



EXECUTIVE OVERVIEW

The Housing for the 21st Century Act is a broad federal proposal designed to make housing easier to build, finance, preserve, and access while modernizing existing federal housing programs.

Its 38 sections address a wide range of issues affecting the housing system, including zoning guidance, standardized housing designs, environmental reviews, FHA multifamily financing, HOME and CDBG programs, rural home repairs, Housing Choice Vouchers, manufactured housing, small-dollar mortgages, veterans' housing access, housing counseling, eviction prevention, public housing oversight, and community banks.

The legislation is significant because it does not approach the housing crisis as a single-issue problem. Instead, it recognizes that housing affordability and availability are influenced by multiple systems at once: land use, development approvals, financing, federal program administration, local government capacity, lending practices, housing stability, and access to capital.

The U.S. House of Representatives passed H.R. 6644 on February 9, 2026, by a vote of 390–9. The bill was received by the U.S. Senate on February 11, 2026. As of August 4, 2026, it has not become federal law.

Its ultimate impact would depend on Senate action, whether the House and Senate ultimately agree on identical legislative language, federal appropriations, agency rulemaking, and implementation by state and local partners.

The Congressional Research Service describes the legislation as a package intended to make housing easier to build and afford by modernizing government programs, reducing selected federal requirements, and increasing local flexibility. The House-passed version also added a sixth title focused on community banks and the financial institutions that often provide locally based credit.



THREE KEY TAKEAWAYS

First: This is a housing-system reform bill, not simply an affordable-housing spending bill.

The Housing for the 21st Century Act addresses multiple points within the housing ecosystem.

Some provisions seek to increase housing production.

Others seek to reduce administrative barriers.

Others expand or modernize financing.

Still others address rental assistance, housing stability, veterans, public housing accountability, rural housing, and local banking infrastructure.

For advocacy purposes, stakeholders should avoid viewing the legislation exclusively through the lens of affordable-housing funding.

A stronger question is:

How might each provision change the conditions under which housing is planned, financed, approved, built, preserved, or occupied?

Second: Reducing barriers does not automatically ensure affordability or equitable development.

Several provisions are intended to make development faster, less expensive, or easier to finance.

Those goals may produce important benefits.

However, lower regulatory or administrative costs do not automatically translate into lower rents or lower home prices.



Additional housing supply may improve market conditions over time, but affordability is also affected by:

land costs;

construction costs;

interest rates;

insurance;

property taxes;

developer financing;

labor costs;

household income;

public subsidies;

infrastructure costs;

location; and

market demand.

Similarly, increasing development capacity does not automatically ensure that historically underserved communities benefit from that development.

Advocates should therefore examine not only whether barriers are being removed, but also who receives the resulting economic benefit.

Third: Wisconsin should evaluate the legislation through an outcomes lens.

The central question for Wisconsin stakeholders should not simply be:

Will this bill produce more housing?

The stronger set of questions is:

What kind of housing will be produced?



Where will it be located?

Who will be able to afford it?

Who will own it?

Who will finance it?

Which developers will have access to new opportunities?

Will smaller and emerging developers be able to participate?

Will current residents benefit from neighborhood investment?

Will communities experiencing housing shortages receive meaningful new supply?

Will deeply affordable housing remain a priority alongside workforce and market-rate housing?

Will rural communities have sufficient infrastructure and development capacity to take advantage of new federal tools?

And ultimately:

Who benefits economically from the growth that these policies are intended to generate?

POTENTIAL UNINTENDED CONSEQUENCES

A responsible advocacy strategy should examine both the intended benefits of the Housing for the 21st Century Act and the consequences that could emerge if individual provisions are implemented without sufficient safeguards.

These consequences are not predictions that the bill will produce these outcomes. Rather, they represent questions policymakers, developers, lenders, community organizations, and advocates should consider before implementation.



1. More housing supply may not mean more affordable housing

Policies that make development easier may increase overall housing production without necessarily creating housing affordable to lower-income or moderate-income households.

A project may become less expensive to develop while still charging market rents based on local demand.

