

106TH CONGRESS
2D SESSION

S. 2733

To provide for the preservation of assisted housing for low-income elderly persons, disabled persons, and other families.

IN THE SENATE OF THE UNITED STATES

JUNE 15, 2000

Mr. SANTORUM (for himself, Mr. KERRY, and Mr. SARBANES) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To provide for the preservation of assisted housing for low-income elderly persons, disabled persons, and other families.

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 AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Affordable Housing for Seniors and Families Act”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. Regulations.
Sec. 3. Effective date.

TITLE I—REFINANCING FOR SECTION 202 SUPPORTIVE HOUSING
FOR THE ELDERLY

Sec. 101. Prepayment and refinancing.

TITLE II—AUTHORIZATION OF APPROPRIATIONS FOR SUPPORTIVE HOUSING FOR THE ELDERLY AND PERSONS WITH DISABILITIES

Sec. 201. Supportive housing for elderly persons.

Sec. 202. Supportive housing for persons with disabilities.

Sec. 203. Service coordinators and congregate services for elderly and disabled housing.

TITLE III—EXPANDING HOUSING OPPORTUNITIES FOR THE ELDERLY AND PERSONS WITH DISABILITIES

Subtitle A—Housing for the Elderly

Sec. 301. Matching grant program.

Sec. 302. Eligibility of for-profit limited partnerships.

Sec. 303. Mixed funding sources.

Sec. 304. Authority to acquire structures.

Sec. 305. Mixed-income occupancy.

Sec. 306. Use of project reserves.

Sec. 307. Commercial activities.

Sec. 308. Mixed finance pilot program.

Sec. 309. Grants for conversion of elderly housing to assisted living facilities.

Sec. 310. Grants for conversion of public housing projects to assisted living facilities.

Sec. 311. Annual HUD inventory of assisted housing designated for elderly persons.

Sec. 312. Treatment of applications.

Subtitle B—Housing for Persons With Disabilities

Sec. 321. Matching grant program.

Sec. 322. Eligibility of for-profit limited partnerships.

Sec. 323. Mixed funding sources.

Sec. 324. Tenant-based assistance.

Sec. 325. Use of project reserves.

Sec. 326. Commercial activities.

Subtitle C—Other Provisions

Sec. 341. Service coordinators.

TITLE IV—PRESERVATION OF AFFORDABLE HOUSING STOCK

Sec. 401. Matching grant program for affordable housing preservation.

Sec. 402. Assistance for nonprofit purchasers preserving affordable housing.

Sec. 403. Section 236 assistance.

Sec. 404. Preservation projects.

TITLE V—MORTGAGE INSURANCE FOR HEALTH CARE FACILITIES AND HOME EQUITY CONVERSION MORTGAGES

Sec. 501. Rehabilitation of existing hospitals, nursing homes, and other facilities.

Sec. 502. New integrated service facilities.

Sec. 503. Hospitals and hospital-based integrated service facilities.

Sec. 504. Home equity conversion mortgages.

1 **SEC. 2. REGULATIONS.**

2 The Secretary of Housing and Urban Development
 3 (referred to in this Act as the “Secretary”) shall issue any
 4 regulations to carry out this Act and the amendments
 5 made by this Act that the Secretary determines may or
 6 will affect tenants of federally assisted housing only after
 7 notice and opportunity for public comment in accordance
 8 with the procedure under section 553 of title 5, United
 9 States Code, applicable to substantive rules (notwith-
 10 standing subsections (a)(2), (b)(B), and (d)(3) of such
 11 section). Notice of such proposed rulemaking shall be pro-
 12 vided by publication in the Federal Register. In issuing
 13 such regulations, the Secretary shall take such actions as
 14 may be necessary to ensure that such tenants are notified
 15 of, and provided an opportunity to participate in, the rule-
 16 making, as required by such section 553.

17 **SEC. 3. EFFECTIVE DATE.**

18 (a) IN GENERAL.—The provisions of this Act and the
 19 amendments made by this Act are effective as of the date
 20 of enactment of this Act, unless such provisions or amend-
 21 ments specifically provide for effectiveness or applicability
 22 upon another date certain.

23 (b) EFFECT OF REGULATORY AUTHORITY.—Any au-
 24 thority in this Act or the amendments made by this Act

1 to issue regulations, and any specific requirement to issue
 2 regulations by a date certain, may not be construed to af-
 3 fect the effectiveness or applicability of the provisions of
 4 this Act or the amendments made by this Act under such
 5 provisions and amendments and subsection (a) of this sec-
 6 tion.

7 **TITLE I—REFINANCING FOR**
 8 **SECTION 202 SUPPORTIVE**
 9 **HOUSING FOR THE ELDERLY**

10 **SEC. 101. PREPAYMENT AND REFINANCING.**

11 (a) APPROVAL OF PREPAYMENT OF DEBT.—Upon
 12 request of the project sponsor of a project assisted with
 13 a loan under section 202 of the Housing Act of 1959 (as
 14 in effect before the enactment of the Cranston-Gonzalez
 15 National Affordable Housing Act), the Secretary shall ap-
 16 prove the prepayment of any indebtedness to the Secretary
 17 relating to any remaining principal and interest under the
 18 loan as part of a prepayment plan under which—

19 (1) the project sponsor agrees to operate the
 20 project until the maturity date of the original loan
 21 under terms at least as advantageous to existing and
 22 future tenants as the terms required by the original
 23 loan agreement or any rental assistance payments
 24 contract under section 8 of the United States Hous-
 25 ing Act of 1937 (or any other rental housing assist-

1 ance programs of the Department of Housing and
2 Urban Development, including the rent supplement
3 program under section 101 of the Housing and
4 Urban Development Act of 1965 (12 U.S.C. 1701s))
5 relating to the project; and

6 (2) the prepayment may involve refinancing of
7 the loan if such refinancing results in a lower inter-
8 est rate on the principal of the loan for the project
9 and in reductions in debt service related to such
10 loan.

11 (b) SOURCES OF REFINANCING.—In the case of pre-
12 payment under this section involving refinancing, the
13 project sponsor may refinance the project through any
14 third party source, including financing by State and local
15 housing finance agencies, use of tax-exempt bonds, multi-
16 family mortgage insurance under the National Housing
17 Act, reinsurance, or other credit enhancements, including
18 risk sharing as provided under section 542 of the Housing
19 and Community Development Act of 1992 (12 U.S.C.
20 1707 note). For purposes of underwriting a loan insured
21 under the National Housing Act, the Secretary may as-
22 sume that any section 8 rental assistance contract relating
23 to a project will be renewed for the term of such loan.

24 (c) USE OF UNEXPENDED AMOUNTS.—Upon execu-
25 tion of the refinancing for a project pursuant to this sec-

tion, the Secretary shall make available at least 50 percent of the annual savings resulting from reduced section 8 or other rental housing assistance contracts in a manner that is advantageous to the tenants, including—

(1) not more than 15 percent of the cost of increasing the availability or provision of supportive services, which may include the financing of service coordinators and congregate services;

(2) rehabilitation, modernization, or retrofitting of structures, common areas, or individual dwelling units;

(3) construction of an addition or other facility in the project, including assisted living facilities (or, upon the approval of the Secretary, facilities located in the community where the project sponsor refinances a project under this section, or pools shared resources from more than 1 such project); or

(4) rent reduction of unassisted tenants residing in the project according to a pro rata allocation of shared savings resulting from the refinancing.

(d) USE OF CERTAIN PROJECT FUNDS.—The Secretary shall allow a project sponsor that is prepaying and refinancing a project under this section—

(1) to use any residual receipts held for that project in excess of \$500 per individual dwelling unit

1 for not more than 15 percent of the cost of activities
 2 designed to increase the availability or provision of
 3 supportive services; and

4 (2) to use any reserves for replacement in ex-
 5 cess of \$1,000 per individual dwelling unit for activi-
 6 ties described in paragraphs (2) and (3) of sub-
 7 section (c).

8 (e) BUDGET ACT COMPLIANCE.—This section shall
 9 be effective only to extent or in such amounts that are
 10 provided in advance in appropriation Acts.

11 **TITLE II—AUTHORIZATION OF**
 12 **APPROPRIATIONS FOR SUP-**
 13 **PORTIVE HOUSING FOR THE**
 14 **ELDERLY AND PERSONS WITH**
 15 **DISABILITIES**

16 **SEC. 201. SUPPORTIVE HOUSING FOR ELDERLY PERSONS.**

17 Section 202 of the Housing Act of 1959 (12 U.S.C.
 18 1701q) is amended by adding at the end the following:

19 “(m) AUTHORIZATION OF APPROPRIATIONS.—There
 20 is authorized to be appropriated for providing assistance
 21 under this section \$700,000,000 for fiscal year 2001 and
 22 such sums as may be necessary for each of fiscal years
 23 2002, 2003, and 2004. Of the amount provided in appro-
 24 priation Acts for assistance under this section in each such
 25 fiscal year, 5 percent shall be available only for providing

1 assistance in accordance with the requirements under sub-
 2 section (c)(4) (relating to matching funds), except that if
 3 there are insufficient eligible applicants for such assist-
 4 ance, any amount remaining shall be used for assistance
 5 under this section.”.

6 **SEC. 202. SUPPORTIVE HOUSING FOR PERSONS WITH DIS-**
 7 **ABILITIES.**

8 Section 811 of the Cranston-Gonzalez National Af-
 9 fordable Housing Act (42 U.S.C. 8013) is amended by
 10 striking subsection (m) and inserting the following:

11 “(m) AUTHORIZATION OF APPROPRIATIONS.—There
 12 is authorized to be appropriated for providing assistance
 13 under this section \$225,000,000 for fiscal year 2001 and
 14 such sums as may be necessary for each of fiscal years
 15 2002, 2003, and 2004. Of the amount provided in appro-
 16 priation Acts for assistance under this section in each such
 17 fiscal year, 5 percent shall be available only for providing
 18 assistance in accordance with the requirements under sub-
 19 section (d)(5) (relating to matching funds), except that if
 20 there are insufficient eligible applicants for such assist-
 21 ance, any amount remaining shall be used for assistance
 22 under this section.”.

