

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5245

To provide for the extension of certain programs relating to housing and community development, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 1994

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

OCTOBER 7, 1994

Committee discharged, considered, amended, and passed

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## A BILL

To provide for the extension of certain programs relating to housing and community development, 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 “Housing Programs Ex-  
5 tension Act of 1994”.

6 **SEC. 2. HOUSING ASSISTANCE.**

7 (a) EXPIRING SECTION 8 CONTRACTS.—

1           (1) REQUIREMENT.—Subject only to the avail-  
2           ability of budget authority to carry out this section,  
3           not later than October 1, 1995, the Secretary of  
4           Housing and Urban Development shall make an  
5           offer to the owner of each housing project assisted  
6           under an expiring contract to extend the term of the  
7           expiring contract for 24 months beyond the date of  
8           the expiration of the contract.

9           (2) TERMS OF EXTENSION.—Except for terms  
10          or conditions relating to the duration of the con-  
11          tract, the terms and conditions under the extension  
12          provided pursuant to this subsection of any expiring  
13          contract shall be identical to the terms and condi-  
14          tions under the expiring contract.

15          (3) DEFINITION OF EXPIRING CONTRACT.—For  
16          purposes of this subsection, the term “expiring con-  
17          tract” means a contract for assistance pursuant to  
18          section 8(b)(2) of the United States Housing Act of  
19          1937 (as such section existed before October 1,  
20          1983) having a term that expires before October 1,  
21          1996.

22          (4) DISPLACEMENT ASSISTANCE.—The Sec-  
23          retary of Housing and Urban Development may  
24          make available to tenants residing in units covered

1 by an expiring contract that is not extended pursu-  
2 ant to this subsection either—

3 (A) tenant-based assistance under section  
4 8 of the United States Housing Act of 1937; or

5 (B) a unit with respect to which project-  
6 based assistance is provided under section 8 of  
7 the United States Housing Act of 1937.

8 (5) AUTHORIZATION OF APPROPRIATIONS.—

9 There are authorized to be appropriated such sums  
10 as may be necessary to carry out this subsection.

11 (b) DETERMINATION OF MEDIAN INCOME.—Section  
12 3(b)(2) of the United States Housing Act of 1937 (42  
13 U.S.C. 1437a(b)(2)) is amended—

14 (1) in the fourth sentence—

15 (A) by striking “County” and inserting  
16 “and Rockland Counties”; and

17 (B) by inserting “each” before “such  
18 county”; and

19 (2) in the last sentence—

20 (A) by striking “County” the first place it  
21 appears and inserting “or Rockland Counties”;  
22 and

23 (B) by striking “County” the second place  
24 it appears and inserting “and Rockland Coun-  
25 ties”.

1 (c) ELIGIBLE USES OF EMERGENCY MODERNIZA-  
2 TION FUNDS.—Section 14(k)(1) of the United States  
3 Housing Act of 1937 (42 U.S.C. 1437l(k)(1)) is amend-  
4 ed—

5 (1) in the first sentence, by striking  
6 “\$75,000,000” and inserting “\$50,000,000”; and

7 (2) by adding at the end the following new sen-  
8 tences: “Of the amounts reserved each year under  
9 this paragraph, the Secretary shall make available to  
10 the Inspector General of the Department of Housing  
11 and Urban Development not more than \$5,000,000  
12 for costs in connection with efforts to combat violent  
13 crime in public housing. Using amounts made avail-  
14 able pursuant to the preceding sentence during fiscal  
15 year 1995, the Secretary shall provide amounts in  
16 such fiscal year for the continuation of the drug  
17 elimination activities under Project Nos.  
18 IA05PO98003004 and IA05DEP0980193.”.

19 (d) LOW-INCOME HOUSING PRESERVATION AND  
20 RESIDENT HOMEOWNERSHIP ACT.—

21 (1) ACQUISITION GRANTS.—Section 234(b) of  
22 the Housing and Community Development Act of  
23 1987 (12 U.S.C. 4124(b)) is amended by striking  
24 “1993,” and all that follows through “1994,” and  
25 inserting “1995”.

