

114TH CONGRESS
2D SESSION

S. 2783

To provide rental assistance to low-income tenants of certain multifamily rural housing projects, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 12, 2016

Mrs. SHAHEEN introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To provide rental assistance to low-income tenants of certain multifamily rural housing projects, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Housing Preser-
5 vation Act of 2016”.

1 **SEC. 2. AVAILABILITY OF RURAL HOUSING VOUCHERS FOR**
2 **TENANTS IN PROJECTS WITH MATURING**
3 **LOANS.**

4 (a) IN GENERAL.—Section 542 of the Housing Act
5 of 1949 (42 U.S.C. 1490r) is amended by adding at the
6 end the following:

7 “(c) RURAL VOUCHERS FOR TENANTS OF PROJECTS
8 WITH PREPAID OR MATURING LOANS.—

9 “(1) AUTHORITY.—Subject to the availability of
10 amounts provided in appropriation Acts and to para-
11 graph (3), the Secretary shall provide rural housing
12 vouchers under this section, in the amount provided
13 under this section, to any low-income household (in-
14 cluding those not receiving rental assistance) resid-
15 ing in a property financed with a loan made or in-
16 sured under section 515 that has been prepaid or
17 has matured after September 30, 2005.

18 “(2) ADMINISTRATION AND SUBSIDIES.—The
19 Secretary shall, to the maximum extent practicable,
20 administer and operate such vouchers with current
21 regulations and administrative guidance applicable
22 to enhanced vouchers under section 8(t) of the
23 United States Housing Act of 1937 (42 U.S.C.
24 1437f(t)) and administered by the Secretary of
25 Housing and Urban Development. The amount of
26 rental assistance provided on behalf of holders of

1 such vouchers shall be the same as that provided on
 2 behalf of holders of enhanced vouchers under such
 3 section 8(t).

4 “(3) TERMINATION OF ASSISTANCE.—The Sec-
 5 retary shall terminate the provision of voucher as-
 6 sistance pursuant to this subsection, with respect to
 7 a property, if—

8 “(A) at any time, a new loan is made or
 9 insured under section 515 for the property; and

10 “(B) as a result of such loan, rental assist-
 11 ance is provided on behalf of the voucher holder
 12 in an amount comparable to the rental assist-
 13 ance provided on behalf of the voucher holder
 14 under the voucher program.”.

15 (b) REQUIREMENT FOR SECTION 515 PROJECTS TO
 16 ACCEPT VOUCHERS.—Section 515 of the Housing Act of
 17 1949 (42 U.S.C. 1485) is amended by adding at the end
 18 the following:

19 “(bb) REQUIREMENT TO ACCEPT RURAL HOUSING
 20 VOUCHERS.—No owner of a property financed with a loan
 21 made or insured under this section, whether such loan is
 22 outstanding or fully paid, may refuse to lease an available
 23 dwelling unit in the property to a household on behalf of
 24 whom voucher assistance is provided under section 542,
 25 and to enter into a voucher contract respecting such unit,

1 a proximate cause of which is the status of such current
 2 or prospective tenant as a holder of such voucher.”.

3 **SEC. 3. DECOUPLING RENTAL ASSISTANCE FROM MATUR-**
 4 **ING RURAL HOUSING LOANS.**

5 Section 521(a)(2) of the Housing Act of 1949 (42
 6 U.S.C. 1490a(a)(2)) is amended by adding at the end the
 7 following:

8 “(F) RENTAL ASSISTANCE FOR PROJECTS
 9 WITH MATURED LOANS.—

10 “(i) AUTHORITY.—To continue to
 11 make decent, safe and sanitary housing
 12 available to low-income occupants of
 13 projects originally financed with a loan
 14 made or insured under section 515 that
 15 has matured on or after the date of enact-
 16 ment of this subparagraph, and at rental
 17 rates commensurate to income as specified
 18 in subparagraph (A) of this paragraph, the
 19 Secretary may, subject to the availability
 20 of amounts provided in appropriation Acts,
 21 contract to make and renew annual assist-
 22 ance payments pursuant to this subpara-
 23 graph to the owners of such projects.

24 “(ii) OFFER.—The Secretary shall en-
 25 sure that an offer to provide a contract for

1 assistance payments pursuant to this sub-
2 paragraph shall be extended to all owners
3 of projects described in clause (i) not later
4 than 24 months before the maturation of
5 the loan (except in the case of loans ma-
6 turing after the date that is 24 months be-
7 fore the date of enactment of this subpara-
8 graph).

9 “(iii) TERMS.—Each contract for as-
10 sistance payments pursuant to this sub-
11 paragraph shall—

12 “(I) have a term of 20 years and
13 be subject to availability of amounts
14 provided in annual appropriations
15 Acts;

16 “(II) cover all new and existing
17 households residing in the project, re-
18 gardless of whether or not they were
19 previously assisted under the rental
20 assistance program authorized under
21 subparagraph (A);

22 “(III) be recorded at such local
23 real property recording office as is
24 prescribed by the State in which the
25 project is located;

1 “(IV) bind the owner of the
2 project and the owner’s successors to
3 continue to operate the project in ac-
4 cordance with such agreements;

5 “(V) require the owner (and such
6 successors) to agree to continue to op-
7 erate the projects as if it were subject
8 to an existing loan under section 515;

9 “(VI) extend to residents of the
10 project all the rights that at the time
11 such contract is entered into are ex-
12 tended to residents of projects subject
13 to an existing loan under section 515;
14 and

15 “(VII) require the owner (and
16 such successors) to maintain the as-
17 sisted housing as decent, safe, and
18 sanitary housing.