For advocates, the question becomes:

If public policy reduces development costs, how much of that benefit should reach the eventual renter or homeowner?

2. Land values could rise in areas targeted for development

Changes that increase allowable density or development potential can make land more valuable.

That can be positive for property owners and development activity.

However, increased land values can also create:

speculation;

higher acquisition costs;

property-tax pressure;

displacement pressure; and

greater difficulty for nonprofit or smaller developers trying to acquire property.

This could be especially important in historically disinvested neighborhoods that suddenly become attractive to investors.



3. Large developers may benefit more than small or emerging developers

Streamlined approvals, new financing tools, or standardized development processes may technically be available to everyone.

In practice, developers with greater capital, staff, relationships, and access to financing may be better positioned to use them first.

Without intentional support, smaller developers may still struggle with:

equity requirements;

predevelopment capital;

guarantees;

land acquisition;

professional services;

credit history; and

lender relationships.

Wisconsin advocacy should therefore consider whether implementation creates meaningful pathways for emerging and community-based developers.

4. Streamlined environmental reviews could overlook community concerns

Sections intended to reduce duplicative or unnecessary environmental review may shorten project timelines.

However, overly broad streamlining could create concerns if communities believe environmental risks are being overlooked.

This is particularly relevant in neighborhoods with histories of:

industrial contamination;

brownfields;



lead exposure;

air pollution;

flooding;

Superfund proximity; or

other environmental-health burdens.

Efficiency and environmental protection do not have to be opposing goals, but implementation should protect both.

5. Zoning reform could trigger displacement without anti-displacement strategies

Allowing more housing in a neighborhood can increase long-term supply.

But rezoning can also signal future development potential to investors.

If property acquisition begins before housing supply expands, current residents may experience rising rents or purchase pressure.

Potential safeguards could include:

home-repair assistance;

property-tax protections where legally permissible;

community land trusts;

homeownership programs;

right-to-return policies;

affordable-housing requirements;

land banking; and

support for locally based developers.



6. Standardized housing designs could unintentionally reduce community character

Pattern books and preapproved housing plans could significantly reduce development time and costs.

However, if used too narrowly, standardized designs could create repetitive housing or designs that do not reflect local architecture, climate, accessibility needs, or neighborhood context.

Wisconsin communities may want pattern books that create a menu of locally appropriate options rather than a single standardized model.

7. Increased FHA multifamily lending could increase leverage without guaranteeing affordability

Higher FHA multifamily loan limits could improve development feasibility.

However, greater borrowing capacity also means larger amounts of federally insured debt.

If project assumptions are overly optimistic, greater leverage can increase financial risk.

Additionally, higher financing limits do not automatically require rents to be affordable.

Advocates should evaluate whether expanded financing capacity is being used to produce housing at price points that address actual community needs.

8. Workforce housing could compete with deeply affordable housing

The bill's workforce-housing provisions highlight the growing affordability challenges facing moderate-income workers.

That is a legitimate concern.

However, if future federal resources are redirected toward households at 80% to 120% of area median income without additional funding, deeply affordable housing programs could face increased competition for limited public resources.

Wisconsin should resist framing this as an either-or choice.



A functioning housing system needs housing for people experiencing homelessness, very-low-income households, working families, middle-income households, seniors, people with disabilities, and market-rate households.

9. Manufactured-housing expansion could create financing and consumer-protection challenges

Modern manufactured and factory-built housing could help reduce construction costs.

However, affordability depends heavily on:

land ownership;

financing structure;

interest rates;

site rent;

transportation costs;

installation;

utility connections; and

consumer protections.

A manufactured home with an inexpensive purchase price may still become financially burdensome if the household does not own the underlying land or relies on higher-cost personal-property financing.

10. Voucher streamlining could create tension between landlord participation and housing-quality standards

Simplifying Housing Choice Voucher inspections could encourage more property owners to participate.

That could expand housing choices for voucher holders.



However, inspection reform should not come at the expense of safe and habitable housing.

The advocacy challenge is to make the program easier for responsible landlords while maintaining meaningful protections for tenants.