1 **SEC. 203. SERVICE COORDINATORS AND CONGREGATE**
2 **SERVICES FOR ELDERLY AND DISABLED**
3 **HOUSING.**

4 There is authorized to be appropriated to the Sec-
5 retary \$50,000,000 for fiscal year 2001, and such sums
6 as may be necessary for each of fiscal years 2002, 2003,
7 and 2004, for the following purposes:

8 (1) GRANTS FOR SERVICE COORDINATORS FOR
9 CERTAIN FEDERALLY ASSISTED MULTIFAMILY HOUS-
10 ING.—For grants under section 676 of the Housing
11 and Community Development Act of 1992 (42
12 U.S.C. 13632) for providing service coordinators.

13 (2) CONGREGATE SERVICES FOR FEDERALLY
14 ASSISTED HOUSING.—For contracts under section
15 802 of the Cranston-Gonzalez National Affordable
16 Housing Act (42 U.S.C. 8011) to provide congregate
17 services programs for eligible residents of eligible
18 housing projects under subparagraphs (B) through
19 (D) of subsection (k)(6) of such section.

1 **TITLE III—EXPANDING HOUSING**
 2 **OPPORTUNITIES FOR THE EL-**
 3 **DERLY AND PERSONS WITH**
 4 **DISABILITIES**

5 **Subtitle A—Housing for the Elderly**

6 **SEC. 301. MATCHING GRANT PROGRAM.**

7 Section 202 of the Housing Act of 1959 (12 U.S.C.
 8 1701q) is amended—

9 (1) in subsection (b), in the second sentence, by
 10 inserting “or through matching grants under sub-
 11 section (c)(4)” after “subsection (c)(1)”; and

12 (2) in subsection (c), by adding at the end the
 13 following:

14 “(4) MATCHING GRANTS.—

15 “(A) IN GENERAL.—

16 “(i) 15 PERCENT MINIMUM.—

17 Amounts made available for assistance
 18 under this paragraph shall be used only for
 19 capital advances in accordance with para-
 20 graph (1), except that the Secretary shall
 21 require that, as a condition of providing
 22 assistance under this paragraph for a
 23 project, the applicant for assistance shall
 24 supplement the assistance with amounts
 25 from sources other than this section in an

1 amount that is not less than 15 percent of
2 the amount of assistance provided pursu-
3 ant to this paragraph for the project.

4 “(ii) PREFERENCE.—In providing as-
5 sistance under this paragraph, the Sec-
6 retary shall take into consideration the de-
7 gree to which the applicant will supplement
8 that assistance with amounts from sources
9 other than this section and, all other fac-
10 tors being equal, shall give preference to
11 applicants whose supplemental assistance
12 is equal to the highest percentage of the
13 amount of assistance provided pursuant to
14 this paragraph for the project.

15 “(B) REQUIREMENT FOR NON-FEDERAL
16 FUNDS.—Not less than 50 percent of supple-
17 mental amounts provided for a project pursuant
18 to subparagraph (A) shall be from non-Federal
19 sources. Such supplemental amounts may in-
20 clude the value of any in-kind contributions, in-
21 cluding donated land, structures, equipment,
22 and other contributions as the Secretary con-
23 siders appropriate, but only if the existence of
24 such in-kind contributions results in the con-
25 struction of more dwelling units than would

1 have been constructed absent such contribu-
2 tions.

3 “(C) INCOME ELIGIBILITY.—Notwith-
4 standing any other provision of this section, the
5 Secretary shall provide that, in a project as-
6 sisted under this paragraph, a number of dwell-
7 ing units may be made available for occupancy
8 by elderly persons who are not very low-income
9 persons in a number such that the ratio that
10 the number of dwelling units in the project so
11 occupied bears to the total number of units in
12 the project does not exceed the ratio that the
13 amount from non-Federal sources provided for
14 the project pursuant to this paragraph bears to
15 the sum of the capital advances provided for the
16 project under this paragraph and all supple-
17 mental amounts for the project provided pursu-
18 ant to this paragraph.”.

19 **SEC. 302. ELIGIBILITY OF FOR-PROFIT LIMITED PARTNER-**
20 **SHIPS.**

21 Section 202(k)(4) of the Housing Act of 1959 (12
22 U.S.C. 1701q(k)(4)) is amended by inserting after sub-
23 paragraph (C) the following:

24 “Such term includes a for-profit limited partnership
25 the sole general partner of which is an organization

1 meeting the requirements under subparagraphs (A),
 2 (B), and (C), or a corporation wholly owned and
 3 controlled by an organization meeting the require-
 4 ments under subparagraphs (A), (B), and (C).”.

5 **SEC. 303. MIXED FUNDING SOURCES.**

6 Section 202(h)(6) of the Housing Act of 1959 (12
 7 U.S.C. 1701q(h)(6)) is amended by striking “non-Federal
 8 sources” and inserting “sources other than this section”.

9 **SEC. 304. AUTHORITY TO ACQUIRE STRUCTURES.**

10 Section 202 of the Housing Act of 1959 (12 U.S.C.
 11 1701q) is amended—

12 (1) in subsection (b), by striking “from the
 13 Resolution Trust Corporation”; and

14 (2) in subsection (h)(2)—

15 (A) in the paragraph heading, by striking
 16 “RTC PROPERTIES” and inserting “ACQUISI-
 17 TION”; and

18 (B) by striking “from the Resolution” and
 19 all that follows through “Insurance Act”.

20 **SEC. 305. MIXED-INCOME OCCUPANCY.**

21 (a) IN GENERAL.—The first sentence of section
 22 202(i)(1) of the Housing Act of 1959 (12 U.S.C.
 23 1701q(i)(1)) is amended by striking “and (B)” and insert-
 24 ing the following: “(B) notwithstanding subparagraph (A)
 25 and in the case only of a supportive housing project for

1 the elderly that has a high vacancy level (as defined by
 2 the Secretary, except that such term shall not include va-
 3 cancy upon the initial availability of units in a building),
 4 consistent with the purpose of improving housing opportu-
 5 nities for very low- and low-income elderly persons; and
 6 (C).”.

7 (b) AVAILABILITY OF UNITS.—Section 202(i) of the
 8 Housing Act of 1959 (12 U.S.C. 1701q(i)) is amended by
 9 adding at the end the following:

10 “(3) AVAILABILITY OF UNITS.—In the case of
 11 a supportive housing project described in paragraph
 12 (1)(B) that has a vacant dwelling unit, an owner
 13 may not make a dwelling unit available for occu-
 14 pancy by, nor make any commitment to provide oc-
 15 cupancy in the unit to—

16 “(A) a low-income family that is not a very
 17 low-income family unless each eligible very low-
 18 income family that has applied for occupancy in
 19 the project has been offered an opportunity to
 20 accept occupancy in a unit in the project; and

21 “(B) a low-income elderly person who is
 22 not a very low-income elderly person, unless the
 23 owner certifies to the Secretary that the owner
 24 has engaged in affirmative marketing and out-
 25 reach to very low-income elderly persons.”.

1 (c) CONFORMING AMENDMENTS.—Section 202 of the
 2 Housing Act of 1959 (12 U.S.C. 1701q) is amended—

3 (1) in subsection (c)—

4 (A) in paragraph (1), by inserting before
 5 “in accordance with this section” the following:
 6 “, and for low-income elderly persons to the ex-
 7 tent such occupancy is made available pursuant
 8 to subsection (i)(1)(B),”;

9 (B) in the first sentence of paragraph (2),
 10 by inserting after “elderly persons” the fol-
 11 lowing: “or by low-income elderly persons (to
 12 the extent such occupancy is made available
 13 pursuant to subsection (i)(1)(B))”; and

14 (C) in paragraph (3), by inserting after
 15 “very low-income person” the following: “or a
 16 low-income person (to the extent such occu-
 17 pancy is made available pursuant to subsection
 18 (i)(1)(B))”;

19 (2) in subsection (d)(1), by inserting after “el-
 20 derly persons” the following: “, and low-income el-
 21 derly persons to the extent such occupancy is made
 22 available pursuant to subsection (i)(1)(B),”;

23 (3) in subsection (k)—

1 (A) by redesignating paragraphs (3)
 2 through (8) as paragraphs (4) through (9), re-
 3 spectively; and

4 (B) by inserting after paragraph (2) the
 5 following:

6 “(3) LOW-INCOME.—The term ‘low-income’ has
 7 the meaning given the term ‘low-income families’
 8 under section 3(b)(2) of the United States Housing
 9 Act of 1937 (42 U.S.C. 1437a(b)(2)).”.

10 **SEC. 306. USE OF PROJECT RESERVES.**

11 Section 202(j) of the Housing Act of 1959 (12 U.S.C.
 12 1701q(j)) is amended by adding at the end the following:

13 “(8) USE OF PROJECT RESERVES.—Amounts
 14 for project reserves for a project assisted under this
 15 section may be used for costs, subject to reasonable
 16 limitations as the Secretary determines appropriate,
 17 for reducing the number of dwelling units in the
 18 project. Such use shall be subject to the approval of
 19 the Secretary to ensure that the use is designed to
 20 retrofit units that are currently obsolete or unmar-
 21 ketable.”.

22 **SEC. 307. COMMERCIAL ACTIVITIES.**

23 Section 202(h)(1) of the Housing Act of 1959 (12
 24 U.S.C. 1701q(h)(1)) is amended by adding at the end the
 25 following: “Neither this section nor any other provision of

1 law may be construed as prohibiting or preventing the lo-
 2 cation and operation, in a project assisted under this sec-
 3 tion, of commercial facilities for the benefit of residents
 4 of the project and the community in which the project is
 5 located, except that assistance made available under this
 6 section may not be used to subsidize any such commercial
 7 facility.”.

8 **SEC. 308. MIXED FINANCE PILOT PROGRAM.**

9 (a) **AUTHORITY.**—The Secretary shall carry out a
 10 pilot program under this section to determine the effec-
 11 tiveness and feasibility of providing assistance under sec-
 12 tion 202 of the Housing Act of 1959 (12 U.S.C. 1701q)
 13 for housing projects that are used both for supportive
 14 housing for the elderly and for other types of housing,
 15 which may include market rate housing.

