

107TH CONGRESS
1ST SESSION

H. R. 2349

To establish the National Affordable Housing Trust Fund in the Treasury of the United States to provide for the development, rehabilitation, and preservation of decent, safe, and affordable housing for low-income families.

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 2001

Mr. SANDERS (for himself, Ms. LEE, Mr. MCHUGH, Mr. RUSH, Mrs. CLAYTON, Ms. MCKINNEY, Mr. ISRAEL, Mr. FILNER, Mrs. MEEK of Florida, Mr. KENNEDY of Rhode Island, Ms. SCHAKOWSKY, Mr. THOMPSON of Mississippi, Mr. ENGEL, Mr. COYNE, Mr. CONYERS, Mr. OWENS, Mr. SCHIFF, Mr. CAPUANO, Mr. FROST, Mr. STARK, Ms. CARSON of Indiana, Mr. DELAHUNT, Mr. KUCINICH, Mr. CUMMINGS, Mr. CLAY, Ms. VELÁZQUEZ, Ms. RIVERS, Ms. PELOSI, Mr. BLUMENAUER, Mr. MCDERMOTT, Mr. BALDACCI, Ms. MCCOLLUM, Mr. LARSEN of Washington, Ms. MCCARTHY of Missouri, Mr. FRANK, Mrs. JONES of Ohio, Mr. HASTINGS of Florida, Ms. WATERS, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. BRADY of Pennsylvania, Ms. JACKSON-LEE of Texas, Mr. ALLEN, Mr. GUTIERREZ, Mr. DAVIS of Illinois, Mr. PAYNE, Mr. FARR of California, and Mr. NADLER) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To establish the National Affordable Housing Trust Fund in the Treasury of the United States to provide for the development, rehabilitation, and preservation of decent, safe, and affordable housing for low-income 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.**

4 This Act may be cited as the “National Affordable
5 Housing Trust Fund Act of 2001”.

6 **SEC. 2. PURPOSES.**

7 The purposes of this Act are—

8 (1) to fill the growing gap in the national abil-
9 ity to build affordable housing by using profits gen-
10 erated by Federal housing programs to fund addi-
11 tional housing activities, without supplanting exist-
12 ing housing appropriations;

13 (2) to enable rental housing to be built, for
14 families with the greatest economic need, in mixed-
15 income settings and in areas with the greatest eco-
16 nomic opportunities;

17 (3) to promote homeownership for low-income
18 families; and

19 (4) to produce, rehabilitate, and preserve at
20 least 1,500,000 affordable dwelling units by 2010.

21 **SEC. 3. NATIONAL HOUSING TRUST FUND.**

22 (a) ESTABLISHMENT OF TRUST FUND.—There is es-
23 tablished in the Treasury of the United States a trust fund
24 to be known as the National Affordable Housing Trust
25 Fund, which shall be available as provided in this Act for

1 assisting the development, rehabilitation, and preservation
2 of affordable housing.

3 (b) DEPOSITS TO TRUST FUND.—For fiscal year
4 2002 and each fiscal year thereafter, there shall be appro-
5 priated to the Trust Fund an amount equal to the sum
6 of—

7 (1) any revenue generated in the previous fiscal
8 year by the Mutual Mortgage Insurance Fund estab-
9 lished under section 202(a) of the National Housing
10 Act (12 U.S.C. 1708(a)) that exceeds the amount
11 necessary for such Fund to maintain the capital
12 ratio required under section 205(f) of such Act (12
13 U.S.C. 1711(f)) at the conclusion of such preceding
14 fiscal year; and

15 (2) any revenue generated in the preceding fis-
16 cal year by the Government National Mortgage As-
17 sociation in excess of the amount necessary to pay
18 the administrative costs and expenses necessary to
19 ensure the safety and soundness of the Government
20 National Mortgage Association, as determined by
21 the Secretary.

