

116TH CONGRESS  
1ST SESSION

# S. 2486

To authorize the Secretary of Housing and Urban Development to award grants for landlord-tenant mediation programs.

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 2019

Ms. HASSAN (for herself, Mr. KAINE, and Mr. VAN HOLLEN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To authorize the Secretary of Housing and Urban Development to award grants for landlord-tenant mediation programs.

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 “Prevent Evictions Act  
5 of 2019”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1           (1) COVERED GRANT.—The term “covered  
2 grant” means an implementation grant or program  
3 expansion grant.

4           (2) ELIGIBLE ENTITY.—The term “eligible enti-  
5 ty” means a State or a court thereof, a political sub-  
6 division of a State or a court thereof, a Tribal gov-  
7 ernment, or any other appropriate public or non-  
8 profit entity as determined by the Secretary, that is  
9 formulating or carrying out a program that pri-  
10 marily involves mediation between landlords and  
11 tenants.

12           (3) IMPLEMENTATION GRANT.—The term “im-  
13 plementation grant” means a grant awarded under  
14 section 5(b).

15           (4) PROGRAM EXPANSION GRANT.—The term  
16 “program expansion grant” means a grant awarded  
17 under section 5(c).

18           (5) SECRETARY.—The term “Secretary” means  
19 the Secretary of Housing and Urban Development.

20           (6) SMALL-DOLLAR EVICTION.—The term  
21 “small-dollar eviction” means an eviction resulting  
22 from an eviction case brought against a tenant for  
23 nonpayment of rent in which the unpaid amount is  
24 less than 1 month’s rent.

1 **SEC. 3. FINDINGS.**

2 Congress finds the following:

3 (1) Landlords often make their largest profit  
4 margins in low-income neighborhoods. This is in  
5 part due to the difference between the perceived risk  
6 of low-income tenants defaulting on their rent and  
7 the actual risk.

8 (2) A significant proportion of eviction money  
9 judgments—in some jurisdictions, potentially more  
10 than 40 percent—are for less than 1 month’s rent,  
11 based on median rent per census tract.

12 (3) According to the book “Evicted: Poverty  
13 and Profit in the American City” by Matthew  
14 Desmond, families and individuals who are evicted  
15 are more likely to experience a decline in mental and  
16 physical health, have poor attendance in school, and  
17 have more trouble holding a job.

18 **SEC. 4. SENSE OF CONGRESS.**

19 It is the sense of Congress that—

20 (1) landlord-tenant mediation is a valuable and  
21 cost-effective way to keep tenants in their homes,  
22 and more investment in that type of mediation is  
23 warranted;

24 (2) there is a lack of research on the potential  
25 for certain types of insurance to be cost-effective

1 interventions that keep tenants in their homes,  
 2 which warrants future study;

3 (3) eviction should be a last resort; and

4 (4) reducing the number of small-dollar evic-  
 5 tions will produce a substantial return on investment  
 6 for individuals and families and for society as a  
 7 whole.

8 **SEC. 5. LANDLORD-TENANT MEDIATION COMPETITIVE**  
 9 **GRANT PROGRAM.**

10 (a) IN GENERAL.—The Secretary shall award com-  
 11 petitive grants under subsections (b) and (c) to eligible  
 12 entities to assist those entities in establishing and admin-  
 13 istering, or continuing, landlord-tenant mediation pro-  
 14 grams.

15 (b) IMPLEMENTATION GRANTS.—

16 (1) IN GENERAL.—The Secretary shall award  
 17 competitive grants to eligible entities to assist the  
 18 entities in establishing and administering landlord-  
 19 tenant mediation programs.

20 (2) TERM.—The term of an implementation  
 21 grant shall be 2 years.

22 (3) AMOUNT.—The amount of an implementa-  
 23 tion grant shall be not more than \$1,500,000.

24 (4) USE OF FUNDS.—An eligible entity may use  
 25 an implementation grant to establish—

1 (A) a statewide mediation program; or

2 (B) a mediation program in a political sub-  
3 division of a State or in the jurisdiction of an  
4 Indian Tribe that demonstrates a high need for  
5 such a program due to—

6 (i) the rate of evictions in the political  
7 subdivision or Tribal jurisdiction; or

8 (ii) other characteristics of the polit-  
9 ical subdivision or Indian Tribe that con-  
10 tribute to the rate of evictions in the polit-  
11 ical subdivision or Tribal jurisdiction.

12 (5) FEDERAL SHARE.—The Federal share of  
13 the cost of a mediation program established using an  
14 implementation grant may not exceed 50 percent.

15 (c) PROGRAM EXPANSION GRANTS.—

16 (1) IN GENERAL.—The Secretary shall award  
17 competitive grants to eligible entities to assist the  
18 entities in continuing activities related to landlord-  
19 tenant mediation.

20 (2) TERM.—The term of a program expansion  
21 grant shall be 3 years.

22 (3) AMOUNT.—The amount of a program ex-  
23 pansion grant shall be not more than \$1,000,000.

24 (4) MAINTENANCE OF EFFORT.—Amounts  
25 made available to an eligible entity under a program

1 expansion grant shall be used to supplement, and  
2 not supplant, contributions made by the eligible enti-  
3 ty for existing landlord-tenant mediation activities.

