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(Original Signature of Member)

118TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To establish a permanent rural housing preservation and revitalization program, and for other purposes.

\_\_\_\_\_  
IN THE HOUSE OF REPRESENTATIVES

Mr. CLEAVER introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To establish a permanent rural housing preservation and revitalization program, 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 2023”.

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

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

6 **“SEC. 545. HOUSING PRESERVATION AND REVITALIZATION**  
7 **PROGRAM.**

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

12 “(b) NOTICE OF MATURING LOANS.—

13 “(1) TO OWNERS.—On an annual basis, the  
14 Secretary shall provide written notice to each owner  
15 of a property financed under section 515 or both  
16 sections 514 and 516 that will mature within the 4-  
17 year period beginning upon the provision of the no-  
18 tice, setting forth the options and financial incen-  
19 tives that are available to facilitate the extension of  
20 the loan term or the option to decouple a rental as-  
21 sistance contract pursuant to subsection (f).

22 “(2) TO TENANTS.—

23 “(A) IN GENERAL.—For each property fi-  
24 nanced under section 515 or both sections 514  
25 and 516, not later than the date that is 2 years  
26 before the date that the loan will mature, the

1 Secretary shall provide written notice to each  
2 household residing in the property that informs  
3 them of the date of the loan maturity, the pos-  
4 sible actions that may happen with respect to  
5 the property upon that maturity, and how to  
6 protect their right to reside in federally assisted  
7 housing after that maturity.

8 “(B) LANGUAGE.—Notice under this para-  
9 graph shall be provided in plain English and  
10 shall be translated to other languages in the  
11 case of any property located in an area in which  
12 a significant number of residents speak such  
13 other languages.

14 “(c) LOAN RESTRUCTURING.—Under the program  
15 under this section, in any circumstance in which the Sec-  
16 retary proposes a restructuring to an owner or an owner  
17 proposes a restructuring to the Secretary, the Secretary  
18 may restructure such existing housing loans, as the Sec-  
19 retary considers appropriate, for the purpose of ensuring  
20 that those projects have sufficient resources to preserve  
21 the projects to provide safe and affordable housing for low-  
22 income residents and farm laborers, by—

23 “(1) reducing or eliminating interest;

24 “(2) deferring loan payments;

1           “(3) subordinating, reducing, or reamortizing  
2           loan debt; and

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

7           “(d) RENEWAL OF RENTAL ASSISTANCE.—

8           “(1) IN GENERAL.—When the Secretary pro-  
9           poses to restructure a loan or agrees to the proposal  
10          of an owner to restructure a loan pursuant to sub-  
11          section (c), the Secretary shall offer to renew the  
12          rental assistance contract under section 521(a)(2)  
13          for a 20-year term that is subject to annual appro-  
14          priations, provided that the owner agrees to bring  
15          the property up to or maintain the property at such  
16          standards that will ensure maintenance of the prop-  
17          erty as decent, safe, and sanitary housing for the  
18          full term of the rental assistance contract.

19          “(2) ADDITIONAL RENTAL ASSISTANCE.—

20          “(A) IN GENERAL.—With respect to a  
21          project described in paragraph (1), if rental as-  
22          sistance is not available for all households in  
23          the project for which the loan is being restruc-  
24          tured pursuant to subsection (c), the Secretary  
25          may extend such additional rental assistance to

1 unassisted households at that project as is nec-  
2 essary to make the project safe and affordable  
3 to low-income households.

4 “(B) UNAVAILABLE PROPERTY.—In the  
5 event that a property is not available to provide  
6 additional rental assistance to households under  
7 subparagraph (A), the Secretary may offer a  
8 rural housing voucher to those households.

9 “(e) RESTRICTIVE USE AGREEMENTS.—

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

15 “(2) TERM.—

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

23 “(B) EXTENSION OF RENTAL ASSISTANCE  
24 CONTRACT.—If the Secretary enters into a 20-  
25 year extension of the rental assistance contract

1 for a project, the term of the restrictive use  
2 agreement for the project shall be for 20 years.

