campaign  
15 to inform and educate consumers, home builders,  
16 residential lenders, and other real estate profes-  
17 sionals on the availability, benefits, and advantages  
18 of community land trusts and other shared equity  
19 homeownership models.

20 (2) AUTHORIZATION OF APPROPRIATIONS.—

21 There is authorized to be appropriated to the Sec-  
22 retary such sums as may be necessary to carry out  
23 this subsection.

24 (d) REPORT.—Not later than 90 days after the con-  
25 clusion of each fiscal year in which assistance under this

1 section is made available, the Secretary shall submit to  
2 the Committee on Banking, Housing, and Urban Affairs  
3 of the Senate and the Committee on Financial Services  
4 of the House of Representatives a report on the shared  
5 equity housing research and awareness programs de-  
6 scribed in this section that includes, for the period covered  
7 by the report—

8 (1) a description of public awareness and public  
9 outreach campaigns conducted by the Secretary;

10 (2) a description of consultation and coordina-  
11 tion efforts with the Federal Housing Finance Agen-  
12 cy, including a description of Federal Housing Fi-  
13 nance Agency activities to improve mortgage lender  
14 education and outreach that resulted from consulta-  
15 tion and coordination efforts;

16 (3) a description of the research conducted on  
17 best practices for community land trusts and other  
18 shared equity homeownership models; and

19 (4) the number and location of entities that re-  
20 ceived technical assistance and capacity building on  
21 community land trusts and other shared equity  
22 homeownership models.

23 **SEC. 6. SURPLUS LAND.**

24 (a) IN GENERAL.—Section 550 of title 40, United  
25 States Code, is amended—

1 (1) in subsection (a)—

2 (A) in the subsection heading, by striking  
3 “DEFINITION” and inserting “DEFINITIONS”;  
4 and

5 (B) by striking “section, the term” and in-  
6 serting “section—

7 “(1) the term ‘shared equity homeownership  
8 model’ has the meaning given the term in section 2  
9 of the Permanent Housing Affordability Act; and”;

10 (2) in subsection (b)(2)(D), by inserting “and  
11 for property transferred under subsection (i) to a  
12 community land trust or other shared equity home-  
13 ownership model” after “families”; and

14 (3) by adding at the end the following:

15 “(i) PROPERTY FOR COMMUNITY LAND TRUST OR  
16 OTHER SHARED EQUITY HOMEOWNERSHIP MODEL.—

17 “(1) CONVEYANCE.—The Administrator may  
18 convey to a community land trust or other shared  
19 equity homeownership model the right, title, and in-  
20 terest of the Government in and to any surplus real  
21 property that the Secretary of Housing and Urban  
22 Development determines is suitable for a community  
23 land trust or other shared equity homeownership  
24 model.

1           “(2) DEED OF CONVEYANCE.—The deed of con-  
2           veyance of any surplus real property disposed of  
3           under this subsection—

4                   “(A) shall provide that all of the property  
5                   be used and maintained for purposes of a com-  
6                   munity land trust or other shared equity home-  
7                   ownership model in perpetuity, and that if the  
8                   property ceases to be used or maintained in a  
9                   community land trust or other shared equity  
10                  homeownership model, all or any portion of the  
11                  property shall, in its then existing condition, at  
12                  the option of the Government, revert to the  
13                  Government; and

14                   “(B) may contain additional terms, res-  
15                   ervations, restrictions, and conditions the Ad-  
16                   ministrators determine are necessary to safe-  
17                   guard the interests of the Government.

18           “(3) FIXING VALUE.—

19                   “(A) IN GENERAL.—In fixing the sale or  
20                   lease value of property disposed of under para-  
21                   graph (2), the Secretary of Housing and Urban  
22                   Development shall take into consideration and  
23                   discount the value for any benefit which has ac-  
24                   crued or may accrue to the Government from  
25                   the use of the property by the community land

1 trust or other shared equity homeownership  
2 model.

3 “(B) AMOUNT OF DISCOUNT.—The  
4 amount of the discount under subparagraph (A)  
5 is 75 percent of the market value of the prop-  
6 erty, except that the Secretary of Housing and  
7 Urban Development may discount by a greater  
8 percentage if the Secretary, in consultation with  
9 the Administrator, determines that a higher  
10 percentage is justified.”.

11 (b) REPORT.—Not later than 90 days after the con-  
12 clusion of each fiscal year in which assistance under sec-  
13 tion 550(i) of title 40, United States Code, as added by  
14 subsection (a), is made available, the Secretary of Housing  
15 and Urban Development shall submit to the Committee  
16 on Banking, Housing, and Urban Affairs of the Senate  
17 and the Committee on Financial Services of the House of  
18 Representatives a report on surplus land that includes—

19 (1) the number of surplus real properties con-  
20 veyed by the Federal Government for the purpose of  
21 affordable housing, including such properties that  
22 were conveyed to a community land trust or other  
23 shared equity homeownership model; and

24 (2) the average discounted value of real prop-  
25 erty conveyed by the Federal Government for the

1        purpose of affordable housing, including such real  
2        property that was conveyed to a community land  
3        trust or other shared equity homeownership model.