4 (d) GENERAL RULES FOR COVERED GRANTS.—

5 (1) USE OF FUNDS.—An eligible entity may use  
6 a covered grant to pay for operating costs, staff sal-  
7 aries, mediator compensation, information tech-  
8 nology, interpreters, outreach services, and recruit-  
9 ment.

10 (2) GOOD FAITH PARTICIPATION.—An eligible  
11 entity that receives a covered grant shall encourage  
12 each party participating in the landlord-tenant medi-  
13 ation program funded by the grant to make a good  
14 faith effort to discuss potential resolutions.

15 (3) GEOGRAPHIC AND POPULATION DIVER-  
16 SITY.—The Secretary shall ensure, to the maximum  
17 extent practicable, that recipients of covered grants  
18 represent—

19 (A) diverse geographical areas of the  
20 United States; and

21 (B) States, political subdivisions of States,  
22 and Indian Tribes of varying population sizes.

23 (4) FREE TO TENANTS.—A tenant may not be  
24 charged for participating in landlord-tenant medi-  
25 ation funded by a covered grant.

1 (e) OVERSIGHT REQUIREMENTS.—For each year of  
2 a covered grant received by an eligible entity, the eligible  
3 entity shall submit to the Secretary a report that—

4 (1) describes how the eligible entity used the  
5 grant funds during that year; and

6 (2) includes any performance data, relating to  
7 programs funded by the covered grant, that the eli-  
8 gible entity submitted to a State or political subdivi-  
9 sion thereof, if applicable.

10 (f) AUTHORIZATION OF APPROPRIATIONS.—There  
11 are authorized to be appropriated to carry out this section  
12 such sums as may be necessary for fiscal year 2020 and  
13 each fiscal year thereafter.

14 **SEC. 6. STUDY AND DEMONSTRATION OF EVICTION-PRE-**  
15 **VENTING INSURANCE MODELS.**

16 (a) IN GENERAL.—Not later than 18 months after  
17 the date of enactment of this Act, the Secretary shall  
18 study, and submit to Congress a report on—

19 (1) insurance models designed to reduce evic-  
20 tions or expand access to rental opportunities for  
21 tenants, such as rental payment insurance;

22 (2) the cost of various insurance models de-  
23 scribed in paragraph (1); and

1           (3) the effects of various insurance models de-  
2           scribed in paragraph (1) on tenants, landlords, and  
3           housing markets.

4           (b) OBJECTIVES.—In conducting the study under  
5 subsection (a), the Secretary shall seek to—

6           (1) better understand insurance models de-  
7           scribed in that subsection that are not widely avail-  
8           able in the United States;

9           (2) assess the viability of the insurance models  
10          in United States markets and how the insurance  
11          models could be implemented through private, pub-  
12          lic, or subsidized programs;

13          (3) determine whether insurance models in  
14          which the insurance policy is purchased by the ten-  
15          ant, the landlord, or a public entity would be most  
16          effective in achieving the objectives under this sub-  
17          section;

18          (4) study any existing relevant insurance pro-  
19          grams and the effectiveness of those programs, both  
20          domestically and internationally;

21          (5) study how Federal mortgage insurance pro-  
22          grams could help inform the structure or breadth of  
23          the insurance models;



1           (6) study how the insurance models could be  
2           structured in order to best prevent evictions, par-  
3           ticularly small-dollar evictions;

4           (7) study how to structure the insurance models  
5           in order to prevent moral hazard;

6           (8) study the potential for the insurance models  
7           to serve as a bridge for tenants between—

8                   (A) participating in more cost-intensive,  
9                   longer-term housing programs, such as public  
10                   housing under the United States Housing Act  
11                   of 1937 (42 U.S.C. 1437 et seq.) or rental as-  
12                   sistance under section 8 of that Act (42 U.S.C.  
13                   1437f); and

14                   (B) leaving the programs described in sub-  
15                   paragraph (A) entirely;

16           (9) study how the insurance models could be  
17           tailored to target or benefit lower-income families or  
18           vulnerable renters; and

19           (10) study the extent to which the insurance  
20           models could be paired with landlord-tenant medi-  
21           ation efforts.

22           (c) RESULTS OF STUDY.—

23                   (1) REPORT.—The Secretary shall include in  
24                   the report under subsection (a)—

1 (A) a description of any insurance models  
2 that—

3 (i) have the strongest potential to  
4 achieve the objectives under subsection (b);  
5 and

6 (ii) could be tested through a dem-  
7 onstration project; and

8 (B) a proposal for a demonstration project  
9 to test the most promising insurance model de-  
10 scribed in subparagraph (A).

11 (2) DEMONSTRATION PROJECT PRIORITY FOR  
12 GRANT RECIPIENTS.—In selecting the jurisdiction in  
13 which to conduct the demonstration project proposed  
14 under paragraph (1)(B), the Secretary shall give pri-  
15 ority to jurisdictions served by a recipient of a cov-  
16 ered grant.

17 (3) BUDGET REQUEST.—After submitting the  
18 report under subsection (a), the Secretary shall in-  
19 clude in the first annual budget request that the  
20 Secretary submits to Congress under section 1105 of  
21 title 31, United States Code, a request for funds for  
22 the demonstration proposal described in paragraph  
23 (1)(B).

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