22 (c) EXPENDITURES FROM TRUST FUND.—For fiscal
23 year 2002 and each fiscal year thereafter, amounts appro-
24 priated to the Trust Fund for each such fiscal year shall
25 be available to the Secretary of Housing and Urban Devel-

1 opment for providing assistance under this Act in accord-
2 ance with section 4.

3 **SEC. 4. ASSISTANCE FROM TRUST FUND.**

4 (a) USE OF TRUST FUND AMOUNTS FOR ASSIST-
5 ANCE.—The Secretary shall use the total amount made
6 available under section 3(c) to the Secretary from the
7 Trust Fund for such fiscal year to provide assistance
8 under this Act for the States.

9 (b) AFFORDABLE HOUSING NEEDS FORMULA.—The
10 Secretary shall establish a formula to allocate assistance
11 under this Act among the States based on the relative
12 need of each State for additional affordable housing. The
13 formula shall be based upon a comparison of the following
14 factors for each State:

15 (1) The percentage of families in the State that
16 live in substandard housing.

17 (2) The percentage of families in the State that
18 pay more than 50 percent of their annual income for
19 housing costs.

20 (3) The percentage of persons in the State hav-
21 ing an income at or below the poverty line.

22 (4) The cost of developing or carrying out sub-
23 stantial rehabilitation of housing in the State.

1 (5) The percentage of the population of the
2 State that resides in counties having extremely low
3 vacancy rates.

4 (6) The percentage of housing stock in the
5 State that is extremely old housing.

6 (7) Any other factors that the Secretary deter-
7 mines to be appropriate.

8 (c) FORMULA AMOUNT.—For fiscal year 2002 and
9 each fiscal year thereafter, the Secretary shall determine
10 the formula amount under this subsection for each State,
11 which shall be the amount determined for each such State
12 by applying the formula under subsection (b) to the total
13 amount made available under section 3(c) to the Secretary
14 for the fiscal year.

15 (d) ALLOCATION AMOUNT FOR STATES.—The alloca-
16 tion under this subsection for a State for a fiscal year shall
17 be determined as follows:

18 (1) MINIMUM AMOUNT.—If the formula amount
19 determined under subsection (c) for the State for
20 the fiscal year is less than 1 percent of the total
21 amount made available under section 3(c) for such
22 fiscal year, the allocation for the State shall be 1
23 percent of such amount.

24 (2) FORMULA AMOUNT.—If the formula amount
25 determined under subsection (c) for the State for

1 the fiscal year is 1 percent or more of the total
2 amount made available under section 3(c) for such
3 fiscal year, the allocation for the State shall be the
4 formula amount for the State, except that the Sec-
5 retary shall reduce such formula amounts for all
6 States whose allocations are determined under this
7 paragraph on a pro rata basis by the amount nec-
8 essary to account for any increases from the formula
9 amount for allocations made under paragraph (1) of
10 this subsection.

11 (e) GRANT AWARDS.—For fiscal year 2002 and each
12 fiscal year thereafter, using the amounts made available
13 to the Secretary from the Trust Fund for such fiscal year
14 under section 3(c), the Secretary shall make a grant to
15 each eligible State (as determined under section 5(d)) in
16 the lesser of the following amounts:

17 (1) FULL ALLOCATION.—The amount of the al-
18 location under subsection (d) for the eligible State.

19 (2) 4 TIMES MATCHING CONTRIBUTION.—The
20 amount that is equal to 4 times the amount of funds
21 provided by the eligible State from non-Federal
22 sources for use only as provided in subsection (f)(2).

23 (f) MATCHING CONTRIBUTION.—

1 (1) ELIGIBLE AMOUNTS.—For purposes of sub-
2 section (e)(2), only the following amounts shall be
3 considered amounts from non-Federal sources:

4 (A) LOW-INCOME HOUSING TAX CRED-
5 ITS.—50 percent of funds allocable to tax cred-
6 its allocated under section 42 of the Internal
7 Revenue Code of 1986.

