

106TH CONGRESS
1ST SESSION

H. R. 1336

To authorize the Secretary of Housing and Urban Development to provide enhanced vouchers for rental assistance under section 8 of the United States Housing Act of 1937 for low-income elderly and disabled tenants of housing projects with expiring contracts for Federal rental assistance to ensure that such tenants can afford to retain their previously assisted dwelling units, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 25, 1999

Mr. LAZIO (for himself, Mr. LEACH, and Mr. WALSH) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To authorize the Secretary of Housing and Urban Development to provide enhanced vouchers for rental assistance under section 8 of the United States Housing Act of 1937 for low-income elderly and disabled tenants of housing projects with expiring contracts for Federal rental assistance to ensure that such tenants can afford to retain their previously assisted dwelling units, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Emergency Resident
3 Protection Act of 1999”.

4 **SEC. 2. FINDINGS AND PURPOSE.**

5 (a) FINDINGS.—The Congress finds that—

6 (1) there exists throughout the United States a
7 need for decent, safe and affordable housing;

8 (2) affordable housing is critical to the well-
9 being of vulnerable families, particularly seniors and
10 persons with disabilities;

11 (3) an unprecedented number of contracts for
12 Federal rental assistance are expiring now and will
13 expire in the near future, including contracts cov-
14 ering 2,384,000 units in fiscal year 2000 alone;

15 (4) a growing number of private owners of af-
16 fordable housing developments are choosing to not
17 renew their subsidy contracts with the Federal gov-
18 ernment;

19 (5) in cases where assistance contracts are not
20 renewed, rent levels in the affected developments
21 may rise dramatically;

22 (6) an overwhelming majority of residents in
23 these developments are seniors or persons with dis-
24 abilities and have little or no means of paying addi-
25 tional rent from personal income, effectively forcing

1 them to move from what have been their homes for
2 almost a quarter of a century; and

3 (7) the Federal Government should use all ap-
4 propriate means to ensure that those least able to
5 provide for themselves enjoy the protection and wel-
6 fare of the people of the United States.

7 (b) PURPOSE.—The purpose of this Act is to protect
8 vulnerable residents of affordable housing, particularly
9 seniors and persons with disabilities, and to help provide
10 those residents with peace of mind and security for
11 living—

12 (1) by providing greater rental assistance flexi-
13 bility to ensure that vulnerable populations are not
14 forced to move from their homes when rent levels
15 rise; and

16 (2) where appropriate, by encouraging private
17 owners of affordable housing developments to con-
18 tinue serving low-income families by allowing such
19 housing providers greater flexibility for refinancing
20 and by ensuring more effective administration by the
21 Federal Government of rental assistance contract re-
22 negotiations.

1 **SEC. 3. ENHANCED VOUCHERS FOR RESIDENTS OF**
2 **PROJECTS WITH EXPIRING CONTRACTS.**

3 Section 524 of the Multifamily Assisted Housing Re-
4 form and Affordability Act of 1997 (42 U.S.C. 1437f
5 note) is amended by adding at the end the following new
6 subsection:

7 “(b) ENHANCED VOUCHERS UPON CONTRACT EXPI-
8 RATION.—In the case of contracts for assistance under
9 section 8 referred to in subsection (a) of this section that
10 are not renewed under subsection (a) (or any other au-
11 thority), the following provisions shall apply:

12 “(1) IN GENERAL.—To the extent that amounts
13 for assistance under this subsection are provided in
14 advance in appropriation Acts, upon the date of the
15 expiration of the contract for project-based assist-
16 ance for a covered project, the Secretary—

17 “(A) shall make enhanced voucher assist-
18 ance under this subsection available on behalf
19 of each covered resident of a covered project;
20 and

21 “(B) may make enhanced voucher assist-
22 ance under this section available on behalf of
23 any other low-income family who, upon the date
24 of such expiration, is residing in an assisted
25 dwelling unit in a covered project that is located
26 in a low-vacancy area.

1 “(2) ENHANCED ASSISTANCE.—Enhanced
2 voucher assistance under this subsection for a family
3 shall be voucher assistance under section 8(o) of the
4 United States Housing Act of 1937 (42 U.S.C.
5 1437f(o)), except that under such enhanced voucher
6 assistance—

7 “(A) if the assisted family elects to remain
8 in the covered project in which the family was
9 residing on the date of the expiration of such
10 contract and the rent for such unit exceeds the
11 applicable payment standard established pursu-
12 ant to section 8(o) for the unit, the amount of
13 rental assistance provided on behalf of family
14 shall be determined using a payment standard
15 that is equal to the rent for the dwelling unit,
16 subject to paragraph (10)(A) of such section
17 8(o); and

18 “(B) if the assisted family elects to move
19 from such covered project, subparagraph (A) of
20 this paragraph shall not apply and the payment
21 standard for the dwelling unit occupied by the
22 family shall be determined in accordance with
23 section 8(o).

24 “(3) DEFINITIONS.—For purposes of this sub-
25 section, the following definitions shall apply:

1 “(A) ASSISTED DWELLING UNIT.—The
2 term ‘assisted dwelling unit’ means a dwelling
3 unit that—

4 “(i) is in a covered project; and

5 “(ii) is covered by rental assistance
6 provided under the contract for project-
7 based assistance for the covered project.

