

116TH CONGRESS
1ST SESSION

H. R. 3620

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 11, 2019

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

To provide rental assistance to low-income tenants in certain multifamily rural housing projects financed by the Rural Housing Service of the Department of Agriculture, and to develop and implement a plan for preserving the affordability of rural rental housing, 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 “Strategy and Invest-
5 ment in Rural Housing Preservation Act of 2019”.

6 **SEC. 2. PERMANENT ESTABLISHMENT OF HOUSING PRES-**
7 **ERVATION AND REVITALIZATION PROGRAM.**

8 Title V of the Housing Act of 1949 (42 U.S.C. 1471
9 et seq.) is amended by adding at the end the following
10 new section:

11 **“SEC. 545. HOUSING PRESERVATION AND REVITALIZATION**
12 **PROGRAM.**

13 “(a) ESTABLISHMENT.—The Secretary shall carry
14 out a program under this section for the preservation and
15 revitalization of multifamily rental housing projects fi-
16 nanced under section 515 or both sections 514 and 516.

17 “(b) NOTICE OF MATURING LOANS.—

18 “(1) TO OWNERS.—On an annual basis, the
19 Secretary shall provide written notice to each owner
20 of a property financed under section 515 or both
21 sections 514 and 516 that will mature within the 4-
22 year period beginning upon the provision of such no-
23 tice, setting forth the options and financial incen-
24 tives that are available to facilitate the extension of

1 the loan term or the option to decouple a rental as-
2 sistance contract pursuant to subsection (f).

3 “(2) TO TENANTS.—

4 “(A) IN GENERAL.—For each property fi-
5 nanced under section 515 or both sections 514
6 and 516, not later than the date that is 2 years
7 before the date that such loan will mature, the
8 Secretary shall provide written notice to each
9 household residing in such property that in-
10 forms them of the date of the loan maturity,
11 the possible actions that may happen with re-
12 spect to the property upon such maturity, and
13 how to protect their right to reside in federally
14 assisted housing after such maturity.

15 “(B) LANGUAGE.—Notice under this para-
16 graph shall be provided in plain English and
17 shall be translated to other languages in the
18 case of any property located in an area in which
19 a significant number of residents speak such
20 other languages.

21 “(c) LOAN RESTRUCTURING.—Under the program
22 under this section, the Secretary may restructure such ex-
23 isting housing loans, as the Secretary considers appro-
24 priate, for the purpose of ensuring that such projects have
25 sufficient resources to preserve the projects to provide safe

1 and affordable housing for low-income residents and farm
2 laborers, by—

3 “(1) reducing or eliminating interest;

4 “(2) deferring loan payments;

5 “(3) subordinating, reducing, or reamortizing
6 loan debt; and

7 “(4) providing other financial assistance, in-
8 cluding advances, payments, and incentives (includ-
9 ing the ability of owners to obtain reasonable re-
10 turns on investment) required by the Secretary.

11 “(d) RENEWAL OF RENTAL ASSISTANCE.—When the
12 Secretary offers to restructure a loan pursuant to sub-
13 section (c), the Secretary shall offer to renew the rental
14 assistance contract under section 521(a)(2) for a 20-year
15 term that is subject to annual appropriations, provided
16 that the owner agrees to bring the property up to such
17 standards that will ensure its maintenance as decent, safe,
18 and sanitary housing for the full term of the rental assist-
19 ance contract.

20 “(e) RESTRICTIVE USE AGREEMENTS.—

21 “(1) REQUIREMENT.—As part of the preserva-
22 tion and revitalization agreement for a project, the
23 Secretary shall obtain a restrictive use agreement
24 that obligates the owner to operate the project in ac-
25 cordance with this title.

1 “(2) TERM.—

2 “(A) NO EXTENSION OF RENTAL ASSIST-
3 ANCE CONTRACT.—Except when the Secretary
4 enters into a 20-year extension of the rental as-
5 sistance contract for the project, the term of
6 the restrictive use agreement for the project
7 shall be consistent with the term of the restruc-
8 tured loan for the project.

9 “(B) EXTENSION OF RENTAL ASSISTANCE
10 CONTRACT.—If the Secretary enters into a 20-
11 year extension of the rental assistance contract
12 for a project, the term of the restrictive use
13 agreement for the project shall be for 20 years.

14 “(C) TERMINATION.—The Secretary may
15 terminate the 20-year use restrictive use agree-
16 ment for a project prior to the end of its term
17 if the 20-year rental assistance contract for the
18 project with the owner is terminated at any
19 time for reasons outside the owner’s control.

20 “(f) DECOUPLING OF RENTAL ASSISTANCE.—

21 “(1) RENEWAL OF RENTAL ASSISTANCE CON-
22 TRACT.—If the Secretary determines that a matur-
23 ing loan for a project cannot reasonably be restruc-
24 tured in accordance with subsection (c) and the
25 project was operating with rental assistance under

1 section 521, the Secretary may renew the rental as-
2 sistance contract, notwithstanding any provision of
3 section 521, for a term, subject to annual appropria-
4 tions, of at least 10 years but not more than 20
5 years.