3 “(C) TERMINATION.—The Secretary may  
4 terminate the 20-year use restrictive use agree-  
5 ment for a project before the end of the term  
6 of the agreement if the 20-year rental assist-  
7 ance contract for the project with the owner is  
8 terminated at any time for reasons outside the  
9 control of the owner.

10 “(f) DECOUPLING OF RENTAL ASSISTANCE.—

11 “(1) RENEWAL OF RENTAL ASSISTANCE CON-  
12 TRACT.—If the Secretary determines that a matur-  
13 ing loan for a project cannot reasonably be restruc-  
14 tured in accordance with subsection (c) because it is  
15 not financially feasible or the owner does not agree  
16 with the proposed restructuring, and the project was  
17 operating with rental assistance under section 521,  
18 the Secretary may renew the rental assistance con-  
19 tract, notwithstanding any provision of section 521,  
20 for a term, subject to annual appropriations, of 20  
21 years, provided that the owner enters into a restric-  
22 tive use agreement.

23 “(2) ADDITIONAL RENTAL ASSISTANCE.—With  
24 respect to a project described in paragraph (1), if  
25 rental assistance is not available for all households

1 in the project, the Secretary may extend such addi-  
2 tional rental assistance to unassisted households at  
3 that project as is necessary to make the project safe  
4 and affordable to low-income households.

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

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

13 or

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

19 “(4) CONDITIONS FOR APPROVAL.—

20 “(A) PLAN.—Before the approval of a  
21 rental assistance contract authorized under this  
22 section, the Secretary shall require the owner to  
23 submit to the Secretary a plan that identifies fi-  
24 nancing sources and a timetable for renovations  
25 and improvements determined to be necessary

1 by the Secretary to maintain and preserve the  
2 project.

3 “(B) AUTOMATIC APPROVAL.—If a plan  
4 submitted under subparagraph (A) is not acted  
5 upon by the Secretary within 30 days of the  
6 submission, the rental assistance contract is  
7 automatically approved for not more than a 1-  
8 year period.

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

18 “(h) TRANSFER OF RENTAL ASSISTANCE.—After the  
19 loan or loans for a rental project originally financed under  
20 section 515 or both sections 514 and 516 have matured  
21 or have been prepaid and the owner has chosen not to  
22 restructure the loan pursuant to subsection (c)—

23 “(1) a tenant residing in the project shall have  
24 18 months before loan maturation or prepayment to  
25 transfer the rental assistance assigned to the unit of



1 the tenant to another rental project originally fi-  
2 nanced under section 515 or both sections 514 and  
3 516, and such tenants will have priority for admis-  
4 sion over other applicants; and

5 “(2) the owner of the initial project may rent  
6 the previous unit of the tenant to a new tenant with-  
7 out income restrictions.

8 “(i) ADMINISTRATIVE EXPENSES.—Of any amounts  
9 made available for the program under this section for any  
10 fiscal year, the Secretary may use not more than  
11 \$1,000,000 for administrative expenses for carrying out  
12 such program.

13 “(j) AUTHORIZATION OF APPROPRIATIONS.—There  
14 is authorized to be appropriated for the program under  
15 this section \$200,000,000 for each of fiscal years 2024  
16 through 2028.

17 “(k) RULEMAKING.—

18 “(1) IN GENERAL.—Not later than 180 days  
19 after the date of enactment of the Strategy and In-  
20 vestment in Rural Housing Preservation Act of  
21 2023, the Secretary shall—

22 “(A) publish an advance notice of proposed  
23 rulemaking; and

24 “(B) consult with appropriate stake-  
25 holders.

1           “(2) INTERIM FINAL RULE.—Not later than 1  
2           year after the date of enactment of the Strategy and  
3           Investment in Rural Housing Preservation Act of  
4           2023, the Secretary shall publish an interim final  
5           rule to carry out this section.”.