16 (b) **SCOPE.**—Under the pilot program the Secretary
 17 shall provide, to the extent that sufficient approvable ap-
 18 plications for such assistance are received, assistance in
 19 the manner provided under subsection (d) for not more
 20 than 5 housing projects.

21 (c) **MIXED USE.**—The Secretary shall, for a project
 22 to be assisted under the pilot program—

23 (1) require that a minimum number of the
 24 dwelling units in the project be reserved for use in
 25 accordance with, and subject to, the requirements

1 applicable to units assisted under section 202 of the
2 Housing Act of 1959, such that the ratio that the
3 number of dwelling units in the project so reserved
4 bears to the total number of units in the project is
5 not less than the ratio that the amount of assistance
6 from such section 202 used for the project pursuant
7 to subsection (d) bears to the total amount of assist-
8 ance provided for the project under this section; and
9 (2) provide that the remainder of the dwelling
10 units in the project may be used for assistance to
11 persons who are not very low-income.

12 (d) FINANCING.—The Secretary may use amounts
13 provided for assistance under section 202 of the Housing
14 Act of 1959 for assistance under the pilot program for
15 capital advances in accordance with subsection (c)(1) of
16 such section and project rental assistance in accordance
17 with subsection (c)(2) of such section, only for dwelling
18 units described in subsection (c)(1) of this section. Any
19 assistance provided pursuant to subsection (c)(1) of such
20 section 202 shall be provided in the form of a capital ad-
21 vance, subject to repayment as provided in such sub-
22 section, and shall not be structured as a loan. The Sec-
23 retary shall take such action as may be necessary to en-
24 sure that the repayment contingency under such sub-
25 section is enforceable for projects assisted under the pilot

1 program and to provide for appropriate protections of the
 2 interests of the Secretary in relation to other interests in
 3 the projects so assisted.

4 (e) REPORT.—Not later than 2 years after assistance
 5 is initially made available under the pilot program under
 6 this section, the Secretary shall submit to Congress a re-
 7 port on the results of the pilot program.

8 **SEC. 309. GRANTS FOR CONVERSION OF ELDERLY HOUSING**
 9 **TO ASSISTED LIVING FACILITIES.**

10 Title II of the Housing Act of 1959 is amended by
 11 inserting after section 202a (12 U.S.C. 1701q–1) the fol-
 12 lowing:

13 **“SEC. 202b. GRANTS FOR CONVERSION OF ELDERLY HOUS-**
 14 **ING TO ASSISTED LIVING FACILITIES.**

15 “(a) GRANT AUTHORITY.—The Secretary of Housing
 16 and Urban Development may make grants in accordance
 17 with this section to owners of eligible projects described
 18 in subsection (b) for 1 or both of the following activities:

19 “(1) REPAIRS.—Substantial capital repairs to a
 20 project that are needed to rehabilitate, modernize, or
 21 retrofit aging structures, common areas, or indi-
 22 vidual dwelling units.

23 “(2) CONVERSION.—Activities designed to con-
 24 vert dwelling units in the eligible project to assisted
 25 living facilities for elderly persons.

1 “(b) ELIGIBLE PROJECTS.—

2 “(1) IN GENERAL.—An eligible project de-
3 scribed in this subsection is a multifamily housing
4 project that is—

5 “(A) described in subparagraph (B), (C),
6 (D), (E), (F), or (G) of section 683(2) of the
7 Housing and Community Development Act of
8 1992 (42 U.S.C. 13641(2)), or (B) only to the
9 extent amounts of the Department of Agri-
10 culture are made available to the Secretary of
11 Housing and Urban Development for such
12 grants under this section for such projects, sub-
13 ject to a loan made or insured under section
14 515 of the Housing Act of 1949 (42 U.S.C.
15 1485);

16 “(B) owned by a private nonprofit organi-
17 zation (as such term is defined in section 202);
18 and

19 “(C) designated primarily for occupancy by
20 elderly persons.

21 “(2) UNUSED OR UNDERUTILIZED COMMERCIAL
22 PROPERTY.—Notwithstanding any other provision of
23 this subsection or this section, an unused or under-
24 utilized commercial property may be considered an
25 eligible project under this subsection, except that the

1 Secretary may not provide grants under this section
2 for more than 3 such properties. For any such
3 projects, any reference under this section to dwelling
4 units shall be considered to refer to the premises of
5 such properties.

6 “(c) APPLICATIONS.—Applications for grants under
7 this section shall be submitted to the Secretary in accord-
8 ance with such procedures as the Secretary shall establish.
9 Such applications shall contain—

10 “(1) a description of the substantial capital re-
11 pairs or the proposed conversion activities for which
12 a grant under this section is requested;

13 “(2) the amount of the grant requested to com-
14 plete the substantial capital repairs or conversion ac-
15 tivities;

16 “(3) a description of the resources that are ex-
17 pected to be made available, if any, in conjunction
18 with the grant under this section; and

19 “(4) such other information or certifications
20 that the Secretary determines to be necessary or ap-
21 propriate.

22 “(d) FUNDING FOR SERVICES.—The Secretary may
23 not make a grant under this section for conversion activi-
24 ties unless the application contains sufficient evidence, in
25 the determination of the Secretary, of firm commitments

1 for the funding of services to be provided in the assisted
2 living facility, which may be provided by third parties.

3 “(e) SELECTION CRITERIA.—The Secretary shall se-
4 lect applications for grants under this section based upon
5 selection criteria, which shall be established by the Sec-
6 retary and shall include—

7 “(1) in the case of a grant for substantial cap-
8 ital repairs, the extent to which the project to be re-
9 paired is in need of such repair, including such fac-
10 tors as the age of improvements to be repaired, and
11 the impact on the health and safety of residents of
12 failure to make such repairs;

13 “(2) in the case of a grant for conversion activi-
14 ties, the extent to which the conversion is likely to
15 provide assisted living facilities that are needed or
16 are expected to be needed by the categories of elder-
17 ly persons that the assisted living facility is intended
18 to serve, with a special emphasis on very low-income
19 elderly persons who need assistance with activities of
20 daily living;

21 “(3) the inability of the applicant to fund the
22 repairs or conversion activities from existing finan-
23 cial resources, as evidenced by the applicant’s finan-
24 cial records, including assets in the applicant’s resid-

1 ual receipts account and reserves for replacement ac-
 2 count;

3 “(4) the extent to which the applicant has evi-
 4 denced community support for the repairs or conver-
 5 sion, by such indicators as letters of support from
 6 the local community for the repairs or conversion
 7 and financial contributions from public and private
 8 sources;

9 “(5) in the case of a grant for conversion activi-
 10 ties, the extent to which the applicant demonstrates
 11 a strong commitment to promoting the autonomy
 12 and independence of the elderly persons that the as-
 13 sisted living facility is intended to serve;

14 “(6) in the case of a grant for conversion activi-
 15 ties, the quality, completeness, and managerial capa-
 16 bility of providing the services which the assisted liv-
 17 ing facility intends to provide to elderly residents,
 18 especially in such areas as meals, 24-hour staffing,
 19 and on-site health care; and

20 “(7) such other criteria as the Secretary deter-
 21 mines to be appropriate to ensure that funds made
 22 available under this section are used effectively.

23 “(f) DEFINITIONS.—In this section—

1 “(1) the term ‘assisted living facility’ has the
 2 meaning given such term in section 232(b) of the
 3 National Housing Act (12 U.S.C. 1715w(b)); and

4 “(2) the definitions in section 202(k) shall
 5 apply.

6 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
 7 is authorized to be appropriated for providing grants
 8 under this section such sums as may be necessary for each
 9 of fiscal years 2001, 2002, 2003, and 2004.”.

10 **SEC. 310. GRANTS FOR CONVERSION OF PUBLIC HOUSING**
 11 **PROJECTS TO ASSISTED LIVING FACILITIES.**

12 Title I of the United States Housing Act of 1937 (42
 13 U.S.C. 1437 et seq.) is amended by adding at the end
 14 the following:

15 **“SEC. 36. GRANTS FOR CONVERSION OF PUBLIC HOUSING**
 16 **TO ASSISTED LIVING FACILITIES.**

17 “(a) GRANT AUTHORITY.—The Secretary may make
 18 grants in accordance with this section to public housing
 19 agencies for use for activities designed to convert dwelling
 20 units in an eligible projects described in subsection (b) to
 21 assisted living facilities for elderly persons.

22 “(b) ELIGIBLE PROJECTS.—An eligible project de-
 23 scribed in this subsection is a public housing project (or
 24 a portion thereof) that has been designated under section
 25 7 for occupancy only by elderly persons.

1 “(c) APPLICATIONS.—Applications for grants under
2 this section shall be submitted to the Secretary in accord-
3 ance with such procedures as the Secretary shall establish.
4 Such applications shall contain—

5 “(1) a description of the proposed conversion
6 activities for which a grant under this section is re-
7 quested;

8 “(2) the amount of the grant requested;

9 “(3) a description of the resources that are ex-
10 pected to be made available, if any, in conjunction
11 with the grant under this section; and

12 “(4) such other information or certifications
13 that the Secretary determines to be necessary or ap-
14 propriate.

15 “(d) FUNDING FOR SERVICES.—The Secretary may
16 not make a grant under this section unless the application
17 contains sufficient evidence, in the determination of the
18 Secretary, of firm commitments for the funding of services
19 to be provided in the assisted living facility.

20 “(e) SELECTION CRITERIA.—The Secretary shall se-
21 lect applications for grants under this section based upon
22 selection criteria, which shall be established by the Sec-
23 retary and shall include—

24 “(1) the extent to which the conversion is likely
25 to provide assisted living facilities that are needed or

1 are expected to be needed by the categories of elder-
2 ly persons that the assisted living facility is intended
3 to serve;

4 “(2) the inability of the public housing agency
5 to fund the conversion activities from existing finan-
6 cial resources, as evidenced by the agency’s financial
7 records;

8 “(3) the extent to which the agency has evi-
9 denced community support for the conversion, by
10 such indicators as letters of support from the local
11 community for the conversion and financial contribu-
12 tions from public and private sources;

13 “(4) extent to which the applicant demonstrates
14 a strong commitment to promoting the autonomy
15 and independence of the elderly persons that the as-
16 sisted living facility is intended to serve;

17 “(5) the quality, completeness, and managerial
18 capability of providing the services which the as-
19 sisted living facility intends to provide to elderly
20 residents, especially in such areas as meals, 24-hour
21 staffing, and on-site health care; and

22 “(6) such other criteria as the Secretary deter-
23 mines to be appropriate to ensure that funds made
24 available under this section are used effectively.

