

**Suspend the Rules and Pass the Bill, H. R. 3620, With an  
Amendment**

**(The amendment strikes all after the enacting clause and inserts a  
complete substitute text)**

116TH CONGRESS  
1ST SESSION

# H. R. 3620

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.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 5, 2019

Mr. CLAY (for himself and Mr. CLEAVER) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Strategy and Invest-  
3 ment in Rural Housing Preservation Act of 2019”.

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

6 Title V of the Housing Act of 1949 (42 U.S.C. 1471  
7 et seq.) is amended by adding at the end the following  
8 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  
19 sections 514 and 516 that will mature within the 4-  
20 year period beginning upon the provision of such no-  
21 tice, setting forth the options and financial incen-  
22 tives that are available to facilitate the extension of  
23 the loan term or the option to decouple a rental as-  
24 sistance contract pursuant to subsection (f).

25 “(2) TO TENANTS.—

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

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

18          “(c) LOAN RESTRUCTURING.—Under the program  
19          under this section, the Secretary may restructure such ex-  
20          isting housing loans, as the Secretary considers appro-  
21          priate, for the purpose of ensuring that such projects have  
22          sufficient resources to preserve the projects to provide safe  
23          and affordable housing for low-income residents and farm  
24          laborers, by—

25                 “(1) reducing or eliminating interest;

1           “(2) deferring loan payments;

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

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

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

17          “(e) RESTRICTIVE USE AGREEMENTS.—

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

23                 “(2) TERM.—

24                         “(A) NO EXTENSION OF RENTAL ASSIST-  
25                         ANCE CONTRACT.—Except when the Secretary

1 enters into a 20-year extension of the rental as-  
2 sistance contract for the project, the term of  
3 the restrictive use agreement for the project  
4 shall be consistent with the term of the restruc-  
5 tured loan for the project.

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

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

17 “(f) DECOUPLING OF RENTAL ASSISTANCE.—

18 “(1) RENEWAL OF RENTAL ASSISTANCE CON-  
19 TRACT.—If the Secretary determines that a matur-  
20 ing loan for a project cannot reasonably be restruc-  
21 tured in accordance with subsection (c) and the  
22 project was operating with rental assistance under  
23 section 521, the Secretary may renew the rental as-  
24 sistance contract, notwithstanding any provision of  
25 section 521, for a term, subject to annual appropria-

1 tions, of at least 10 years but not more than 20  
2 years.

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

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

11 or

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

17 “(g) MULTIFAMILY HOUSING TRANSFER TECHNICAL  
18 ASSISTANCE.—Under the program under this section, the  
19 Secretary may provide grants to qualified non-profit orga-  
20 nizations and public housing agencies to provide technical  
21 assistance, including financial and legal services, to bor-  
22 rowers under loans under this title for multifamily housing  
23 to facilitate the acquisition of such multifamily housing  
24 properties in areas where the Secretary determines there  
25 is a risk of loss of affordable housing.

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

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

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

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 SECTION 514,  
2 515, AND 516 PROJECTS.—The Secretary may provide  
3 rural housing vouchers under this section for any low-in-  
4 come household (including those not receiving rental as-  
5 sistance) residing in a property financed with a loan made  
6 or insured under section 514 or 515 (42 U.S.C. 1484,  
7 1485) which has been prepaid, has been foreclosed, or has  
8 matured after September 30, 2005, or residing in a prop-  
9 erty assisted under section 514 or 516 that is owned by  
10 a nonprofit organization or public agency.”.

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

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

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

20           Subsection (d) of section 521 of the Housing Act of  
21 1949 (42 U.S.C. 1490a(d)) is amended by adding at the  
22 end the following new paragraph:

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



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

8                       “(i) is residing in the same rental project  
9                       that the assisted family resided in prior to such  
10                      termination; or

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

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

19 **SEC. 6. FUNDING FOR MULTIFAMILY TECHNICAL IMPROVE-**  
20 **MENTS.**

21           There is authorized to be appropriated to the Sec-  
22           retary of Agriculture \$50,000,000 for fiscal year 2020 for  
23           improving the technology of the Department of Agri-  
24           culture used to process loans for multifamily housing and  
25           otherwise managing such housing. Such improvements

1 shall be made within the 5-year period beginning upon the  
2 appropriation of such amounts and such amount shall re-  
3 main available until the expiration of such 5-year period.

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

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

15 (1) set forth specific performance goals and  
16 measures;

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

19 (3) set forth specific measurements by which  
20 progress towards achievement of each goal can be  
21 measured;

22 (4) provide for detailed reporting on outcomes;  
23 and

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

1 (b) ADVISORY COMMITTEE.—

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

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

13 (A) A State Director of Rural Develop-  
14 ment for the Department of Agriculture.

15 (B) The Administrator for Rural Housing  
16 Service of the Department of Agriculture.

17 (C) 2 representatives of for-profit devel-  
18 opers or owners of multifamily rural rental  
19 housing.

20 (D) 2 representatives of non-profit devel-  
21 opers or owners of multifamily rural rental  
22 housing.

23 (E) 2 representatives of State housing fi-  
24 nance agencies.

1 (F) 2 representatives of tenants of multi-  
2 family rural rental housing.

3 (G) 1 representative of a community devel-  
4 opment financial institution that is involved in  
5 preserving the affordability of housing assisted  
6 under sections 514, 515, and 516 of the Hous-  
7 ing Act of 1949.

8 (H) 1 representative of a nonprofit organi-  
9 zation that operates nationally and has actively  
10 participated in the preservation of housing as-  
11 sisted by the Rural Housing Service by con-  
12 ducting research regarding, and providing fi-  
13 nancing and technical assistance for, preserving  
14 the affordability of such housing.

15 (I) 1 representative of low-income housing  
16 tax credit investors.

17 (J) 1 representative of regulated financial  
18 institutions that finance affordable multifamily  
19 rural rental housing developments.

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

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

1 (A) Assisting the Rural Housing Service of  
2 the Department of Agriculture to improve esti-  
3 mates of the size, scope, and condition of rental  
4 housing portfolio of the Service, including the  
5 time frames for maturity of mortgages and  
6 costs for preserving the portfolio as affordable  
7 housing.

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

18 (C) Providing ongoing review of Rural  
19 Housing Service program results.

20 (D) Providing reports to the Congress and  
21 the public on meetings, recommendations, and  
22 other findings of the advisory committee.

23 (5) TRAVEL COSTS.—Any amounts made avail-  
24 able for administrative costs of the Department of  
25 Agriculture may be used for costs of travel by mem-

1       bers of the advisory committee to meetings of the  
2       committee.

3       **SEC. 8. COVERED HOUSING PROGRAMS.**

4       Paragraph (3) of section 41411(a) of the Violence  
5       Against Women Act of 1994 (34 U.S.C. 12491(a)(3)) is  
6       amended—

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

9               (2) by redesignating subparagraph (J) as sub-  
10       paragraph (K); and

11               (3) by inserting after subparagraph (I) the fol-  
12       lowing new subparagraph:

13                       “(J) rural development housing voucher  
14       assistance provided by the Secretary of Agri-  
15       culture pursuant to section 542 of the Housing  
16       Act of 1949 (42 U.S.C. 1490r), without regard  
17       to subsection (b) of such section, and applicable  
18       appropriation Acts; and”.