

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 3620
OFFERED BY MR. CLAY OF MISSOURI**

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 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

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, the Secretary may restructure such ex-
3 isting housing loans, as the Secretary considers appro-
4 priate, for the purpose of ensuring that such projects have
5 sufficient resources to preserve the projects to provide safe
6 and affordable housing for low-income residents and farm
7 laborers, by—

8 “(1) reducing or eliminating interest;

9 “(2) deferring loan payments;

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

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

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

25 “(e) RESTRICTIVE USE AGREEMENTS.—

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

6 “(2) TERM.—

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

14 “(B) EXTENSION OF RENTAL ASSISTANCE
15 CONTRACT.—If the Secretary enters into a 20-
16 year extension of the rental assistance contract
17 for a project, the term of the restrictive use
18 agreement for the project shall be for 20 years.

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

25 “(f) DECOUPLING OF RENTAL ASSISTANCE.—

1 “(1) RENEWAL OF RENTAL ASSISTANCE CON-
2 TRACT.—If the Secretary determines that a matur-
3 ing loan for a project cannot reasonably be restruc-
4 tured in accordance with subsection (c) and the
5 project was operating with rental assistance under
6 section 521, the Secretary may renew the rental as-
7 sistance contract, notwithstanding any provision of
8 section 521, for a term, subject to annual appropria-
9 tions, of at least 10 years but not more than 20
10 years.

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

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

19 or

20 “(B) (ii) the operating cost adjustment
21 factor as a payment standard as provided under
22 section 524 of the Multifamily Assisted Hous-
23 ing Reform and Affordability Act of 1997 (42
24 U.S.C. 1437 note).

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

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

22 “(i) ADMINISTRATIVE EXPENSES.—Of any amounts
23 made available for the program under this section for any
24 fiscal year, the Secretary may use not more than

1 \$1,000,000 for administrative expenses for carrying out
2 such program.

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

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

8 Section 542 of the Housing Act of 1949 (42 U.S.C.
9 1490r) is amended by adding at the end the following new
10 subsection:

11 “(c) ELIGIBILITY OF HOUSEHOLDS IN SECTION 514,
12 515, AND 516 PROJECTS.—The Secretary may provide
13 rural housing vouchers under this section for any low-in-
14 come household (including those not receiving rental as-
15 sistance) residing in a property financed with a loan made
16 or insured under section 514 or 515 (42 U.S.C. 1484,
17 1485) which has been prepaid, has been foreclosed, or has
18 matured after September 30, 2005, or residing in a prop-
19 erty assisted under section 514 or 516 that is owned by
20 a nonprofit organization or public agency.”.

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

22 Notwithstanding any other provision of law, in the
23 case of any rural housing voucher provided pursuant to
24 section 542 of the Housing Act of 1949 (42 U.S.C.
25 1490r), the amount of the monthly assistance payment for

1 the household on whose behalf such assistance is provided
2 shall be determined as provided in subsection (a) of such
3 section 542.

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

5 Subsection (d) of section 521 of the Housing Act of
6 1949 (42 U.S.C. 1490a(d)) is amended by adding at the
7 end the following new paragraph:

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

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

18 “(i) is residing in the same rental project
19 that the assisted family resided in prior to such
20 termination; or

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

23 “(B) except for assistance used as provided in
24 subparagraph (A), the Secretary shall use such re-
25 maining authority to provide such assistance on be-

1 half of eligible families residing in other rental
2 projects originally financed under section 515 or
3 both sections 514 and 516 of this Act.”.

4 **SEC. 6. FUNDING FOR MULTIFAMILY TECHNICAL IMPROVE-**
5 **MENTS.**

6 There is authorized to be appropriated to the Sec-
7 retary of Agriculture \$50,000,000 for fiscal year 2020 for
8 improving the technology of the Department of Agri-
9 culture used to process loans for multifamily housing and
10 otherwise managing such housing. Such improvements
11 shall be made within the 5-year period beginning upon the
12 appropriation of such amounts and such amount shall re-
13 main available until the expiration of such 5-year period.

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

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

1 (1) set forth specific performance goals and
2 measures;

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

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

8 (4) provide for detailed reporting on outcomes;
9 and

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

12 (b) ADVISORY COMMITTEE.—

13 (1) ESTABLISHMENT; PURPOSE.—The Sec-
14 retary shall establish an advisory committee whose
15 purpose shall be to assist the Secretary in preserving
16 section 515 properties and section 514 properties
17 owned by nonprofit or public agencies through the
18 multifamily housing preservation and revitalization
19 program under section 545 and in implementing the
20 plan required under subsection (a).

21 (2) MEMBER.—The advisory shall consist of 13
22 members, appointed by the Secretary, as follows:

23 (A) A State Director of Rural Develop-
24 ment for the Department of Agriculture.

1 (B) 2 representatives of for-profit devel-
2 opers or owners of multifamily rural rental
3 housing.

4 (C) 2 representatives of non-profit devel-
5 opers or owners of multifamily rural rental
6 housing.

7 (D) 2 representatives of State housing fi-
8 nance agencies.

9 (E) 2 representatives of tenants of multi-
10 family rural rental housing.

11 (F) 1 representative of a community devel-
12 opment financial institution that is involved in
13 preserving the affordability of housing assisted
14 under sections 514, 515, and 516 of the Hous-
15 ing Act of 1949.

16 (G) 1 representative of a nonprofit organi-
17 zation that operates nationally and has actively
18 participated in the preservation of housing as-
19 sisted by the Rural Housing Service by con-
20 ducting research regarding, and providing fi-
21 nancing and technical assistance for, preserving
22 the affordability of such housing.

23 (H) 1 representative of low-income housing
24 tax credit investors.

1 (I) 1 representative of regulated financial
2 institutions that finance affordable multifamily
3 rural rental housing developments.

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

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

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

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

1 (C) Providing ongoing review of Rural
2 Housing Service program results.

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

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

11 **SEC. 8. COVERED HOUSING PROGRAMS.**

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

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

17 (2) by redesignating subparagraph (J) as sub-
18 paragraph (K); and

19 (3) by inserting after subparagraph (I) the fol-
20 lowing new subparagraph:

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

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