1           (2) TECHNICAL ASSISTANCE AND CAPACITY  
2 BUILDING.—Section 257 of the Housing and Com-  
3 munity Development Act of 1987 (12 U.S.C. 4147)  
4 is amended by striking “1993,” and all that follows  
5 through “1994,” and inserting “1995”.

6           (e) USE OF SECTION 236 RENTAL ASSISTANCE  
7 FUND AMOUNTS FOR FLEXIBLE SUBSIDIES.—Section  
8 236(f)(3) of the National Housing Act (12 U.S.C. 1715z-  
9 1(f)(3)) is amended by striking “September 30, 1994”  
10 and inserting “September 30, 1995”.

11          (f) HOUSING COUNSELING.—

12           (1) EMERGENCY HOMEOWNERSHIP COUNSEL-  
13 ING.—Section 106(c)(9) of the Housing and Urban  
14 Development Act of 1968 (12 U.S.C. 1701x(c)(9)) is  
15 amended by striking “September 30, 1994” and in-  
16 serting “September 30, 1995”.

17           (2) PREPURCHASE AND FORECLOSURE PREVEN-  
18 TION COUNSELING DEMONSTRATION.—Section  
19 106(d)(13) of the Housing and Urban Development  
20 Act of 1968 (12 U.S.C. 1701x(d)(13)) is amended  
21 by striking “fiscal year 1994” and inserting “fiscal  
22 year 1995”.

23           (g) MAJOR RECONSTRUCTION OF PUBLIC HOUSING  
24 FOR DISABLED FAMILIES.—Section 5(j)(2)(G)(i) of the  
25 United States Housing Act of 1937 (42 U.S.C.

1 1437e(j)(2)(G)(i) is amended by striking “fiscal years  
2 1993 and 1994” and inserting “fiscal year 1995”.

3 (h) NATIONAL HOMEOWNERSHIP FUND.—Section  
4 172 of the bill, H.R. 3838 (103d Congress), as passed by  
5 the House of Representatives on July 22, 1994, is hereby  
6 enacted into law.

7 (i) TREATMENT OF CERTAIN PROJECTS.—

8 (1) CONVERSION OF SECTION 23 PROJECT.—

9 From amounts available for the conversion of the  
10 Tamaqua Highrise project in the Borough of  
11 Tamaqua, Pennsylvania, from a leased housing con-  
12 tract under section 23 of the United States Housing  
13 Act of 1937 to tenant-based assistance under section  
14 8 of such Act, the Secretary of Housing and Urban  
15 Development shall, to the extent such amounts are  
16 made available in appropriation Acts, enter into an  
17 obligation for the conversion of the project to a  
18 project-based rental assistance contract under sec-  
19 tion 8 of such Act, notwithstanding the requirement  
20 for rehabilitation or the percentage limitations under  
21 section 8(d)(2) of such Act.

22 (2) COMPLIANCE WITH REHABILITATION RE-  
23 QUIREMENT.—Rehabilitation activities undertaken  
24 by E.T.C. Enterprises in connection with 16 scat-  
25 tered-site dwelling units that were rehabilitated to

1 provide housing for low-income families and are lo-  
2 cated in Perth Amboy, New Jersey, and rehabilita-  
3 tion activities undertaken by Pennrose Properties in  
4 connection with 40 dwelling units for senior citizens  
5 in the Providence Square development located in  
6 New Brunswick, New Jersey, are hereby deemed to  
7 have been conducted pursuant to the approval of  
8 and an agreement with the Secretary of Housing  
9 and Urban Development under clauses (i) and (ii) of  
10 the third sentence of section 8(d)(2)(A) of the Unit-  
11 ed States Housing Act of 1937.

