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119TH CONGRESS
2D SESSION

S. 3600

To require the President to declare a national housing emergency and invoke the Defense Production Act to incentivize residential housing production, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 8 (legislative day, JANUARY 7), 2026

Ms. SLOTKIN 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 require the President to declare a national housing emergency and invoke the Defense Production Act to incentivize residential housing production, and for other purposes.

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 ''National Housing Emergency Act of 2026''.

SEC. 2. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the President should declare a national emergency with respect to housing under section 201 of the National Emergencies Act (50 U.S.C. 1621); and

(2) to address that emergency, the President should use the authorities provided by the Defense Production Act of 1950 (50 U.S.C. 4531 et seq.) to increase the supply of materials produced in the United States that support the construction and rehabilitation of housing.

SEC. 3. FINDINGS.

Congress finds that—

(1) housing is the largest expenditure for most households and accounts for 45 percent of the Consumer Price Index;

(2) approximately 75 percent of households in the United States are unable to afford a median-priced home with housing demand outpacing available supply;

(3) there is a shortage of at least 4,000,000 housing units due to low levels of residential construction and compounding regulations;

(4) the housing unit deficit is projected to increase to nearly 10,000,000 units by 2035;

(5) the median sales price for existing single-family homes has risen over 50 percent since the onset of the COVID–19 pandemic;

(6) rapid increases in rents, combined with slower income growth, worsen housing affordability in metro and nonmetro areas;

(7) the share of first-time homebuyers has decreased to a record low of 21 percent in 2025, with the average age of a first-time homebuyer increasing to a record high of 40 years old;

(8) Federal, State, and local overregulation accounts for approximately 25 percent of the cost to build a new single-family home;

(9) the housing supply shortage compromises the economic and national security of the United States; and

(10) investing in closing the housing unit shortfall can unlock nearly 2,000,000 jobs, including over 700,000 construction jobs, and add nearly $2,000,000,000,000 to the gross domestic product through 2035.

SEC. 4. EXPANSION OF DEFENSE PRODUCTION ACT OF 1950 TO ADDRESS HOUSING.

The Defense Production Act of 1950 (50 U.S.C. 4501 et seq.) is amended—

(1) in section 2(a)(5) (50 U.S.C. 4502(a)(5)), by inserting ''and residential construction and rehabilitation'' after ''domestic energy''; and

(2) in section 702(14) (50 U.S.C. 4552(14)), by inserting '', housing,'' after ''programs for military''.

SEC. 5. REMOVING REGULATORY BARRIERS TO HOUSING PRODUCTION.

During the period that a national emergency described in section 2 is in effect—

(1) sections 212(d), 218(g), and 220 of the Cranston-Gonzalez National Affordable Housing Act of 1990 (42 U.S.C. 12742(d), 12748(g), 12750), and any regulation or guidance implementing those sections, shall have no force or effect;

(2) section 108(e) of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4707(e)), and any regulation or guidance implementing that section related to housing development, shall have no force or effect;

(3) no housing preservation or infill project funded by the Department of Housing and Urban Development shall be subject to any Federal environmental review requirements;

(4) notwithstanding any other provision of law, if more than 1 Federal program is used for the de-

velopment or rehabilitation of housing, including any Federal agency action that contributes to the development or rehabilitation of housing, only 1 environmental review shall be carried out for the project pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.);

(5) a choice limiting action described in section 58.22 of title 24, Code of Federal Regulations, or any successor regulation, shall be permitted for any housing project funded by the Department of Housing and Urban Development;

(6) any provision of law (including regulations) or guidance that prohibits the duplication of benefits under community development block grant disaster recovery grants for the development or rehabilitation of housing, including section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155), shall have no force or effect; and

(7) the Secretary of Housing and Urban Development and the Director of the Office and Management and Budget shall expedite the waiver process under section 70914 of the Build America, Buy America Act (Public Law 117–58; 135 Stat. 1298) such that the Secretary is required to complete the

waiver process within 30 days of publishing a written justification under subsection (c) of such section 70914, and if the Secretary does not complete the review within that timeframe, the waiver shall be deemed to be issued.

SEC. 6. MINIMUM RESIDENTIAL CODE STANDARD.

During the period that a national emergency described in section 2 is in effect, housing constructed or rehabilitated shall meet the requirements of—

(1) the 2009 International Residential Code, or an equivalent code, including amendments adopted by State, local, Indian tribal, or territorial governments for site-built housing; or

(2) part 3280 of title 24, Code of Federal Regulations, for manufactured housing.

SEC. 7. PRO-GROWTH REQUIREMENT.

(a) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Undersecretary for Policy Development and Research at the Department of Housing and Urban Development and the Undersecretary for Policy at the Department of Transportation shall establish a funding condition to be known as the ''Pro-Growth Requirement'', which shall be applied as a required funding condition in order for a State or unit of general local government to receive Federal block grant

funding, such as surface transportation block grant program funding under section 133 of title 23, United States Code, during the period that a national emergency described in section 2 is in effect.

(b) FACTORS.—The following factors shall be met in order for a grantee to be in compliance with the Pro-Growth Requirement described in subsection (a):

(1) A positive level of housing growth measured against the previous year based on the Building Permit Survey and the Address Count Listing Files published by the Bureau of the Census within the jurisdiction of the grantee.

(2) The grantee has taken action to remove barriers to housing development and rehabilitation, such as—

(A) reducing minimum lot size requirements;

(B) allowing manufactured homes in areas zoned for single-family residential homes;

(C) eliminating or reducing off-street parking requirements;

(D) allowing duplexes, triplexes, or fourplexes in areas zoned for single-family residential homes;

(E) establishing density bonuses;

(F) allowing a single staircase for residential structures up to 5 stories;

(G) enacting high-density single-family and multifamily zoning;

(H) streamlining or shortening permitting processes and timelines;

(I) allowing the conversion of office units into residential units;

(J) donating vacant public land for affordable housing development;

(K) allowing accessory dwelling units, including detached accessory dwelling units, on all lots with single-family homes;

(L) establishing transit-oriented development zones;

(M) using property tax abatements to enable higher residential density; or

(N) enacting and implementing other laws or rules with a positive anticipated impact on housing supply.

(3) The comprehensive housing affordability strategy and community development plan issued by the grantee under part 91 of title 24, Code of Federal Regulations, or any successor regulation (com-

monly referred to as a ''consolidated plan'') identifies clear, measurable objectives for housing growth.

(c) APPEAL PROCESS.—A grantee described in subsection (a) is allowed an appeal process relating to compliance with the Pro-Growth Requirement described in that subsection with the agency distributing an applicable grant if the recipient can display measurable actions taken to increase housing supply and growth within their jurisdiction.

SEC. 8. PROHIBITION.

During the period that a national emergency described in section 2 is in effect, no State or unit of general local government shall impose or implement a land-use regulation in a manner that imposes a substantial burden on the construction or rehabilitation of residential housing.

SEC. 9. TERMINATION.

A national emergency described in section 2 shall terminate on the earlier of—

(1) the date on which 4,000,000 additional residential housing units, as compared to the date of enactment of this Act, are constructed or rehabilitated in the United States; or

(2) October 1, 2031.

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