

106TH CONGRESS
2D SESSION

S. 3228

To promote the development of affordable, quality rental housing in rural areas for low-income households.

IN THE SENATE OF THE UNITED STATES

OCTOBER 24 (legislative day, SEPTEMBER 22), 2000

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

A BILL

To promote the development of affordable, quality rental housing in rural areas for low-income households.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Rental Housing
5 Act of 2000”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) There is a pressing and increasing need for
9 rental housing for rural families and senior citizens:

1 (A) Two thirds of extremely low-income
2 and very low-income rural households do not
3 have access to affordable rental housing units.

4 (B) More than 900,000 rural rental house-
5 holds (10.4 percent) live in either severely or
6 moderately inadequate housing.

7 (C) Substandard housing is a problem for
8 547,000 rural renters, and approximately
9 165,000 rural rental units are overcrowded.

10 (2) Many rural United States households live
11 with serious housing problems, including a lack of
12 basic water and wastewater services, structural
13 insufficiencies, and overcrowding:

14 (A) 28 percent, or 10,400,000, rural
15 households in the United States live with some
16 kind of serious housing problem.

17 (B) Approximately 1,000,000 rural renters
18 have multiple housing problems.

19 (C) An estimated 2,600,000 rural house-
20 holds live in substandard housing with severe
21 structural damage or without indoor plumbing,
22 heat, or electricity.

23 (3) One third of all renters in rural America
24 pay more than 30 percent of their income for hous-
25 ing:

1 (A) 20 percent of rural renters pay more
2 than 50 percent of their income for housing.

3 (C) 92 percent of all rural renters with sig-
4 nificant housing problems pay more than 50
5 percent of their income for housing costs, and
6 60 percent paying more than 70 percent of
7 their income for housing.

8 (4) Rural economies are often less diverse, and
9 therefore, jobs and economic opportunity are limited:

10 (A) Factors existing in rural environments,
11 such as remoteness and low population density,
12 lead to limited access to many forces driving
13 the economy, such as technology, lending, and
14 investment.

15 (B) Local expertise is often limited in rural
16 areas where the economies are focused on farm-
17 ing and/or natural resource-based industries.

18 (5) Rural areas have less access to credit than
19 metropolitan areas:

20 (A) Banks and other investors, looking for
21 larger projects with lower risk, seek metropoli-
22 tan areas for loans and investment.

23 (B) Often, credit that is available is insuf-
24 ficient, leading to the need for interim or bridge
25 financing.

1 (C) Credit in rural areas is often more ex-
2 pensive and available at less favorable terms
3 than in metropolitan areas.

4 (6) The Federal Government investment in
5 rural rental housing has dropped during the last 10
6 years, as—

7 (A) Federal spending for rural rental hous-
8 ing has been cut by 73 percent since 1994; and

9 (B) Rural rental housing unit production
10 financed by the Federal Government has been
11 reduced by 88 percent since 1990.

12 (7) To address the scarcity of rural rental hous-
13 ing, the Federal Government must work in partner-
14 ship with State and local governments, private finan-
15 cial institutions, private philanthropic institutions,
16 and the private sector, including nonprofit organiza-
17 tions.

18 **SEC. 3. DEFINITIONS.**

19 In this Act:

20 (1) **ELIGIBLE RURAL AREA.**—The term “eligible
21 rural area” means a rural area with a population of
22 not more than 25,000, as determined by the most
23 recent decennial census of the United States, and lo-
24 cated outside an urbanized area.

1 (2) ELIGIBLE PROJECT.—The term “eligible
2 project” means a project for the acquisition, reha-
3 bilitation, or construction of rental housing and re-
4 lated facilities in an eligible rural area for occupancy
5 by low-income families.

6 (3) ELIGIBLE SPONSOR.—The term “eligible
7 sponsor” means a public agency, an Indian tribe, a
8 for-profit corporation, or a private nonprofit
9 corporation—

10 (A) a purpose of which is planning, devel-
11 oping, or managing housing or community de-
12 velopment projects in rural areas; and

13 (B) that has a record of accomplishment in
14 housing or community development and meets
15 other criteria established by the Secretary by
16 regulation.

17 (4) LOW-INCOME FAMILIES.—The term “low-in-
18 come families” has the meaning given the term in
19 section 3(b) of the United States Housing Act of
20 1937 (42 U.S.C. 1437a(b)).

21 (5) QUALIFIED INTERMEDIARY.—The term
22 “qualified intermediary” means a State, a State
23 agency designated by the Governor of the State, a
24 private nonprofit community development corpora-
25 tion, a nonprofit housing corporation, a community

1 development loan fund, or a community development
2 credit union, that—

3 (A) has a record of providing technical and
4 financial assistance for housing and community
5 development activities in rural areas; and

6 (B) has a demonstrated technical and fi-
7 nancial capacity to administer assistance made
8 available under this Act.