12 (3) ELIGIBILITY OF PUBLIC HOUSING FOR DEM-  
13 OLITION.—Section 415 of the Department of Hous-  
14 ing and Urban Development—Independent Agencies  
15 Appropriations Act, 1988 (Public Law 100–202;  
16 101 Stat. 1329–213), is amended by striking  
17 “George Loving Place, at 3320 Rupert Street,  
18 Edgar Ward Place, at 3901 Holystone, Elmer Scott  
19 Place, at 2600 Morris, in Dallas, Texas, or”.

20 **SEC. 3. RURAL HOUSING.**

21 (a) UNDERSERVED AREAS SET-ASIDE.—Section  
22 509(f)(4)(A) of the Housing Act of 1949 (42 U.S.C.  
23 1479(f)(4)(A)) is amended—

1           (1) in the first sentence, by striking “fiscal  
2           years 1993 and 1994” and inserting “fiscal year  
3           1995”; and

4           (2) in the second sentence, by striking “each”.

5           (b) RURAL MULTIFAMILY RENTAL HOUSING.—Sec-  
6           tion 515(b) of the Housing Act of 1949 (42 U.S.C.  
7           1485(b)) is amended—

8           (1) by striking paragraphs (2) and (4);

9           (2) by redesignating paragraph (3) as para-  
10          graph (4); and

11          (3) by inserting after paragraph (1) the follow-  
12          ing new paragraphs:

13           “(2) such a loan may be made for a period of  
14          up to 50 years from the making of the loan;

15           “(3) the terms and conditions of such a loan  
16          shall provide for periodic payments, during the term  
17          of the loan, based upon a schedule for complete am-  
18          ortization of the loan over a 50-year period and for  
19          payment of any outstanding amounts due under the  
20          loan not later than the expiration of the term of the  
21          loan;”.

22          (c) RURAL RENTAL HOUSING FUNDS FOR NON-  
23          PROFIT ENTITIES.—The first sentence of section  
24          515(w)(1) of the Housing Act of 1949 (42 U.S.C.



1 1485(w)(1)) is amended by striking “fiscal years 1993  
2 and 1994” and inserting “fiscal year 1995”.

3 (d) LOAN GUARANTEES FOR RURAL MULTIFAMILY  
4 RENTAL HOUSING LOANS.—Section 517 of the bill, H.R.  
5 3838 (103d Congress), as passed by the House of Rep-  
6 resentatives on July 22, 1994, is hereby enacted into law.

7 (e) ELIGIBILITY OF AREA FOR RURAL HOMEOWNER-  
8 SHIP LOANS.—Section 502 of the Housing Act of 1949  
9 (42 U.S.C. 1472) is amended by adding at the end the  
10 following new subsection:

11 “(i) Notwithstanding section 520, the Secretary may  
12 make loans under this section for properties in the Pine  
13 View West Subdivision, located in Gibsonville, North Caro-  
14 lina, in the same manner as provided under this section  
15 for properties in rural areas.”.

16 (f) DEFINITION OF RURAL AREA.—The last sentence  
17 of section 520 of the Housing Act of 1949 (42 U.S.C.  
18 1490) is amended by striking “city of” and inserting  
19 “cities of South Tucson, Arizona, and”.

20 **SEC. 4. MORTGAGE INSURANCE AND SECONDARY MORT-**  
21 **GAGE MARKET PROGRAMS.**

22 (a) MULTIFAMILY HOUSING FINANCE.—Section  
23 542(b)(5) of the Housing and Community Development  
24 Act of 1992 (12 U.S.C. 1707 note) is amended by striking  
25 “and 1994” and inserting “, 1994, and 1995”.

1 (b) ASSESSMENT COLLECTION DATES FOR OFFICE  
2 OF FEDERAL HOUSING ENTERPRISE OVERSIGHT.—Sec-  
3 tion 1316(b) of the Housing and Community Development  
4 Act of 1992 (12 U.S.C. 4516(b)) is amended by striking  
5 paragraph (2) and inserting the following new paragraph:

6 “(2) TIMING OF PAYMENT.—The annual assess-  
7 ment shall be payable in installments on October 1  
8 and April 1 of each fiscal year.”.

