

[DISCUSSION DRAFT]

119TH CONGRESS
1ST SESSION

H. R. _____

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

IN THE HOUSE OF REPRESENTATIVES

M____. _____ 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 2025”.

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 2025
16 through 2029.

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 2025, 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 2025, 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;”;

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

15 (D) in subparagraph (D), as so redesign-
16 nated, 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 2025 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.