

119TH CONGRESS  
1ST SESSION

# S. 2390

To require the Secretary of Housing and Urban Development to reclassify the application of certain requirements under the National Environmental Policy Act of 1969 for housing-related activities.

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## IN THE SENATE OF THE UNITED STATES

JULY 23, 2025

Mr. ROUNDS (for himself and Mr. KIM) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

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## A BILL

To require the Secretary of Housing and Urban Development to reclassify the application of certain requirements under the National Environmental Policy Act of 1969 for housing-related activities.

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 “Unlocking Housing  
5       Supply Through Streamlined and Modernized Reviews  
6       Act”.

7       **SEC. 2. DEFINITIONS.**

8       In this Act:

1 (1) INFILL PROJECT.—The term “infill project”  
 2 means a project that—

3 (A) occurs within the geographic limits of  
 4 a municipality;

5 (B) is adequately served by existing utili-  
 6 ties and public services as required under appli-  
 7 cable law;

8 (C) is located on a site of previously dis-  
 9 turbed land of not more than 5 acres and sub-  
 10 stantially surrounded by residential or commer-  
 11 cial development;

12 (D) will repurpose a vacant or underuti-  
 13 lized parcel of land, or a dilapidated or aban-  
 14 doned structure; and

15 (E) will serve a residential or commercial  
 16 purpose.

17 (2) SECRETARY.—The term “Secretary” means  
 18 the Secretary of Housing and Urban Development.

19 **SEC. 3. NEPA STREAMLINING FOR HUD HOUSING-RELATED**  
 20 **ACTIVITIES.**

21 (a) IN GENERAL.—The Secretary shall, in accord-  
 22 ance with section 553 of title 5, United States Code, and  
 23 section 103 of the National Environmental Policy Act of  
 24 1969 (42 U.S.C. 4333), expand and reclassify housing-

1 related activities under the necessary administrative regu-  
2 lations as follows:

3 (1) The following housing-related activities shall  
4 be subject to regulations equivalent or substantially  
5 similar to the regulations entitled “exempt activi-  
6 ties” as set forth in section 58.34 of title 24, Code  
7 of Federal Regulations, as in effect on January 1,  
8 2025:

9 (A) Tenant-based rental assistance, as de-  
10 fined in section 8(o) of the United States Hous-  
11 ing Act of 1937 (42 U.S.C. 1437f(o)).

12 (B) Supportive services, including health  
13 care, housing services, permanent housing  
14 placement, day care, nutritional services, short-  
15 term payment for rent, mortgage, or utility  
16 costs, and assistance in gaining access to Fed-  
17 eral Government and State and local govern-  
18 ment benefits and services.

19 (C) Operating costs, including mainte-  
20 nance, security, operation, utilities, furnishings,  
21 equipment, supplies, staff training, and recruit-  
22 ment and other incidental costs.

23 (D) Economic development activities, in-  
24 cluding equipment purchases, inventory financ-  
25 ing, interest subsidies, operating expenses, and

1 similar costs not associated with construction or  
2 expansion of existing operations.

3 (E) Activities to assist homebuyers to pur-  
4 chase existing dwelling units or dwelling units  
5 under construction, including closing costs and  
6 down payment assistance, interest rate  
7 buydowns, and similar activities that result in  
8 the transfer of title.

9 (F) Affordable housing pre-development  
10 costs related to obtaining site options, project  
11 financing, administrative costs and fees for loan  
12 commitment, zoning approvals, and other re-  
13 lated activities that do not have a physical im-  
14 pact.

15 (G) Approval of supplemental assistance,  
16 including insurance or guarantee, to a project  
17 previously approved by the Secretary.

18 (H) Emergency homeowner or renter as-  
19 sistance for HVAC, hot water heaters, and  
20 other necessary uses of existing utilities re-  
21 quired under applicable law.