1 “(f) DEFINITION.—In this section, the term ‘assisted
 2 living facility’ has the meaning given such term in section
 3 232(b) of the National Housing Act (12 U.S.C.
 4 1715w(b)).

5 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
 6 is authorized to be appropriated for providing grants
 7 under this section such sums as may be necessary for each
 8 of fiscal years 2001, 2002, 2003, and 2004.”.

9 **SEC. 311. ANNUAL HUD INVENTORY OF ASSISTED HOUSING**
 10 **DESIGNATED FOR ELDERLY PERSONS.**

11 Subtitle D of title VI of the Housing and Community
 12 Development Act of 1992 (42 U.S.C. 13611 et seq.) is
 13 amended by adding at the end the following:

14 **“SEC. 662. ANNUAL INVENTORY OF ASSISTED HOUSING**
 15 **DESIGNATED FOR ELDERLY PERSONS.**

16 “(a) IN GENERAL.—The Secretary shall establish
 17 and maintain, and on an annual basis shall update and
 18 publish, an inventory of housing that—

19 “(1) is assisted under a program of the Depart-
 20 ment of Housing and Urban Development, including
 21 all federally assisted housing; and

22 “(2) is designated, in whole or in part, for occu-
 23 pancy by elderly families or disabled families, or
 24 both.

1 “(b) CONTENTS.—The inventory required under this
2 section shall identify housing described in subsection (a)
3 and the number of dwelling units in such housing that—

4 “(1) are in projects designated for occupancy
5 only by elderly families;

6 “(2) are in projects designated for occupancy
7 only by disabled families;

8 “(3) contain special features or modifications
9 designed to accommodate persons with disabilities
10 and are in projects designated for occupancy only by
11 disabled families;

12 “(4) are in projects for which a specific per-
13 centage or number of the dwelling units are des-
14 ignated for occupancy only by elderly families;

15 “(5) are in projects for which a specific per-
16 centage or number of the dwelling units are des-
17 ignated for occupancy only by disabled families; and

18 “(6) are in projects designed for occupancy only
19 by both elderly or disabled families.

20 “(c) PUBLICATION.—The Secretary shall annually
21 publish the inventory required under this section in the
22 Federal Register and shall make the inventory available
23 to the public by posting on a World Wide Web site of the
24 Department.”.

1 **SEC. 312. TREATMENT OF APPLICATIONS.**

2 Notwithstanding any other provision of law or any
 3 regulation of the Secretary, in the case of any denial of
 4 an application for assistance under section 202 of the
 5 Housing Act of 1959 (12 U.S.C. 1701q) for failure to
 6 timely provide information required by the Secretary, the
 7 Secretary shall notify the applicant of the failure and pro-
 8 vide the applicant an opportunity to show that the failure
 9 was due to the failure of a third party to provide informa-
 10 tion under the control of the third party. If the applicant
 11 demonstrates, within a reasonable period of time after no-
 12 tification of such failure, that the applicant did not have
 13 such information but requested the timely provision of
 14 such information by the third party, the Secretary may
 15 not deny the application solely on the grounds of failure
 16 to timely provide such information.

17 **Subtitle B—Housing for Persons**
 18 **With Disabilities**

19 **SEC. 321. MATCHING GRANT PROGRAM.**

20 Section 811 of the Cranston-Gonzalez National Af-
 21 fordable Housing Act (42 U.S.C. 8013) is amended—

22 (1) in subsection (b)(2)(A), by inserting “or
 23 through matching grants under subsection (d)(5)”
 24 after “subsection (d)(1)”; and

25 (2) in subsection (d), by adding at the end the
 26 following:

1 “(5) MATCHING GRANTS.—

2 “(A) IN GENERAL.—

3 “(i) 15 PERCENT MINIMUM.—

4 Amounts made available for assistance
5 under this paragraph shall be used only for
6 capital advances in accordance with para-
7 graph (1), except that the Secretary shall
8 require that, as a condition of providing
9 assistance under this paragraph for a
10 project, the applicant for assistance shall
11 supplement the assistance with amounts
12 from sources other than this section in an
13 amount that is not less than 15 percent of
14 the amount of assistance provided pursu-
15 ant to this paragraph for the project.

16 “(ii) PREFERENCE.—In providing as-
17 sistance under this paragraph, the Sec-
18 retary shall take into consideration the de-
19 gree to which the applicant will supplement
20 that assistance with amounts from sources
21 other than this section and, all other fac-
22 tors being equal, shall give preference to
23 applicants whose supplemental assistance
24 is equal to the highest percentage of the

1 amount of assistance provided pursuant to
2 this paragraph for the project.

3 “(B) REQUIREMENT FOR NON-FEDERAL
4 FUNDS.—Not less than 50 percent of supple-
5 mental amounts provided for a project pursuant
6 to subparagraph (A) shall be from non-Federal
7 sources. Such supplemental amounts may in-
8 clude the value of any in-kind contributions, in-
9 cluding donated land, structures, equipment,
10 and other contributions as the Secretary con-
11 siders appropriate, but only if the existence of
12 such in-kind contributions results in the con-
13 struction of more dwelling units than would
14 have been constructed absent such contribu-
15 tions.

16 “(C) INCOME ELIGIBILITY.—Notwith-
17 standing any other provision of this section, the
18 Secretary shall provide that, in a project as-
19 sisted under this paragraph, a number of dwell-
20 ing units may be made available for occupancy
21 by persons with disabilities who are not very
22 low-income persons in a number such that the
23 ration that the number of dwelling units in the
24 project so occupied bears to the total number of
25 units in the project does not exceed the ratio

1 that the amount from non-Federal sources pro-
 2 vided for the project pursuant to this paragraph
 3 bears to the sum of the capital advances pro-
 4 vided for the project under this paragraph and
 5 all supplemental amounts for the project pro-
 6 vided pursuant to this paragraph.”.

7 **SEC. 322. ELIGIBILITY OF FOR-PROFIT LIMITED PARTNER-**
 8 **SHIPS.**

9 Section 811(k)(6) of the Housing Act of 1959 (42
 10 U.S.C. 8013(k)(6)) is amended by inserting after subpara-
 11 graph (D) the following:

12 “Such term includes a for-profit limited partnership
 13 the sole general partner of which is an organization
 14 meeting the requirements under subparagraphs (A),
 15 (B), (C), and (D) or a corporation wholly owned and
 16 controlled by an organization meeting the require-
 17 ments under subparagraphs (A), (B), (C), and
 18 (D).”.

19 **SEC. 323. MIXED FUNDING SOURCES.**

20 Section 811(h)(5) of the Cranston-Gonzalez National
 21 Affordable Housing Act (42 U.S.C. 8013(h)(5)) is amend-
 22 ed by striking “non-Federal sources” and inserting
 23 “sources other than this section”.

1 **SEC. 324. TENANT-BASED ASSISTANCE.**

2 Section 811 of the Cranston-Gonzalez National Af-
3 fordable Housing Act (42 U.S.C. 8013) is amended—

4 (1) in subsection (d), by striking paragraph (4)
5 and inserting the following:

6 “(4) TENANT-BASED RENTAL ASSISTANCE.—

7 “(A) ADMINISTERING ENTITIES.—Tenant-
8 based rental assistance provided under sub-
9 section (b)(1) may be provided only through a
10 public housing agency that has submitted and
11 had approved an plan under section 7(d) of the
12 United States Housing Act of 1937 (42 U.S.C.
13 1437e(d)) that provides for such assistance, or
14 through a private nonprofit organization. A
15 public housing agency shall be eligible to apply
16 under this section only for the purposes of pro-
17 viding such tenant-based rental assistance.

18 “(B) PROGRAM RULES.—Tenant-based
19 rental assistance under subsection (b)(1) shall
20 be made available to eligible persons with dis-
21 abilities and administered under the same rules
22 that govern tenant-based rental assistance made
23 available under section 8 of the United States
24 Housing Act of 1937, except that the Secretary
25 may waive or modify such rules, but only to the
26 extent necessary to provide for administering

such assistance under subsection (b)(1) through private nonprofit organizations rather than through public housing agencies.

“(C) ALLOCATION OF ASSISTANCE.—In determining the amount of assistance provided under subsection (b)(1) for a private nonprofit organization or public housing agency, the Secretary shall consider the needs and capabilities of the organization or agency, in the case of a public housing agency, as described in the plan for the agency under section 7 of the United States Housing Act of 1937.”; and
(2) in subsection (l)(1)—

(A) by striking “subsection (b)” and inserting “subsection (b)(2)”;

(B) by striking the last comma and all that follows through “subsection (n)”;

(C) by adding at the end the following:
“Notwithstanding any other provision of this section, the Secretary may use not more than 25 percent of the total amounts made available for assistance under this section for any fiscal year for tenant-based rental assistance under subsection (b)(1) for persons with disabilities, and no authority of the Secretary to waive pro-

1 visions of this section may be used to alter the
2 percentage limitation under this sentence.”.

3 **SEC. 325. USE OF PROJECT RESERVES.**

4 Section 811(j) of the Cranston-Gonzalez National Af-
5 fordable Housing Act (42 U.S.C. 8013(j)) is amended by
6 adding at the end the following:

7 “(7) USE OF PROJECT RESERVES.—Amounts
8 for project reserves for a project assisted under this
9 section may be used for costs, subject to reasonable
10 limitations as the Secretary determines appropriate,
11 for reducing the number of dwelling units in the
12 project. Such use shall be subject to the approval of
13 the Secretary to ensure that the use is designed to
14 retrofit units that are currently obsolete or unmar-
15 ketable.”.