8 (B) MORTGAGE BOND REVENUE.—50 per-
9 cent of revenue from mortgage revenue bonds
10 issued under section 143 of such Code.

11 (C) TAX EXEMPT BONDS PROCEEDS.—50
12 percent of proceeds from the sale of tax exempt
13 bonds.

14 (D) GENERAL STATE REVENUE.—Any
15 other State revenue that is not derived from
16 Federal sources, including any State tax rev-
17 enue.

18 (2) USE OF MATCHING AMOUNTS.—Use of
19 amounts as provided in this paragraph shall be used
20 only for—

21 (A) eligible activities relating to affordable
22 housing; or

23 (B) eligible activities relating to a project
24 not less than 50 percent of the dwelling units
25 of which qualify as affordable housing.

1 (3) CERTIFICATION.—The Secretary shall re-
2 quire States to certify to the Secretary the amount
3 of non-Federal funds provided for purposes of sub-
4 section (e)(2).

5 (g) GRANTS FOR INELIGIBLE STATES AND STATES
6 WITH INSUFFICIENT MATCHING CONTRIBUTIONS.—

7 (1) AVAILABLE AMOUNTS.—For a fiscal year,
8 the following amounts shall be available for grants
9 under this subsection:

10 (A) ALLOCATION FOR INELIGIBLE
11 STATE.—With respect to each ineligible State,
12 the amount of the allocation for the State for
13 such fiscal year determined under subsection
14 (d).

15 (B) UNMATCHED PORTION OF ALLOCA-
16 TION.—With respect to any eligible State for
17 which the amount of the grant assistance for
18 such fiscal year is determined under subsection
19 (e)(2), the amount by which the allocation de-
20 termined under subsection (d) for the State for
21 the fiscal year exceeds the grant assistance for
22 the State for the fiscal year.

23 (2) NOTICE.—For each fiscal year, not later
24 than 60 days after the date that the Secretary deter-
25 mines that the amounts described in paragraph (1)

1 shall be available for grants under this subsection,
2 the Secretary shall cause to be published in the Fed-
3 eral Register a notice that such amounts shall be so
4 available.

5 (3) APPLICATIONS.—The Secretary shall pro-
6 vide for nonprofit and public entities (and consortia
7 thereof, which may include units of local government
8 working together on a regional basis) to submit ap-
9 plications, during the 9-month period beginning
10 upon publication of a notice of funding availability
11 under paragraph (2), for a grant of all or a portion
12 of the amounts referred to in paragraph (1). Such
13 an application shall include—

14 (A) a certification that the applicant will
15 provide supplemental amounts in accordance
16 with paragraph (5)(B)(i); and

17 (B) an allocation plan described in para-
18 graph (5)(B)(ii).

19 (4) SELECTION CRITERIA.—The Secretary
20 shall, by regulation, establish criteria for selecting
21 applicants that meet the requirements of paragraph
22 (3) for funding under this subsection. Such criteria
23 shall give priority to applications that provide that
24 grant amounts under this subsection will be used for
25 eligible activities relating to affordable housing that

1 is located in the State for which such grant funds
2 were originally allocated under subsection (d).

3 (5) AWARD AND USE OF GRANT ASSISTANCE.—

4 (A) AWARD OF GRANTS.—Subject only to
5 the absence of applications meeting the require-
6 ments of paragraph (3), upon the expiration of
7 the period referred to in such paragraph, the
8 Secretary shall select an applicant or applicants
9 under this subsection to receive the amounts
10 available under paragraph (1) and shall make a
11 grant or grants to such applicant or applicants.
12 The selection shall be based upon the criteria
13 established under paragraph (4).

14 (B) GRANT REQUIREMENTS.—Grant as-
15 sistance under this subsection shall be subject
16 to the following requirements:

17 (i) MATCHING AMOUNTS.—The grant-
18 ee shall supplement any grant amounts re-
19 ceived under this subsection with an
20 amount equal to 25 percent of such grant
21 amounts.