8 “(B) COVERED PROJECT.—The term ‘cov-
9 ered project’ means any housing that—

10 “(i) consists of more than 4 dwelling
11 units;

12 “(ii) is covered in whole or in part by
13 a contract for project-based assistance
14 under—

15 “(I) the new construction or sub-
16 stantial rehabilitation program under
17 section 8(b)(2) of the United States
18 Housing Act of 1937 (as in effect be-
19 fore October 1, 1983),

20 “(II) the property disposition
21 program under section 8(b) of the
22 United States Housing Act of 1937,

23 “(III) the moderate rehabilitation
24 program under section 8(e)(2) of the

1 United States Housing Act of 1937
2 (as in effect before October 1, 1991);

3 “(IV) the loan management as-
4 sistance program under section 8 of
5 the United States Housing Act of
6 1937,

7 “(V) section 23 of the United
8 States Housing Act of 1937 (as in ef-
9 fect before January 1, 1975),

10 “(VI) the rent supplement pro-
11 gram under section 101 of the Hous-
12 ing and Urban Development Act of
13 1965, or

14 “(VII) section 8 of the United
15 States Housing Act of 1937, following
16 conversion from assistance under sec-
17 tion 101 of the Housing and Urban
18 Development Act of 1965,

19 which contract will (under its own terms)
20 expire during the period consisting of fiscal
21 years 2000 through 2004; and

22 “(iii) is not housing for which resi-
23 dents are eligible for enhanced voucher as-
24 sistance as provided under the ‘Preserving
25 Existing Housing Investment’ account in

1 the Departments of Veterans Affairs and
2 Housing and Urban Development, and
3 Independent Agencies Appropriations Act,
4 1997 (Public Law 104–204; 110 Stat.
5 2884), pursuant to such provision or any
6 other subsequently enacted provision of
7 law.

8 “(C) COVERED RESIDENT.—The term ‘cov-
9 ered resident’ means a family who—

10 “(i) is an elderly family or a disabled
11 family (as such terms are defined in sec-
12 tion 3(b) of the United States Housing Act
13 of 1937 (42 U.S.C. 1437a(b)); and

14 “(ii) upon the date of the expiration
15 of the contract for project-based assistance
16 for a covered project, is residing in an as-
17 sisted dwelling unit in the covered project.

18 “(D) LOW-VACANCY AREA.—The term
19 ‘low-vacancy area’ means an area that, in the
20 determination of the Secretary, has an inad-
21 equate supply of habitable, affordable housing
22 for low-income families using tenant-based as-
23 sistance.

24 “(4) AUTHORIZATION OF APPROPRIATIONS.—

25 There are authorized to be appropriated for each of

1 fiscal years 2000, 2001, 2002, 2003, and 2004 such
2 sums as may be necessary for enhanced voucher as-
3 sistance under this subsection.”.

4 **SEC. 4. RENEWAL OF SECTION 8 CONTRACTS.**

5 (a) IN GENERAL.—Paragraph (1) of section 524(a)
6 of the Multifamily Assisted Housing Reform and Afford-
7 ability Act of 1997 (42 U.S.C. 1437f note) is amended—

8 (1) in the first sentence, by striking “ at rent
9 levels that do not exceed comparable market rents
10 for the market area”; and

11 (2) in the last sentence, by striking the period
12 at the end and inserting the following: “and, in the
13 case of expiring contracts, if provided shall be pro-
14 vided at rent levels that are—

15 “(A) equal to 90 percent of comparable
16 market rents for the market area, in the case
17 of a project having rent levels under the expir-
18 ing contract that do not exceed 90 percent of
19 such comparable market rents;

20 “(B) equal to the existing rents under the
21 expiring contract, in the case of a project hav-
22 ing rent levels under the expiring contract that
23 exceed 90 percent of comparable market rents
24 for the market area but do not exceed such
25 comparable market rents; and

1 “(C) equal to comparable market rents for
2 the market area, in the case of a project that
3 is not eligible for mortgage restructuring under
4 this title and has rent levels under the expiring
5 contract that exceed such comparable market
6 rents.”.

7 (b) CONFORMING AMENDMENT.—Section 524(a)(2)
8 of the Multifamily Assisted Housing Reform and Afford-
9 ability Act of 1997 (42 U.S.C. 1437f note) is amended—

10 (1) in subparagraph (C), by inserting “and”
11 after the semicolon at the end;

12 (2) in subparagraph (D), by striking “; and”
13 and inserting a period; and

14 (3) by striking subparagraph (E).

15 **SEC. 5. ELIGIBLE PURPOSES OF INTEREST REDUCTION**
16 **PAYMENT GRANTS.**

17 (a) ELIGIBLE PURPOSES.—Section 236(s)(3) of the
18 National Housing Act (12 U.S.C. 1715z–1(s)(3)) is
19 amended—

20 (1) in subparagraph (B), by striking “and” at
21 the end:

22 (2) in subparagraph (C), by striking the period
23 at the end and inserting “; and”; and

24 (3) by adding at the end the following new sub-
25 paragraph:

1 “(D) refinancing of the mortgage on the
2 project.”

3 **SEC. 6. RETENTION OF EXCESS INCOME FOR SECTION 236**
4 **PROJECTS.**

5 The last sentence of section 236(g) of the National
6 Housing Act (12 U.S.C. 1715z-1(g)) is amended by strik-
7 ing “an owner of a project” and all that follows through
8 “subsection (b),” and inserting “the project owner”.

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