9 **SEC. 5. COMMUNITY DEVELOPMENT.**

10 (a) CERTAIN CDBG ASSISTANCE.—Section 916(f) of  
11 the Cranston-Gonzalez National Affordable Housing Act  
12 (42 U.S.C. 5306 note) is amended by striking “Act shall  
13 apply only with respect to fiscal years 1991, 1992, 1993,  
14 and 1994” and inserting “section shall not apply to fiscal  
15 years after fiscal year 1995”.

16 (b) CDBG PUBLIC SERVICES LIMITATIONS.—Section  
17 105(a)(8) of the Housing and Community Development  
18 Act of 1974 (42 U.S.C. 5305(a)(8)) is amended—

19 (1) by striking “and” after “under this para-  
20 graph,”;

21 (2) by striking “fiscal year 1994” and inserting  
22 “fiscal years 1994 and 1995”; and

23 (3) by inserting before the semicolon at the end  
24 the following: “, and except that of any amount of  
25 assistance under this title (including program in-

1       come) to the Cities of Vallejo and Benecia and to  
2       Napa County, in California, such cities and county  
3       may use not more than 20 percent in fiscal year  
4       1995 for activities under this paragraph”.

5       (c) USE OF GRANT AMOUNTS.—

6           (1) PITTSBURGH, PENNSYLVANIA.—Notwith-  
7       standing any other provision of law, the city of  
8       Pittsburgh, Pennsylvania, may retain any amounts  
9       provided under an urban development action grant  
10      for Project No. B-86-AA-42-0275 and use such  
11      funds for the Central Pittsburgh Plaza project, if  
12      such project is commenced not later than 6 months  
13      after the date of the enactment of this Act.

14          (2) WILKES-BARRE, PENNSYLVANIA.—Notwith-  
15      standing any other provision of law, the city of  
16      Wilkes-Barre, Pennsylvania, may retain any  
17      amounts provided under an urban development ac-  
18      tion grant for Project No. B-87-AA-42-1211 and  
19      use such funds for the Northeastern Pennsylvania  
20      Economic Development project, if such project is  
21      commenced not later than 6 months after the date  
22      of enactment of this Act.

23          (3) RICHMOND, VIRGINIA.—The Secretary of  
24      Housing and Urban Development shall cancel the in-  
25      debtedness of the city of Richmond, Virginia, relat-

1 ing to the categorical program settlement grant pro-  
2 vided to the city to settle four urban renewal pro-  
3 grams (Project No. B-78-UR-51-0019). The city  
4 of Richmond, Virginia, is hereby relieved of all liabil-  
5 ity to the Federal Government for such grant and  
6 any fees and charges payable in connection with  
7 such grant.

8 (4) LOCKPORT TOWNSHIP, ILLINOIS.—The Sec-  
9 retary of Housing and Urban Development shall  
10 cancel the indebtedness of Lockport Township, Illi-  
11 nois, relating to the public facilities loan for Project  
12 No. ILL-11-PFL0112. Lockport Township, Illinois,  
13 is hereby relieved of all liability to the Federal Gov-  
14 ernment for the outstanding principal balance on  
15 such loan, the amount of accrued interest on such  
16 loan, and any other fees and charges payable in con-  
17 nection with such loan.

18 (5) BUDGET COMPLIANCE.—Paragraphs (3)  
19 and (4) of this subsection shall be effective only to  
20 the extent, or in such amounts, as are provided in  
21 appropriation Acts.