6 “(2) RENTS.—Any agreement to extend the
7 term of the rental assistance contract under section
8 521 for a project shall obligate the owner to con-
9 tinue to maintain the project as decent, safe and
10 sanitary housing and to operate the development in
11 accordance with this title, except that rents shall be
12 based on the lesser of—

13 “(A) the budget-based needs of the project;

14 or

15 “(B) (ii) the operating cost adjustment
16 factor as a payment standard as provided under
17 section 524 of the Multifamily Assisted Hous-
18 ing Reform and Affordability Act of 1997 (42
19 U.S.C. 1437 note).

20 “(g) MULTIFAMILY HOUSING TRANSFER TECHNICAL
21 ASSISTANCE.—Under the program under this section, the
22 Secretary may provide grants to qualified non-profit orga-
23 nizations and public housing agencies to provide technical
24 assistance, including financial and legal services, to bor-
25 rowers under loans under this title for multifamily housing

1 to facilitate the acquisition of such multifamily housing
2 properties in areas where the Secretary determines there
3 is a risk of loss of affordable housing.

4 “(h) TRANSFER OF RENTAL ASSISTANCE.—After the
5 loan or loans for a rental project originally financed under
6 section 515 or both sections 514 and 516 have matured
7 or have been prepaid and the owner has chosen not to
8 restructure the loan pursuant to subsection (c), a tenant
9 residing in such project shall have 18 months prior to loan
10 maturation or prepayment to transfer the rental assist-
11 ance assigned to the tenant’s unit to another rental project
12 originally financed under section 515 or both sections 514
13 and 516, and the owner of the initial project may rent
14 the tenant’s previous unit to a new tenant without income
15 restrictions.

16 “(i) ADMINISTRATIVE EXPENSES.—Of any amounts
17 made available for the program under this section for any
18 fiscal year, the Secretary may use not more than
19 \$1,000,000 for administrative expenses for carrying out
20 such program.

21 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
22 is authorized to be appropriated for the program under
23 this section \$200,000,000 for each of fiscal years 2020
24 through 2024.”.

1 **SEC. 3. ELIGIBILITY FOR RURAL HOUSING VOUCHERS.**

2 Section 542 of the Housing Act of 1949 (42 U.S.C.
3 1490r) is amended by adding at the end the following new
4 subsection:

5 “(c) ELIGIBILITY OF HOUSEHOLDS IN SECTION 514,
6 515, AND 516 PROJECTS.—The Secretary may provide
7 rural housing vouchers under this section for any low-in-
8 come household (including those not receiving rental as-
9 sistance) residing in a property financed with a loan made
10 or insured under section 514 or 515 (42 U.S.C. 1484,
11 1485) which has been prepaid, has been foreclosed, or has
12 matured after September 30, 2005, or residing in a prop-
13 erty assisted under section 514 or 516 that is owned by
14 a nonprofit organization or public agency.”.

15 **SEC. 4. AMOUNT OF VOUCHER ASSISTANCE.**

16 Notwithstanding any other provision of law, in the
17 case of any rural housing voucher provided pursuant to
18 section 542 of the Housing Act of 1949 (42 U.S.C.
19 1490r), the amount of the monthly assistance payment for
20 the household on whose behalf such assistance is provided
21 shall be determined as provided in subsection (a) of such
22 section 542.

23 **SEC. 5. USE OF AVAILABLE RENTAL ASSISTANCE.**

24 Subsection (d) of section 521 of the Housing Act of
25 1949 (42 U.S.C. 1490a(d)) is amended by adding at the
26 end the following new paragraph:

1 “(3) In the case of any rental assistance contract au-
2 thority that becomes available because of the termination
3 of assistance on behalf of an assisted family—

4 “(A) at the option of the owner of the rental
5 project, the Secretary shall provide the owner a pe-
6 riod of 6 months before such assistance is made
7 available pursuant to subparagraph (B) during
8 which the owner may use such assistance authority
9 to provide assistance of behalf of an eligible unas-
10 sisted family that—

11 “(i) is residing in the same rental project
12 that the assisted family resided in prior to such
13 termination; or

14 “(ii) newly occupies a dwelling unit in such
15 rental project during such period; and

16 “(B) except for assistance used as provided in
17 subparagraph (A), the Secretary shall use such re-
18 maining authority to provide such assistance on be-
19 half of eligible families residing in other rental
20 projects originally financed under section 515 or
21 both sections 514 and 516 of this Act.”.

22 **SEC. 6. FUNDING FOR MULTIFAMILY TECHNICAL IMPROVE-**
23 **MENTS.**

24 There is authorized to be appropriated to the Sec-
25 retary of Agriculture \$50,000,000 for fiscal year 2020 for

1 improving the technology of the Department of Agri-
2 culture used to process loans for multifamily housing and
3 otherwise managing such housing. Such improvements
4 shall be made within the 5-year period beginning upon the
5 appropriation of such amounts and such amount shall re-
6 main available until the expiration of such 5-year period.

