

118TH CONGRESS  
1ST SESSION

# H. R. 3178

To amend the Housing and Community Development Act of 1974 to authorize grants to assist in redeveloping abandoned shopping centers, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 10, 2023

Mr. CLEAVER (for himself and Ms. SALAZAR) introduced the following bill;  
which was referred to the Committee on Financial Services

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## A BILL

To amend the Housing and Community Development Act of 1974 to authorize grants to assist in redeveloping abandoned shopping centers, 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 “Grayfield Redevelop-  
5 ment and Economic Advancement Through Effective  
6 Repurposing and Revitalization of Shopping Centers Act  
7 of 2023” or the “GREATER Revitalization of Shopping  
8 Centers Act of 2023”.

1 **SEC. 2. GRAYFIELDS SHOPPING CENTERS REDEVELOP-**  
2 **MENT GRANTS.**

3 (a) GRANTS.—Section 108 of the Housing and Com-  
4 munity Development Act of 1974 (42 U.S.C. 5308) is  
5 amended by adding at the end the following:

6 “(s) SHOPPING CENTER REDEVELOPMENT  
7 GRANTS.—

8 “(1) AUTHORITY.—In conjunction with notes or  
9 other obligations issued by eligible public entities or  
10 designated public agencies for the purpose of financ-  
11 ing projects that meet the criteria under paragraph  
12 (2) and that are guaranteed under this section, the  
13 Secretary may make grants to those eligible public  
14 entities or designated public agencies in connection  
15 with those guarantees for the purpose of enhancing  
16 the security of the notes or obligations or improving  
17 the viability of projects financed with those notes or  
18 obligations.

19 “(2) PROJECT REQUIREMENTS.—A project  
20 meets the criteria under this paragraph only if the  
21 project—

22 “(A) is designed to eliminate blight, includ-  
23 ing on a spot basis, through redevelopment and  
24 revitalization of facilities that—

25 “(i) were originally developed as shop-  
26 ping centers,

1                   “(ii) consist of an enclosed facility  
2                   covering not less than 20 acres,

3                   “(iii) contain—

4                   “(I) not less than 40 individual  
5                   storefronts of which less than 30 per-  
6                   cent are occupied at the time the  
7                   grant is awarded, or

8                   “(II) 2 or more vacant major de-  
9                   partment stores, grocery stores, or  
10                  other large chain stores having sub-  
11                  stantial economic strength and occu-  
12                  pying substantial square footage of  
13                  the facility, and

14                  “(iv) include a common parking area;  
15                  except that the Secretary may establish alter-  
16                  native criteria to the requirements under this  
17                  subparagraph for eligibility of shopping centers  
18                  for assistance as the Secretary considers appro-  
19                  priate; and

20                  “(B) meets such requirements as the Sec-  
21                  retary shall establish to ensure that the project  
22                  promotes—

23                  “(i) transit-oriented development;

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

1                   “(iii) development of affordable hous-  
2                   ing;

3                   “(iv) removal of existing grayfield in-  
4                   frastructure;

5                   “(v) such other priorities as the Sec-  
6                   retary considers appropriate, including  
7                   with respect to smaller jurisdictions and  
8                   non-metropolitan areas; or

9                   “(vi) any 2 or more of the priorities  
10                  specified in or pursuant to this subpara-  
11                  graph.

12                 “(3) AMOUNT.—The amount of a grant pursu-  
13                 ant to this section may not exceed \$5,000,000.

14                 “(4) MATCHING REQUIREMENT.—The Sec-  
15                 retary shall require each eligible public entity or des-  
16                 ignated public agency to which a grant is made pur-  
17                 suant to this subsection to contribute to the project  
18                 for which the grant is made an amount from sources  
19                 other than the grant, including local and State tax  
20                 abatements, in-kind contributions, and Federal tax  
21                 incentives, that exceeds 50 percent of the amount of  
22                 the grant.

23                 “(5) PREFERENCE.—In making grants pursu-  
24                 ant to this section, the Secretary shall give pref-

1       erence to eligible public entities and designated pub-  
2       lic agencies based on the extent to which—

3               “(A) the amount proposed to be contrib-  
4               uted pursuant to paragraph (4) exceeds the  
5               minimum amount required by such paragraph  
6               to be contributed;

7               “(B) the project reflects the results of ex-  
8               tensive community engagement; and

9               “(C) the project would benefit lower-in-  
10              come, underserved communities.

11       “(6) TECHNICAL ASSISTANCE.—

12              “(A) HUD.—The Secretary shall, in ac-  
13              cordance with section 102 of the Department of  
14              Housing and Urban Development Reform Act  
15              of 1989 (42 U.S.C. 3545), provide technical  
16              guidance and assistance to applicants for grants  
17              under this subsection regarding—

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

20                      “(ii) how to avoid conflicts relating to  
21                      using funding pursuant to this section in  
22                      conjunction with Federal tax-exempt fi-  
23                      nancing.

24              “(B) LOCAL.—An eligible public entity or  
25              designated public agency receiving a grant

1 under this subsection may use not more than  
2 25 percent of the grant amounts to obtain tech-  
3 nical assistance from local qualified service pro-  
4 viders regarding combining that assistance with  
5 other financing with—

6 “(i) other Federal assistance, includ-  
7 ing the New Markets Tax Credits program  
8 and Low-Income Housing Tax Credit pro-  
9 gram under sections 45D and 42, respec-  
10 tively, of the Internal Revenue Code of  
11 1986; and

12 “(ii) other State assistance, tax cred-  
13 its, and incentives, including tax-increment  
14 financing and other bonding instruments.

15 “(7) REPORTS.—

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

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

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

1                   “(iii) how the grant amounts were  
2                   used.

3                   “(B) GAO.—Not later than 2 years after  
4                   the date of enactment of this subsection, the  
5                   Comptroller General of the United States shall  
6                   submit a report to the Congress analyzing the  
7                   effectiveness of the program for grants under  
8                   this section and making recommendations to  
9                   improve future outcomes among shopping mall  
10                  redevelopment and revitalization projects and  
11                  similar subsidy programs administered in con-  
12                  junction with Federal loan guarantees.

13                  “(8) DEFINITIONS.—In this subsection:

14                  “(A)     TRANSIT-ORIENTED     DEVELOP-  
15                  MENT.—The term ‘transit-oriented develop-  
16                  ment’ means a project that—

17                         “(i) enhances economic development  
18                         and achieve other goals established during  
19                         the project development and engineering  
20                         processes;

21                         “(ii) facilitates multimodal transpor-  
22                         tation connectivity and accessibility;

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

25                         “(iv) enables mixed-use development;

1                   “(v) identifies infrastructure needs as-  
2                   sociated with the project; and

3                   “(vi) includes private sector participa-  
4                   tion.

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

9                   “(9) FUNDING.—There is authorized to be ap-  
10                  propriated for grants under this subsection  
11                  \$50,000,000 for each of fiscal years 2024 and 2025,  
12                  which amounts shall remain available until ex-  
13                  pended.”.

14                  (b) CDBG LOAN GUARANTEE CAP.—Subject to sec-  
15                  tion 502 of the Congressional Budget Act of 1974 (2  
16                  U.S.C. 661a), during each of fiscal years 2024 and 2025,  
17                  commitments to guarantee loans under section 108 of the  
18                  Housing and Community Development Act of 1974 (42  
19                  U.S.C. 5308), any part of which is guaranteed, shall not  
20                  exceed a total principal amount of \$500,000,000, notwith-  
21                  standing any aggregate limitation on outstanding obliga-  
22                  tions guaranteed in subsection (k) of such section 108.

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