

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 1728
OFFERED BY MRS. AXNE OF IOWA**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Strategy and Invest-
3 ment in Rural Housing Preservation Act of 2022”.

**4 SEC. 2. PERMANENT ESTABLISHMENT OF HOUSING PRES-
5 ERVATION AND REVITALIZATION PROGRAM.**

6 (a) IN GENERAL.—Title V of the Housing Act of
7 1949 (42 U.S.C. 1471 et seq.) is amended by adding at
8 the end the following new section:

**9 “SEC. 545. HOUSING PRESERVATION AND REVITALIZATION
10 PROGRAM.**

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

15 “(b) NOTICE OF MATURING LOANS.—

16 “(1) TO OWNERS.—On an annual basis, the
17 Secretary shall provide written notice to each owner
18 of a property financed under section 515 or both

1 sections 514 and 516 that will mature within the 4-
2 year period beginning upon the provision of such no-
3 tice, setting forth the options and financial incen-
4 tives that are available to facilitate the extension of
5 the loan term or the option to decouple a rental as-
6 sistance contract pursuant to subsection (f).

7 “(2) TO TENANTS.—

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

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

1 “(c) LOAN RESTRUCTURING.—Under the program
2 under this section, when requested by the owner or the
3 Secretary, the Secretary may restructure such existing
4 housing loans, as the Secretary considers appropriate, for
5 the purpose of ensuring that such projects have sufficient
6 resources to preserve the projects to provide safe and af-
7 fordable housing for low-income residents and farm labor-
8 ers, by—

9 “(1) reducing or eliminating interest;

10 “(2) deferring loan payments;

11 “(3) subordinating, reducing, or reamortizing
12 loan debt; and

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

17 “(d) RENEWAL OF RENTAL ASSISTANCE.—

18 “(1) IN GENERAL.—When the Secretary offers
19 to restructure a loan or agrees to an owner’s pro-
20 posal for restructuring, pursuant to subsection (c),
21 the Secretary shall offer to renew the rental assist-
22 ance contract under section 521(a)(2) for a 20-year
23 term that is subject to annual appropriations, pro-
24 vided that property is or will be maintained as de-

1 cent, safe, and sanitary housing for the full term of
2 the rental assistance contract.

3 “(2) INSUFFICIENT AVAILABILITY.—If rental
4 assistance is not available for all households in a
5 project that is being restructured, the Secretary may
6 extend additional rental assistance to unassisted
7 households residing in the project provided it is nec-
8 essary to make the project safe and affordable to
9 low-income households. In cases in which a property
10 is not available, the Secretary may offer a rental as-
11 sistance voucher to tenants.

12 “(e) RESTRICTIVE USE AGREEMENTS.—

13 “(1) REQUIREMENT.—As part of the preserva-
14 tion and revitalization agreement for a project, the
15 Secretary shall obtain a restrictive use agreement
16 that obligates the owner to operate the project in ac-
17 cordance with this title.

18 “(2) TERM.—

19 “(A) NO EXTENSION OF RENTAL ASSIST-
20 ANCE CONTRACT.—Except when the Secretary
21 enters into a 20-year extension of the rental as-
22 sistance contract for the project, the term of
23 the restrictive use agreement for the project
24 shall be consistent with the term of the restruc-
25 tured loan for the project.

1 “(B) EXTENSION OF RENTAL ASSISTANCE
2 CONTRACT.—If the Secretary enters into a 20-
3 year extension of the rental assistance contract
4 for a project, the term of the restrictive use
5 agreement for the project shall be for 20 years.

6 “(C) TERMINATION.—The Secretary may
7 terminate the 20-year use restrictive use agree-
8 ment for a project prior to the end of its term
9 if the 20-year rental assistance contract for the
10 project with the owner is terminated at any
11 time for reasons outside the owner’s control.

12 “(f) DECOUPLING OF RENTAL ASSISTANCE.—

13 “(1) RENEWAL OF RENTAL ASSISTANCE CON-
14 TRACT.—

15 “(A) IN GENERAL.—If the Secretary deter-
16 mines that a maturing loan for a project cannot
17 reasonably be restructured in accordance with
18 subsection (c) because it is not financially fea-
19 sible or the owner does not agree, and the
20 project was operating with rental assistance
21 under section 521, the Secretary may renew the
22 rental assistance contract, notwithstanding any
23 provision of section 521, for a term, subject to
24 annual appropriations, of at least 10 years but
25 not more than 20 years.

1 “(B) INSUFFICIENT AVAILABILITY.—If
2 rental assistance is not available for all house-
3 holds in a project that is being restructured, the
4 Secretary may extend additional rental assist-
5 ance to unassisted households residing in the
6 project provided it is necessary to make the
7 project safe and affordable to low-income house-
8 holds.

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

16 “(A) the budget-based needs of the project;
17 or

18 “(B) the operating cost adjustment factor
19 as a payment standard as provided under sec-
20 tion 524 of the Multifamily Assisted Housing
21 Reform and Affordability Act of 1997 (42
22 U.S.C. 1437 note).

23 “(3) CONDITIONS OF APPROVAL.—Before ap-
24 proval of a rental assistance contract authorized
25 under this section, the Secretary shall require the

1 owner to identify financing sources and a timetable
2 for renovations and improvements deemed necessary
3 by the Secretary to maintain and preserve the prop-
4 erty. If such plan is not acted upon by the Secretary
5 within 60 days of submissions, the rental assistance
6 contract shall be considered to be approved for not
7 more than a one-year period.