11. Community-bank deregulation could increase lending capacity while also increasing financial risk

Title VI is intended to strengthen community financial institutions by modifying selected regulatory and supervisory requirements.

Community banks can play an important role in financing small developers, local businesses, homebuyers, and rural communities.

However, regulatory relief always involves a balance.

If oversight becomes too weak, increased flexibility could create risks involving liquidity, lending standards, deposit concentration, or institutional stability.

The relevant question is not simply whether regulation should be reduced, but whether regulation is appropriately tailored to institutional size and risk.

12. Communities with the greatest need may have the least capacity to compete for grants

New federal grant opportunities can benefit municipalities with strong planning departments, grant writers, technical staff, and existing development infrastructure.

Communities with fewer resources may struggle to compete.

This creates a possible paradox:

The communities experiencing the most severe housing challenges may have the least administrative capacity to access the programs intended to help them.

Wisconsin stakeholders should consider technical-assistance strategies that help smaller municipalities, rural communities, Tribal communities, and under-resourced jurisdictions compete successfully.



13. Infrastructure constraints could limit housing production even after regulatory reform

Removing zoning or permitting barriers does not create:

water systems;

sewer capacity;

roads;

transit;

schools;

utilities;

construction workers; or

available development sites.

Some Wisconsin communities may adopt housing-friendly policies but remain unable to accommodate significant new development because infrastructure is insufficient.

Housing advocacy should therefore be connected to infrastructure policy and capital planning.

14. Federal guidance could become politically controversial at the local level

Section 101 preserves local authority and does not require municipalities to adopt HUD zoning recommendations.

Still, federal guidance may influence local debates.

Some communities may view recommendations as useful technical assistance.

Others may perceive them as pressure from the federal government.

Successful implementation may depend on framing housing reform around local needs, economic competitiveness, workforce retention, property rights, and community goals rather than presenting reform as a federal mandate.



ADVOCACY PRINCIPLE

A responsible advocacy strategy should neither assume that every provision of the Housing for the 21st Century Act is beneficial nor oppose reforms simply because they change existing systems.

Instead, Wisconsin stakeholders should evaluate each provision through three questions:

What problem is this provision attempting to solve?

Is the proposed solution likely to solve that problem?

What safeguards are necessary to prevent unintended harm?

This approach creates space for thoughtful, evidence-based advocacy rather than automatic support or opposition.

PROPOSED WISCONSIN ADVOCACY FRAMEWORK

As stakeholders begin discussing next steps, the Housing for the 21st Century Act can be evaluated through five advocacy lenses.

Housing Production

Will the provision materially increase the number or diversity of homes that can be built?

Housing Affordability

Will the resulting housing actually be affordable to Wisconsin households experiencing the greatest cost pressures?

Development Access

Will smaller, emerging, local, and community-based developers be positioned to participate?

Community Impact



Will existing residents benefit from development, or could investment accelerate displacement?

Implementation Capacity

Do Wisconsin municipalities, lenders, developers, housing authorities, and community organizations have the capacity to implement the policy effectively?

These questions can help Wisconsin stakeholders determine which provisions to support as written, which provisions may need amendments, which provisions require implementation safeguards, and where additional state or local policy may be necessary.

DISCUSSION FOR NEXT-STEPS ADVOCACY

The Housing for the 21st Century Act creates an opportunity for Wisconsin stakeholders to move beyond the question of whether they support or oppose the bill as a whole.

A more strategic approach is to identify:

Which provisions should Wisconsin actively support?

Which provisions should Wisconsin seek to strengthen?

Which provisions require safeguards?

Which provisions could have disproportionate effects on Milwaukee, Madison, rural Wisconsin, Tribal communities, or smaller municipalities?

Which provisions create opportunities for developers and lenders?

Which provisions require greater protections for renters, homeowners, and communities?

Which provisions could be complemented by state legislation?

Which provisions require local governments to begin preparing now?

And finally:



What does Wisconsin want its housing system to look like if these reforms become federal law?

That question should form the foundation of the next phase of advocacy.