22 (2) The following housing-related activities shall  
23 be subject to regulations equivalent or substantially  
24 similar to the regulations entitled, (i) “categorical  
25 exclusions not subject to section 58.5” and (ii) “cat-

1       egorical exclusions not subject to the Federal laws  
2       and authorities cited in sections 50.4” in section  
3       58.35(b) and section 50.19, respectively of title 24,  
4       Code of Federal Regulations, as in effect on January  
5       1, 2025, if such activities do not materially alter en-  
6       vironmental conditions and do not materially exceed  
7       the original scope of the project:

8               (A) Acquisition, repair, improvement, re-  
9               construction, or rehabilitation of public facilities  
10              and improvements (other than buildings) if the  
11              facilities and improvements are in place and will  
12              be retained in the same use without change in  
13              size or capacity of more than 20 percent, in-  
14              cluding replacement of water or sewer lines, re-  
15              construction of curbs and sidewalks, and re-  
16              paving of streets.

17             (B) Rehabilitation of 1-to-4 unit residen-  
18             tial buildings, and existing housing-related in-  
19             frastructure, such as repairs or rehabilitation of  
20             existing wells, septic, or utility lines that con-  
21             nect to that housing.

22             (C) New construction, development, demo-  
23             lition, acquisition, or disposition on up to 4  
24             scattered site existing dwelling units where  
25             there is a maximum of 4 units on any 1 site.

1 (D) Acquisitions (including leasing) or dis-  
2 position of, or equity loans on an existing struc-  
3 ture, or acquisition (including leasing) of vacant  
4 land if the structure or land acquired, financed,  
5 or disposed of will be retained for the same use.

6 (3) The following housing-related activities shall  
7 be subject to regulations equivalent or substantially  
8 similar to the regulations entitled, (i) “categorical  
9 exclusions subject to section 58.5” and (ii) “categor-  
10 ical exclusions subject to the Federal laws and au-  
11 thorities cited in sections 50.4” in section 58.35(a)  
12 and section 50.20, respectively, of title 24, Code of  
13 Federal Regulations, as in effect on January 1,  
14 2025, if such activities do not materially alter envi-  
15 ronmental conditions and do not materially exceed  
16 the original scope of the project:

17 (A) Acquisitions of open space or residen-  
18 tial property, where such property will be re-  
19 tained for the same use or will be converted to  
20 open space to help residents relocate out of an  
21 area designated as a high-risk area by the Sec-  
22 retary.

23 (B) Conversion of existing office buildings  
24 into residential development, subject to—

1 (i) a maximum number of units to be  
2 determined by the Secretary; and

3 (ii) a limitation on the change in  
4 building size to not more than 20 percent.

5 (C) New construction, development, demo-  
6 lition, acquisition, or disposition on 5 to 15  
7 dwelling units where there is a maximum of fif-  
8 teen units on any 1 site. The units can be 15  
9 1-unit buildings or 1 15-unit building, or any  
10 combination in between.

11 (D) New construction, development, demo-  
12 lition, acquisition, or disposition on 15 or more  
13 housing units developed on scattered sites when  
14 there are not more than 15 housing units on  
15 any 1 site, and the sites are more than a set  
16 number of feet apart as determined by the Sec-  
17 retary.

18 (E) Rehabilitation of buildings and im-  
19 provements in the case of a building for resi-  
20 dential use with 5 to 15 units, if the density is  
21 not increased beyond 15 units and the land use  
22 is not changed.

23 (F) Infill projects consisting of new con-  
24 struction, rehabilitation, or development of resi-  
25 dential housing units.

(G) Buyouts, defined as the voluntary acquisition of properties located in a (i) floodway, (ii) floodplain, or (iii) other area, clearly delineated by the grantee, that has been impacted by a predictable environmental threat to the safety and wellbeing of program beneficiaries caused or exacerbated by a Federally-declared disaster.

**9 SEC. 4. REPORT.**

10 The Secretary shall submit to the chairs and ranking  
11 members of the Committee on Banking, Housing, and  
12 Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives an annual  
13 report during the 5-year period beginning on the date that  
14 is 2 years after the date of enactment of this Act that  
15 provides a summary of findings of reductions in review  
16 times and administrative cost reduction, with a particular  
17 focus on the affordable housing sector, as a result of the  
18 actions set forth in this Act, and any recommendations  
19 of the Secretary for future congressional action with re-  
20 spect to revising categorical exclusions or exemptions  
21 under title 24, Code of Federal Regulations.

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