

BILL

To amend the Housing and Community Development Act of 1974 to authorize grants to ease construction regulations pertaining to redeveloping abandoned **shopping centers, neighborhood centers, or strip malls**, and for other purposes.

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. Short title.

This Act may be cited as the “**National Revitalization of Shopping Centers Act of 2025**” or the “**Grayfield Redevelopment and Economic Advancement Through Effective Repurposing and Revitalization of Shopping Centers Act of 2025**”

SEC. 2. Grayfield shopping centers redevelopment grants.

(a) GRANTS.—Section 108 of the Housing and Community Development Act of 1974 ([42 U.S.C. 5308](#)) is amended by adding at the end the following:

“(s) SHOPPING CENTER REDEVELOPMENT GRANTS.—

“(1) AUTHORITY.—In conjunction with notes or other obligations issued by eligible public entities or designated public agencies for the purpose of financing projects that meet the criteria under paragraph (2) and that are guaranteed under this section, the Secretary may make grants to those eligible public entities or designated public agencies in connection with those guarantees for the purpose of enhancing the security of the notes or obligations or improving the viability of the **projects** financed with those notes or obligations.

“(2) **STIPULATIONS**.—A pursuant of the grant meets the criteria under this paragraph only if the **initiative**—

“(A) **substantially simplify or remove any regulations relating to zoning and land use, for the purpose of furthering present and future projects that redevelop, revitalize, and eliminate blight, rezoning facilities that—**

“(i) were originally developed as shopping centers, **neighborhood centers, or strip malls**

“(ii) consist of enclosed facilities

“(iii) contain—

“(I) not less than **5** individual storefronts of which less than **20** percent are occupied at the time the grant is awarded, or

“(II) **a majority of** major department stores, grocery stores, chain stores, or any other stores having **relatively** substantial economic strength **are vacant, and;**

“(iv) include a common parking area;

“(v) the regulatory changes thereof is within the reasonable jurisdiction of the eligible public entity or designated public agency;

except that the Secretary may establish alternative criteria to the requirements under this subparagraph for eligibility of shopping centers for assistance as the Secretary considers appropriate; and

“(B) exempt, reduce, or reimbursement of non-federal taxes paid during construction, planning, and related activities that implement the project; provided that—

“(i) specific selection of tax exemptions, reductions, and reimbursement that meet the criteria thereof are determined by the Secretary;

“(ii) tax reimbursements may not comprise more than 30% of the grant’s total amount.

“(iii) more than 50% of the grant’s total amount can be attributed to permanent exemptions or reductions of taxation for present and future redevelopment of shopping centers.

except that the Secretary may establish alternative criteria to the requirements under this subparagraph for eligibility of shopping centers for assistance as the Secretary considers appropriate; and

“(C) exempt or reduce regulatory fees for the construction, planning, and related activities to implement the project; provided that—

“(i) the fees thereof are within the reasonable jurisdiction of the eligible public entity or designated public agency;

“(ii) specific selection of fee exemptions or reductions that meet the criteria thereof are determined by the Secretary;

except that the Secretary may establish alternative criteria to the requirements under this subparagraph for eligibility of shopping centers for assistance as the Secretary considers appropriate; and

“(D) meets such requirements as the Secretary shall establish to ensure that the initiative **will assist in the creation of**—

“(i) **medium or high density** and transit-oriented development;

“(ii) reclaiming and re-use of grayfields;

“(iii) development of affordable housing—

“(I) **for which not less than 15 percent of the residential units constructed as part of the project;**

“(iv) removal of existing grayfield infrastructure;

“(v) such other priorities as the Secretary considers appropriate, including with respect to smaller jurisdictions and non-metropolitan areas; or

“(vi) any of the priorities specified in or pursuant to this subparagraph.

“(3) AMOUNT.—The amount of a grant **requested by the applicant,** pursuant to this section, may not exceed \$5,000,000.

“(4) MATCHING REQUIREMENT.—

“(A) The Secretary shall require each eligible public entity or designated public agency receiving a grant under this subsection to contribute an amount that exceeds 50 percent of the amount of the grant from sources other than the grant, including **additional** local and state tax abatements, in-kind contributions, and federal tax incentives to support the **facilitation of changes to rezoning, tax abatements, reimbursements of taxes, and regulation.**

“(5) PREFERENCE.—In making grants pursuant to this section, the Secretary shall give preference to eligible public entities and designated public agencies based on the extent to which—

“(A) the amount proposed to be contributed pursuant to paragraph (4) exceeds the minimum amount required by such paragraph to be contributed;

“(B) the project, **using efficient and prompt community engagement techniques, reflects extensive community needs and sentiments;**

“(C) the project would benefit lower-income, underserved communities;

“(D) **the degree to which the project provides affordable housing, transit-oriented developments, and medium or high-density development options to the community;**