19 “(iv) ACTUAL MARKET RENTALS.—

20 “(I) IN GENERAL.—A contract
21 for assistance provided pursuant to
22 this subparagraph for a project shall
23 provide assistance to the owner based
24 on an initial reasonable operating
25 budget the rents for which do not ex-

1 ceed such actual market rental rates
2 for the area in which the project is lo-
3 cated, as are established by the Sec-
4 retary.

5 “(II) ADJUSTMENT; RENEWAL.—
6 The Secretary shall annually adjust
7 the actual market rental rates used
8 for purposes of this clause.

9 “(v) RENEWAL; ADJUSTMENT.—In
10 providing assistance pursuant to this sub-
11 paragraph, the Secretary shall require the
12 owner of the project to renew the assist-
13 ance provided to each household not less
14 frequently than annually, in accordance
15 with the provisions of subparagraph (A),
16 and shall adjust the amount of assistance
17 provided to a household at any other time
18 upon a decrease in the household’s month-
19 ly income of \$100 or more.

20 “(vi) ADMINISTRATION.—Rental as-
21 sistance contracts authorized by this sub-
22 paragraph shall, except as otherwise pro-
23 vided in this subparagraph, be adminis-
24 tered by the Secretary in the same manner
25 as rental assistance contracts for projects

1 having existing loans made or insured
 2 under section 515 or existing loans and
 3 grants made under sections 514 and
 4 516.”.

5 **SEC. 4. UNIFORM STANDARDS FOR TRANSFERS OF SEC-**
 6 **TION 515 PROPERTIES USING LOW-INCOME**
 7 **TAX CREDITS.**

8 Section 515 of the Housing Act of 1949 (42 U.S.C.
 9 1485), as amended by this Act, is amended by adding at
 10 the end the following:

11 “(cc) REQUIREMENTS FOR TRANSFERS OF PROP-
 12 erties involving low-income housing tax cred-
 13 its.—The Secretary shall establish, without exception,
 14 uniform requirements, terms, and conditions for any sale
 15 or transfer of a property financed with a loan under this
 16 section to any entity, including a nonprofit organization,
 17 that is seeking to acquire such property with amounts au-
 18 thorized under this section and any low-income housing
 19 tax credit under section 42 of the Internal Revenue Code
 20 of 1986.”.

21 **SEC. 5. RURAL MULTIFAMILY HOUSING REVITALIZATION**
 22 **PROGRAM.**

23 Section 515 of the Housing Act of 1949 (42 U.S.C.
 24 1485), as amended by this Act, is amended by adding at
 25 the end the following:

1 “(dd) MULTIFAMILY HOUSING REVITALIZATION
2 PROGRAM.—

3 “(1) IN GENERAL.—The Secretary may estab-
4 lish a Multifamily Housing Revitalization Program
5 for the preservation and revitalization of multifamily
6 housing projects funded with loans made available
7 pursuant to this section and sections 514 and 516
8 to ensure that such projects have sufficient resources
9 to provide safe and affordable housing for low-in-
10 come residents and farm laborers.

11 “(2) OPTIONS.—In carrying out paragraph (1),
12 the Secretary may—

13 “(A) with respect such loans—

14 “(i) reduce or eliminate interest;

15 “(ii) defer loan payments; and

16 “(iii) subordinate, reduce, or reamor-
17 tize loan debt; and

18 “(B) provide other financial assistance, in-
19 cluding—

20 “(i) advances; and

21 “(ii) payments and incentives (includ-
22 ing the ability of owners to obtain reason-
23 able returns on investment).

24 “(3) REQUIREMENTS.—In exchange for assist-
25 ance provided pursuant to this subsection, the Sec-

1 retary shall enter into with the property owner a re-
2 strictive use agreement to ensure that the property
3 remains subject to low-income use restrictions for an
4 additional period of time consistent with the terms
5 of the restructuring.

6 “(4) USE OF FUNDS FOR RURAL HOUSING
7 VOUCHERS.—

8 “(A) AUTHORITY.—If the Secretary deter-
9 mines that additional funds for vouchers under
10 the rural housing voucher program under sec-
11 tion 542 are needed, funds for the revitalization
12 program under this subsection may be used for
13 such vouchers for any low-income household
14 (including those not receiving rental assistance)
15 residing in a property financed with a loan
16 under this section that has been prepaid after
17 September 30, 2005.

18 “(B) AMOUNT.—Notwithstanding section
19 542, the amount of a voucher provided pursu-
20 ant to this paragraph shall be the difference be-
21 tween comparable market rent for the unit and
22 the tenant-paid rent for such unit.

23 “(C) AVAILABILITY.—Funds made avail-
24 able for vouchers pursuant to this paragraph

1 shall be subject to the availability of annual ap-
2 propriations.

3 “(D) ADMINISTRATION.—The Secretary
4 shall, to the maximum extent practicable, ad-
5 minister vouchers provided pursuant to this
6 paragraph with current regulations and admin-
7 istrative guidance applicable to housing vouch-
8 ers under section 8 of the United States Hous-
9 ing Act of 1937 (42 U.S.C. 1437f) adminis-
10 tered by the Secretary of Housing and Urban
11 Development.”.

12 **SEC. 6. REGULATIONS.**

13 Not later than 120 days after the date of enactment
14 of this Act, the Secretary of Agriculture shall issue regula-
15 tions necessary to carry out the amendments made by this
16 Act.

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