7 **SEC. 7. PLAN FOR PRESERVING AFFORDABILITY OF RENT-**
8 **AL PROJECTS.**

9 (a) PLAN.—The Secretary of Agriculture (in this sec-
10 tion referred to as the “Secretary”) shall submit a written
11 plan to the Congress, not later than the expiration of the
12 6-month period beginning on the date of the enactment
13 of this Act, for preserving the affordability for low-income
14 families of rental projects for which loans were made
15 under section 515 or made to nonprofit or public agencies
16 under section 514 and avoiding the displacement of tenant
17 households, which shall—

18 (1) set forth specific performance goals and
19 measures;

20 (2) set forth the specific actions and mecha-
21 nisms by which such goals will be achieved;

22 (3) set forth specific measurements by which
23 progress towards achievement of each goal can be
24 measured;

1 (4) provide for detailed reporting on outcomes;
2 and

3 (5) include any legislative recommendations to
4 assist in achievement of the goals under the plan.

5 (b) ADVISORY COMMITTEE.—

6 (1) ESTABLISHMENT; PURPOSE.—The Sec-
7 retary shall establish an advisory committee whose
8 purpose shall be to assist the Secretary in preserving
9 section 515 properties and section 514 properties
10 owned by nonprofit or public agencies through the
11 multifamily housing preservation and revitalization
12 program under section 545 and in implementing the
13 plan required under subsection (a).

14 (2) MEMBER.—The advisory committee shall
15 consist of 14 members, appointed by the Secretary,
16 as follows:

17 (A) A State Director of Rural Develop-
18 ment for the Department of Agriculture.

19 (B) The Administrator for Rural Housing
20 Service of the Department of Agriculture.

21 (C) Two representatives of for-profit devel-
22 opers or owners of multifamily rural rental
23 housing.

1 (D) Two representatives of non-profit de-
2 velopers or owners of multifamily rural rental
3 housing.

4 (E) Two representatives of State housing
5 finance agencies.

6 (F) Two representatives of tenants of mul-
7 tifamily rural rental housing.

8 (G) One representative of a community de-
9 velopment financial institution that is involved
10 in preserving the affordability of housing as-
11 sisted under sections 514, 515, and 516 of the
12 Housing Act of 1949.

13 (H) One representative of a nonprofit or-
14 ganization that operates nationally and has ac-
15 tively participated in the preservation of hous-
16 ing assisted by the Rural Housing Service by
17 conducting research regarding, and providing fi-
18 nancing and technical assistance for, preserving
19 the affordability of such housing.

20 (I) One representative of low-income hous-
21 ing tax credit investors.

22 (J) One representative of regulated finan-
23 cial institutions that finance affordable multi-
24 family rural rental housing developments.

1 (3) MEETINGS.—The advisory committee shall
2 meet not less often than once each calendar quarter.

3 (4) FUNCTIONS.—In providing assistance to the
4 Secretary to carry out its purpose, the advisory com-
5 mittee shall carry out the following functions:

6 (A) Assisting the Rural Housing Service of
7 the Department of Agriculture to improve esti-
8 mates of the size, scope, and condition of rental
9 housing portfolio of the Service, including the
10 time frames for maturity of mortgages and
11 costs for preserving the portfolio as affordable
12 housing.

13 (B) Reviewing current policies and proce-
14 dures of the Rural Housing Service regarding
15 preservation of affordable rental housing fi-
16 nanced under sections 514, 515, 516, and 538
17 of the Housing Act of 1949, the Multifamily
18 Preservation and Revitalization Demonstration
19 program (MPR), and the rental assistance pro-
20 gram and making recommendations regarding
21 improvements and modifications to such policies
22 and procedures.

23 (C) Providing ongoing review of Rural
24 Housing Service program results.

1 (D) Providing reports to the Congress and
2 the public on meetings, recommendations, and
3 other findings of the advisory committee.

4 (5) TRAVEL COSTS.—Any amounts made avail-
5 able for administrative costs of the Department of
6 Agriculture may be used for costs of travel by mem-
7 bers of the advisory committee to meetings of the
8 committee.

9 **SEC. 8. COVERED HOUSING PROGRAMS.**

10 Paragraph (3) of section 41411(a) of the Violence
11 Against Women Act of 1994 (34 U.S.C. 12491(a)(3)) is
12 amended—

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

15 (2) by redesignating subparagraph (J) as sub-
16 paragraph (K); and

17 (3) by inserting after subparagraph (I) the fol-
18 lowing new subparagraph:

19 “(J) rural development housing voucher
20 assistance provided by the Secretary of Agri-
21 culture pursuant to section 542 of the Housing
22 Act of 1949 (42 U.S.C. 1490r), without regard

1 to subsection (b) of such section, and applicable
2 appropriation Acts; and”.

Passed the House of Representatives September 10,
2019.

Attest: CHERYL L. JOHNSON,
Clerk.