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

7           Section 542 of the Housing Act of 1949 (42 U.S.C.  
8           1490r) is amended by adding at the end the following:

9           “(c) ELIGIBILITY OF HOUSEHOLDS IN SECTIONS  
10          514, 515, AND 516 PROJECTS.—

11           “(1) IN GENERAL.—The Secretary may provide  
12           rural housing vouchers under this section for any  
13           low-income household (including those not receiving  
14           rental assistance) residing—

15           “(A) for a term longer than the remaining  
16           term of their lease in effect just prior to pre-  
17           payment, in a property financed with a loan  
18           made or insured under section 514 or 515 that  
19           has—

20           “(i) been prepaid without restrictions  
21           imposed by the Secretary pursuant to sec-  
22           tion 502(c)(5)(G)(ii)(I);

23           “(ii) been foreclosed; or

1                   “(iii) matured after September 30,  
2                   2005 and the property is not receiving  
3                   rental assistance under section 545(f); or  
4                   “(B) in a property assisted under section  
5                   514 or 516.

6                   “(2) PRIORITY.—The Secretary shall prioritize  
7                   the provision of rental housing vouchers under this  
8                   section for projects owned by nonprofit organizations  
9                   and their affiliates or public agencies.”.

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

11                   Notwithstanding any other provision of law, in the  
12                   case of any rural housing voucher provided pursuant to  
13                   section 542 of the Housing Act of 1949 (42 U.S.C.  
14                   1490r), the amount of the monthly assistance payment for  
15                   the household on whose behalf the assistance is provided  
16                   shall be determined as provided in subsection (a) of such  
17                   section 542.

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

19                   Section 521(d) of the Housing Act of 1949 (42  
20                   U.S.C. 1490a(d)) is amended—

21                   (1) in paragraph (1)—

22                   (A) by redesignating subparagraphs (B)  
23                   and (C) as subparagraphs (C) and (D), respec-  
24                   tively;

1 (B) by inserting after subparagraph (A)  
2 the following:

3 “(B) upon request of an owner of a project  
4 financed under section 514 or 515 or an owner  
5 who has entered into a restrictive use agree-  
6 ment under section 545(e), the Secretary is au-  
7 thorized to enter into a renewal of such agree-  
8 ments for a period of 20 years or the term of  
9 the loan, whichever is shorter, subject to  
10 amounts made available in appropriations  
11 Acts;”; and

12 (C) in subparagraph (C), as so redesign-  
13 ated, by striking “subparagraph (A)” and in-  
14 serting “subparagraphs (A) and (B)”; and

15 (D) in subparagraph (D), as so redesign-  
16 ated, by striking “subparagraphs (A) and  
17 (B)” and inserting “subparagraphs (A), (B),  
18 and (C)”; and

19 (2) in paragraph (2)—

20 (A) by striking “shall” and inserting  
21 “may”; and

22 (B) by inserting “(other than the authority  
23 described in paragraph (1)(B))” after “this sec-  
24 tion”.

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

3 (a) AUTHORIZATION OF APPROPRIATIONS.—There is  
4 authorized to be appropriated to the Secretary of Agri-  
5 culture \$50,000,000 for fiscal year 2024 for improving the  
6 technology of the Department of Agriculture used to proc-  
7 ess loans for multifamily housing and otherwise managing  
8 that housing.

9 (b) TIMELINE.—The improvements required under  
10 subsection (a) shall be made within the 5-year period be-  
11 ginning upon the appropriation of amounts under sub-  
12 section (a), and those amounts shall remain available until  
13 the expiration of that 5-year period.