22 (ii) USE.—Grant amounts received
23 under this subsection shall be used in ac-
24 cordance with an allocation plan that
25 meets the requirements of section 5(e) and

1 provides that any assistance provided to
2 the applicant under this subsection, and
3 any supplemental amounts provided by the
4 applicant pursuant to clause (i), shall be
5 used only to carry out eligible activities.

6 **SEC. 5. USE OF ASSISTANCE BY RECIPIENTS.**

7 (a) DISTRIBUTION TO ELIGIBLE ENTITIES.—Each
8 State that receives a grant under this Act shall distribute
9 the grant amounts (excluding any amounts used under
10 subsection (b)) to eligible entities for use by such entities
11 only for eligible activities in the State, as follows:

12 (1) USE FOR RENTAL HOUSING FOR EX-
13 TREMELY LOW-INCOME FAMILIES.—75 percent of
14 such amounts shall be distributed for use only for el-
15 igible activities relating to affordable housing that is
16 available for rental by extremely low-income families
17 in the State.

18 (2) USE FOR RENTAL HOUSING OR HOME-
19 OWNERSHIP FOR LOW-INCOME FAMILIES.—25 per-
20 cent of such amounts shall be distributed for use
21 only for eligible activities relating to affordable hous-
22 ing that is available for rental by low-income fami-
23 lies in the State, or for homeownership assistance
24 for low-income families in the State.

1 (b) OPERATING ASSISTANCE FOR NONPROFIT HOUS-
2 ING DEVELOPMENT ORGANIZATIONS.—A State that re-
3 ceives a grant under this Act may use not more than 5
4 percent of such grant amounts to provide assistance to
5 nonprofit organizations involved in the development, reha-
6 bilitation, or preservation of affordable rental housing for
7 payment of operating costs of such organizations. Such
8 nonprofit organizations shall include community housing
9 development organizations (as such term is defined in sec-
10 tion 104 of the Cranston-Gonzalez National Affordable
11 Housing Act (42 U.S.C. 12704)), community development
12 financial institutions (as such term is defined in section
13 103 of the Community Development Banking and Finan-
14 cial Institutions Act of 1994 (12 U.S.C. 4702)), commu-
15 nity development corporations (as such term is defined in
16 section 31131 of the National Community Economic Part-
17 nership Act of 1994 (42 U.S.C. 13851)), and community-
18 based development organizations.

19 (c) COST LIMITS.—The Secretary shall establish limi-
20 tations on the amount of grant amounts that may be used,
21 on a per unit basis, for eligible activities. Such limitations
22 shall be the same as the per unit cost limits established
23 pursuant to section 212(e) of the Cranston-Gonzalez Na-
24 tional Affordable Housing Act (42 U.S.C. 12742(e)), as

1 adjusted annually, and established by number of bed-
2 rooms, market area, and eligible activity.

3 (d) ELIGIBLE STATES.—With respect to a fiscal year,
4 a State shall be an eligible State for purposes of this Act
5 for such fiscal year only if the State has established an
6 allocation plan that has been submitted to the Secretary
7 and reviewed and approved by the Secretary as in accord-
8 ance with subsection (e). The Secretary may disapprove
9 an allocation plan only if the plan fails to comply with
10 requirements set forth in this section.

11 (e) ALLOCATION PLAN.—

12 (1) IN GENERAL.—An allocation plan in accord-
13 ance with this subsection is a plan, established by a
14 State for a fiscal year, for the distribution of grant
15 amounts provided to the State under this Act for
16 such fiscal year.

17 (2) ESTABLISHMENT.—In establishing an allo-
18 cation plan, the State shall notify the public of the
19 establishment of the plan, provide an opportunity for
20 public comments regarding the plan, consider any
21 public comments received, and make the completed
22 plan available to the public.