“(E) **the degree of which permanent simplification(s), reduction(s), or reimbursement(s) to local regulatory fees, taxation, and zoning regulations, as outlined per the terms of the grant, were made in a manner that supports the present and future redevelopment of abandoned shopping centers.**

“(6) TECHNICAL ASSISTANCE.—

“(A) HUD.—The Secretary shall, in accordance with section 102 of the Department of Housing and Urban Development Reform Act of 1989 ([42 U.S.C. 3545](#)), provide technical guidance and assistance to applicants for grants under this subsection regarding—

“(i) how to apply for grants under this subsection; and

“(ii) how to avoid **conflicts relating to using funding pursuant to this section in conjunction with Federal tax-exempt financing.**

“(B) LOCAL.—An eligible public entity or designated public agency receiving a grant under this subsection may use not more than **15** percent of the grant amounts to obtain technical assistance from local qualified service providers regarding combining that assistance with other financing with—

“(i) other Federal assistance, including the New Markets Tax Credits program and Low-Income Housing Tax Credit program under sections 45D and 42, respectively, of the Internal Revenue Code of 1986; and

(ii) other State assistance, tax credits, and incentives, including tax-increment financing and other bonding instruments.

“(7) REPORTS.—

“(A) HUD.—For each fiscal year for which grants are made under this subsection, the Secretary shall submit a report to the Congress, not later than 90 days after the end of such fiscal year, that identifies—

“(i) each project assisted with such grant amounts;

“(ii) the amount of non-Federal funds contributed to the project;

“(iii) any permanent amendment(s) to local regulatory fees, taxation, and zoning regulations, as outlined per the terms of the grant, were made; and

“(iv) individual evaluations on the extent to which the usage of grants are pursuant of items under paragraph (2) and of the projected efficacy of such permanent improvements aforementioned to the facilitation of similar projects in the future.

“(B) GAO.—Not later than 2 years after the date of enactment of this subsection, the Comptroller General of the United States shall submit a report to the Congress analyzing the effectiveness of the program for grants under this section and making recommendations to improve future outcomes among shopping center redevelopment and revitalization projects **under regulatory changes mentioned under paragraph (1)** and similar subsidy programs administered in conjunction with Federal loan guarantees.

“(8) DEFINITIONS.—In this subsection:

“(A) TRANSIT-ORIENTED DEVELOPMENT.—The term ‘transit-oriented development’ means a project that—

“(i) enhances economic development and achieves other goals established during the project development and engineering processes;

“(ii) facilitates multimodal transportation connectivity and accessibility;

“(iii) increases access to transit hubs for pedestrian and bicycle traffic;

“(iv) enables mixed-use development;

“(v) identifies infrastructure needs associated with the project; and

“(vi) includes private sector participation.

“(B) GRAYFIELD.—The term ‘grayfield’ means an economically obsolescent, outdated, failing, moribund, or underused real estate asset;

“(C) **MEDIUM OR HIGH DENSITY DEVELOPMENT.**—The term ‘medium or high density development’ denotes a project that—

“(i) **provides residential options with substantially higher residential density than single-family homes, including, but not limited to, townhomes, duplexes, condominiums, medium-rise and high-rise residential buildings.**

“(D) **AFFORDABLE HOUSING.** —The term ‘affordable housing’ is a term that refers to housing in which either—

“(i) **the household is paying no more than 30 percent of gross median income in their respective local jurisdiction for housing costs, including utilities and rent, or mortgage payment;**

“(ii) **the project meets the minimum requirements of the term ‘affordable housing’ as defined by the relevant local agency(s).**

“(E) **PROJECT.** —The term ‘project(s)’ is a term that refers to the specific residential development project, where—

“(i) **the pursuant of the grant, serving as the distinctive primary focal point(s) of the grant application, will use grant funding expeditiously according to grant conditions to further its development;**

“(F) **INITIATIVE.** —The term ‘initiative’ is a term that refers to the specific actions taken by the pursuant of the grant or a designated public agency, or a non-federal government agency(ies), or actions taken by both agencies in accordance with the grant conditions aforementioned, denoting that—

“(i) **those specific actions must apply to the specific project in the present;**

“(ii) **those specific actions may apply to similar projects in the future, or for future housing developments in general.**

“(9) **FUNDING.**—There is authorized to be appropriated for grants under this subsection \$50,000,000 for each of fiscal years **2026** and **2027**, which amounts shall remain available until expended.”

(b) CDBG LOAN GUARANTEE CAP.—Subject to section 502 of the Congressional Budget Act of 1974 ([2 U.S.C. 661a](#)), during each of fiscal years **2026** and **2027**, commitments to guarantee loans under section 108 of the Housing and Community Development Act of 1974 ([42 U.S.C. 5308](#)), any part of which is guaranteed, shall not exceed a total principal amount of **\$400,000,000**, notwithstanding any aggregate limitation on outstanding obligations guaranteed in subsection (k) of such section 108.