

118TH CONGRESS  
2D SESSION

# S. 5071

To amend the Housing Act of 1949 to permit certain grants to be used for accessory dwelling units, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 2024

Mr. KING (for himself and Mr. MORAN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To amend the Housing Act of 1949 to permit certain grants to be used for accessory dwelling units, 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 “The Farmhouse-to-  
5 Workforce Housing Act of 2024”.

6 **SEC. 2. HOUSING PRESERVATION GRANTS.**

7 Section 533 of the Housing Act of 1949 (42 U.S.C.  
8 1490m) is amended—

9 (1) in subsection (b)—

1 (A) by redesignating paragraphs (1)  
2 though (7) as subparagraphs (A) through (G),  
3 respectively, and adjusting the margins accord-  
4 ingly;

5 (B) in the matter preceding subparagraph  
6 (A), as so redesignated, by inserting “(1)” be-  
7 fore “Preservation”;

8 (C) in paragraph (1), as so designated—

9 (i) in subparagraph (D), as so redesi-  
10 gnated, by striking “, except” and all that  
11 follows through “that structure”;

12 (ii) in subparagraph (F), as so redesi-  
13 gnated, by striking “and” at the end;

14 (iii) in subparagraph (G), as so redesi-  
15 gnated, by striking the period at the end  
16 and inserting “; or”; and

17 (iv) by adding at the end the fol-  
18 lowing:

19 “(H) be used to provide loans or grants for ac-  
20 cessory dwelling units.”; and

21 (D) by adding at the end the following:

22 “(2) Assistance under this section for single family  
23 housing—

24 “(A) may only be provided with respect to hous-  
25 ing that is not less than 25 years old, as of the date

1 on which the occupancy permit for the housing is  
2 issued; and

3 “(B) to an individual may not exceed \$200,000.

4 “(3) A grantee may not use less than 75 percent of  
5 the assistance provided under this section for single family  
6 housing for the purposes of grants.

7 “(4) Assistance under this section for an accessory  
8 dwelling unit—

9 “(A) may not cover more than 50 percent of  
10 the total cost of the accessory dwelling unit; and

11 “(B) may not exceed \$100,000 (as adjusted for  
12 inflation as described in paragraph (5)).

13 “(5)(A) In this paragraph, the term ‘price index’  
14 means the Consumer Price Index (all items—United  
15 States city average) published monthly by the Bureau of  
16 Labor Statistics.

17 “(B) In the case of any calendar year beginning after  
18 December 31, 2025, the \$100,000 dollar amount de-  
19 scribed in paragraph (4)(B) shall be increased by an  
20 amount equal to—

21 “(i) such dollar amount, multiplied by

22 “(ii) the percentage change in the price index  
23 amount determined by the Secretary of Labor to  
24 represent the percent change in the price index pub-  
25 lished for September of the preceding year over the

1 price index published for the September of the year  
2 prior to the preceding year, adjusted to the nearest  
3 one-tenth of 1 percent.”;

4 (2) in subsection (c)(1)—

5 (A) in the matter preceding subparagraph  
6 (A), by inserting “not more than \$16,000,000  
7 (as adjusted for inflation) of the” after “allo-  
8 cate”; and

9 (B) in the flush text following subpara-  
10 graph (C), by adding at the end the following:

11 “Any amounts appropriated for this section in  
12 a fiscal year over \$16,000,000 shall be trans-  
13 ferred to States that have committed to grant-  
14 ees all funds allocated to the State under this  
15 subsection.”;

16 (3) in subsection (e), by adding at the end the  
17 following:

18 “(4)(A) Except as provided in subparagraph (B), the  
19 owner of a single-family dwelling unit that uses assistance  
20 under this section for 1 or more accessory dwelling units  
21 shall—

22 “(i) reside in the single-family dwelling unit or  
23 1 of the accessory dwelling units;

24 “(ii) maintain ownership of the single-family  
25 dwelling unit and each accessory dwelling unit;

1           “(iii) ensure that no accessory dwelling unit is  
2           subject to a lease or sublease of less than 6 months  
3           in duration; and

4           “(iv) earn not more than 150 percent of the  
5           area median income.