23 (3) CONTENTS.—An allocation plan of a State
24 shall include the following information:

1 (A) APPLICATION REQUIREMENTS FOR EL-
2 IGIBLE ENTITIES AND SUBRECIPIENTS.—The
3 allocation plan shall set forth the requirements
4 for eligible entities and eligible subrecipients to
5 apply to receive assistance from grant amounts
6 under this Act, including a requirement that
7 each such application include—

8 (i) a description of the eligible activi-
9 ties to be conducted using such assistance;
10 and

11 (ii) a certification by the applicant
12 that any housing units assisted with such
13 assistance will comply with the require-
14 ments under—

15 (I) section 6(1)(A) (relating to
16 rents charged);

17 (II) section 6(1)(B) (relating to
18 tenant rent contribution);

19 (III) section 6(1)(C) (relating to
20 availability of units for voucher hold-
21 ers); and

22 (IV) section 6(1)(D) (relating to
23 use as affordable housing for 40
24 years).

1 (B) SELECTION AND PREFERENCE CRI-
2 TERIA FOR ELIGIBLE ENTITIES AND SUBRECIPI-
3 ENTS.—The allocation plan shall set forth the
4 factors for consideration in selecting among ap-
5 plicants that meet the application requirements
6 set forth pursuant to subparagraph (A), which
7 shall give preference to applicants based on—

8 (i) the amount of assistance leveraged
9 by the applicant from private and other
10 non-Federal sources for carrying out the
11 eligible activities to be funded with assist-
12 ance from grant amounts under this Act,
13 including assistance made available under
14 section 8 of the United States Housing Act
15 of 1937 (42 U.S.C. 1437f) that is devoted
16 to the project that contains the affordable
17 housing to be assisted with such assist-
18 ance;

19 (ii) the extent of local assistance that
20 will be provided in carrying out the eligible
21 activities, including—

22 (I) financial assistance;

23 (II) the extent to which the ap-
24 plicant has worked to address issues
25 of siting and exclusionary zoning or

1 other policies that are barriers to af-
2 fordable housing with the unit of gen-
3 eral local government in which the
4 housing to be assisted with such as-
5 sistance will be located; and

6 (III) the extent to which the ap-
7 plicant has worked with the unit of
8 general local government to reduce
9 the barriers to affordable housing;

10 (iii) the degree to which the project in
11 which the affordable housing will be lo-
12 cated will have residents of various in-
13 comes;

14 (iv) the extent of employment and
15 other economic opportunities for low-in-
16 come families in the area in which the
17 housing will be located;

18 (v) the extent to which the applicant
19 demonstrates the ability to maintain dwell-
20 ing units as affordable housing through the
21 use of assistance made available under this
22 Act, assistance leveraged from non-Federal
23 sources, assistance made available under
24 section 8 of the United States Housing Act
25 of 1937 (42 U.S.C. 1437f), State or local

1 assistance, programs to increase tenant in-
2 come, cross-subsidization, and any other
3 resources;

4 (vi) the extent to which the applicant
5 demonstrates that the county in which the
6 housing is to be located is experiencing an
7 extremely low vacancy rate;

8 (vii) the extent to which the percent-
9 age of the housing located in such county
10 that is extremely old housing exceeds 35
11 percent;

12 (viii) whether the applicant has pro-
13 vided that—

14 (I) 75 percent of the grant
15 amounts will be used for eligible ac-
16 tivities relating to housing located in
17 census tracts in which the number of
18 families having incomes less than the
19 poverty line is less than 20 percent or
20 in communities undergoing revitaliza-
21 tion; and

22 (II) 25 percent of the grant
23 amounts will be used for eligible ac-
24 tivities relating to housing that is lo-
25 cated in census tracts in which the

1 number of families having incomes
2 less than the poverty line is greater
3 than 20 percent and is not located in
4 a community undergoing revitaliza-
5 tion; and