8 “(g) MULTIFAMILY HOUSING TRANSFER TECHNICAL
9 ASSISTANCE.—Under the program under this section, the
10 Secretary may provide grants to qualified non-profit orga-
11 nizations and public housing agencies to provide technical
12 assistance, including financial and legal services, to bor-
13 rowers under loans under this title for multifamily housing
14 to facilitate the acquisition of such multifamily housing
15 properties in areas where the Secretary determines there
16 is a risk of loss of affordable housing.

17 “(h) TRANSFER OF RENTAL ASSISTANCE.—After the
18 loan or loans for a rental project originally financed under
19 section 515 or both sections 514 and 516 have matured
20 or have been prepaid and the owner has chosen not to
21 restructure the loan pursuant to subsection (c), a tenant
22 residing in such project shall have 18 months prior to loan
23 maturation or prepayment to transfer the rental assist-
24 ance assigned to the tenant’s unit to another rental project
25 originally financed under section 515 or section 514 or

1 516. Such tenants will have priority for admission over
2 other applicants. The owner of the initial project may rent
3 the tenant's previous unit to a new tenant without income
4 restrictions.

5 “(i) ADMINISTRATIVE EXPENSES.—Of any amounts
6 made available for the program under this section for any
7 fiscal year, the Secretary may use not more than
8 \$1,000,000 for administrative expenses for carrying out
9 such program.

10 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
11 is authorized to be appropriated for the program under
12 this section \$200,000,000 for each of fiscal years 2023
13 through 2027.”.

14 (b) RULEMAKING.— Not later than 180 days after
15 the date of the enactment of this Act, the Secretary of
16 Agriculture shall publish a Notice of Advance Rulemaking
17 to implement section 545 of the Housing Act of 1949, as
18 added by the amendment made by subsection (a) of this
19 section. Not later than 12 months after the date of the
20 enactment of this Act, the Secretary shall publish an in-
21 terim final rule.

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

23 Section 542 of the Housing Act of 1949 (42 U.S.C.
24 1490r) is amended by adding at the end the following new
25 subsection:

1 “(c) ELIGIBILITY OF HOUSEHOLDS IN SECTIONS
2 514, 515, AND 516 PROJECTS.—The Secretary may pro-
3 vide rural housing vouchers under this section for any low-
4 income household (including those not receiving rental as-
5 sistance) residing, for a term longer than the remaining
6 term of their lease in effect just prior to prepayment, in
7 a property financed with a loan made or insured under
8 section 514 or 515 (42 U.S.C. 1484, 1485) which has
9 been prepaid without restrictions imposed by the Secretary
10 pursuant to section 502(c)(5)(G)(ii)(I) (42 U.S.C.
11 1472(c)(5)(G)(ii)(I)), has been foreclosed, or has matured
12 after September 30, 2005, or residing in a property as-
13 sisted under section 514 or 516. The Secretary shall pro-
14 vide a priority for projects owned by non-profit organiza-
15 tions and their affiliates or public agencies.”.

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

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

1 **SEC. 5. RENTAL ASSISTANCE CONTRACT AUTHORITY.**

2 Subsection (d) of section 521 of the Housing Act of
3 1949 (42 U.S.C. 1490a(d)) is amended by adding at the
4 end the following new paragraph:

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

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

15 “(i) is residing in the same rental project
16 that the assisted family resided in prior to such
17 termination; or

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

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

1 **SEC. 6. FUNDING FOR MULTIFAMILY TECHNICAL IMPROVE-**
2 **MENTS.**

3 There is authorized to be appropriated to the Sec-
4 retary of Agriculture \$50,000,000 for fiscal year 2023 for
5 improving the technology of the Department of Agri-
6 culture used to process loans for multifamily housing and
7 otherwise managing such housing. Such improvements
8 shall be made within the 5-year period beginning upon the
9 appropriation of such amounts and such amount shall re-
10 main available until the expiration of such 5-year period.

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

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

21 (1) set forth specific performance goals and
22 measures;

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

1 (3) set forth specific measurements by which
2 progress towards achievement of each goal can be
3 measured;

4 (4) provide for detailed reporting on outcomes;
5 and

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

8 (b) ADVISORY COMMITTEE.—

9 (1) ESTABLISHMENT; PURPOSE.—The Sec-
10 retary shall establish an advisory committee whose
11 purpose shall be to assist the Secretary in preserving
12 section 515 properties and section 514 properties
13 through the multifamily housing preservation and
14 revitalization program under section 545 and in im-
15 plementing the plan required under subsection (a).

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

19 (A) A State Director of Rural Develop-
20 ment for the Department of Agriculture.

21 (B) The Administrator for Rural Housing
22 Service of the Department of Agriculture.

23 (C) Two representatives of for-profit devel-
24 opers or owners of multifamily rural rental
25 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 (K) Two representatives from non-profit
2 organizations representing farmworkers, includ-
3 ing one organization representing farmworker
4 women.

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

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

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

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

1 improvements and modifications to such policies
2 and procedures.

3 (C) Providing ongoing review of Rural
4 Housing Service program results.

5 (D) Providing reports to the Congress and
6 the public on meetings, recommendations, and
7 other findings of the advisory committee.

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