16 **SEC. 326. COMMERCIAL ACTIVITIES.**

17 Section 811(h)(1) of the Cranston-Gonzalez National
18 Affordable Housing Act (42 U.S.C. 8013(h)(1)) is amend-
19 ed by adding at the end the following: “Neither this sec-
20 tion nor any other provision of law may be construed as
21 prohibiting or preventing the location and operation, in a
22 project assisted under this section, of commercial facilities
23 for the benefit of residents of the project and the commu-
24 nity in which the project is located, except that assistance

1 made available under this section may not be used to sub-
 2 sidize any such commercial facility.”.

3 **Subtitle C—Other Provisions**

4 **SEC. 341. SERVICE COORDINATORS.**

5 (a) INCREASED FLEXIBILITY FOR USE OF SERVICE
 6 COORDINATORS IN CERTAIN FEDERALLY ASSISTED
 7 HOUSING.—Section 676 of the Housing and Community
 8 Development Act of 1992 (42 U.S.C. 13632) is
 9 amended—

10 (1) in the section heading, by striking “**MULTI-**
 11 **FAMILY HOUSING ASSISTED UNDER NATIONAL**
 12 **HOUSING ACT**” and inserting “**CERTAIN FEDER-**
 13 **ALLY ASSISTED HOUSING**”;

14 (2) in subsection (a)—

15 (A) in the first sentence, by striking “(E)
 16 and (F)” and inserting “(B), (C), (D), (E),
 17 (F), and (G)”; and

18 (B) in the last sentence—

19 (i) by striking “section 661” and in-
 20 serting “section 671”; and

21 (ii) by adding at the end the fol-
 22 lowing: “A service coordinator funded with
 23 a grant under this section for a project
 24 may provide services to low-income elderly

1 or disabled families living in the vicinity of
 2 such project.”;

3 (3) in subsection (d)—

4 (A) by striking “(E) or (F)” and inserting
 5 “(B), (C), (D), (E), (F), or (G)”; and

6 (B) by striking “section 661” and insert-
 7 ing “section 671”; and

8 (4) by striking subsection (c) and redesignating
 9 subsection (d) (as amended by paragraph (3) of this
 10 subsection) as subsection (c).

11 (b) REQUIREMENT TO PROVIDE SERVICE COORDINA-
 12 TORS.—Section 671 of the Housing and Community De-
 13 velopment Act of 1992 (42 U.S.C. 13631) is amended—

14 (1) in the first sentence of subsection (a), by
 15 striking “to carry out this subtitle pursuant to the
 16 amendments made by this subtitle” and inserting
 17 the following: “for providing service coordinators
 18 under this section”;

19 (2) in subsection (d), by inserting “)” after
 20 “section 683(2)”; and

21 (3) by adding at the end following:

22 “(e) SERVICES FOR LOW-INCOME ELDERLY OR DIS-
 23 ABLED FAMILIES RESIDING IN VICINITY OF CERTAIN
 24 PROJECTS.—To the extent only that this section applies
 25 to service coordinators for covered federally assisted hous-

1 ing described in subparagraphs (B), (C), (D), (E), (F),
 2 and (G) of section 683(2), any reference in this section
 3 to elderly or disabled residents of a project shall be con-
 4 strued to include low-income elderly or disabled families
 5 living in the vicinity of such project.”.

6 (c) PROTECTION AGAINST TELEMARKETING
 7 FRAUD.—

8 (1) SUPPORTIVE HOUSING FOR THE ELDER-
 9 LY.—The first sentence of section 202(g)(1) of the
 10 Housing Act of 1959 (12 U.S.C. 1701q(g)(1)) is
 11 amended by striking “and (F)” and inserting the
 12 following: “(F) providing education and outreach re-
 13 garding telemarketing fraud, in accordance with the
 14 standards issued under section 671(f) of the Hous-
 15 ing and Community Development Act of 1992 (42
 16 U.S.C. 13631(f)); and (G)”.

17 (2) OTHER FEDERALLY ASSISTED HOUSING.—
 18 Section 671 of the Housing and Community Devel-
 19 opment Act of 1992 (42 U.S.C. 13631), as amended
 20 by subsection (b) of this section, is further
 21 amended—

22 (A) in the first sentence of subsection (c),
 23 by inserting after “response,” the following:
 24 “education and outreach regarding tele-

1 marketing fraud in accordance with the stand-
 2 ards issued under subsection (f),”; and

3 (B) by adding at the end the following:

4 “(f) PROTECTION AGAINST TELEMARKETING
 5 FRAUD.—

6 “(1) IN GENERAL.—The Secretary, in coordina-
 7 tion with the Secretary of Health and Human Serv-
 8 ices, shall establish standards for service coordina-
 9 tors in federally assisted housing who are providing
 10 education and outreach to elderly persons residing in
 11 such housing regarding telemarketing fraud. The
 12 standards shall be designed to ensure that such edu-
 13 cation and outreach informs such elderly persons of
 14 the dangers of telemarketing fraud and facilitates
 15 the investigation and prosecution of telemarketers
 16 engaging in fraud against such residents.

17 “(2) CONTENTS.—The standards established
 18 under this subsection shall require that any such
 19 education and outreach be provided in a manner
 20 that—

21 “(A) informs such residents of—

22 “(i) the prevalence of telemarketing
 23 fraud targeted against elderly persons;

24 “(ii) how telemarketing fraud works;

1 “(iii) how to identify telemarketing
2 fraud;

3 “(iv) how to protect themselves
4 against telemarketing fraud, including an
5 explanation of the dangers of providing
6 bank account, credit card, or other finan-
7 cial or personal information over the tele-
8 phone to unsolicited callers;

9 “(v) how to report suspected attempts
10 at telemarketing fraud; and

11 “(vi) their consumer protection rights
12 under Federal law;

13 “(B) provides such other information as
14 the Secretary considers necessary to protect
15 such residents against fraudulent telemarketing;
16 and

17 “(C) disseminates the information provided
18 by appropriate means, and in determining such
19 appropriate means, the Secretary shall consider
20 on-site presentations at federally assisted hous-
21 ing, public service announcements, a printed
22 manual or pamphlet, an Internet website, and
23 telephone outreach to residents whose names
24 appear on ‘mooch lists’ confiscated from fraud-
25 ulent telemarketers.”.

1 **TITLE IV—PRESERVATION OF**
2 **AFFORDABLE HOUSING STOCK**

3 **SEC. 401. MATCHING GRANT PROGRAM FOR AFFORDABLE**
4 **HOUSING PRESERVATION.**

5 (a) FINDINGS AND PURPOSES.—

6 (1) FINDINGS.—Congress finds that—

7 (A) availability of low-income housing rent-
8 al units has declined nationwide in the last sev-
9 eral years;

10 (B) as rents for low-income housing in-
11 crease and the development of new units of af-
12 fordable housing decreases, there are fewer pri-
13 vately owned, federally assisted affordable hous-
14 ing units available to low-income individuals in
15 need;

16 (C) the demand for affordable housing far
17 exceeds the supply of such housing, as evi-
18 denced by recent studies; and

19 (D) the efforts of nonprofit organizations
20 have significantly preserved and expanded ac-
21 cess to low-income housing.

22 (2) PURPOSES.—The purposes of this section
23 are—

24 (A) to continue the partnerships among
25 the Federal Government, State and local gov-

ernments, nonprofit organizations, and the private sector in operating and assisting housing that is affordable to low-income persons and families;

(B) to promote the preservation of affordable housing units by providing matching grants to States and localities that have developed and funded programs for the preservation of privately owned housing that is affordable to low-income families and persons; and

(C) to minimize the involuntary displacement of tenants who are currently residing in such housing, many of whom are elderly or disabled persons and families with children.

(b) DEFINITIONS.—In this section:

(1) CAPITAL EXPENDITURES.—The term “capital expenditures” includes expenditures for acquisition and rehabilitation.

(2) LOW-INCOME AFFORDABILITY RESTRICTIONS.—The term “low-income affordability restrictions” means, with respect to a housing project, any limitations imposed by law, regulation, or regulatory agreement on rents for tenants of the project, rent contributions for tenants of the project, or income-eligibility for occupancy in the project.

1 (3) PROJECT-BASED ASSISTANCE.—The term
2 “project-based assistance” has the meaning given
3 such term in section 16(c) of the United States
4 Housing Act of 1937 (42 U.S.C. 1437n(c)), except
5 that such term includes assistance under any suc-
6 cessor programs to the programs referred to in such
7 section.

8 (4) SECRETARY.—The term “Secretary” means
9 the Secretary of Housing and Urban Development.

10 (5) STATE.—The term “State” means each of
11 the several States and the District of Columbia.

12 (c) AUTHORITY.—The Secretary shall, to the extent
13 amounts are made available in advance under subsection
14 (k), award grants under this section to States and local-
15 ities for low-income housing preservation and promotion.

16 (d) APPLICATIONS.—The Secretary shall provide for
17 States and localities (through appropriate State and local
18 agencies) to submit applications for grants under this sec-
19 tion. The Secretary shall require the applications to con-
20 tain any information and certifications necessary for the
21 Secretary to determine who is eligible to receive such a
22 grant.

23 (e) USE OF GRANTS.—

24 (1) ELIGIBLE USES.—

1 (A) IN GENERAL.—Amounts from grants
 2 awarded under this section may be used by
 3 States and localities only for the purpose of
 4 providing assistance for acquisition, rehabilita-
 5 tion, operating costs, and capital expenditures
 6 for a housing project that meets the require-
 7 ments under paragraph (2), (3), (4), or (5).