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

16 (a) PLAN.—Not later than 6 months after the date  
17 of enactment of this Act, the Secretary of Agriculture (in  
18 this section referred to as the “Secretary”) shall submit  
19 to Congress a written plan for preserving the affordability  
20 for low-income families of rental projects for which loans  
21 were made under section 514 or 515 of the Housing Act  
22 of 1949 (42 U.S.C. 1484, 1485) and avoiding the displace-  
23 ment of tenant households, which shall—

24 (1) set forth specific performance goals and  
25 measures;

1           (2) set forth the specific actions and mecha-  
2           nisms by which those goals will be achieved;

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

6           (4) provide for detailed reporting on outcomes;  
7           and

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

10       (b) ADVISORY COMMITTEE.—

11           (1) ESTABLISHMENT; PURPOSE.—The Sec-  
12           retary shall establish an advisory committee (in this  
13           section referred to as the “advisory committee”) to  
14           assist the Secretary in—

15                   (A) preserving properties assisted under  
16                   section 514 or 515 of the Housing Act of 1949  
17                   (42 U.S.C. 1484, 1485) through the multi-  
18                   family housing preservation and revitalization  
19                   program under section 545 of such Act, as  
20                   added by section 2 of this Act; and

21                   (B) implementing the plan required under  
22                   subsection (a).

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

1 (A) A State Director of Rural Develop-  
2 ment for the Department of Agriculture.

3 (B) The Administrator for Rural Housing  
4 Service of the Department of Agriculture.

5 (C) Two representatives of for-profit devel-  
6 opers or owners of multifamily rural rental  
7 housing.

8 (D) Two representatives of nonprofit devel-  
9 opers or owners of multifamily rural rental  
10 housing.

11 (E) Two representatives of State housing  
12 finance agencies.

13 (F) Two representatives of tenants of mul-  
14 tifamily rural rental housing.

15 (G) One representative of a community de-  
16 velopment financial institution that is involved  
17 in preserving the affordability of housing as-  
18 sisted under sections 514, 515, and 516 of the  
19 Housing Act of 1949 (42 U.S.C. 1484, 1485,  
20 1486).

21 (H) One representative of a nonprofit or-  
22 ganization that operates nationally and has ac-  
23 tively participated in the preservation of hous-  
24 ing assisted by the Rural Housing Service by  
25 conducting research regarding, and providing fi-

1           nancing and technical assistance for, preserving  
2           the affordability of that housing.

3           (I) One representative of low-income hous-  
4           ing tax credit investors.

5           (J) One representative of regulated finan-  
6           cial institutions that finance affordable multi-  
7           family rural rental housing developments.

8           (K) Two representatives from nonprofit or-  
9           ganizations representing farmworkers, including  
10          1 organization representing farmworker women.

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

13          (4) FUNCTIONS.—In providing assistance to the  
14          Secretary to carry out the purpose of the advisory  
15          committee, the advisory committee shall carry out  
16          the following functions:

17                (A) Assisting the Rural Housing Service of  
18                the Department of Agriculture to improve esti-  
19                mates of the size, scope, and condition of rental  
20                housing portfolio of the Rural Housing Service,  
21                including the time frames for maturity of mort-  
22                gages and costs for preserving the portfolio as  
23                affordable housing.

24                (B) Reviewing policies and procedures of  
25                the Rural Housing Service regarding preserva-



1           tion of affordable rental housing financed under  
2           sections 514, 515, 516, and 538 of the Housing  
3           Act of 1949 (42 U.S.C. 1484, 1485, 1486,  
4           1490p–2), the Multifamily Preservation and  
5           Revitalization Demonstration program, and the  
6           rental assistance program and making rec-  
7           ommendations regarding improvements and  
8           modifications to those policies and procedures.

9           (C) Providing ongoing review of Rural  
10          Housing Service program results.

11          (D) Providing reports to Congress and the  
12          public on meetings, recommendations, and other  
13          findings of the advisory committee.

14          (5) TRAVEL COSTS.—Any amounts made avail-  
15          able for administrative costs of the Department of  
16          Agriculture may be used for costs of travel by mem-  
17          bers of the advisory committee to meetings of the  
18          advisory committee.