9 (7) SECRETARY.—The term “Secretary” means
10 the Secretary of Agriculture.

11 (8) STATE.—The term “State” means the
12 States of the United States, the Commonwealth of
13 Puerto Rico, the District of Columbia, the Common-
14 wealth of the Northern Mariana Islands, Guam, the
15 Virgin Islands, American Samoa, the Trust Terri-
16 tories of the Pacific, and any other possession of the
17 United States.

18 **SEC. 4. RURAL RENTAL HOUSING ASSISTANCE.**

19 (a) IN GENERAL.—The Secretary may, directly or
20 through 1 or more qualified intermediaries in accordance
21 with section 5, make assistance available to eligible spon-
22 sors in the form of loans, grants, interest subsidies, annu-
23 ities, and other forms of financing assistance, to finance
24 the eligible projects.

25 (b) APPLICATIONS.—

1 (1) IN GENERAL.—To be eligible to receive as-
2 sistance under this section, an eligible sponsor shall
3 submit to the Secretary, or a qualified intermediary,
4 an application in such form and containing such in-
5 formation as the Secretary shall require by regula-
6 tion.

7 (2) AFFORDABILITY RESTRICTION.—Each ap-
8 plication under this subsection shall include a certifi-
9 cation by the applicant that the housing to be ac-
10 quired, rehabilitated, or constructed with assistance
11 under this section will remain affordable for low-in-
12 come families for not less than 30 years.

13 (c) PRIORITY FOR ASSISTANCE.—In selecting among
14 applicants for assistance under this section, the Secretary,
15 or a qualified intermediary, shall give priority to providing
16 assistance to eligible projects—

17 (1) for very low-income families (as defined in
18 section 3(b) of the United States Housing Act of
19 1937 (42 U.S.C. 1437a(b)); and

20 (2) in low-income communities or in commu-
21 nities with a severe lack of affordable rental housing,
22 in eligible rural areas, as determined by the Sec-
23 retary; or

24 (3) applications submitted by public agencies,
25 Indian tribes, private nonprofit corporations or lim-

1 ited dividend corporations in which the general part-
2 ner is a non-profit entity whose principal purposes
3 include planning, developing and managing low-in-
4 come housing and community development projects.

5 (d) ALLOCATION OF ASSISTANCE.—In carrying out
6 this section, the Secretary shall allocate assistance among
7 the States, taking into account the incidence of rural sub-
8 standard housing and rural poverty in each State and the
9 State’s share of the national total of such indices.

10 (e) LIMITATIONS ON AMOUNT OF ASSISTANCE.—

11 (1) IN GENERAL.—Except as provided in para-
12 graph (2), assistance made available under this Act
13 may not exceed 50 percent of the total cost of the
14 eligible project.

15 (2) EXCEPTION.—Assistance authorized under
16 this Act shall not exceed 75 percent of the total cost
17 of the eligible project, if the project is for the acqui-
18 sition, rehabilitation, or construction of not more
19 than 20 rental housing units for use by very low-in-
20 come families.

21 **SEC. 5. DELEGATION OF AUTHORITY.**

22 (a) IN GENERAL.—The Secretary may delegate au-
23 thority for distribution of assistance to one or more quali-
24 fied intermediaries in the State. Such delegation shall be
25 for a period of not more than 3 years, and shall be subject

1 to renewal, in the discretion of the Secretary, for 1 or
2 more additional periods of not to exceed 3 years.

3 (b) SOLICITATION.—

4 (1) IN GENERAL.—The Secretary may, in the
5 discretion of the Secretary, solicit applications from
6 qualified intermediaries for a delegation of authority
7 under this section.

8 (2) CONTENTS OF APPLICATION.—Each appli-
9 cation under this subsection shall include—

10 (A) a certification that the applicant will—

11 (i) provide matching funds from
12 sources other than this Act in an amount
13 that is not less than the amount of assist-
14 ance provided to the applicant under this
15 section; and

16 (ii) distribute assistance to eligible
17 sponsors in the State in accordance with
18 section 4; and

19 (B) a description of—

20 (i) the State or the area within a
21 State to be served;

22 (ii) in the incidence of poverty and
23 substandard housing in the State or area
24 to be served;

1 (iii) the technical and financial quali-
2 fications of the applicant; and

3 (iv) the assistance sought and a pro-
4 posed plan for the distribution of such as-
5 sistance in accordance with section 4.

6 **SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

7 There is authorized to be appropriated to carry out
8 this Act \$250,000,000 for each of fiscal years 2001
9 through 2005.

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