6 (ix) whether the applicant has pro-
7 vided that—

8 (I) not less than 45 percent of
9 the grant amounts will be used for eli-
10 gible activities relating to housing that
11 is affordable to families having in-
12 comes less than 30 percent of the
13 greater of (aa) the median income for
14 the area in which the housing is lo-
15 cated, or (bb) the median income for
16 the State in which the housing is lo-
17 cated;

18 (II) not less than 30 percent of
19 the grant amounts will be used for eli-
20 gible activities relating to housing that
21 is affordable to families having in-
22 comes not exceeding the amount
23 earned by a family having one indi-
24 vidual (or 1.5 individuals in the case
25 of a family consisting of 3 or more in-

1 dividuals), who is employed on a full-
2 time basis in a position paying the
3 higher of (aa) the Federal minimum
4 wage under section 6(a)(1) of the
5 Fair Labor Standards Act of 1938
6 (29 U.S.C. 206(a)(1)), or (bb) the
7 minimum wage under State law of the
8 State in which the housing is located;
9 and

10 (III) not more than 25 percent of
11 the grant amounts will be used for eli-
12 gible activities relating to housing for
13 families having incomes that (aa) are
14 greater than the incomes referred to
15 in subclauses (I) and (II) of this
16 clause, but (bb) do not exceed 80 per-
17 cent of the median income for the
18 area in which the housing is located.

19 (4) CONSOLIDATED PLAN.—The Secretary shall
20 provide that a State may comply with the require-
21 ments under this subsection for submission of a allo-
22 cation plan through the inclusion of any appropriate
23 information in a single consolidated submission used
24 for purposes of applying for other community plan-

1 ning and development and housing assistance pro-
2 grams administered by the Secretary.

3 (f) FORMS OF ASSISTANCE.—

4 (1) IN GENERAL.—Assistance may be distrib-
5 uted pursuant to this section in the form of capital
6 grants, noninterest bearing or low-interest loans or
7 advances, deferred payment loans, guarantees, and
8 any other forms of assistance approved by the Sec-
9 retary.

10 (2) REPAYMENTS.—If a State awards assist-
11 ance under this section in the form of a loan or other
12 mechanism by which funds are later repaid to the
13 State, any repayments received by the State shall be
14 distributed by the State in accordance with the allo-
15 cation plan under subsection (e) for the State for
16 the fiscal year in which such repayments are made.

17 (g) COORDINATION WITH OTHER ASSISTANCE.—In
18 distributing assistance pursuant to this section, each State
19 shall, to the maximum extent practicable, coordinate such
20 distribution with the provision of other affordable housing
21 assistance by the State, including—

22 (1) housing credit dollar amounts allocated by
23 the State under section 42(h) of the Internal Rev-
24 enue Code of 1986;

1 (2) assistance made available under the HOME
2 Investment Partnerships Act (42 U.S.C. 12721 et
3 seq.) or the community development block grant pro-
4 gram under title I of the Housing and Community
5 Development Act of 1974 (42 U.S.C. 5301 et seq.);
6 and

7 (3) private activity bonds.

8 (h) ADMINISTRATION OF STATE PROGRAM BY SUB-
9 RECIPIENT.—At the discretion of the State, a State may
10 select an eligible subrecipient to carry out all or a portion
11 of the State’s responsibilities under this Act, in accordance
12 with this section.