22 (d) NEW TOWNS DEMONSTRATION PROGRAM.—

23 (1) INSURANCE AUTHORITY.—The first sen-  
24 tence of section 1104(d) of the Housing and Com-  
25 munity Development Act of 1992 (42 U.S.C. 5318

1 note) is amended to read as follows: “To the extent  
2 provided in appropriation Acts, the Secretary shall  
3 use any authority provided pursuant to section  
4 531(b) of the National Housing Act to enter into  
5 commitments to insure loans and mortgages under  
6 this section in fiscal year 1995 with an aggregate  
7 principal amount not exceeding such sums as may  
8 be necessary to carry out the demonstration under  
9 this title.”.

10 (2) SECOND MORTGAGE ASSISTANCE.—Section  
11 1105(e) of the Housing and Community Develop-  
12 ment Act of 1992 (42 U.S.C. 5318 note) is amended  
13 to read as follows:

14 “(5) AUTHORIZATION OF APPROPRIATIONS.—  
15 There are authorized to be appropriated for fiscal  
16 year 1995 such sums as may be necessary for pro-  
17 viding assistance under this section.”.

18 (3) COMMUNITY DEVELOPMENT ASSISTANCE.—  
19 Section 1106(h) of the Housing and Community De-  
20 velopment Act of 1992 (42 U.S.C. 5318 note) is  
21 amended to read as follows:

22 “(8) AUTHORIZATION OF APPROPRIATIONS.—  
23 There are authorized to be appropriated for fiscal  
24 year 1995 such sums as may be necessary for assist-  
25 ance under this section.”.

1 (e) ECONOMIC DEVELOPMENT GRANTS.—Section  
2 108(q) of the Housing and Community Development Act  
3 of 1974 is amended by adding at the end the following  
4 new paragraph:

5 “(5) AUTHORIZATION OF APPROPRIATIONS.—  
6 Using any amounts appropriated for grants under  
7 this subsection for fiscal year 1995, the Secretary  
8 shall make a grant in the amount of \$3,650,000 in  
9 such fiscal year to the Earth Conservancy in  
10 Luzerne County, Pennsylvania, which shall be used  
11 for carrying out a demonstration of using innovative  
12 environmental technologies to reclaim land used for  
13 community and economic development purposes that  
14 has been damaged by anthracite coal mining activi-  
15 ties.”.

16 **SEC. 6. MISCELLANEOUS PROVISIONS.**

17 (a) STATE AGENCIES AS SURETIES.—Section 9304  
18 of title 31, United States Code, is amended by adding at  
19 the end the following new subsection:

20 “(c) STATE AGENCIES.—A State agency, including  
21 any financing authority established by any State, which  
22 meets the requirements of paragraphs (2) and (3) of sub-  
23 section (a) may be treated as a surety corporation for pur-  
24 poses of this chapter. Notwithstanding any other provision  
25 of law, user fees collected by the Financial Management

1 Services incident to sections 9304 through 9309 of this  
2 title shall be credited to the appropriation of that agency  
3 and may be retained without fiscal year limitation to carry  
4 out the provisions of such sections.”.

5 (b) CLARIFICATION OF EFFECTIVE DATE FOR  
6 AMENDMENT RELATING TO COMMERCIAL MORTGAGE RE-  
7 LATED SECURITIES.—Section 347(d) of the Riegle Com-  
8 munity Development and Regulatory Improvement Act of  
9 1994 (Public Law 103–325; 108 Stat. 2241) is amended  
10 to read as follows:

11 “(d) EFFECTIVE DATE.—

12 “(1) IN GENERAL.—Except as provided in para-  
13 graph (2), the amendment made by subsection (a)  
14 shall take effect as of the date of the enactment of  
15 the Housing Programs Extension Act of 1994.

16 “(2) NATIONAL AND INSURED STATE BANKS.—  
17 The amendment made by subsection (a) shall not  
18 apply with respect to national banks or, in accord-  
19 ance with section 24 of the Federal Deposit Insur-  
20 ance Act, insured State banks before the effective  
21 date of final regulations prescribed by the Comptrol-  
22 ler of the Currency pursuant to subsection (c).”.

○