8 (B) FACTORS FOR CONSIDERATION.—In
 9 selecting projects described in subparagraph (A)
 10 for assistance with amounts from a grant
 11 awarded under this section, the State or locality
 12 shall—

13 (i) take into consideration—

14 (I) whether the assistance will be
 15 used to transfer the project to a resi-
 16 dent-endorsed nonprofit organization;

17 (II) whether the owner of the
 18 project has extended the low-income
 19 affordability restrictions on the
 20 project for a period of more than 15
 21 years;

22 (III) the extent to which the
 23 project is consistent with the com-
 24 prehensive housing affordability strat-
 25 egy approved in accordance with sec-

tion 105 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705) for the jurisdiction in which the project is located;

(IV) the extent to which the project location provides access to transportation, jobs, shopping, and other similar conveniences;

(V) the extent to which the project meets fair housing goals;

(VI) the extent to which the project serves specific needs that are not otherwise met by the local market, such as housing for the elderly or disabled, or families with children;

(VII) the extent of local government resources provided to the project; and

(VIII) such other factors as the Secretary or the State or locality may establish; and

(ii) States receiving funds shall ensure that, to the maximum extent practicable, projects in both urban and rural areas in the State receive assistance.

1 (2) PROJECTS WITH HUD-INSURED MORT-
2 GAGES.—A project meets the requirements under
3 this paragraph only if—

4 (A) the project is financed by a loan or
5 mortgage that is—

6 (i) insured or held by the Secretary
7 under section 221(d)(3) of the National
8 Housing Act (12 U.S.C. 1715l(d)(3)) and
9 receiving loan management assistance
10 under section 8 of the United States Hous-
11 ing Act of 1937 (42 U.S.C. 1437f) due to
12 a conversion from section 101 of the Hous-
13 ing and Urban Development Act of 1965
14 (12 U.S.C. 1701s);

15 (ii) insured or held by the Secretary
16 and bears interest at a rate determined
17 under the proviso of section 221(d)(5) of
18 the National Housing Act (12 U.S.C.
19 1715l(d)(5)); or

20 (iii) insured, assisted, or held by the
21 Secretary or a State or State agency under
22 section 236 of the National Housing Act
23 (12 U.S.C. 1715z-1);

1 (B) the project is subject to an uncondi-
 2 tional waiver of, with respect to the mortgage
 3 referred to in subparagraph (A)—

4 (i) all rights to any prepayment of the
 5 mortgage; and

6 (ii) all rights to any voluntary termi-
 7 nation of the mortgage insurance contract
 8 for the mortgage; and

9 (C) if the low-income affordability restric-
 10 tions on the project are for less than 15 years,
 11 the owner of the project has entered into bind-
 12 ing commitments (applicable to any subsequent
 13 owner) to extend those restrictions, including
 14 any such restrictions imposed because of any
 15 contract for project-based assistance for the
 16 project, for a period of not less than 15 years
 17 (beginning on the date on which assistance is
 18 made available for the project by the State or
 19 locality under this section).

20 (3) PROJECTS WITH SECTION 8 PROJECT-BASED
 21 ASSISTANCE.—A project meets the requirements
 22 under this paragraph only if—

23 (A) the project is subject to a contract for
 24 project-based assistance; and

1 (B) the owner of the project has entered
 2 into binding commitments (applicable to any
 3 subsequent owner)—

4 (i) to continue to renew such contract
 5 (if offered on the same terms and condi-
 6 tions) until the later of—

7 (I) the last day of the remaining
 8 term of the mortgage; or

9 (II) the date that is 15 years
 10 after the date on which assistance is
 11 made available for the project by the
 12 State or locality under this subsection;
 13 and

14 (ii) to extend any low-income afford-
 15 ability restrictions applicable to the project
 16 in connection with such assistance.

17 (4) PROJECTS PURCHASED BY RESIDENTS.—A
 18 project meets the requirements under this paragraph
 19 only if the project—

20 (A) is or was eligible low-income housing
 21 (as defined in section 229 of the Low-Income
 22 Housing Preservation and Resident Home-
 23 ownership Act of 1990 (42 U.S.C. 4119)) or is
 24 or was a project assisted under section 613(b)

1 of the Cranston-Gonzalez National Affordable
2 Housing Act (12 U.S.C. 4125(b));

3 (B) has been purchased by a resident
4 council or resident-approved nonprofit organiza-
5 tion for the housing or is approved by the Sec-
6 retary for such purchase, for conversion to
7 homeownership housing under a resident home-
8 ownership program meeting the requirements
9 under section 226 of such Act (12 U.S.C.
10 4116); and

11 (C) the owner of the project has entered
12 into binding commitments (applicable to any
13 subsequent owner) to extend such assistance for
14 not less than 15 years (beginning on the date
15 on which assistance is made available for the
16 project by the State or locality under this sec-
17 tion) and to extend any low-income affordability
18 restrictions applicable to the project in connec-
19 tion with such assistance.

20 (5) RURAL RENTAL ASSISTANCE PROJECTS.—A
21 project meets the requirements of this paragraph
22 only if—

23 (A) the project is a rural rental housing
24 project financed under section 515 of the Hous-
25 ing Act of 1949 (42 U.S.C. 1485); and

(B) the restriction on the use of the project (as required under section 502 of the Housing Act of 1949 (42 U.S.C. 1472)) will expire not later than 12 months after the date on which assistance is made available for the project by the State or locality under this subsection.

(f) AMOUNT OF STATE AND LOCAL GRANTS.—

(1) IN GENERAL.—Subject to subsection (g), in each fiscal year, the Secretary shall award to each State and locality approved for a grant under this section a grant in an amount based upon the proportion of such State's or locality's need for assistance under this section (as determined by the Secretary in accordance with paragraph (2)) to the aggregate need among all States and localities approved for such assistance for such fiscal year.

(2) DETERMINATION OF NEED.—In determining the proportion of a State's or locality's need under paragraph (1), the Secretary shall consider—

(A) the number of units in projects in the State or locality that are eligible for assistance under section 6 that, due to market conditions or other factors, are at risk for prepayment,

1 opt-out, or otherwise at risk of being lost to the
2 inventory of affordable housing; and

3 (B) the difficulty that residents of projects
4 in the State or locality that are eligible for as-
5 sistance under subsection (e) would face in
6 finding adequate, available, decent, comparable,
7 and affordable housing in neighborhoods of
8 comparable quality in the local market, if those
9 projects were not assisted by the State or local-
10 ity under subsection (e).

11 (g) MATCHING REQUIREMENT.—

12 (1) IN GENERAL.—The Secretary may not
13 award a grant under this section to a State or local-
14 ity for any fiscal year in an amount that exceeds
15 twice the amount that the State or locality certifies,
16 as the Secretary shall require, that the State or lo-
17 cality will contribute for such fiscal year, or has con-
18 tributed since January 1, 2000, from non-Federal
19 sources for the purposes described in subsection
20 (e)(1).

21 (2) TREATMENT OF PREVIOUS CONTRIBU-
22 TIONS.—Any portion of amounts contributed after
23 January 1, 2000, that are counted for purposes of
24 meeting the requirement under paragraph (1) for a

1 fiscal year may not be counted for such purposes for
2 any subsequent fiscal year.

3 (3) TREATMENT OF TAX INCENTIVES.—Fifty
4 percent of the funds used for the project that are al-
5 locable to tax credits allocated under section 42 of
6 the Internal Revenue Code of 1986, revenue from
7 mortgage revenue bonds issued under section 143 of
8 such Code, or proceeds from the sale of tax-exempt
9 bonds by any State or local government entity shall
10 be considered non-Federal sources for purposes of
11 this subsection.

12 (h) TREATMENT OF SUBSIDY LAYERING REQUIRE-
13 MENTS.—Neither subsection (g) nor any other provision
14 of this section may be construed to prevent the use of tax
15 credits allocated under section 42 of the Internal Revenue
16 Code of 1986 in connection with housing assisted with
17 amounts from a grant awarded under this section, to the
18 extent that such use is in accordance with section 102(d)
19 of the Department of Housing and Urban Development
20 Reform Act of 1989 (42 U.S.C. 3545(d)) and section 911
21 of the Housing and Community Development Act of 1992
22 (42 U.S.C. 3545 note).

23 (i) REPORTS.—

24 (1) REPORTS TO SECRETARY.—Not later than
25 90 days after the last day of each fiscal year, each

1 State and locality that receives a grant under this
 2 section during that fiscal year shall submit to the
 3 Secretary a report on the housing projects assisted
 4 with amounts made available under the grant.

5 (2) REPORTS TO CONGRESS.—Based on the re-
 6 ports submitted under paragraph (1), the Secretary
 7 shall annually submit to Congress a report on the
 8 grants awarded under this section during the pre-
 9 ceding fiscal year and the housing projects assisted
 10 with amounts made available under those grants.

11 (j) REGULATIONS.—Not later than 12 months after
 12 the date of enactment of this Act, the Secretary shall issue
 13 regulations to carry out this section.

14 (k) AUTHORIZATION OF APPROPRIATIONS.—There is
 15 authorized to be appropriated for grants under this section
 16 such sums as may be necessary for each of fiscal years
 17 2001 through 2004.

18 **SEC. 402. ASSISTANCE FOR NONPROFIT PURCHASERS PRE-**
 19 **SERVING AFFORDABLE HOUSING.**

20 (a) CONGRESSIONAL FINDINGS.—Congress finds
 21 that—

22 (1) a substantial number of existing federally
 23 assisted or federally insured multifamily properties
 24 are at risk of being lost from the affordable housing

1 inventory of the Nation through market rate conver-
2 sion, deterioration, or demolition;

3 (2) it is in the interests of the Nation to en-
4 courage transfer of control of such properties to
5 competent national, regional, and local nonprofit en-
6 tities and intermediaries whose missions involve
7 maintaining the affordability of such properties;

8 (3) such transfers may be inhibited by a short-
9 age of such entities that are appropriately capital-
10 ized; and

11 (4) the Nation would be well served by pro-
12 viding assistance to such entities to aid in accom-
13 plishing this purpose.

14 (b) GRANTS.—The Secretary may make grants, to
15 the extent amounts are made available for such grants,
16 to eligible entities under subsection (c) for use only for
17 operational, working capital, and organizational expenses
18 of such entities and activities by such entities to acquire
19 eligible affordable housing for the purpose of ensuring that
20 the housing will remain affordable, as the Secretary con-
21 sidered appropriate, for low-income or very low-income fam-
22 ilies (including elderly persons).