13 **SEC. 6. DEFINITIONS.**

14 For purposes of this Act, the following definitions
15 shall apply:

16 (1) AFFORDABLE HOUSING.—The term “afford-
17 able housing” means a rental dwelling unit that is
18 subject to legally binding commitments that ensure
19 that the dwelling unit meets all of the following re-
20 quirements:

21 (A) RENTS.—The dwelling unit bears a
22 rent not greater than the lesser of—

23 (i) the existing fair market rental es-
24 tablished by the Secretary under section
25 8(c) of the United States Housing Act of

1 1937 (42 U.S.C. 1437f(e)) for a dwelling
2 unit of the same size in the same market
3 area; and

4 (ii) a rent that does not exceed 30
5 percent of the adjusted income of a family
6 whose income equals 65 percent of the me-
7 dian income for the area, as determined by
8 the Secretary, with adjustment for number
9 of bedrooms in the unit, except that the
10 Secretary may establish income ceilings
11 higher or lower than 65 percent of the me-
12 dian for the area on the basis of the find-
13 ings of the Secretary that such variations
14 are necessary because of prevailing levels
15 of construction costs or fair market rents,
16 or unusually high or low family incomes.

17 (B) TENANT RENT CONTRIBUTION.—The
18 contribution toward rent by the family residing
19 in the dwelling unit will not exceed 30 percent
20 of the adjusted income of such family.

21 (C) AVAILABILITY OF UNITS FOR VOUCHER
22 HOLDERS.—The dwelling unit—

23 (i) is located in a project within which
24 a percentage of units are made available
25 only for occupancy by families assisted

1 under the voucher program under section
2 8(o) of the United States Housing Act of
3 1937 (42 U.S.C. 1437f(o)) (including
4 project-based assistance under section
5 8(o)(13)) on the same basis as other fami-
6 lies eligible for occupancy of the project
7 (except that only the voucher holder's ex-
8 pected share of rent shall be considered),
9 which percentage shall not be less than the
10 percentage of the total cost of developing,
11 rehabilitating, or preserving the project
12 that is funded with assistance under this
13 Act; and

14 (ii) is one of the units that is subject
15 to such occupancy requirements.

16 (D) NON-DISCRIMINATION AGAINST
17 VOUCHER HOLDERS.—The dwelling unit is lo-
18 cated in a project in which all dwelling units
19 are subject to enforceable restrictions that pro-
20 vide that a unit may not be refused for leasing
21 to a holder of a voucher of eligibility under sec-
22 tion 8 of the United States Housing Act of
23 1937 (42 U.S.C. 1437f) because of the status
24 of the prospective tenant as a holder of such
25 voucher.

1 (E) DURATION OF USE.—The dwelling
2 unit will continue to be subject to the require-
3 ments under this paragraph for not less than
4 40 years.

5 (2) CONTINUED ASSISTANCE RENTAL SUBSIDY
6 PROGRAM.—The term “continued assistance rental
7 subsidy program” means a program that—

8 (A) provides project-based rental assist-
9 ance, for not more than 3 years, on behalf of
10 a family who resides in a dwelling unit that
11 complies with the requirements under subpara-
12 graphs (A) and (B) of paragraph (1);

13 (B) is administered—

14 (i) by the public housing agency with-
15 in whose jurisdiction the affordable hous-
16 ing is located (or if no such agency exists,
17 the agency whose jurisdiction is closest to
18 such unit); and

19 (ii) in accordance with section 8(o) of
20 the United States Housing Act of 1937
21 (42 U.S.C. 1437f(o)); and

22 (C) provides that, upon the expiration of
23 the period that the family receives rental assist-
24 ance under the program pursuant to subpara-
25 graph (A) of this Act, project-based rental as-

1 sistance under section 8(o)(13) of the United
2 States Housing Act of 1937 (42 U.S.C.
3 1437f(o)(13)) shall be provided on behalf of the
4 family for rental of such dwelling unit, notwith-
5 standing any provision to the contrary in such
6 section 8(o).

7 (3) ELIGIBLE ACTIVITIES.—The term “eligible
8 activities” means activities relating to the providing
9 affordable housing, including—

10 (A) the construction of new housing;

11 (B) the acquisition of real property;

12 (C) site preparation and improvement, in-
13 cluding demolition;

14 (D) substantial rehabilitation of existing
15 housing;

16 (E) the provision of rental assistance
17 under a continued assistance rental subsidy
18 program; and

19 (F) providing incentives to maintain exist-
20 ing housing as affordable housing and to estab-
21 lish or extend any low-income affordability re-
22 strictions for such housing, including covering
23 capital expenditures and operating costs.

