

103^D CONGRESS
2^D SESSION

H. R. 4735

To amend section 14 of the United States Housing Act of 1937 to authorize public housing agencies to use comprehensive modernization grant amounts to leverage amounts to replace and modernize public housing.

IN THE HOUSE OF REPRESENTATIVES

JULY 13, 1994

Mr. RUSH introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

A BILL

To amend section 14 of the United States Housing Act of 1937 to authorize public housing agencies to use comprehensive modernization grant amounts to leverage amounts to replace and modernize public housing.

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 “Public Housing Fund-
5 ing Flexibility Act of 1994”.

1 **SEC. 2. AUTHORITY FOR PUBLIC HOUSING AGENCIES TO**
2 **LEVERAGE AMOUNTS FOR REPLACEMENT**
3 **AND MODERNIZATION.**

4 Section 14 of the United States Housing Act of 1937
5 (42 U.S.C. 1437l) is amended by adding at the end the
6 following new subsection:

7 “(q) **AUTHORITY FOR PUBLIC HOUSING AGENCIES**
8 **TO LEVERAGE AMOUNTS FOR REPLACEMENT AND MOD-**
9 **ERNIZATION.**—

10 “(1) **GENERAL AUTHORIZATION.**—The Sec-
11 retary may, upon such terms and conditions as the
12 Secretary may prescribe, authorize a public housing
13 agency (or a partnership including a public housing
14 agency) to use grants provided under subsection (b)
15 to leverage amounts which shall be used for financ-
16 ing housing to replace existing public housing dwell-
17 ing units or for modernization of public housing, but
18 only if the agency submits to the Secretary a plan
19 for such leveraging that is approved by the Sec-
20 retary.

21 “(2) **REQUIREMENTS.**—The Secretary may ap-
22 prove a plan for leveraging under paragraph (1) only
23 if the Secretary determines that—

24 “(A) the public housing agency has the
25 ability to use the leveraged amounts effectively,
26 directly or through contract management;

1 “(B) of any land owned by the public
2 housing agency upon the approval of the plan
3 that is subject to the plan, and any land to be
4 acquired by the agency under the plan, a por-
5 tion equivalent in area to the portion used
6 under the plan for providing housing to replace
7 public housing dwelling units in accordance
8 with section 18 is subject to binding covenants
9 or commitments sufficient to ensure that the
10 land will be used permanently for housing re-
11 served for occupancy by low- and very low-in-
12 come families;

13 “(C) any modernization to be carried out
14 under the plan complies with the modernization
15 plan submitted under this section by the public
16 housing agency and any replacement of public
17 housing dwelling units to be carried out under
18 the plan complies with the requirements of sec-
19 tion 18;

20 “(D) the plan provides permanent financ-
21 ing commitments from a sufficient number of
22 additional sources, which may include banks
23 and other conventional lenders, State housing
24 finance agencies, secondary market entities, and
25 other financial institutions;

1 “(E) the public housing agency submitting
2 the plan has an acceptable rate of obligation of
3 assistance provided under this section; and

4 “(F) the plan complies with any other cri-
5 teria that the Secretary may establish.

6 “(3) OBLIGATION LIMITS.—

7 “(A) PER PHA.—The aggregate outstand-
8 ing principal amount leveraged under this sub-
9 section by a public housing agency may not at
10 any time exceed 5 times the amount of the most
11 recent grant for a fiscal year provided under
12 this section for comprehensive modernization.

13 “(B) FOR ALL PHA’S.—The aggregate out-
14 standing principal amount leveraged under this
15 subsection by all public housing agencies may
16 not, in any single fiscal year, exceed
17 \$2,000,000,000.

18 “(4) USE OF COMPREHENSIVE MODERNIZATION
19 GRANTS AND OPERATING REVENUES.—Notwith-
20 standing any other provision of this title, a public
21 housing agency for which a plan is approved under
22 this subsection may use amounts provided under this
23 section to the agency for comprehensive moderniza-
24 tion and amounts provided under section 9 to the
25 agency for operating subsidies (including program

1 income derived therefrom) for the payment of prin-
2 cipal, interest, and fees due on any loans obtained
3 pursuant to the plan.

4 “(5) REPORTS.—The Secretary shall submit a
5 report to the Congress annually regarding the activi-
6 ties under plans for leveraging approved under this
7 subsection and the status of loans, financing, and in-
8 vestments obtained under such plans.”.

○