23 (c) ELIGIBLE ENTITIES.—The Secretary shall estab-
24 lish standards for eligible entities under this subsection,

1 which shall include requirements that to be considered an
 2 eligible entity for purposes of this section an entity shall—

3 (1) be a nonprofit organization (as such term is
 4 defined in 104 of the Cranston-Gonzalez National
 5 Affordable Housing Act);

6 (2) have among its purposes maintaining the
 7 affordability to low-income or very low-income fami-
 8 lies of multifamily properties that are at risk of loss
 9 from the inventory of housing that is affordable to
 10 low-income or very low-income families; and

11 (3) demonstrate need for assistance under this
 12 section for the purposes under subsection (b), expe-
 13 rience in carrying out activities referred to in such
 14 subsection, and capability to carry out such activi-
 15 ties.

16 (d) DEFINITIONS.—In this section:

17 (1) ELIGIBLE AFFORDABLE HOUSING.—The
 18 term “eligible affordable housing” means housing
 19 that—

20 (A) consists of more than four dwelling
 21 units;

22 (B) is insured or assisted under a program
 23 of the Department of Housing and Urban De-
 24 velopment or the Department of Agriculture
 25 under which the property is subject to limita-

1 tions on tenant rents, rent contributions, or in-
2 comes; and

3 (C) is at risk, as determined by the Sec-
4 retary, of termination of any of the limitations
5 referred to in subparagraph (B).

6 (2) LOW-INCOME FAMILIES; VERY LOW-INCOME
7 FAMILIES.—The terms “low-income families” and
8 “very low-income families” have the meanings given
9 such terms in section 3(b) of the United States
10 Housing Act of 1937.

11 (e) AUTHORIZATION OF APPROPRIATIONS.—There
12 are authorized to be appropriated for grants under this
13 section such sums as may be necessary for each of fiscal
14 years 2001, 2002, 2003, and 2004.

15 **SEC. 403. SECTION 236 ASSISTANCE.**

16 Section 236(g) of the National Housing Act (12
17 U.S.C. 1715z–1(g)) is amended—

18 (1) in paragraph (2), by striking “Subject to
19 paragraph (3) and notwithstanding” and inserting
20 “Notwithstanding”; and

21 (2) by striking paragraph (3) and redesignating
22 paragraph (4) as paragraph (3).

23 **SEC. 404. PRESERVATION PROJECTS.**

24 Section 524(e)(1) of the Multifamily Assisted Hous-
25 ing Reform and Affordability Act of 1997 (42 U.S.C.

1 1437f note) is amended by striking “amounts are specifi-
 2 cally” and inserting “sufficient amounts are”.

3 **TITLE V—MORTGAGE INSUR-**
 4 **ANCE FOR HEALTH CARE FA-**
 5 **CILITIES AND HOME EQUITY**
 6 **CONVERSION MORTGAGES**

7 **SEC. 501. REHABILITATION OF EXISTING HOSPITALS, NURS-**
 8 **ING HOMES, AND OTHER FACILITIES.**

9 Section 223(f) of the National Housing Act (12
 10 U.S.C. 1715n(f)) is amended—

11 (1) in paragraph (1)—

12 (A) by striking “the refinancing of existing
 13 debt of an”; and

14 (B) by inserting “existing integrated serv-
 15 ice facility,” after “existing board and care
 16 home,”;

17 (2) in paragraph (4)—

18 (A) by inserting “existing integrated serv-
 19 ice facility,” after “board and care home,” each
 20 place it appears;

21 (B) in subparagraph (A), by inserting be-
 22 fore the semicolon at the end the following: “,
 23 which refinancing, in the case of a loan on a
 24 hospital, home, or facility that is within 2 years

1 of maturity, shall include a mortgage made to
 2 prepay such loan”;

3 (C) in subparagraph (B), by inserting after
 4 “indebtedness” the following: “, pay any other
 5 costs including repairs, maintenance, minor im-
 6 provements, or additional equipment which may
 7 be approved by the Secretary,”; and

8 (D) in subparagraph (D)—

9 (i) by inserting “existing” before “in-
 10 termediate care facility”; and

11 (ii) by inserting “existing” before
 12 “board and care home”; and

13 (3) by adding at the end the following:

14 “(6) In the case of purchase of an existing hos-
 15 pital (or existing nursing home, existing assisted liv-
 16 ing facility, existing intermediate care facility, exist-
 17 ing board and care home, existing integrated service
 18 facility or any combination thereof) the Secretary
 19 shall prescribe such terms and conditions as the Sec-
 20 retary deems necessary to assure that—

21 “(A) the proceeds of the insured mortgage
 22 loan will be employed only for the purchase of
 23 the existing hospital (or existing nursing home,
 24 existing assisted living facility, existing inter-
 25 mediate care facility, existing board and care

1 home, existing integrated service facility or any
2 combination thereof) including the retirement of
3 existing debt (if any), necessary costs associated
4 with the purchase and the insured mortgage fi-
5 nancing, and such other costs, including costs
6 of repairs, maintenance, improvements, and ad-
7 ditional equipment, as may be approved by the
8 Secretary;

9 “(B) such existing hospital (or existing
10 nursing home, existing assisted living facility,
11 existing intermediate care facility, existing
12 board and care home, existing integrated serv-
13 ice facility, or any combination thereof) is eco-
14 nomically viable; and

15 “(C) the applicable requirements for cer-
16 tificates, studies, and statements of section 232
17 (for the existing nursing home, existing assisted
18 living facility, intermediate care facility, board
19 and care home, existing integrated service facil-
20 ity or any combination thereof, proposed to be
21 purchased) or of section 242 (for the existing
22 hospital proposed to be purchased) have been
23 met.”.

1 **SEC. 502. NEW INTEGRATED SERVICE FACILITIES.**

2 Section 232 of the National Housing Act (12 U.S.C.
3 1715w) is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (1), by striking “are not
6 acutely ill and”;

7 (B) in paragraph (2), by striking “never-
8 theless”; and

9 (C) by adding at the end the following:

10 “(4) The development of integrated service fa-
11 cilities for the care and treatment of the elderly and
12 other persons in need of health care and related
13 services, but who do not require hospital care, and
14 the support of health care facilities which provide
15 such health care and related services (including
16 those that support hospitals (as defined in section
17 242(b))).”;

18 (2) in subsection (b)—

19 (A) in paragraph (1), by striking “acutely
20 ill and not”;

21 (B) in paragraph (4), by inserting after
22 the second period the following: “Such term in-
23 cludes a parity first mortgage or parity first
24 deed of trust, subject to such terms and condi-
25 tions as the Secretary may provide.”;

26 (C) in paragraph (6)—

1 (i) by striking subparagraph (A) and
 2 inserting the following:

3 “(A) meets all applicable licensing and reg-
 4 ulatory requirements of the State, or if there is
 5 no State law providing for such licensing and
 6 regulation by the State, meets all applicable li-
 7 censing and regulatory requirements of the mu-
 8 nicipality or other political subdivision in which
 9 the facility is located, or, in the absence of any
 10 such requirements, meets any underwriting re-
 11 quirements of the Secretary for such pur-
 12 poses;”; and

13 (ii) in subparagraph (C), by striking
 14 “and” at the end;

15 (D) in paragraph (7), by striking the pe-
 16 riod at the end and inserting “; and”; and

17 (E) by adding at the end the following:

18 “(8) the term ‘integrated service facility’ means
 19 a facility—

20 “(A) providing integrated health care deliv-
 21 ery services designed and operated to provide
 22 medical, convalescent, skilled and intermediate
 23 nursing, board and care services, assisted living,
 24 rehabilitation, custodial, personal care services,
 25 or any combination thereof, to sick, injured,

1 disabled, elderly, or infirm persons, or providing
2 services for the prevention of illness, or any
3 combination thereof;

4 “(B) designed, in whole or in part, to pro-
5 vide a continuum of care, as determined by the
6 Secretary, for the sick, injured, disabled, elder-
7 ly, or infirm;

8 “(C) providing clinical services, outpatient
9 services, including community health services
10 and medical practice facilities and group prac-
11 tice facilities, to sick, injured, disabled, elderly,
12 or infirm persons not in need of the services
13 rendered in other facilities insurable under this
14 title, or for the prevention of illness, or any
15 combination thereof; or

16 “(D)(i) designed, in whole or in part to
17 provide supportive or ancillary services to hos-
18 pitals (as defined in section 242(b)), which
19 services may include services provided by spe-
20 cial use health care facilities, professional office
21 buildings, laboratories, administrative offices,
22 and other facilities supportive or ancillary to
23 health care delivery by such hospitals; and

24 “(ii) that meet standards acceptable to the
25 Secretary, which may include standards gov-

erning licensure or State or local approval and
regulation of a mortgagor; or

“(E) that provides any combination of the
services under subparagraphs (A) through
(D).”;

(3) in subsection (d)—

(A) in the matter preceding paragraph
(1)—

(i) by inserting “board and care
home,” after “rehabilitated nursing
home,”;

(ii) by inserting “integrated service
facility,” after “assisted living facility,” the
first 2 places it appears;

(iii) by inserting “board and care
home,” after “existing nursing home,”;
and

(iv) by striking “or a board and care
home” and inserting “, board and care
home or integrated service facility”;

(B) in paragraph (2)—

(i) in the matter preceding subpara-
graph (A), by inserting before “, includ-
ing” the following: “or a public body, pub-

1 lic agency, or public corporation eligible
2 under this section”; and

3 (ii) in subparagraph (B), by striking
4 “energy conservation measures” and all
5 that follows through “95–619)” and insert-
6 ing “energy conserving improvements (as
7 defined in section 2(a))”.