24 (4) ELIGIBLE ENTITY.—The term “eligible enti-
25 ty” includes any public or private nonprofit or for-

1 profit entity, unit of general local government, re-
2 gional planning entity, and any other entity engaged
3 in the development, rehabilitation, or preservation of
4 affordable housing, as determined by the Secretary.

5 (5) ELIGIBLE SUBRECIPIENT.—The term “eligi-
6 ble subrecipient” means a public agency or a non-
7 profit organization, including a community develop-
8 ment corporation, a community development finan-
9 cial institution, a State housing trust fund, and any
10 other intermediary selected by a State to administer
11 all or a portion of the State’s responsibilities under
12 this Act. The term does not include any public agen-
13 cy or nonprofit organization that receives money
14 from the Trust Fund solely as a developer or owner
15 of housing.

16 (6) EXTREMELY LOW-INCOME FAMILIES.—The
17 term “extremely low-income families” means families
18 (as such term is defined in section 3(b) of the
19 United States Housing Act of 1937 (42 U.S.C.
20 1437a(b))) whose incomes do not exceed 30 percent
21 of the median family income for the area, as deter-
22 mined by the Secretary with adjustments for smaller
23 and larger families, except that the Secretary may
24 establish income ceilings higher or lower than 30
25 percent of the median for the area on the basis of

1 the Secretary's findings that such variations are nec-
2 essary because of unusually high or low family in-
3 comes.

4 (7) EXTREMELY LOW VACANCY RATE.—The
5 term “extremely low vacancy rate” means a housing
6 or rental vacancy rate of 2 percent or less.

7 (8) EXTREMELY OLD HOUSING.—The term “ex-
8 tremely old housing” means housing that is 45 years
9 old or older.

10 (9) INELIGIBLE STATE.—The term “ineligible
11 State” means, with respect to a fiscal year, a State
12 that has not submitted to the Secretary an alloca-
13 tion plan meeting the requirements of section 5(e).

14 (10) LOW-INCOME FAMILIES.—The term “low-
15 income families” has the meaning given such term
16 in section 3(b) of the United States Housing Act of
17 1937 (42 U.S.C. 1437a(b)).

18 (11) POVERTY LINE.—The term “poverty line”
19 has the meaning given such term in section 673(2)
20 of the Omnibus Budget Reconciliation Act of 1981,
21 including any revision required by such section.

22 (12) SECRETARY.—The term “Secretary”
23 means the Secretary of Housing and Urban Develop-
24 ment.

1 (13) STATE.—The term “State” has the mean-
2 ing given such term in section 3(b) of the United
3 States Housing Act of 1937 (42 U.S.C. 1437a(b)).

4 (14) TRUST FUND.—The term “Trust Fund”
5 means the National Affordable Housing Trust Fund
6 established under section 3.

7 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS FOR SEC-**
8 **TION 8 PROJECT-BASED ASSISTANCE UNDER**
9 **CONTINUED ASSISTANCE RENTAL SUBSIDY**
10 **PROGRAMS.**

11 There are authorized to be appropriated, for rental
12 assistance under section 8(o)(13) of the United States
13 Housing Act of 1937 (42 U.S.C. 1437f(o)(13)) provided
14 in connection with continued assistance rental subsidy
15 programs pursuant to section 6(2)(C) of this Act, such
16 sums as may be necessary for each fiscal year to provide
17 such rental assistance on behalf of each family whose as-
18 sistance is terminated pursuant to section 6(2)(A) of this
19 Act.

20 **SEC. 8. REGULATIONS.**

21 Not later than 6 months after the date of enactment
22 of this Act, the Secretary of Housing and Urban Develop-
23 ment shall promulgate regulations to carry out this Act.

○