6           “(B) The requirements under clauses (i) and (ii) of  
7           subparagraph (A) shall cease to be effective on the earlier  
8           of—

9           “(i) the date that is 5 years after the date on  
10          which the final accessory dwelling unit is available  
11          for occupancy; or

12          “(ii) the death of the owner.

13          “(C) If the owner of a single-family dwelling unit  
14          does not meet the requirements under clauses (i) and (ii)  
15          of subparagraph (A), the owner shall return to the Sec-  
16          retary the full amount of assistance received under this  
17          section.”; and

18          (4) by adding at the end the following:

19          “(j) A recipient of assistance under this section may  
20          use not more than 20 percent of the funds for direct and  
21          indirect administrative costs related to projects carried out  
22          under this section, which—

23                  “(1) may include—

24                          “(A) payment of reasonable salaries or  
25                          contracts for professional, technical, and clerical

1 staff actively assisting in the delivery of the  
2 project;

3 “(B) payment of necessary and reasonable  
4 office expenses such as office rental, supplies,  
5 utilities, telephone services, and equipment,  
6 with any item of nonexpendable personal prop-  
7 erty having a unit value of \$1,000 or more, ac-  
8 quired with funds provided under this section  
9 specifically identified to the Secretary in writ-  
10 ing;

11 “(C) payment of necessary and reasonable  
12 administrative costs such as workers’ compensa-  
13 tion, liability insurance, and the employer’s  
14 share of Social Security and health benefits,  
15 with payments to private retirement funds only  
16 permitted if the grantee already has such a  
17 fund established and ongoing;

18 “(D) payment of reasonable fees for nec-  
19 essary training of grantee personnel;

20 “(E) payment of necessary and reasonable  
21 costs for an audit upon expiration of the grant  
22 agreement;

23 “(F) other reasonable travel and miscella-  
24 neous expenses necessary to accomplish the ob-  
25 jectives of the specific grant which were antici-

1 pated in the individual grant proposal and have  
2 been approved as eligible expenses at the time  
3 of grant approval; and

4 “(G) costs related to landlord education;  
5 and

6 “(2) may not include—

7 “(A) preparing housing development plans  
8 and strategies except as necessary to accom-  
9 plish the specific objectives of the project;

10 “(B) substitution of any financial support  
11 previously provided or currently available from  
12 any other source;

13 “(C) reimbursing personnel to perform  
14 construction related to housing preservation as-  
15 sistance;

16 “(D) buying property of any kind from  
17 persons receiving assistance from the grantee  
18 under the terms of the grant agreement;

19 “(E) paying for or reimbursing the grantee  
20 for any expense or debts incurred before the  
21 Secretary executes the grant agreement;

22 “(F) paying any debts, expenses, or costs  
23 which should be the responsibility of the indi-  
24 vidual homeowner, owner, tenant or household  
25 member of a rental property, or owner (mem-

1           ber) or non-member of a co-op receiving assist-  
 2           ance under this section outside the costs of re-  
 3           pair and rehabilitation as well as for replace-  
 4           ment housing (individual homeowners only);

5           “(G) any type of political activities prohib-  
 6           ited by the Office of Management and Budget  
 7           Circular A-122, or any successor guidance;

8           “(H) other costs including contributions  
 9           and donations, entertainment, fines and pen-  
 10          alties, interest and other financial costs unre-  
 11          lated to the assistance to be provided, legislative  
 12          expenses, and any excess of cost from other  
 13          grant agreements; or

14          “(I) paying added salaries for employees  
 15          paid by other sources.

16          “(k) There are authorized to be appropriated to the  
 17          Secretary \$200,000,000 to carry out this section, to re-  
 18          main available until expended.

19          “(l) In this section, the term ‘accessory dwelling unit’  
 20          means a self-contained dwelling unit—

21                 “(1) located within, attached to, or detached  
 22                 from a single-family dwelling unit; and

23                 “(2) that is located on the same parcel of land  
 24                 as the single-family dwelling unit.”.

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