8 (C) in paragraph (4)(A)—

9 (i) in the first sentence—

10 (I) by inserting “, and integrated
11 service facilities that include such
12 nursing home and intermediate care
13 facilities,” before “, the Secretary”;

14 (II) by striking “or section 1521
15 of the Public Health Service Act” and
16 inserting “of the Public Health Serv-
17 ice Act, or other applicable Federal
18 law (or, in the absence of applicable
19 Federal law, by the Secretary),”;

20 (III) by inserting “, or the por-
21 tion of an integrated service facility
22 providing such services,” before “cov-
23 ered by the mortgage,”; and

24 (IV) by inserting “or for such
25 nursing or intermediate care services

1 within an integrated service facility”
2 before “, and (ii)”;

3 (ii) in the second sentence, by insert-
4 ing “(which may be within an integrated
5 service facility)” after “home and facility”;

6 (iii) in the third sentence—

7 (I) by striking “mortgage under
8 this section” and all that follows
9 through “feasibility” and inserting the
10 following: “such mortgage under this
11 section unless (i) the proposed mort-
12 gator or applicant for the mortgage
13 insurance for the home or facility or
14 combined home or facility, or the inte-
15 grated service facility containing such
16 services, has commissioned and paid
17 for the preparation of an independent
18 study of market need for the project”;

19 (II) in clause (i)(II), by striking
20 “and its relationship to, other health
21 care facilities and” and inserting “or
22 such facilities within an integrated
23 service facility, and its relationship to,
24 other facilities providing health care”;

1 (III) in clause (i)(IV), by striking
 2 “in the event the State does not pre-
 3 pare the study,”; and

4 (IV) in clause (i)(IV), by striking
 5 “the State or”; and

6 (V) in clause (ii), by striking “or
 7 section 1521 of the Public Health
 8 Service Act” and inserting “of the
 9 Public Health Service Act, or other
 10 applicable Federal law (or, in the ab-
 11 sence of applicable Federal law, by the
 12 Secretary),”;

13 (iv) by striking the penultimate sen-
 14 tence and inserting the following: “A study
 15 commissioned or undertaken by the State
 16 in which the facility will be located shall be
 17 considered to satisfy such market study re-
 18 quirement. The proposed mortgagor or ap-
 19 plicant may reimburse the State for the
 20 cost of an independent study referred to in
 21 the preceding sentence.”; and

22 (v) in the last sentence—

23 (I) by inserting “the proposed
 24 mortgagor or applicant for mortgage

1 insurance may obtain from” after “10
2 individuals,”;

3 (II) by striking “may” and in-
4 serting “and”; and

5 (III) by inserting a comma before
6 “written support”; and

7 (D) in paragraph (4)(C)(iii), by striking
8 “the appropriate State” and inserting “any ap-
9 propriate”; and

10 (4) in subsection (i)(1), by inserting “integrated
11 service facilities,” after “assisted living facilities,”.

12 **SEC. 503. HOSPITALS AND HOSPITAL-BASED INTEGRATED**
13 **SERVICE FACILITIES.**

14 Section 242 of the National Housing Act (12 U.S.C.
15 1715z-7) is amended—

16 (1) in subsection (b)—

17 (A) in paragraph (1)—

18 (i) in subparagraph (A), by adding
19 “and” at the end;

20 (ii) by striking subparagraph (B); and

21 (iii) by redesignating subparagraph
22 (C) as subparagraph (B) and striking
23 “and” at the end;

24 (B) in paragraph (2), by striking “respect-
25 fully” and all that follows through the period at

1 the end and inserting “given such terms in sec-
 2 tion 207(a), except that the term ‘mortgage’
 3 shall include a parity first mortgage or parity
 4 first deed of trust, subject to such terms and
 5 conditions as the Secretary may provide; and”;
 6 and

7 (C) by adding at the end the following:

8 “(3) the term ‘integrated service facility’ has
 9 the meaning given the term in section 232(b).”;
 10 (2) in subsection (c), by striking “title VII of”
 11 and inserting “title VI of”;
 12 (3) in subsection (d)—

13 (A) in the matter preceding paragraph (1),
 14 by inserting after “operation,” the following:
 15 “or that covers an integrated service facility
 16 owned or to be owned by an applicant or pro-
 17 posed mortgagor that also owns a hospital in
 18 the same market area, including equipment to
 19 be used in its operation,”;

20 (B) in paragraph (1)—

21 (i) in the first sentence, by inserting
 22 before the period at the end the following:
 23 “and who, in the case of a mortgage cov-
 24 ering an integrated service facility, is also
 25 the owner of a hospital facility”; and

1 (ii) by adding at the end the fol-
2 lowing: “A mortgage insured hereunder
3 covering an integrated service facility may
4 only cover the real and personal property
5 where the eligible facility will be located.”;

6 (C) in paragraph (2)(A), by inserting “or
7 integrated service facility” before the comma;
8 and

9 (D) in paragraph (2)(B), by striking “en-
10 ergy conservation measures” and all that fol-
11 lows through “95–619)” and inserting “energy
12 conserving improvements (as defined in section
13 2(a))”;

14 (E) in paragraph (4)—

15 (i) in the first sentence—

16 (I) by inserting “for a hospital”
17 after “any mortgage”; and

18 (II) by striking “or section 1521
19 of the Public Health Service Act” and
20 inserting “of the Public Health Serv-
21 ice Act, or other applicable Federal
22 law (or, in the absence of applicable
23 Federal law, by the Secretary),”;

24 (ii) by striking the third sentence and
25 inserting the following: “If no such State

1 agency exists, or if the State agency exists
2 but is not empowered to provide a certifi-
3 cation that there is a need for the hospital
4 as set forth in subparagraph (A) of the
5 first sentence, the Secretary shall not in-
6 sure any such mortgage under this section
7 unless: (A) the proposed mortgagor or ap-
8 plicant for the hospital has commissioned
9 and paid for the preparation of an inde-
10 pendent study of market need for the pro-
11 posed project that: (i) is prepared in ac-
12 cordance with the principles established by
13 the Secretary, in consultation with the Sec-
14 retary of Health and Human Services (to
15 the extent the Secretary of Housing and
16 Urban Development considers appro-
17 priate); (ii) assesses, on a marketwide
18 basis, the impact of the proposed hospital
19 on, and its relationship to, other facilities
20 providing health care services, the percent-
21 age of excess beds, demographic projec-
22 tions, alternative health care delivery sys-
23 tems, and the reimbursement structure of
24 the hospital; (iii) is addressed to and is ac-
25 ceptable to the Secretary in form and sub-

stance; and (iv) is prepared by a financial consultant selected by the proposed mortgagor or applicant and approved by the Secretary; and (B) the State complies with the other provisions of this paragraph that would otherwise be required to be met by a State agency designated in accordance with section 604(a)(1) of the Public Health Service Act, or other applicable Federal law (or, in the absence of applicable Federal law, by the Secretary). A study commissioned or undertaken by the State in which the hospital will be located shall be considered to satisfy such market study requirement.”; and

(iii) in the last sentence, by striking “feasibility”; and

(4) in subsection (f), by inserting “and public integrated service facilities” after “public hospitals”.

SEC. 504. HOME EQUITY CONVERSION MORTGAGES.

(a) IN GENERAL.—Section 255 of the National Housing Act (12 U.S.C. 1715z–20) is amended—

(1) by redesignating subsection (k) as subsection (l); and

1 (2) by inserting after subsection (j) the fol-
2 lowing:

3 “(k) INSURANCE AUTHORITY FOR REFINANCINGS.—

4 “(1) IN GENERAL.—The Secretary may, upon
5 application by a mortgagee, insure under this sub-
6 section any mortgage given to refinance an existing
7 home equity conversion mortgage insured under this
8 section.

9 “(2) ANTI-CHURNING DISCLOSURE.—The Sec-
10 retary shall, by regulation, require that the mort-
11 gagee of a mortgage insured under this subsection,
12 provide to the mortgagor, within an appropriate time
13 period and in a manner established in such regula-
14 tions, a good faith estimate of—

15 “(A) the total cost of the refinancing; and

16 “(B) the increase in the mortgagor’s prin-
17 cipal limit as measured by the estimated initial
18 principal limit on the mortgage to be insured
19 under this subsection less the current principal
20 limit on the home equity conversion mortgage
21 that is being refinanced and insured under this
22 subsection.

23 “(3) WAIVER OF COUNSELING REQUIRE-
24 MENT.—The mortgagor under a mortgage insured
25 under this subsection may waive the applicability,

1 with respect to such mortgage, of the requirements
2 under subsection (d)(2)(B) (relating to third party
3 counseling), but only if—

4 “(A) the mortgagor has received the disclo-
5 sure required under paragraph (2);

6 “(B) the increase in the principal limit de-
7 scribed in paragraph (2) exceeds the amount of
8 the total cost of refinancing (as described in
9 such paragraph) by an amount to be deter-
10 mined by the Secretary; and

11 “(C) the time between the closing of the
12 original home equity conversion mortgage that
13 is refinanced through the mortgage insured
14 under this subsection and the application for a
15 refinancing mortgage insured under this sub-
16 section does not exceed 5 years.

17 “(4) CREDIT FOR PREMIUMS PAID.—Notwith-
18 standing section 203(c)(2)(A), the Secretary may re-
19 duce the amount of the single premium payment
20 otherwise collected under such section at the time of
21 the insurance of a mortgage refinanced and insured
22 under this subsection. The amount of the single pre-
23 mium for mortgages refinanced under this sub-
24 section shall be determined by the Secretary based
25 on an actuarial study conducted by the Secretary.

1 “(5) FEES.—The Secretary may establish a
2 limit on the origination fee that may be charged to
3 a mortgagor under a mortgage insured under this
4 subsection, except that such limitation shall provide
5 that the origination fee may be fully financed with
6 the mortgage and shall include any fees paid to cor-
7 respondent mortgagees approved by the Secretary.
8 The Secretary shall prohibit the charging of any
9 broker fees in connection with mortgages insured
10 under this subsection.”.

11 (b) REGULATIONS.—

12 (1) IN GENERAL.—Notwithstanding sections 2
13 and 3 of this Act, the Secretary shall issue any final
14 regulations necessary to implement the amendments
15 made by subsection (a) of this section, which shall
16 take effect not later than the expiration of the 180-
17 day period beginning on the date of enactment of
18 this Act.

19 (2) PROCEDURE.—The regulations under this
20 subsection shall be issued after notice and oppor-
21 tunity for public comment in accordance with the
22 procedure under section 553 of title 5, United States
23 Code, applicable to substantive rules (notwith-

- 1 standing subsections (a)(2), (b)(B), and (d)(3) of
- 2 such section).

○